

ANNUAL REPORT

2022-2023

(1st April 2022 to 31st March 2023)

TPADL

TP-AJMER DISTRIBUTION LIMITED

TP AJMER DISTRIBUTION LIMITED

CIN: U40100MH2017PLC293914

Registered Office C/o The Tata Power Company Limited
Corporate Center, 34, Sant Tukaram Road,
Carnac Bunder, Mumbai 400009

Board of Directors of TP AJMER DISTRIBUTION LIMITED



Mr. Ganesh Srinivasan
(Chairman)



Mr. Dwijadas Basak
Non-Executive Director



Mr Suranjit Mishra
Non-Executive Director



Ms. Ritu Gupta
Non-Executive Director



Mr. Nilesh Kane
Non-Executive Director



Mr. Manoj Digambar Salvi
Chief Executive Officer

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| Annual General Meeting | |
|-------------------------------|---|
| Day & Date | : Friday, 7th July 2023 |
| Time | : 10:00 a.m. |
| Venue | : Board Room, Second Floor, NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110009 |

TP AJMER DISTRIBUTION LIMITED

NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the members of TP Ajmer Distribution Limited will be held on Friday, 7th July 2023 at 10:00 a.m. through video conferencing to transact the following business(es):

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2023 together with the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Suranjit Mishra (DIN: 08176957), who retires by rotation and being eligible, offers himself for re-appointment.
3. **Re-appointment of Statutory Auditors of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules made thereunder, M/s V Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 109208W), be and are hereby re-appointed as Statutory Auditors of the Company for a second term of five years, to hold office from the conclusion of this, the sixth Annual General Meeting (AGM) till the conclusion of eleventh AGM of the Company (i.e. from FY 2023-24 to FY 2027-28), to examine and audit the accounts of the Company, on such remuneration plus applicable taxes and out of pocket expenses, as may be determined in consultation with the Statutory Auditors and duly approved by the Board of Directors of the Company.”

Special Business:

4. **Ratification of Cost Auditor’s remuneration**

To consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

“**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,10,000/- (Rupees One lakh ten thousand only) plus other applicable taxes, travelling and out of pocket expenses incurred in connection with the audit payable to M/s Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2023-24.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to do all acts, matters, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

NOTES

- (1) The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") and the rules made thereunder, in regard to the business(es) set out in item nos. 3 and 4 and the relevant details of the Director of the Company seeking re-appointment as set out in item no. 2 above as required under Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
- (2) Pursuant to General Circulars No.14/2020 dated 8th April 2020, No.17/2020 dated 13th April 2020, No.20/2020 dated 5th May 2020, No. 02/2021 dated 13th January 2021, No. 21/2021 dated 14th December 2021, No. 2/2022 dated 5th May 2022 and No. 10/2022 dated 28th December 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the Twenty Second Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and the applicable provisions of the Act, the AGM of the members of the Company is being held through VC/OAVM. The deemed venue for Sixth Annual General Meeting will be at Board Room, Second Floor, NDPL House, Hudson Lines, Kingsway Camp, Delhi-110009.
- (3) Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote in the meeting to be held through VC/OAVM.
- (4) In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for FY 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice for FY 2022-23 will also be available on the Company's website <https://www.tpadl.com/>
- (5) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (6) Since the AGM will be held through VC/OAVM, the Route Map and Attendance Slip are not annexed in this Notice.
- (7) In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- (8) To support the 'Green Initiative', Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including annual reports, notices, circulars etc. from the Company electronically.
- (9) Updation of members' details:
The format of the register of members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end of this annual report.

Members holding shares in physical form are requested to submit the filled in form to the Company. Members holding shares in electronic form are requested to submit the details to their respective DPs.

- (10) Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, at the email id i.e. bhupinderjeet.kaur@tatapower-ddl.com so as to enable the Management to keep the information ready at the AGM.
- (11) Members may obtain meeting link and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self attested scanned copy of the PAN Card and any document (such as Driving License, Bank Statement, Election Card, Passport, Aadhaar Card) in support of the address of the Member as registered with the Company; to the email address of the Company i.e. bhupinderjeet.kaur@tatapower-ddl.com
- (12) The Company will provide facility for audio visual participation in AGM Weblink/recording etc.
- (13) The Company ensures that all other compliances associated with the provisions relating to general meetings viz. making of disclosures, inspection of related documents and registers, by members, including Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice or authorizations for voting by bodies corporate, etc. as provided in the Act and the Articles of Association of the Company are made available for inspection through electronic mode.
- (14) The Company ensures that the AGM through VC/OAVM facility allows two way videoconferencing or webex for the ease of participation of the members and the participants are allowed to pose questions concurrently or given time to submit questions in advance on the e-mail address of the Company i.e. bhupinderjeet.kaur@tatapower-ddl.com
- (15) The facility for joining the meeting shall be kept open for at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
- (16) A proxy is allowed to be appointed under Section 105 of the Act to attend and vote at a general meeting on behalf of a member who is not able to attend personally. Since AGM will be held through VC/OAVM, where physical attendance of members in any case has been dispensed with, there is no requirement for appointment of proxies. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence, the proxy form is not annexed to this notice. However, in pursuance of Sections 112 and 113 of the Act, representatives of the members may be appointed for the purpose of participation and voting in the meeting to be held through VC/OAVM.
- (17) The confidentiality of the password and other privacy issues associated with the designated email address shall be strictly maintained by the Company at all times. Due safeguards with regard to authenticity or email address(es) and other details of the members shall also be taken by the Company.

- (18) The meeting will be conducted through audio visual means (MS Teams). Members may participate in the meeting through the following link:

[Click here to join the meeting](#)

Meeting ID: 487 244 076 616

Passcode: WV6rZF

- (19) Disclosures with regard to the manner in which framework available for use by the members and clear instructions on how to access and participate in the meeting are clearly mentioned in this AGM Notice. 9654915833 is the helpline number for those shareholders who need assistance with using the technology before or during the meeting.
- (20) The Chairman may decide to conduct voting by show of hands, unless a demand for poll is made by any member, in accordance with Section 109 of the Act and the rules made thereunder.

Delhi, 14th April 2023
Corporate Identity No. :U40100MH2017PLC293914

By order of the Board
For **TP Ajmer Distribution Limited**

Registered Office:

C/o The Tata Power Company Limited
34, Sant Tukaram Road
Carnac Bunder, Mumbai 400 009, Maharashtra
Tel: 0145-2643091
email: Customercare.tpadl@tatapower.com
Website: <https://tpadl.com/>

Sd/-
(Bhupinder Jeet Kaur)
Company Secretary
Membership No. 33905

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by Section 102 of the Companies Act, 2013 ("the Act"), the following explanatory statement sets out all material facts relating to the businesses mentioned under item nos. 3 and 4 of the accompanying notice dated 14th April 2023.

Item no.3: This explanatory statement is provided though strictly not required as per Section 102 of the Act.

The shareholders of the Company in their Annual General Meeting (AGM) held on 20th July 2018 had approved appointment of M/s V Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 109208W) as Statutory Auditors to hold office for a period of five years from the conclusion of 1st AGM till the conclusion of 6th AGM of the Company (i.e. from FY 2018-19 to FY 2022-23), pursuant to the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the rules made thereunder.

M/s V Sankar Aiyar & Co. have conducted the Statutory Audit of the Company from FY 2018-19 to FY 2022-23 and their performance was found to be satisfactory.

The Board of Directors recommends to re-appoint M/s V Sankar Aiyar & Co. as Statutory Auditors for second term of five years to hold office from the conclusion of sixth AGM till the conclusion of eleventh AGM of the Company (i.e. from FY 2023-24 to FY 2027-28).

The Company has received written consent and eligibility certificate from M/s V Sankar Aiyar & Co. to act as Statutory Auditors of the Company along with a confirmation that, their re-appointment, if made, would be within the limits prescribed under the Act.

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item no. 3 of the accompanying notice.

The Board recommends the resolution at item no. 3 of the accompanying notice for re-appointment of Statutory Auditors of the Company, by the members of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 3 of the accompanying notice.

Item no. 4: Pursuant to the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to have the audit of its cost records conducted by a cost accountant in practice and the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company at the General Meeting. The Board of Directors have approved the re-appointment of M/s Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the financial year 2023-24, at a remuneration of ₹ 1,10,000/- (Rupees One lakh ten thousand only) plus other applicable taxes, travelling and out of pocket expenses.

M/s Sanjay Gupta & Associates, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field

of Cost Audit and have conducted the audit of cost records of the Company for the previous year under the provisions of the Act.

The Board recommends the resolution at item no. 4 of the accompanying notice for re-appointment of Statutory Auditors of the Company, by the members of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 4 of the accompanying notice.

Delhi, 14th April 2023
Corporate Identity No. :U40100MH2017PLC293914

By order of the Board
For **TP Ajmer Distribution Limited**

Registered Office:

C/o The Tata Power Company Limited
34, Sant Tukaram Road, Carnac Bunder,
Mumbai 400 009, Maharashtra
Tel:0145-2643091_email:
Customercare.tpadl@tatapower.com
Website: <https://tpadl.com/>

Sd/-
(Bhupinder Jeet Kaur)
Company Secretary
Membership No. 33905

Details of the Director, seeking re-appointment at Sixth Annual General Meeting:

(In pursuance of Secretarial Standard 2 on General Meetings):

| | |
|--|---|
| Name of Director | Mr. Suranjit Mishra |
| DIN | 08176957 |
| Designation | Non-Executive Director |
| Date of birth Age | 22 nd May 1975 (48 years) |
| Date of appointment | 17 th January 2020 |
| Expertise in functional areas | Mr. Suranjit Mishra is the Chief Financial Officer at Tata Power Delhi Distribution Limited. Mr. Mishra has been with the Tata Power Company Limited (Tata Power) since October 2009. During this tenure in Tata Power, he has served in various capacities in Finance & Accounts including Financial Controller, Maithon Power; CFO, Powerlinks Transmission Limited, and CFO, Tata Power Trading Company Limited. He is also a Board member of Tata Power Ajmer Distribution Limited. |
| Qualifications | Associate Member of the Institute of Chartered Accountants of India (ICAI). Master's in business management from the Faculty of Management Studies (FMS), Delhi |
| Terms & conditions of appointment/re-appointment | Appointed as Non-Executive Director |
| Remuneration | Nil |
| Directorships held in other Companies (excluding Foreign Companies) | Director of NDPL Infra Limited |
| Committee positions held in other Companies | Nil |
| Number of Shares held | 1 |
| Number of Meetings of the Board attended during FY 2022-23 | 5 |
| Relationship with other Directors, Manager and other Key Managerial Personnel of the Company | None |

TP AJMER DISTRIBUTION LIMITED

Board's Report

To the Members,

The Directors present Sixth Annual Report of TP Ajmer Distribution Limited ("the Company" or "TPADL") along with the Audited Financial Statements for the financial year ended 31st March 2023.

TP AJMER DISTRIBUTION LIMITED

1. FINANCIAL RESULTS

(₹ crore)

| Particulars | 2021-22 | 2022-23 |
|---|----------------|----------------|
| Net Sales / Income from Other Operations | 431.45 | 417.55 |
| Less: Operating Expenditure | 427.85 | 411.25 |
| Operating Profit/(Loss) | 3.59 | 6.30 |
| Add: Other Income | 8.28 | 7.20 |
| (Less): Finance Cost | 6.29 | 3.90 |
| Profit/(Loss) before Depreciation and Tax | 5.58 | 9.60 |
| (Less): Depreciation/Amortization | 5.92 | 6.98 |
| Profit/(Loss) before tax | (0.34) | 2.62 |
| Add/(Less): Tax Expenses | Nil | Nil |
| Profit/(Loss) after tax | (0.34) | 2.62 |
| Other Comprehensive Income | 0.10 | 0.11 |
| Total comprehensive income for the year ended attributable to: | (0.24) | 2.73 |
| Owners of the Company | (0.24) | 2.73 |
| Non-controlling interests | Nil | Nil |

2. DIVIDEND

No dividend is proposed for the financial year 2022-23 (Previous Year-Nil).

3. STATE OF THE COMPANY'S AFFAIRS

• **FINANCIAL HIGHLIGHTS**

The Company had reported revenue from operations aggregating ₹ 417.55 crore in FY 2022-23 as compared to ₹ 431.45 crore in FY 2021-22. This decrease was mainly due to new government subsidy announced by the Government of Rajasthan for Domestic Consumers during FY 2022-23.

The Company had earned profit of ₹ 2.73 crore in FY 2022-23 as compared to loss of ₹ 0.24 crore in FY 2021-22 due to improvement in billing efficiency, increase in input (MUs) and lower finance charges in FY 2022-23.

- **BUSINESS ENVIRONMENT**

Generation, Transmission, Distribution and Trading of power are the four distinct components of the electricity sector, which are governed by the provisions of the Electricity Act, 2003 and various regulations issued by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commission (SERC).

Our Company operates as a Distribution Franchisee in the retail end of the electricity chain and is a Power Distribution Company.

Distribution is the most important link in the entire power sector value chain. As the only interface between utilities and consumers, it is the cash register for the entire sector. Under the Indian Constitution, Power is a concurrent subject and the responsibility for distribution and supply of power to rural and urban consumers rests within the states.

AT&C losses in India is approx. 22.32% (FY 2021-22), which is higher as compared to world average. The commercial losses which are a pre-dominant part of AT&C losses are mainly due to low metering efficiency, thefts and collection deficiency.

The progress in distribution reform has been difficult and slower than originally expected. The major factors responsible for underperformance of Discoms were absence of timely tariff revisions and increasing fuel costs leading to increased gap between Average Cost of Supply and Average Revenue Realized. Integrated Power Development Scheme (IPDS), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and SAUBHAGYA Yojana, which were launched to improve the system, provide supply stable and reliable electricity to end consumers.

As per report published by Power Finance Corporation Limited in May 2017 on performance of the State Distribution Utilities, Ministry of Power formulated an Integrated Rating Methodology in July 2012 for evaluating performance of State Power Distribution utilities on a range of parameters covering operational, financial, regulatory and reform parameters. The rating exercise is on an annual basis and covers 41 state distribution utilities spread across 22 states. State Power/ Energy Departments and private sector distribution utilities are, however, not covered under the integrated rating exercise.

With growing focus on improving distribution business, further reduction in AT&C losses, increase in efficiency and customer satisfaction, Government of Rajasthan has adopted an input-based Distribution Franchisee (DF) model in Ajmer, Kota, Bikaner and Bharatpur.

- **CURRENT BUSINESS**

The Company was incorporated on 17th April 2017 as a Special Purpose Vehicle (SPV) to take-over the supply and distribution of power in Ajmer city after The Tata Power Company Limited (Tata Power) successfully won the bid floated by Ajmer Vidyut Vitran Nigam Limited (AVVNL) for appointment of a Distribution Franchisee (DF) in Ajmer city, Rajasthan.

The Company entered into an agreement with AVVNL on 19th April 2017 for distribution of power supply for 20 years and started its operations with effect from 1st July 2017 with minimum capital expenditure of ₹ 37.60 crore to be incurred over a period of 5 years.

The Ajmer city circle consists of three electric supply divisions i.e. City Division-I, City Division-II, District Division. City Division-I and City Division-II are considered for Franchisee operation. The total area under the franchisee is around 200 sq. km. The total consumer base was around 1.61 lakh and total peak demand in FY 2022-23 was 94.5 MW.

• **OPPORTUNITIES & THREATS**

The Company is governed by the rules and regulations specified by the Rajasthan Electricity Regulatory Commission (RERC) and also the terms and conditions mentioned in the Distribution Franchisee Agreement (DFA) signed with AVVNL.

The opportunities are:

- Cost optimization
- Sustained long term growth
- Promote digital payment
- Sales Growth by enhancing DF area and sales promoting initiatives

And threats are:

- Power theft
- Improper financial risk sharing
- Limited industrial growth in DF area
- Pandemic situation
- Non-revision of tariff

• **INPUT**

The Company had procured input energy of 602.39 MUs in FY 2022-23 as compared to 542.92 MUs in FY 2021-22 from five nos.220/132 kV GSS through 20 input energy points at 33 kV.

• **RELIABILITY**

To improve the reliability and quality of power supply in Ajmer City, the Company has undertaken the following initiatives in FY 2022-23:

- Medium voltage line cover installation (3.17 kms. network covered)
- 11 kV Group Operated Disconnecter installation (40 nos.)
- Drop down fuse installation (40 nos.)
- Thermo vision to identify hotspots so that proactively action could be taken (778 nos. identified and rectified)
- Installation of Low-Tension feeder pillar (10 nos.)
- Installation of 41.25 kms. of Low-Tension Aerial Bunched Conductor
- Installation of 1,100 Tyco boxes
- Improvement in remote operation success rate to 88.24%

- **LOAD GROWTH**

- Consumer base has increased to 1,61,155 in FY 2022-23.
- DT capacity was enhanced to 2.68 MVA.
- Load growth of 32.97 MW was achieved through new connection and load enhancement.

- **LOSS REDUCTION**

There has been reduction in AT&C losses from 9.51% in FY 2021-22 to 8% in FY 2022-23. Billing efficiency has increased from 89.94% in FY 2021-22 to 91.05% in FY 2022-23.

- Mass raid initiative was revived. Total 79 raids conducted and 750 kW load booked.
- Mass meter testing drive was taken. Total 4929 cases tested and 80.9 kW load booked.
- Meter Testing and Data Analysis for LTCT/HTCT Cases- 1,015 meters tested and analysed. Assessment of ₹ 19.09 lakh.
- Meter Faulty Assessment – 19,932 cases analyzed and 358 cases found fit for assessment. Total assessment raised was ₹ 72.51 lakh with 0.77 MUs.
- Broke meter box replacement: 4,666 nos.
- Recovery of ₹ 2.03 crore was done through enforcement cases. Total load of 3760 kW was booked (2028 kW booked u/s 135 and 1732 kW booked u/s 126).

- **RECOVERY**

There was improvement in collection efficiency from 100.62% in FY 2021-22 to 101.05% in FY 2022-23 due to the following recovery efforts:

- Live arrear reduced by 15%.
- Arrear of temporary disconnected consumers reduced by 9.50%.
- 33,285 disconnection notices sent to default consumers.
- 24,419 Disconnection Orders (DO's).
- Highest Temporary Disconnected / Permanently Disconnected Consumers' cases recovery through agency ₹ 92.37 lakh in the past 3 years.

- **CUSTOMER SERVICES**

On the consumer front, the Company has undertaken the following initiatives:

- Weekly Public Hearing Forum for consumers to resolve escalated cases: Total 148 cases were received and resolved in FY 2022-23.
- Dedicated WhatsApp Group: Group with members from Zonal Team, PSC, HTM, Call Center and Commercial team started for better coordination, communication & escalation if required.
- Consumers special facilities for industrial consumer: Dedicated Mobile No in call center, priority access in consumer service centers.
- Pay & Win Lottery Scheme for Consumers making digital payment: Online payment increased from 58% in FY 2021-22 to 74% in FY 2022-23.
- Customer Satisfaction Survey was conducted and achieved 93.56% score in FY 2022-23. Customer Feedbacks were taken under Happy Calling on Consumer grievances registered at Consumer Service Centre and as per survey, the Company had achieved average score of 86% on resolution of consumer grievances.

- **FINANCIAL**

- The Company had executed distribution related capital expenditure works (CAPEX) amounting to ₹ 16.76 crore in FY 2022-23 as compared to ₹ 18.93 crore in FY 2021-22. This amount had been judiciously utilized for enhancement of reliability of system through network improvements, reduction of AT&C losses and improvement in consumer services in line with the terms & conditions of the Distribution Agreement with AVVNL.
- The Company had capitalized ₹ 15.34 crore in FY 2022-23 as compared to ₹ 20.25 crore in FY 2021-22.
- The Company had reduced billing cycle time LIP & MIP consumer- LIP billing on 1st of month and MIP by 3rd month benefit ₹ 18 lakh per annum.

4. RESERVES

There has been no transfer to general reserves during FY 2022-23 (Previous year - Nil).

5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES

TP Ajmer Distribution Limited is a wholly owned subsidiary of The Tata Power Company Limited. Currently, there is no subsidiary, joint venture and associate Company of the Company. There has been no major change in the nature of business of your Company.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Company's Policy on Directors' appointment and remuneration for the Directors, Key Managerial Personnel and other employees**

As per Section 178 of the Companies Act, 2013 ("the Act") read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company being a wholly owned subsidiary of The Tata Power Company Limited is not required to formulate Nomination and Remuneration Committee. Therefore, the provisions of Section 134(3)(e) of the Act are not applicable to the Company.

- **Additions/ Retirements/Resignations of Directors**

As on 31st March 2023, the Company has five Non-Executive Directors i.e. Mr. Ganesh Srinivasan, Mr. Dwijadas Basak, Mr. Suranjit Mishra, Mr. Nilesh Narayan Kane and Ms. Ritu Gupta.

In accordance with the requirements of the Act and Company's Articles of Association, Mr. Suranjit Mishra retire by rotation and is eligible for reappointment.

None of the Company's Directors are disqualified from being appointed as Directors as specified in Section 164 of the Act.

Members' approval is being sought at the ensuing AGM for the aforesaid re-appointment of Director.

- **Key Managerial Personnel:** As on 31st March 2023, following are the Key Managerial Personnel (KMP) of the Company:
 - (i) Mr. Manoj Digambar Salvi, Chief Executive Officer (CEO)
 - (ii) Mr. Bhupendra Sharma, Chief Financial Officer (CFO)
 - (iii) Ms. Bhupinder Jeet Kaur, Company Secretary (CS)

During FY 2022-23, Mr. Shriprakash Govardhan Joshi resigned as CEO & KMP w.e.f close of working hours of 15th May 2022 and Mr. Manoj Digambar Salvi has been appointed as CEO & KMP of the Company w.e.f 1st May 2022 in place of Mr. Shriprakash Govardhan Joshi.

- **Number of Board meetings and dates:**

Meetings are scheduled well in advance and minimum seven (7) days' advance notice of each Board meeting is given in writing to the Directors. The Board meets atleast four (4) times in a year to review quarterly performance and financial results.

The Company Secretary in consultation with the Chairman, Chief Executive Officer (CEO) and Chief Financial Officer (CFO) prepares a detailed agenda for the meetings. The Board papers comprising the agenda and other explanatory notes are circulated to the Directors in advance. The members of the Board have complete access to all information of the Company. The members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. Senior Management is invited to attend the Board meetings so as to provide additional inputs to the items being discussed by the Board as well as get Board's first hand perspective on critical issues. The directions of the Board are further communicated down the line by the Senior Management through various town hall meetings and dialogue sessions.

Five (5) meetings of the Board of Directors were held during the year 2022-23 and the gap between two meetings did not exceed 120 days. The meetings were held on 13th April 2022, 12th May 2022, 15th July 2022, 14th October 2022 and 13th January 2023.

Fifth Annual General Meeting of the Company was held on 21st June 2022.

No Extra-Ordinary General Meeting was held during the year 2022-23.

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year is listed below:

| S. No. | Name of the Directors | Nature of Relationship | No. of Board meetings held | No. of Board meetings attended | Attendance at the 5 th AGM |
|--------|-----------------------|---|----------------------------|--------------------------------|---------------------------------------|
| 1. | Mr. Ganesh Srinivasan | Chairman Non-Executive Director (Nominated by Tata Power) | 5 | 5 | Yes |
| 2. | Mr. Dwijadas Basak | Non-Executive Director | 5 | 5 | Yes |

| S. No. | Name of the Directors | Nature of Relationship | No. of Board meetings held | No. of Board meetings attended | Attendance at the 5 th AGM |
|--------|-------------------------|---|----------------------------|--------------------------------|---------------------------------------|
| | | (Nominated by Tata Power) | | | |
| 3. | Mr. Suranjit Mishra | Non-Executive Director (Nominated by Tata Power) | 5 | 5 | Yes |
| 4. | Mr. Nilesh Narayan Kane | Non-Executive Director (Nominated by Tata Power) | 5 | 4 | Yes |
| 5. | Ms. Ritu Gupta | Woman Director (Nominated by Tata Power) | 5 | 5 | No |

- **A statement on declaration given by Independent Directors under Section 149 of the Act:** The Company is not required to appoint Independent Directors, therefore, the provisions of Section 149 are not applicable to the Company.
- **A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year:** Not Applicable
- **Compliance by Independent Directors with the Code for Independent Directors prescribed in Schedule IV to the Act:** Not Applicable
- **Statement indicating all pecuniary relationship or transactions of the Non-Executive Directors (NED) vis-à-vis the Company:** None of the NEDs had any pecuniary relation or transactions with the Company.
- **COMMITTEES OF THE BOARD:**

(i) **Committee of Directors**

The Committee of Directors considers and approves capital expenditure and revenue expenditure proposals/ plans/ schemes/orders etc. of the Company, in accordance with the schedule of authorities approved by the Board, does all such other things/matters as may be delegated to it by the Board of Directors from time to time and as may be required for operations of the Company.

Currently, the Committee of Directors comprises of the following Directors:

1. Mr. Ganesh Srinivasan, Chairman
2. Mr. Suranjit Mishra, Member
3. Ms. Ritu Gupta, Member

(ii) Loans and Borrowings Committee

The Loans and Borrowings Committee reviews and approves terms and conditions pertaining to loans and borrowings and such other matters as may be delegated to it by the Board of Directors from time to time.

Currently, the Loans and Borrowings Committee comprises of the following Directors:

1. Mr. Ganesh Srinivasan, Chairman
2. Mr. Suranjit Mishra, Member

7. EVALUATION OF BOARD PERFORMANCE

- **Every Company with a paid up capital of ₹ 25 crore or more shall include a statement indicating the manner in which formal annual evaluation has been made by the Board of: Board as a whole, Board Committees, Chairperson, Independent Directors and other Directors:** The Company has a paid up capital of ₹ 10 crore, hence, formal evaluation of Board's performance is not applicable on the Company.
- **Criteria for evaluation of performance of Independent Directors (as indicated by NRC):** The Company does not have any Independent Director as the requirement to appoint Independent Directors is not applicable on the Company.

8. There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

9. REGULATORY & LEGAL

The Company is governed by rules and regulations framed by the Rajasthan Electricity Regulatory Commission (RERC) and Electricity Act, 2003 in supplying and distributing power in the DFA. The Company is not required to apply to RERC for tariff petition and revision of tariff. Currently, there is no legal case pending against the Company. However, the Company has filed a petition with RERC to extend the benefits of Revamp Distribution Sector Scheme (RDSS) of Govt. of India.

10. RISK MANAGEMENT FRAMEWORK

Risk Management Committee/Framework/Policy/Review Mechanism

Enterprise Risk Management at TPADL is reviewed by Board. Based on the suggestions of the Board, a comprehensive model covering the qualitative/quantitative impact of risks has been adopted. The Board reviews the actions taken by the Company to value and mitigate these risks.

Top risks of the Company are:

- Impact of revenue and profitability due to unforeseen Regulatory and Government Policy.
- Risk of not meeting committed AT&C losses reduction.
- Lower Energy demand.
- Risk of fire and explosion.
- Risk of exceeding capital expenditure against what was committed in DF Agreement.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Under the supervision of the Company's Chief Executive Officer and Chief Financial Officer and effected by the Company's Board of Directors, Management and other personnel, the Company has a robust system of internal control over financial reporting 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.

Some significant features of the internal controls over financial reporting are:

- The Board of Directors regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- Reinforcement of Tata Code of Conduct is prevalent across the organization. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns etc.
- Anti-Fraud programs such as proactive vigilance, vigil mechanism are operative across the organization.
- A comprehensive delegation of power exists for smooth decision making which is being reviewed periodically to align it with changing business environment.

11. SUSTAINABILITY

11.1 SAFETY – CARE FOR OUR PEOPLE

| S. No. | Safety Parameters (Employees and contractors) | FY 2021-22 | FY 2022-23 |
|--------|---|------------|------------|
| 1 | Fatality (Number) | 0 | 0 |
| 2 | LTIFR (Lost Time Injuries Frequency Rate per million man hours) | 0.56 | 0.60 |
| 3 | First Aid Cases (Number) | 5 | 6 |

For developing culture of safety in the organization, the Company has undertaken the following initiatives:

- Reconstitution of TPADL Safety Structure including Apex Safety Council and Site Implementation Teams.
- Deployment of LQSE (Local, Quality, Safety, Environment) Committee to enhance participation of the workers.
- Introduction of Senior Leadership Safety Visits. 245 Senior leadership visits were conducted in FY 2022-23 against plan of 228.
- Conducted Behavioral Based Safety Trainings at the Company in coordination with external agency Parivartan covering a pool of 81 BA employees.
- 23 Safety Initiatives as Learning from Incident from other divisions were implemented at the Company.
- Conducted HIRA workshops for activity wise hazard identification, assessment of associated risk and deployment of adequate risk control measures.
- Introduction of Whatsapp based Permit To Work and site control mechanism.
- Introduction of Cable type Lock Out, Tag Out for all Grid Sub Station, voltage detector for leakage current checking and portable earthing device for shorting and earthing.

- Periodic Mock drills for emergency preparedness.

FOR GENERAL PUBLIC SAFETY

- Current leakage drive religiously conducted with operations in which more than 20,000 electrical points were checked. 210 abnormalities were noticed and rectified immediately through preventive incidences.
- Developed creative for Monsoon Electrical Safety and displayed at 10 Consumer touch points of the Company. 10,000 Pamphlets for Monsoon Electrical Safety were also distributed to consumers with their bills.
- Suraksha Abhiyaan for identification of feeder pillar/ service pillar without covers was done. A survey was done for 2,500 feeder pillars/ service pillars in which 250 nos. were identified lost covering. As a low-cost solution, Fibre Reinforced Plastic covers were installed on them for ensuring Public and Animal Safety in Ajmer.

11.2 AFFIRMATIVE ACTION

Presently, 9% management cadre employees are from scheduled caste. The Company has taken specific initiative under Affirmative Action during selection of employees wherein eligibility criteria was relaxed by 5% for prospective candidates from SC/ST community.

11.3 CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135(1) of the Act and Rule 3(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 ["CSR Rules"], the Company is not required to constitute a CSR Committee and comply with the provisions contained in Section 135 (2) to (6) of the Act, till such time it meets the criteria specified in Section 135(1) of the Act.

12. HUMAN RESOURCES

- **Organizational Workforce**

- The Company has sourced and inducted 98 management cadre employees out of which 18 employees are from AVVNL, 9 from Fixed Duration Associate cadres and 12 Operation and Maintenance Supervisory Trainee.
- The Company has engaged more than 552 contract workforces through various agencies in areas of operation, maintenance, metering, billing, security and facility services etc.
- Despite various challenges and location constraint, the Company has been able to restrict employee attrition at 12.24% during FY 2022-23.

- **Gender Diversity & Delight**

In line with Tata Group's vision to increase gender diversity, the Company has also started engaging women employees in different departments and is in the process of developing women for leadership position. Presently, gender diversity is 18% of the regular workforce and 5.81% in Outsource. During FY 2022-23, number of initiatives were driven and participation was recognized by the management of the Company i.e. volunteering, organizing cultural events, sports etc. To make feel women more special 'International Women Day' was celebrated, wherein 100% of women employees witness their presence

and participation. Mentoring program and career plan have been implemented for women employees to promote equality and provide career development opportunities.

- **Employee Connect & Engagement**

The Company is a six-year-old organization. During this short span, it has adopted a holistic approach to engage its employees towards creating a performance driven and consumer centric organization. Several leadership communication platforms and social engagement initiatives have been undertaken in this direction, which are as under:

- Town Hall Session: 1 CEO Town Hall session was conducted during FY 2022-23 wherein employees came forward and raised 37 nos. of issues/suggestions. The Company is happy to share that 94% of the issues had since been resolved, which reflects commitment of the management and trust towards its employees.
- Employee Engagement - Various employee engagement initiatives were organized which include the following:
 - Founder's Day Celebration at Corporate Office and sweets were distributed at all locations of the Company.
 - Annual Day Celebration, wherein a memento and gift had been distributed to all employees and allied workforce of the Company.
 - National Festival - Republic Day and Independence Day were celebrated at Corporate Office, Vaishali.
 - Festival Celebration - Festivals viz. Holi, Diwali, etc. were celebrated at different occasions. Rangoli, Ethnic Dress and Best Zone decoration competition had been organized on the eve of Diwali wherein all employees including associates, actively participated. Reward trophies were also given to the winners and runners.
 - Birthday Celebrations - Birthday of an employee is being celebrated every month at his respective location in the presence of Manager, followed by Birthday card and Cadbury Celebration Pack.
 - Women's Day Celebration - Women's Day was celebrated for all its female permanent roll women and associates wherein 100% of women ensured their presence. The session was Chaired by CEO, TPADL.

- **Integrated Management System**

The Company has been continuously demonstrating and reflecting its significant improvements since its inception. One of the main reasons for the Company's success is Committed and Multitasking Workforce. It has secured position under Integrated Management System – IMS (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018) on 24th February 2023. On 22nd February 2023, the Company undergone 2nd IMS surveillance audit and successfully cleared the audit with no non-conformities and Opportunity for Improvements.

- **Reward & Recognition**

To recognize exceptional achievements, reinforce and institutionalized Culture of Meritocracy, the Management team of the Company has recognized its employees by nominating their names for different R&R as per R&R Policy. The Company had also been recognized at different forums. Below is the list of R&R given to the Company, its employees and allied workforce:

| S. No | Award Category | Rewards Count |
|--------------|-----------------------------------|---------------|
| 1. | Customer Service Excellence Award | 4 |
| 2. | Going Beyond Award | 10 |
| 3. | ILLUMINOUS Award | 10 |
| 4. | Star of the month | 58 |
| 5. | Safety Maestro Award | 20 |
| 6 | Expertise Award | 1 |
| 7 | Peer to peer Award | 17 |
| 8 | WOW Award | 94 |
| 9 | Well done Award | 6 |
| Total | | 220 |

The achievements of the Company in external and internal forums are as under:

- Society of Power and Energy Professionals (SOPEP) awarded second position to the Company's initiatives towards Safety and Energy Conservation as tool to care people, planet and profit.
- The Company has secured 2nd position in T&D Best Practices Challenge.
- The Company has received special recognition for sustaining environmental initiatives in T&D cluster.
- The Company won 2 Gold Award in the Quality Circle Forum of India Jaipur chapter.
- In 36th National Convention on Quality Council (NCQC) Aurangabad chapter, the Company won "Par Excellence Award" and "Excellent Award".

- **Capability Development**

The Company has complied Tata Power's L&D Policy for its employees and various training needs viz. technical training needs, behavioral training needs, safety training needs, organizational training needs and Focus Group Training (FGT) which have been identified by individual appraiser during KRA finalization and senior management team. Based on training needs, various trainings have been designed throughout the year. TPADL follows July 2022 to June 2023 annual training calendars in line with Tata Power. All behavioral Training Need Identification are assigned to employees in GYANKOSH. 100% employees have completed their assigned courses. 100% employees have logged in GYANKOSH and are also doing different courses in GYANKOSH as per their needs and interests. Seven FGTs were also identified and organized. Training Mandays was 1.04 against target of 3.36 Mandays. All training records has been captured in SAP.

- **Performance Management System (PMS)**

The Company ensures PMS for all its management cadre employees during FY 2022-23. Annual PMS started through Goal Setting for all employees as per the Company's KPI followed by KRA audit by HR team. Midyear review carried out by each employee was performed and each employee was given performance feedback by respective managers. This was followed by Annual Performance Assessment for annual increment and consideration for career progression.

- **Succession Planning at TPADL**

The Company has identified successors for 7 critical positions. Individual Development Plan for all successors have been prepared and executed for their short and long-term

development. As per succession planning, few employees were uplifted and given higher responsibilities.

- **Industrial Relations**

Industrial Relations situation in the Company was peaceful during the year under review. The Company has engaged 98 management cadre employees and 552 outsourced employees from different backgrounds, MMG, MRBD, AMC etc. and is driven by different people policies. Hence, maintaining healthy industrial relation is of prime importance. The Company has customized an IR strategy which includes strong communication and feedback mechanism. Issues raised at various communication platform(s) have been addressed. Different Engagement Initiatives were also conducted for allied workforce viz. Sports event, Trekking, Festival Celebration, regular interaction with BA employees etc. For the capability development for these employees, competency was conducted.

- **Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“POSH Act”), notified in December, 2013 requires an organization employing 10 or more persons to constitute an Internal Complaints Committee (“ICC”) for hearing complaints of sexual harassment and to include in its annual report the number of cases filed with the ICC and disposed of under the POSH Act in the previous financial year.

In line with the POSH Act, an Internal Committee has also been constituted to investigate/redress grievances relating to sexual harassment.

Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder, for prevention and redressal of complaints of sexual harassment at workplace.

The following is a summary of sexual harassment issues raised, attended and dispensed during FY 2022-23:

| S. No. | Particulars | Nos. |
|--------|--|------|
| 1. | Complaints received | 0 |
| 2. | Complaints disposed of | 0 |
| 3. | Cases pending | 0 |
| 4. | Cases pending for more than 90 days | 0 |
| 5. | Established cases of Sexual Harassment | 0 |
| 6. | Nature of action taken by the employer or District Officer | N.A. |

Creating Awareness

Sessions are conducted and posters are displayed at all locations for creating awareness amongst the employees of the Company.

Pursuant to the provisions of Rule (8)(5)(x) of the Companies (Accounts) Rules, 2014, the Company has complied with provisions relating to the constitution of Internal Complaints Committee under the POSH Act.

- **Ethics Management**

Ethics Management has been institutionalized through Tata Code of Conduct. To create and sustain an ethical culture, govern and implement ethics management across the organization, the Company has appointed Local Ethics Counsellor (LEC) in line with the Tata Power practices. The LEC assists in addressing issues at local level and also spreads awareness among employees and BA employees. Moreover, Ethics is practiced and discussed in most of the forums and meetings. Ethics week was celebrated in the Company which was followed by Nukkad Natak, Quiz, Poster making, Poem writing, Slogan and drawing competition for children.

- **Vigil Mechanism**

As per the requirements of the Act and the rules made thereunder, the Company has also formulated Vigil Mechanism with a view to provide a mechanism for the Directors, employees and stakeholders of the Company to approach the Chief Ethics Counselor of the Company to report concerns of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. This mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and shall also ensure direct access to the Chief Ethics Counselor in appropriate or exceptional cases.

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In line with the Tata Code of Conduct (TCOC), any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the TCOC cannot be undermined.

13. CREDIT RATING

The Company's borrowing facilities (both fund and non-fund based) are rated by Care Ratings, the credit rating agency. As on 31st March 2023, the Company had long term credit rating as **AA** Stable with stable outlook.

14. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

The Company, being an infrastructure Company, is exempt from the provisions as applicable to loans, guarantees and securities under Section 186 of the Act. The details of investments are provided in the notes forming part of the financial statements.

15. FOREIGN EXCHANGE EARNINGS AND OUTGO

There was no foreign exchange transaction during FY 2022-23 (Previous Year- Nil).

16. DISCLOSURE OF PARTICULARS

Particulars of employees who are employed throughout the financial year or part of financial year and were in receipt of remuneration not less than Rupees One Crore and Two Lakh per annum or Rupees Eight Lakh and Fifty Thousand per month, respectively - This is not applicable as Section 197(12) of the Act read with rule 5(2) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is applicable only to listed companies.

17. AUDITORS

Statutory Audit: Based on the recommendation of the Board, the shareholders had approved appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 109208W), as Statutory Auditors, to examine and audit the accounts of the Company, to hold office from the conclusion of first Annual General Meeting till the conclusion of its sixth Annual General Meeting i.e. for a period of five years from FY 2018-19 to FY 2022-23.

At its meeting held on 14th April 2023, the Board had approved re-appointment of M/s V Sankar Aiyar & Co. as Statutory Auditors of the Company, for a second term of five years to hold office from the conclusion of 6th AGM till the conclusion of 11th AGM of the Company (i.e. from FY 2023-24 to FY 2027-28).

Internal Audit: The Tata Power Company Limited was re-appointed as Internal Auditor of the Company for FY 2022-23 at the Board Meeting held on 13th April 2022.

At its meeting held on 14th April 2023, the Board had approved re-appointment of The Tata Power Company Limited as Internal Auditor of the Company for the financial year 2023-24.

Secretarial Audit: M/s Siddiqui & Associates, Company Secretaries were re-appointed as Secretarial Auditors of the Company for FY 2022-23 at the Board Meeting held on 13th April 2022 to conduct the secretarial audit for the year under review.

At its meeting held on 14th April 2023, the Board had approved re-appointment of M/s Siddiqui & Associates, Company Secretaries, as the Secretarial Auditors of the Company for FY 2023-24. They have, pursuant to provisions of the Act and the rules made thereunder, furnished a certificate regarding their eligibility for appointment as the Secretarial Auditors of the Company.

18. AUDITORS' REPORT

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under Section 133 of the Act.

We are pleased to append herewith the auditors' report comments of the auditors in their report and the notes forming part of the accounts are self-explanatory. There are no qualifications, reservations, remarks or disclaimers made by the auditors in their auditors' report.

19. COST ACCOUNTS, COST AUDITOR AND COST AUDIT REPORT

Pursuant to provisions of Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014, the Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act. Further, in accordance with the requirements of the Central Government and pursuant to Section 148 of the Act and the rules made thereunder, the Company carries out an audit of the cost accounts relating to electricity every year.

M/s Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) were re-appointed as Cost Auditors of the Company for FY 2022-23 at the Board Meeting held on 13th April 2022 to conduct the cost audit for the year under review.

The Cost Audit Report of the Company for the financial year ended 31st March 2022 was filed with the Central Government, Ministry of Corporate Affairs on 11th August 2022 through Extensive Business Reporting Language (XBRL), before the due date of 30th September 2022.

The Board at its meeting held on 14th April 2023 has approved the re-appointment of M/s Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) as the Cost Auditors of the Company for the financial year 2023-24, to audit the cost accounts relating to electricity, subject to the ratification of remuneration by the members in the ensuing Annual General Meeting of the Company. They have, pursuant to Section 148 of the Act, furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. They have also certified their independence and arm's length relationship with the Company.

20. SECRETARIAL AUDIT REPORT

M/s Siddiqui & Associates, Company secretaries, were re-appointed as Secretarial Auditor to conduct Secretarial Audit of records and documents of the Company for FY 2022-23 at the Board Meeting held on 13th April 2022 and Secretarial Audit was conducted by them. The Secretarial Audit report confirms that the Company has generally complied with the provisions of the Act, rules, regulations and guidelines.

The Secretarial Audit Report is provided in Annexure-I.

21. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The information on conservation of energy and technology absorption stipulated under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure II.

22. RELATED PARTY TRANSACTIONS

Details of related party transactions as per AOC-2 are provided in Annexure III.

23. ANNUAL RETURN

Pursuant to the provisions of Sections 92(3) and 134(3)(a) of the Act and the rules made thereunder, as amended from time to time, Annual Return as on 31st March 2023 in the Form MGT-7 is available on the Company's website at the following link: https://www.tpadl.com/Editor_UploadedDocuments/Content/Form_MGT7TPADL2022_23.pdf

24. DEPOSITS

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

25. EXPLANATIONS OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

- (I) By the Auditor in his report: There are no qualifications, reservations or adverse remarks or disclaimers.
- (II) By the Company Secretary in Practice in his Secretarial Audit Report: There are no qualifications, reservations or adverse remarks or disclaimers.

26. There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and date of the Board Report.

27. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

28. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures therefrom;
- b) They had, in the selection of the accounting policies, consulted the statutory auditors and had applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) They had taken proper and sufficient care for the 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 fraud and other irregularities;
- d) They had prepared the annual accounts on a going concern basis;
- e) They had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

29. **INSOLVENCY AND BANKRUPTCY CODE, 2016**

No application under Insolvency and Bankruptcy Code, 2016 has been made by the Company for initiating its corporate insolvency resolution process nor any such proceedings are pending against the Company as per Company's records.

30. **VALUATION**

The details of difference between the 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: Nil

31. **FRAUD REPORTING**

No frauds have been reported to the Board during FY 2022-23, therefore, section 134(3)(ca) of the Act pertaining to details of frauds reported by auditors under sub-section (12) of Section 143 other than those which are reportable to the Central Government is not applicable to the Company.

32. **APPRECIATION**

Your Company has been able to operate efficiently because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilization of the Company's resources for sustainable and profitable growth.

The Directors hereby wish to place on record their appreciation of the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Directors look forward to the long term future with confidence.

33. **ACKNOWLEDGEMENTS**

The Board of Directors wish to thank the Government of India (including Ministry of Power), Rajasthan Electricity Regulatory Commission (RERC), The Tata Power Company Limited (Tata Power), Ajmer Vidyut Vitran Nigam Limited (AVVNL), suppliers, their associates, financial institutions, bankers, customers, shareholders, employees of the Company and all individuals and agencies that have contributed in one or the other way, for their co-operation and support extended to the Company.

On behalf of the Board of Directors
For **TP Ajmer Distribution Limited**

Sd/-
Ganesh Srinivasan
Director
(DIN: 08208444)

Sd/-
Suranjit Mishra
Director
(DIN: 08176957)

Delhi, 14th April 2023

Annexures to Board's Report

ANNEXURE I – SECRETARIAL AUDIT REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended 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,
TP Ajmer Distribution Limited
C/o The Tata Power Company Limited,
34, Sant Tukaram Road, Carnac Bunder,
Mumbai, Maharashtra-400009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TP Ajmer Distribution Limited** having **CIN U40100MH2017PLC293914** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **TP Ajmer Distribution Limited'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, we hereby report that in our 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.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **TP Ajmer Distribution Limited** ("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**
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **Not Applicable**
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including any statutory modification or re-enactment thereof:-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**

- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
- 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; **Not Applicable**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

We further report that, having regard to the compliance system prevailing in the Company and on the examination of relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws applicable specifically to the Company

- The Electricity Act, 2003
- The Electricity (Supply) Act 1948
- The Indian Electricity Rules, 1956
- The Rules, regulations and applicable order(s) under Central and State Electricity Regulatory Commission/Authority
- The Energy Conservation Act, 2001

The Company has also complied with various provisions of Labour Laws and Environment Laws to the extent applicable to the Company.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standard-1 on the Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings.
- ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **Not Applicable**

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Woman Director. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are 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.

We further report that during the audit period the Company had no specific events or actions which are having a major bearing on the Company's Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Siddiqui & Associates
Company Secretaries**

**Place: New Delhi
Date: 10th April 2023**

**K.O.SIDDIQUI
FCS 2229; CP 1284
UDIN: F002229E000044502
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300**

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

To,
**The Members,
TP Ajmer Distribution Limited
C/o The Tata Power Company Limited,
34, Sant Tukaram Road, Carnac Bunder,
Mumbai, Maharashtra-400009**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we 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. Our 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 Siddiqui & Associates
Company Secretaries**

**Place: New Delhi
Date: 10th April 2023**

**K.O.SIDDIQUI
FCS 2229; CP 1284
UDIN: F002229E000044502
Peer Review Certificate No. 2149/2022
Firm Registration No. S1988DE004300**

ANNEXURE- II: CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. Conservation of Energy

- i) The steps taken or impact on conservation of energy: NA
- ii) The steps taken by the Company for utilizing alternate sources of energy: 10 KWp rooftop solar plant in FY 2021-22.
- iii) The capital investment on energy conservation equipment: Nil

B. Technology Absorption

| | | | | |
|------|---|-----------------------------------|-----------------------|---|
| i) | The efforts, made towards technology absorption | NA | | |
| ii) | The benefits derived like product improvement, cost reduction, product development or import substitution | NA | | |
| iii) | In case of imported technology (imported during the last three years reckoned from the beginning of the financial year): a) the details of technology imported b) the year of import c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place and reasons thereof | (a) | (b) | (c) |
| | | Technology imported | Year of Import | Has technology been fully absorbed |
| | | Enforcement & Energy Audit in SAP | 2021 | Fully absorbed |
| iv) | Expenditure incurred on Research and Development | Nil | | |

TECHNOLOGIES BEING REVIEWED/ADOPTED

- Pilot Project on Optical Character Recognition (OCR) technology completed for error free meter reading.
- IVR facility provided in call center on toll free number.

On behalf of the Board of Directors
For **TP Ajmer Distribution Limited**

Sd/-
Ganesh Srinivasan
Director
(DIN: 08208444)

Sd/-
Suranjit Mishra
Director
(DIN: 08176957)

Delhi, 14th April 2023

Annexure III – Related Party Transactions

FORM AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) |
|---|--|--|---|---|-----------------------------------|---------------------------------|---|
| Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/s/ transactions | Duration of contracts/arrangements/ transactions | Salient terms of the contracts/arrangements/ transactions including the value, if any | Justification for entering into such contracts/arrangements/ transactions | Date (s) of approval by the Board | Amount paid as advances, if any | Date on which the special resolution was passed in general meeting as required under first proviso to section 188 |
| Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

2. Details of material contracts or arrangements or transactions at arm's length basis: NA

| (a) | (b) | (c) | (d) | (e) | (f) |
|---|--|--|---|--|---------------------------------|
| Name(s) of the related party and nature of relationship | Nature of contracts/arrangements/ transactions | Duration of the contracts/arrangements/ transactions | Salient terms of the contracts/arrangements/ transactions including the value, if any | Date(s) of approval by the Board, if any | Amount paid as advances, if any |
| NA | NA | NA | NA | NA | NA |

On behalf of the Board of Directors
For **TP Ajmer Distribution Limited**

Sd/-
Ganesh Srinivasan
Director
(DIN: 08208444)

Sd/-
Suranjit Mishra
Director
(DIN: 08176957)

Delhi, 14th April 2023



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

Sarojini House(GF), 6 Bhagwan Das Road, New Delhi – 110001
Tel. 011- 44744643 E-mail : newdelhi@vsa.co.in

INDEPENDENT AUDITOR'S REPORT

To the Members of
TP Ajmer Distribution Limited

Report on the Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of TP Ajmer Distribution Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2023, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Mumbai : 2-C, Court Chambers, 35, New Marine Lines, Mumbai – 400 020, Tel (022) 22004465 / 22067440 Email – mumbai@vsa.co.in
Chennai : 41, Circular Road, United India Colony, Kodambakkam, Chennai – 600 024 Tel (044) 23725720 Email – chennai@vsa.co.in



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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (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 Company has not paid or provided any managerial remuneration within the meaning of section 107 of the Act, therefore, the provisions of section 197(16) of the Act are not applicable.
 - (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, in our opinion and to the best of our information and according to the explanations given to us:
 - i) There are no pending litigation at the year-end which would impact its financial position of the Company except as disclosed in Note 24 of the financial statements;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There were no amounts, which were required to be transferred during the year to the Investor Education and Protection Fund by the Company.
 - iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;



(b) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, 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; and

(c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

- v) The Company has neither declared nor paid any dividend during the year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 in respect of use of accounting software for maintaining books of accounts with requisite audit trail facility is applicable to the company w.e.f. April 1, 2023, and accordingly reporting under Rule 11(g) of the Companies (Audit and Accounts) Rules, 2014 is not applicable for the financial year ending 31st March 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure B" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn No. 109208W

Ajay Gupta

(Ajay Gupta)
Partner

Membership No. 090104
ICAI UDIN : 23090104BGXTLX5639

Place : Ajmer
Date : 14th April 2023



“Annexure A” referred to in the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the members of TP Ajmer Distribution Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub section of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of 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 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn No. 109208W**



**(Ajay Gupta)
Partner**

**Membership No. 090104
ICAI UDIN : 23090104BGXTLX5639**

**Place : Ajmer
Date : 14th April 2023**



“Annexure B” referred to in the Independent Auditors’ Report

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the shareholders of TP Ajmer Distribution Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit and the representation obtained from the management,

- i. a) (A) The Company does not have property, plant and equipment. Hence reporting under clause 3(i)(a)(A) of the Order is not applicable
(B) The Company maintaining proper records showing full particulars of intangible assets (service concession arrangements – Refer Note 32)
- b) The Company does not have Property, Plant and Equipment. Hence reporting under clause 3(i)(b) of the Order is not applicable
- c) The Company does not have any immovable properties. Hence reporting under clause 3(i)(b) and (1)(c) of the Order are not applicable
- d) The Company has not revalued its intangible assets 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 (45 of 1988) and rules made thereunder.
- ii. (a) The inventories consisting of stores and spares have been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification is appropriate. According to the information and explanations given to us, no discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification by the management.
- b) The Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from a bank on the basis of security of current assets during the year. The quarterly return or statement filed with them are in agreement with the books of account of the Company. (Refer Note 30(ix) the financial statements.)
- iii. The Company, during the year, has not made investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Hence the provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.
- iv. (i) The Company has not granted any loans to any of its directors or any other person in whom director is interested or given guarantee or provided any security in connection with any loan taken by him or such other person within the meaning of section 185 of the Act and (ii) the Company has not given any loan, given any guarantee or provided any security and acquired securities within the meaning of section 186 of the Act.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposit within the provisions of sections 73 to 76 of the Act and the Rules framed there under. Hence reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the Company, pursuant to rules made by the Central Government for the maintenance of cost records under clause (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. In respect of statutory dues
a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including goods and services tax (GST), provident fund, employees’ state insurance, income tax, cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that there is no liability of the Company on account of sales-tax, service tax, duty of customs, duty of excise, value added tax. There were no arrears of undisputed statutory dues as at 31st March, 2023, which were outstanding for a period of more than six months from the date they became payable.



- b) There are no disputed dues as referred to in sub-clause (a) which have remained unpaid as on 31st March, 2023 except GST on ancillary services relating to electricity distribution business. The Company has discontinued charging and collecting GST on such services from its customer's w.e.f. 19.07.2019 and it is not paying GST on such services to Government. (Refer Note 24 of financial statements).
- viii. The Company, during the year, has not surrendered or disclosed as income any transaction not recorded in the books of accounts in the tax assessments under the Income Tax Act, 1961.
- ix. a) The Company has not defaulted on repayment of loans or borrowing and payment of interest thereon to any lender.
 b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender.
 c) The Company has not taken any term loans during the year and there were no outstanding term loans at the beginning of the year. Hence reporting under clause 3(ix)(c) of the Order are not applicable.
 d) On the overall examination of the balance sheet of the Company, funds raised on short term basis have not been used for long term purposes.
 The Company does not have any subsidiaries, associates or joint ventures company. Hence the provision of clause 3(ix)(e) and (f) of the Order are not applicable.
- x. a) The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) during the year. Hence reporting under clause 3(x)(a) of the Order are not applicable.
 b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible). Hence reporting under clause 3(x)(b) of the Order are not applicable.
- xi. a) No case of fraud by the Company or on the Company has been noticed or reported during the year.
 b) No report under section 143(12) 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 upto the date of this report.
 c) The Company has not received any whistle blower complaints during the year.
- xii. The Company is not a Nidhi Company. Hence reporting under of clause 3(xii)(a) to (c) of the Order is not applicable.
- xiii. In our opinion, the Company has complied with section 188 of the Act in respect of transactions with related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards. The Company is not required to form Audit Committee under section 177 of the Act. Therefore, the provisions of clause 3(xiii) with respect to section 177 of the Order are not applicable.
- xiv. a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 b) We have considered, the internal audit report for the period under audit, issued to the Company during the year and till date.
- xv. In our opinion during the year, the Company has not entered into any non-cash transactions with directors or persons connected with him. Hence reporting under clause 3(xv) of the Order are not applicable.
- xvi. (a) 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) of the Order are not applicable.
 (b) The Company has not conducted non-banking financial / housing finance activities during the year. Hence reporting under clause 3(xvi)(b) of the Order are not applicable.
 (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence reporting under clause 3(xvi)(c) of the Order are not applicable.
 (d) There are no Core Investment Company (CIC) as a part of Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.



- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors of the Company during the year. Hence reporting under clause 3(xviii) of the Order is not applicable.
- 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, our knowledge of the Board of Directors and management plans, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company is not required to spend any amount on corporate social responsibility under section 135 of the Companies Act. Hence reporting under clause 3(xx)(a) to 3(xx)(b) of the Order is not applicable.
- xxi. The Company is not required to prepare consolidated financial statements. Hence reporting under clause 3(xxi) of the Order is not applicable

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn No. 109208W

Ajay Gupta

(Ajay Gupta)
Partner

Membership No. 090104
ICAI UDIN : 23090104BGXTLX5639

Place : Ajmer
Date : 14th April 2023



TP AJMER DISTRIBUTION LIMITED
BALANCE SHEET AS AT 31ST MARCH 2023

| | Note No. | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|----------|-----------------------|-----------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Intangible assets | 3 | 10 588.85 | 9 866.95 |
| Financial assets | | | |
| Service Concession Arrangement | | 387.14 | 247.24 |
| Deferred tax assets (Net) | 4 | | |
| Other non-current assets | 5 | 44.46 | 105.07 |
| Total non-current assets | | 11,120.45 | 10,219.16 |
| Current assets | | | |
| Inventories | 6 | 508.71 | 409.36 |
| Financial assets | | | |
| Trade receivables | 7 | 1 347.25 | 1 577.59 |
| Cash and bank balances | | | |
| Cash and cash equivalents | 3 1 | 26.29 | 44.90 |
| Bank balance other than above | 3 2 | 3 207.00 | 3 015.41 |
| Other financial assets | 3 | 2 604.46 | 2 724.43 |
| Other Current assets | 9 1 | 2.45 | 5.39 |
| Total current assets | | 12,696.17 | 12,877.83 |
| Total Assets | | 23,816.62 | 23,096.99 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Equity share capital | 10 | 1 000.00 | 1 000.00 |
| Unsecured Perpetual Securities | 11 | 9 500.00 | |
| Other equity | | 35.71 | (237.38) |
| Total Equity | | 10,535.71 | 762.62 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Provisions | 12 | 358.49 | 413.90 |
| Other non-current liabilities | 13 | 4 254.66 | 3 388.97 |
| Total non-current liabilities | | 4,613.16 | 4,302.87 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Short-term borrowings | 14 | 697.99 | 10 384.17 |
| Trade payables | 15 | | |
| Total outstanding dues of micro enterprises and small enterprises | | 217.71 | 278.17 |
| Total outstanding dues other than micro enterprises and small enterprises | | 5 433.88 | 5 501.77 |
| Other financial liabilities | 16 | 2,098.69 | 1 608.48 |
| Provisions | 12 | 14.00 | 16.05 |
| Other current liabilities | 13 | 205.49 | 242.86 |
| Total current liabilities | | 8,887.78 | 18,031.60 |
| Total Equity and Liabilities | | 23,816.62 | 23,096.99 |

See accompanying notes to financial statements

As per our report of even date attached

For V. Sankar Aiyar & Co.
Chartered Accountants
(CAI Firm Regn. No. 109208W)

Ajay Gupta
Ajay Gupta
Partner
Membership No. 090104

Place : Ajmer
Date : 14.04.2023



For and on behalf of the Board of Directors

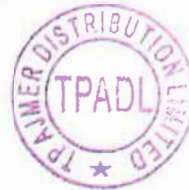
Ganesh Srinivasan
Ganesh Srinivasan
Director
DIN - 08208444

Suranjit Mishra
Suranjit Mishra
Director
DIN - 08176957

Manoj Digambar Salvi
Manoj Digambar Salvi
Chief Executive Officer

Bhupendra
Bhupendra Sharma
Chief Financial Officer
Place : Ajmer
Date : 14.04.2023

Bhupinder
Ms. Bhupinderjeet Kaur
Company Secretary



TP AJMER DISTRIBUTION LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2023

| | | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|--|----|-----------------------|-----------------------|
| INCOME | | | |
| Revenue from Operations | 17 | 41,754.62 | 43,144.51 |
| Other income | 18 | 719.94 | 827.87 |
| Total income | | 42,474.56 | 43,972.38 |
| EXPENSES | | | |
| Cost of power purchased | | 38,138.28 | 39,831.60 |
| Less: Rebate on early payment | | (54.26) | (36.05) |
| Cost of power purchased (net) | | 38,084.02 | 39,795.55 |
| Employee benefits expense | 19 | 919.55 | 1,016.15 |
| Finance costs | 20 | 389.86 | 629.18 |
| Amortisation expense | 21 | 697.72 | 531.83 |
| Other expenses | 22 | 2,122.86 | 1,973.56 |
| Total expenses | | 42,213.01 | 44,006.28 |
| Profit / (Loss) before tax | | 261.55 | (33.90) |
| Tax expense | | | |
| Current tax | | - | - |
| Deferred tax | 4 | - | - |
| Profit / (Loss) for the year | | 261.55 | (33.90) |
| Other comprehensive income | | | |
| Remeasurement of Defined Benefit Plans gain / (loss) | | 11.54 | 9.95 |
| Income tax effect on above (Refer Note 5) | | - | - |
| | | 11.54 | 9.95 |
| Total comprehensive income for the year | | 273.09 | (23.94) |
| Earnings per equity share: (Face value Rs. 10 per share) | | 2.62 | (0.34) |

See accompanying notes to financial statements

As per our report of even date attached

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regr. No. 109208W

Ajay Gupta
Ajay Gupta
Partner
Membership No. 090104

Place : Ajmer
Date : 14.04.2023



For and on behalf of the Board of Directors

Ganesh Srinivasan
Ganesh Srinivasan
Director
DIN - 08208444

Suranjit Mishra
Suranjit Mishra
Director
DIN - 08176967

Manoj Digambar Salvi
Manoj Digambar Salvi
Chief Executive Officer

Bhupendra Sharma
Bhupendra Sharma
Chief Financial Officer
Place : Ajmer
Date : 14.04.2023

Ms. Bhupinderjeet Kaur
Ms. Bhupinderjeet Kaur
Company Secretary



TP AJMER DISTRIBUTION LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|--|-----------------------|-----------------------|
| A. Cash flow from operating activities | | |
| Net Profit : (Loss) before tax | 251 55 | (33 90) |
| <u>Adjustments for</u> | | |
| Amortisation expense | 597 72 | 591 83 |
| Finance cost | 389 86 | 629 18 |
| Actuarial gain / loss on employee benefits | 11 54 | 9 96 |
| Interest on financial assets | (33 49) | (17 41) |
| Interest on fixed deposits | (424 07) | (412 10) |
| Inventory loss by fire | (10 63) | 102 26 |
| Provision for Doubtful Debts | 3 97 | 31 73 |
| Operating profit before working capital changes | 896.45 | 901 55 |
| <u>Changes in working capital</u> | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Trade receivables | 325 47 | 399 15 |
| Inventories | (38 72) | (93 55) |
| Other current financial assets | 139 05 | (248 37) |
| Prepaid Expenses | 3 53 | (5 99) |
| Adjustments for Increase / (decrease) In operating liabilities: | | |
| Trade payables | (128 35) | 640 31 |
| Provision | (57 49) | 44 86 |
| Other current liabilities | (37 37) | (63 66) |
| Other current financial liabilities | 605 95 | (186 34) |
| Cash generated from operations | 1,659.56 | 1,387.96 |
| Income tax (paid) / refund - Net | 60 51 | (42 07) |
| NET CASH FROM OPERATING ACTIVITIES | 1,720.17 | 1,345.89 |
| B. Cash flow from Investing Activities | | |
| Payments for assets acquired under SCA | (1 626 66) | (1 890 25) |
| Sale Proceeds from assets of SCA | 0 53 | 2 86 |
| Interest received on Fixed Deposits | 405 03 | 475 92 |
| Investment in short term bank deposits (Net) | (191 59) | (52 92) |
| NET CASH (USED) / FROM INVESTING ACTIVITIES | (1,412.89) | (1,464.29) |
| C. Cash flow from Finance Activities | | |
| Loan from Bank (Net of Repayment) | (186 18) | 41 90 |
| Proceeds from contribution for capital works & service line charges | 365 89 | 542 16 |
| Payment of Finance costs | (505 90) | (544 14) |
| NET CASH USED IN/(FROM) FINANCING ACTIVITIES | (326.09) | 39.92 |
| Net Increase/ (Decrease) in Cash and cash equivalents | (18 61) | (78 48) |
| Cash and cash equivalents at the beginning of the year | 44 90 | 123 38 |
| Cash and cash equivalents at the end of the year | 26 29 | 44.90 |
| Break up of Closing Cash & Cash Equivalent | | |
| Current Account | 0 25 | 0 20 |
| Escrow Account | 26 04 | 44 70 |
| | 26.29 | 44.90 |

As per our report of even date attached

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Ajay Gupta

Ajay Gupta
Partner
Membership No. 080104

Place : Ajmer
Date : 14.04.2023



For and on behalf of the Board of Directors

Ganesh Srinivasan

Ganesh Srinivasan
Director
DIN - 08208444

Suranjit Mishra

Suranjit Mishra
Director
DIN - 08176957

Manoj Digambar Balvi

Manoj Digambar Balvi
Chief Executive Officer

Bhupendra Sharma

Bhupendra Sharma
Chief Financial Officer
Place : Ajmer
Date : 14.04.2023

Ms. Bhupinderjeet Kaur

Ms. Bhupinderjeet Kaur
Company Secretary



TP AJMER DISTRIBUTION LIMITED
Statement of Changes in Equity

(a) Equity Share Capital

Rs./Lacs

| Particulars | Amount |
|--|----------|
| As at 01st April 2021 | 1,000.00 |
| Changes in equity share capital during 2021-22 | - |
| As at 31st March 2022 | 1,000.00 |
| Changes in equity share capital during 2022-23 | - |
| Balance as at 31st March 2023 | 1,000.00 |

(b) Unsecured Perpetual Securities

| Particulars | Amount |
|---------------------------------|----------|
| As at 01st April 2021 | - |
| Changes during the year 2021-22 | - |
| As at 31st March 2022 | - |
| Changes during the year 2022-23 | 9,500.00 |
| Balance as at 31st March 2023 | 9,500.00 |

(c) Other Equity

| Particulars | Retained Earnings |
|--|-------------------|
| As at 01st April 2021 | (213.44) |
| <u>Adjustments</u> | |
| Profit / (Loss) for the year | (33.90) |
| <u>Other Comprehensive Income</u> | |
| Re-measurement gains (losses) on defined benefit plans | 9.96 |
| Balance as at 31st March 2022 | (237.38) |
| <u>Adjustments</u> | |
| Profit / (Loss) for the year | 201.55 |
| <u>Other Comprehensive Income</u> | |
| Re-measurement gains / (losses) on defined benefit plans | 11.54 |
| Balance as at 31st March 2023 | 35.71 |

As per our report of even date attached

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W

Ajay Gupta
Ajay Gupta
Partner
Membership No. 090104

For and on behalf of the Board of Directors

Ganesh Srinivasan
Ganesh Srinivasan
Director
DIN - 08208444

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Manoj Digambar Salvi
Chief Executive Officer

Bhupendra
Bhupendra Sharma
Chief Financial Officer

Ms. Bhupinderjeet Kaur
Ms. Bhupinderjeet Kaur
Company Secretary

Place : Ajmer
Date : 14.04.2023

Place : Ajmer
Date : 14.04.2023



TP AJMER DISTRIBUTION LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 Background

TP Ajmer Distribution Limited (TPADL) or (the Company) is a public limited company incorporated and domiciled in India and is primarily engaged in the business of supply and distribution of electricity in Ajmer City (City Division I & II), Rajasthan. The Company was set up as a Special Purpose Vehicle (SPV) after Tata Power Company Limited won the Ajmer Vidyut Vitran Nigam Limited (AVVNL) franchisee bid for the Ajmer City, Rajasthan. The Company was incorporated on 17th April 2017.

AVVNL is a statutory body constituted in the year 1995 from the erstwhile Rajasthan State Electricity Board and has been engaged in distribution of electricity in the eastern part of Rajasthan. In an endeavour to improve operational efficiency of the distribution system and provide quality services to its consumers, Ajmer Discom seeks to bring in management expertise through Public-Private Partnership in distribution of electricity through appointing input and Investment Based Distribution Franchisee for Ajmer City Circle adhering to open and transparent competitive bidding process.

Tata Power Company Limited won the bid and formed a SPV named "TP Ajmer Distribution Limited" (TPADL) and entered into an agreement with AVVNL on 19th April 2017. AVVNL transferred all the right of the distribution assets to TPADL with effect from 1st July 2017 which also marked the commencement of commercial operations for the Company.

The address of its registered office of the company is c/o Tata Power Company Limited, 34 Sion, Tukanani Road, Camlin Bunder, Mumbai, Maharashtra, India - 400009. The address of the place of business and records is Vaishali Nagar, Ajmer, Rajasthan. The Company has been granted authorisation by Rajasthan Electricity Regulatory Commission to act as "Distribution Franchisee of AVVNL". The term of the agreement and authorisation is valid for a period of twenty years.

The Company is a wholly owned subsidiary of Tata Power Company Limited (TPCL), which holds 100% equity shares and controlling stake.

2 Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013 (as amended from time to time).

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

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, regardless of whether that price is directly observable or estimated using another valuation technique.

2.3 Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities and at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

2.4 Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

2.4.1 Sale of power

Revenue from sale of power is recognised net of estimated rebates and other similar allowances when the units of electricity is delivered. Revenue from such contracts is recognised over time for each unit of electricity delivered at the pre-determined rate. As the customer simultaneously receives and consumes the benefits of the Company's performance obligation, as it best depicts the value to the customer and complete satisfaction of performance obligation.

Consumers are billed on a monthly / Bi-Monthly basis and are given average credit period of 15 to 18 days for payment. No delayed payment charges (DPC) is charged for the initial Credit Period allowed from the date of issue of invoice to customers. Thereafter, DPC is charged at the rate prescribed by the Rajasthan State Regulatory Commission (RERC) on the outstanding balance. Revenue in respect of delayed payment charges and interest on delayed payment is recognized as and when recovered because its ultimate collection is uncertain.

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.



2.4.2 Service Concession Arrangement

The Company has been set up to operate and maintain the Ajmer City I & II Distribution business on behalf of the Ajmer Vidyut Vitran Nigam Limited (AVVNL) a public company on franchisee basis. As per the Distribution Franchise Agreement (DFA), the Company will operate and maintain the infrastructure for a period of 20 years and is obligated to construct or upgrade the infrastructure used to provide electricity supply to the public.

In terms of the application of IND AS 115 Revenue from Contract with Customers, Appendix D "Service Concession Arrangement (SCA)" value of the construction services obligation as per the agreement with AVVNL has been initially recognised as Intangible Assets under the Service Concession Arrangement at fair value of the consideration received or receivable for the construction services delivered and subsequently as and when the Company completes the construction obligation. Construction revenue and cost shall be recorded in accordance with the IND AS 115 by reference to the stage of completion of construction. Any subsequent capital expenditure incurred shall be capitalised as an addition to intangible asset, if and only if it is incurred to satisfy an obligation as per the agreement.

As per the terms of the Distribution Franchisee Agreement (DFA) the company shall have the right to receive depreciated value of the asset at the end of its term. Accordingly the residual value of the infrastructure constructed or upgraded, shall be accounted for as a financial assets initially at fair value and subsequently at amortised cost over the period of the agreement. Value of the intangible Asset get reduced by the Financial Asset thus created.

Intangible asset created on account of such Service Concession Arrangement is amortised over the remaining life of DFA on straight line basis from the effective date of agreement i.e. 1st July 2017.

2.4.3 Rendering of services

Revenue from a contract to provide services is recognized based on input method where the extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress. Output method where direct measurements of value to the customer based on survey's of performance completed to date.

2.4.4 Interest Income

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

2.4.5 Contribution for capital works and service line charges

Consumers' contribution towards cost of capital assets and service line charges are treated as capital receipts and they are recognised as income to the statement of profit and loss over the balance life of the DFA.

2.5 Ind AS 116 – Leases

At inception of contract, the Company assesses whether the Contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At inception or on reassessment of a contract that contains a lease component, the Company allocates consideration in the contract to each lease component on the basis of their relative stand alone price.

As a lessee

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company presents right-to-use assets that do not meet the definition of investment property in 'Property, plant and equipment'.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company generally uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

The Company presents lease liabilities separately on face of the Balance Sheet.

iii) Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term. (Para 80 of Ind AS 116)

As a lessor

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee. All other leases are classified as operating lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

The Company has evaluated that all its existing lease agreements are either short term leases or low value leases and have availed exemptions from lease accounting in respect of such agreements as provided in the standard. Accordingly there is no impact on the financial statements of the Company due to adoption of Ind AS 116 on the date of transition i.e. 1st April 2019.



Bhupendra

TP AJMER DISTRIBUTION LIMITED

2.6 Foreign Currencies

The functional currency of the Company is Indian rupee. Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use. They are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

2.7 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.8 Employee benefits

Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits including employees on deputation from AVVNL. Salaries of employees directly engaged in new connection and metering related activities is treated as part of capital expenditure in terms of DFA and is capitalised.

2.8.1 Defined contribution plans

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

2.8.2 Defined benefits plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest) is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.8.3 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service. Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.8.4 Deputation Employee from AVVNL

Current service cost
Recognised as expenses on accrual basis and paid to the respective employees on deputation.

Short-term and other long-term employee benefits
Recognised as expenses on the basis of invoices raised by Ajmer Vidyut Vitran Nigam Limited (AVVNL).

2.9 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax and Deferred Tax for the year

Income tax expense comprises of current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.9.2 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.



Bhupendra

2.9.3 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

2.10 Inventories

Inventories consisting of stores and spares are stated at the lower of cost and net realisable value. Costs of inventories are determined on weighted average basis.

Components and spare parts inventory include items which could be issued for projects to be capitalised.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Unserviceable : damaged stores and spares are identified and written down based on technical evaluation.

2.11 Provision

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

2.11.1 Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.12 Financial instruments

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

Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of profit and loss.

2.13 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 market place. 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.

2.13.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost 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.

2.13.2 Financial assets at fair value through other comprehensive income

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 Reserve for equity instruments through other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.



Bhupendra

TP AJMER DISTRIBUTION LIMITED

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

Investments in equity instruments which are not held for trading are classified as at FVTPL unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income.

Other financial assets are measured at fair value through profit or loss unless it is measured on initial recognition at amortised cost or at fair value through other comprehensive income. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

2.13.4 Impairment of financial assets (other than at fair value)

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 life-time expected losses for 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.

2.14 Financial liabilities and equity instruments

2.14.1 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.

2.14.2 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 a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit and loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.14.3 Financial liability

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2.15 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

2.16 Cash Flow Statement

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

2.17 Earnings per share (EPS)

Basic earnings per equity share has been computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period in accordance with Ind AS 33. Earnings per share. Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

2.18 Critical Accounting Estimates and Judgements

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving estimates are:

Estimation of current tax and deferred tax - Refer Note 4

Estimation of defined benefit obligation - Refer Note 28

Estimation of unbilled revenue- Refer Note 9

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.



Rajiv

TP AJMER DISTRIBUTION LIMITED

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|-----------------------|-----------------------|
| 3 Intangible Assets- | | |
| <u>Service Concession Arrangement</u> | | |
| <u>Cost</u> | | |
| Balance as at beginning of the year | 11 420 06 | 9 597 60 |
| Add Additions | 1 626 66 | 1 889 64 |
| Less Transfer to financial assets | 106 41 | 60 73 |
| Less Deletion of assets | 2 80 | 6 45 |
| Balance at year end | <u>12 937 71</u> | <u>11 420 06</u> |
| <u>Accumulated Amortisation</u> | | |
| Balance as at beginning of the year | 1 553 21 | 965 59 |
| Add Amortization | 697 72 | 591 83 |
| Less Amortization written back on asset discarded | 2 07 | 4 21 |
| Balance at year end | <u>2 248 85</u> | <u>1 553 21</u> |
| <u>Net Carrying Amount</u> | | |
| At the beginning of the year | 9,866.85 | 8,632.01 |
| At the end of the year | 10,688.85 | 9,866.85 |
| 4 Deferred Tax Assets (Net) | | |
| <u>Deferred tax assets</u> | | |
| Provision for employee benefits | 48 65 | 68 69 |
| Carried forward losses (Refer note below) | 674 06 | 552 48 |
| Provision for loss allowance on trade receivables | 81 43 | 60 43 |
| | <u>784 14</u> | <u>681 60</u> |
| <u>Deferred tax liabilities</u> | | |
| Service concession arrangement / fixed assets | 754 94 | 314 56 |
| | <u>754 94</u> | <u>314 56</u> |
| Net deferred tax assets / (liabilities) | <u>19 20</u> | <u>66 94</u> |
| Charge / (Credit) for the year | 47.74 | (12.55) |
| <p>Note - Net deferred tax, being an asset on account of carried forward losses, is recognized only to the extent of deferred tax liabilities as a matter of prudence. Accordingly, movement in deferred taxes during the year is not recognized in Statement of Profit and Loss as there is net deferred tax asset at the year end. For tax reconciliation refer Note 26</p> | | |
| 5 Other Non-Current Assets | | |
| Advance payment of income taxes (Including TDS / TCS) | 44 46 | 105 07 |
| | <u>44 46</u> | <u>105 07</u> |
| 6 Inventories | | |
| Stores and spare parts | 508 71 | 409 36 |
| | <u>608.71</u> | <u>409.36</u> |



Bhupendra



TP AJMER DISTRIBUTION LIMITED

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|------------------------|------------------------|
| 7 Trade Receivable - Current | | |
| Considered good - Secured | 521.62 | 240.30 |
| Considered good - Unsecured | 825.63 | 1,437.39 |
| Trade Receivables which have significant increase in credit risk | 244.07 | 240.10 |
| | <u>1,591.32</u> | <u>1,917.79</u> |
| Less - Allowance for doubtful trade receivables | 244.07 | 240.10 |
| | <u>1,347.25</u> | <u>1,677.69</u> |
| For ageing schedule of trade receivables - refer Note 31(xx) | | |
| <i>Note 1</i> | | |
| Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract assets are transferred to receivables when the rights become unconditional. | | |
| <i>Movement in the Allowance for Doubtful Trade Receivables</i> | | |
| Balance at the beginning of the year | 240.10 | 208.37 |
| Add: Addition during the year | 3.97 | 31.73 |
| Less: Provision written back during the year | - | - |
| Balance at the end of the year | <u>244.07</u> | <u>240.10</u> |
| 8 Cash & Bank Balances | | |
| 8.1 Cash and cash equivalents | | |
| Balance with banks - in current accounts | 0.25 | 0.20 |
| Balance with banks - in escrow account (Refer note below) | 26.04 | 44.70 |
| | <u>26.29</u> | <u>44.90</u> |
| 8.2 Other Balances with Bank | | |
| Current | | |
| Balance in Deposit Account with maturity of less than 12 months (Refer note below) | 8,207.00 | 8,015.41 |
| | <u>8,207.00</u> | <u>8,015.41</u> |
| <i>Note -</i> | | |
| As per the terms and conditions of Distribution Franchisee Agreement, the Company is required to maintain an amount equal to 2 months of input Energy charges and taxes as security. Accordingly, the Company has hypothecated the balance in escrow account and these bank deposits by way of first charge in favour of A/VNL. | | |
| 9 Other Financial Assets - Current (Unsecured, Considered Good) | | |
| Unbilled revenue | 2,363.11 | 2,373.61 |
| Security deposits to vendor | 5.97 | 5.08 |
| Interest accrued on fixed deposits | 234.80 | 215.76 |
| Advances to employees | - | 0.16 |
| Other recoverable from related parties | 0.58 | 36.43 |
| Tanff subsidy recoverable | - | 1.40 |
| Insurance claims receivables | - | 92.03 |
| | <u>2,604.46</u> | <u>2,724.48</u> |
| 9.1 Other Assets - Current | | |
| Prepaid expenses | 2.48 | 5.99 |
| | <u>2.48</u> | <u>5.99</u> |



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TP AJMER DISTRIBUTION LIMITED

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|-----------------------|-----------------------|
| 10 Equity Share Capital | | |
| <u>Authorised</u> | | |
| 1,00,00,000 equity shares (PY 1,00,00,000) of Rs. 10 each | 1,000.00 | 1,000.00 |
| | <u>1,000.00</u> | <u>1,000.00</u> |
| <u>Issued, Subscribed and Paid up</u> | | |
| 1,00,00,000 equity shares (PY 1,00,00,000) of Rs. 10 each fully paid up | 1,000.00 | 1,000.00 |
| | <u>1,000.00</u> | <u>1,000.00</u> |
| Of the above | | |
| 10,10,00,000 Equity shares i.e. 100% equity shares of Rs. 10 each with voting rights are held by Tata Power Company Limited being the holding company and promoter (including shares held by the nominee shareholders) | | |
| 10 The equity shares of the Company have a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts. | | |
| 10 <u>Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:</u> | | |
| Particulars | No. of Shares | No. of Shares |
| Opening Balance | 1,00,00,000 | 1,00,00,000 |
| Add: Shares issued during the year | - | - |
| Closing Balance | <u>1,00,00,000</u> | <u>1,00,00,000</u> |
| 11 Unsecured Perpetual Securities | | |
| Opening Balance | - | - |
| Add: Amount converted from short term borrowings | 9,500.00 | - |
| Closing balance | <u>9,500.00</u> | <u>-</u> |
| Note: During the current year, unsecured short term borrowings taken by the company from its holding company in earlier years aggregating to Rs. 95,00,00,000 lakhs carrying interest rate of 5.49% pa have been converted into unsecured perpetual debt. Such loan is repayable at the sole option and discretion of the Company or subject to any mutual agreement of the parties in writing in relation to the repayment of the loans or any part thereof. Further, this perpetual debt / loan amount can be converted into equity in the future at the option of the holding company or TPADL. The Company on a non-cumulative basis, may pay interest on the loans in a given financial year, based on the availability of profits, if any dividend is declared by the Company to its shareholders in such financial year. The rate of interest payable, if any, shall be the rate at which dividend has been declared by the Company on equity shares for the relevant financial year. | | |
| 12 Provision | | |
| Non-Current | | |
| Provision for employee benefits (Refer Note 27) | 358.49 | 413.90 |
| | <u>358.49</u> | <u>413.90</u> |
| Current | | |
| Provision for employee benefits (Refer Note 27) | 14.00 | 16.05 |
| | <u>14.00</u> | <u>16.05</u> |
| 13 Other Liabilities | | |
| Non-Current | | |
| (a) <u>Service Line Charges</u> | | |
| Opening balance | 1,005.84 | 802.34 |
| Add: Additions during the year | 322.11 | 262.39 |
| Less: Transfer to the statement of profit and loss | 75.28 | 59.09 |
| Closing balance | <u>1,252.67</u> | <u>1,005.64</u> |
| (b) <u>Consumer contribution for deposit works</u> | | |
| Opening balance | 2,883.13 | 2,544.27 |
| Add: Additions during the year | 320.80 | 512.07 |
| Less: Transfer to the statement of profit and loss | 201.94 | 173.21 |
| Closing balance | <u>3,001.99</u> | <u>2,883.13</u> |
| | <u>4,254.66</u> | <u>3,888.97</u> |
| Current | | |
| Statutory dues | 31.38 | 53.54 |
| Advance deposit towards electricity consumption charges | 171.88 | 187.13 |
| Other liabilities | 2.43 | 2.19 |
| | <u>205.49</u> | <u>242.86</u> |



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TP AJMER DISTRIBUTION LIMITED

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|-----------------------|-----------------------|
| 14 Short Term Borrowings | | |
| <u>From bank - Secured</u> | | |
| Short term loan from IndusInd Bank Ltd (Refer note below) | 697.99 | 884.17 |
| <u>From related party - Unsecured</u> | | |
| Loans from Holding Company | - | 9,500.00 |
| | 697.99 | 10,384.17 |

Note - Secured by exclusive first charge over the entire current assets present and future except balance in escrow and deposit account with banks

| | | |
|--|-----------------|-----------------|
| 15 Trade Payables | | |
| - total outstanding dues of micro enterprises and small enterprises | 217.71 | 273.17 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 5,433.99 | 5,501.77 |
| | 5,651.59 | 5,779.94 |

For ageing schedule of trade payables - refer Note 30(xxi)

Note -

Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act 2006 have been determined based on the information available with the Company and the required disclosures are given below

| | | |
|---|--------|--------|
| a) Principal amount remaining unpaid as on 31st March | 217.71 | 273.17 |
| b) Interest due thereon as on 31st March # | - | - |
| c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day # | - | - |
| d) The amount of Interest due and payable for the year # | - | - |
| e) The amount of Interest accrued and remaining unpaid as at 31st March # | - | - |
| f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid # | - | - |

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

Amounts payable to MSM vendors on account of retention money have not been considered for the purpose of interest calculation since it is not due

| | | |
|---|-----------------|-----------------|
| 16 Other Financial Liabilities- Current | | |
| <u>Deposits from customers</u> | | |
| Security deposit from customers (Permanent Consumers) | 4,129.80 | 3,678.49 |
| Sundry deposits from customers (Temporary Consumers) | 231.79 | 208.79 |
| | 4,361.59 | 3,887.28 |
| Less: Security deposits of customers transferred to AVVNL | 4,187.90 | 3,736.59 |
| | 173.69 | 150.69 |
| Security deposit from vendors | 159.37 | 130.31 |
| Interest accrued on unsecured loan from holding company | - | 115.74 |
| Accrued salary and benefits | 154.57 | 187.62 |
| <u>Payable to AVVNL</u> | | |
| Electricity duty, water cess tax and urban cess tax | 140.22 | 122.72 |
| Other dues | 1,470.84 | 901.40 |
| | 1,925.00 | 1,457.79 |
| | 2,098.69 | 1,808.48 |



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TP AJMER DISTRIBUTION LIMITED

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|-----------------------|-----------------------|
| 17 Revenue from Operations | | |
| Revenue from sale of power | 41 389.43 | 42 816.34 |
| <u>Other Operating Income</u> | | |
| Transfer from service line charges | 75.28 | 59.09 |
| Transfer from consumer contribution for capital works | 201.94 | 173.21 |
| Miscellaneous revenue | 87.97 | 95.87 |
| | <u>41 754.62</u> | <u>43 144.51</u> |
| 18 Other Income | | |
| Delayed payment charges | 202.42 | 272.89 |
| Interest Income on bank deposits | 424.07 | 412.10 |
| Interest on financial assets | 33.49 | 17.41 |
| Miscellaneous income | 55.40 | 124.19 |
| Interest on income tax refund | 4.56 | 1.28 |
| | <u>719.94</u> | <u>827.87</u> |
| 19 Employee Benefits Expenses | | |
| (a) Employee on Company payroll: | | |
| Salaries allowances and incentives | 799.99 | 916.05 |
| Contribution to provident and other funds | 38.78 | 42.79 |
| Retiral benefits | 55.43 | 86.11 |
| Staff welfare expenses | 6.14 | 14.31 |
| | <u>900.34</u> | <u>1 059.26</u> |
| (b) Employee from AVVNL & TPDDL: | | |
| Deputation from AVVNL & TPDDL | 178.53 | 224.94 |
| (c) Employee Cost Capitalised: | | |
| Employee cost capitalised | (180.32) | (268.04) |
| | <u>918.55</u> | <u>1 016.16</u> |
| 20 Finance Costs | | |
| (a) Interest Expense | | |
| Borrowings | | |
| Interest on loan - Bank | 151.23 | 134.40 |
| Interest on loan - Holding Company | 205.76 | 458.88 |
| Others | | |
| Interest on late payment of statutory dues | 0.24 | |
| | <u>357.23</u> | <u>593.28</u> |
| (b) Finance Charges | | |
| Other finance costs | 32.83 | 35.90 |
| | <u>389.86</u> | <u>629.18</u> |
| 21 Amortisation Expense | | |
| Amorization of intangible assets | 697.72 | 591.83 |
| | <u>697.72</u> | <u>591.83</u> |



Bhupendra

TP AJMER DISTRIBUTION LIMITED

| | Rs /Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|--|------------------------|------------------------|
| 22 Other Expenses | | |
| <u>Operating and Maintenance</u> | | |
| Consumption of stores | 12 03 | 114 43 |
| Repair and maintenance | | |
| Building | 3 07 | 3 86 |
| Plant & machinery | 775 69 | 660 19 |
| Others | 0 05 | 0 17 |
| | <u>790 81</u> | <u>798 55</u> |
| <u>Administrative and General</u> | | |
| Rent | 12 01 | 8 47 |
| Cost of services procured | 659 37 | 613 13 |
| Other operation expenses | 14 59 | 12 39 |
| Insurance | 22 12 | 27 51 |
| Advertisement publicity and business promotion | 3 27 | 4 33 |
| Communication | 85 90 | 103 25 |
| Electricity charges | 45 21 | 39 28 |
| Travelling and conveyance | 35 59 | 36 59 |
| IT expenses | 131 07 | 110 51 |
| Printing and stationery | 23 35 | 22 51 |
| Training | 3 38 | 5 99 |
| Legal and professional charges | 239 20 | 117 68 |
| Rates and taxes | 15 43 | 14 47 |
| Provision for doubtful debts | 3 37 | 31 73 |
| Loss on disposal of assets | 1 65 | 2 96 |
| Miscellaneous & other administrative expenses | 30 34 | 26 31 |
| | <u>1 332 05</u> | <u>1 174 91</u> |
| | <u>2,122.86</u> | <u>1,973.56</u> |

23 Earnings Per Share

The computation of basic / diluted earning/ (loss) per share is set out below

| | | |
|--|-------------|-------------|
| Net Profit /(Loss) after current and deferred tax | 261 55 | (33 90) |
| No of Shares outstanding at the beginning of the year | 1,00,00,000 | 1,00,00,000 |
| No of Shares outstanding at the end of the year | 1,00,00,000 | 1,00,00,000 |
| Weighted average number of equity shares of Rs 10/- each | 1,00,00,000 | 1,00,00,000 |
| EPS (Rs) - Basic and Diluted | 2 62 | (0 34) |

24 Commitments and Contingencies

a) Contingent Liabilities

Claims against the Company not acknowledged as debts

Nil Nil

Guarantees and Letter of credit

The holding Company has given performance bank guarantees and Letter of Credit on behalf of the Company to Ajmer Vidyut Vitran Nigam Limited in terms of the Distribution Franchise Agreement

Bank Guarantee
Letter of Credit

| | |
|------------------|------------------|
| 2 600 00 | 2 600 00 |
| <u>8 205 00</u> | <u>8 017 00</u> |
| <u>10 805 00</u> | <u>10 617 00</u> |

b) Goods and Service Tax (GST)

The Company has been charging GST on ancillary services relating to electricity distribution business based on advance ruling obtained from Authority for Advance Ruling, Rajasthan in the previous years. However, during the previous years, in view of petition filed by Ajmer Vidyut Vitran Nigam Limited (AVVNL) and other distribution licensees in Hon'ble High Court of Rajasthan for non-applicability of GST on such ancillary services as these relate to distribution of electricity which is a product exempt from supply of GST, AVVNL has directed the Company not to charge GST from its customers on such ancillary services. In view of this, the Company has discontinued to charge GST on such services from its customers w.e.f 19 07 2019 and it is not paying GST on such services to Government. The Company has estimated GST liability of Rs 739 53 Lakhs (Previous Year Rs 513 40 Lakhs) which has been neither billed nor collected from the consumers on such ancillary services during the period 19 07 2019 to 31 03 2023. Besides this, in some cases, Company has made refunds of GST paid by certain consumers on the basis of bills raised before 19 07 2019 aggregating to Rs 48 46 Lakhs (Previous Year 48 46 Lakhs).

AVVNL has obtained a favourable order from Hon'ble Rajasthan high court dated 12 08 2021 stating that if the principal supply of transmission and distribution of electricity is exempt from levy of service tax, the tax liability of the related services shall be determined accordingly. Subsequently, GST department has filed an appeal against this order in Supreme Court of India which has not yet come up for hearing.



Shripad

TP AJMER DISTRIBUTION LIMITED

| | Rs./Lacs 31-Mar-23 | Rs./Lacs 31-Mar-22 |
|---|-----------------------|-----------------------|
| 25 Auditors Remuneration (Including taxes) | | |
| Statutory audit | 5.31 | 4.72 |
| Limited Review | 3.54 | 3.09 |
| Tax Audit Fees | 1.03 | 0.89 |
| Certification Fees | 0.35 | 0.35 |
| Re-imbursement of out of pocket expenses | 0.70 | 0.42 |
| | 10.93 | 9.47 |
| 26 Taxation (Including deferred taxes) | | |
| <u>Effective tax Reconciliation</u> | | |
| Total Comprehensive Income | 273.09 | (23.94) |
| Enacted tax rates | 25.17% | 25.17% |
| Computed tax Income / (expense) | 68.73 | (5.03) |
| <u>Tax Expenses</u> | | |
| Current Tax | - | - |
| Deferred Tax (Refer Note 4) | -17.74 | (12.55) |
| Total tax expense / (credit) | -17.74 | (12.55) |
| <u>Items of Reconciliation</u> | | |
| Prior period adjustments | 18.09 | 4.01 |
| Tax impact on liability routed through OCI | 2.90 | 2.51 |
| | 68.73 | (5.03) |

27 Retirement benefit obligations

1. Defined Contribution plan

The Company makes Provident Fund and 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.

2. Defined benefit plans

The Company participates in defined contribution and benefit scheme.

2.1 Defined Contribution Plans

The Company makes contribution towards provident fund to a defined contribution plan for qualifying employees. The Company's contribution to Employee Provident fund is deposited with the regional provident fund commissioner. The Company recognises provident fund contribution as expense in the statement of Profit and Loss.

Expense recognised during the Year

22.40

23.85

2.2 Defined Benefit Plans (Unfunded)

Post-Employment Medical Benefits

The Company provides certain post-employment health care benefits to superannuated employees. In terms of the plan, the retired employees can avail free medical check-up and medicines at Company's facilities.

Pension

The Company operates a defined benefit pension plan for employees who have completed 15 years of continuous service. The plan provides benefits to members in the form of a pre-determined lump sum payment on retirement.

Ex-Gratia Death Benefit

The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a predetermined lump sum amount along with a sum determined based on the last drawn basic salary per month and the length of service.

Retirement Gift

The Company has a defined benefit plan granting a pre-determined sum as retirement gift on superannuation of an employee.

Gratuity

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 the retirement date.

2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:

| | | |
|-------------------------------------|-------|-------|
| Discount Rate | 7.30% | 6.80% |
| Expected Rate of Increase in salary | 6.50% | 6.50% |
| Attrition Rate | | |
| Age - 21 to 44 Years | 6.00% | 6.00% |
| Age - 45 and above | 2.00% | 2.00% |
| Mortality Rate | | |

Indian Assured Lives Mortality (2006-08) UT



Bhupendra

TP AJMER DISTRIBUTION LIMITED

Below tables sets forth the movement in the defined benefit obligation amounts recognised in the Balance sheet and Statement of Profit and Loss

| Movement in obligation | Rs./Lacs | | Rs./Lacs | |
|--|-------------------|-----------------------------|-------------------|-----------------------------|
| | As at 31-Mar-2023 | | As at 31-Mar-2022 | |
| | Gratuity | Other Defined benefit plans | Gratuity | Other Defined benefit plans |
| Particulars | | | | |
| Present value of obligation at the beginning of the year | 279.96 | 53.87 | 244.71 | 50.12 |
| Current service cost | 19.59 | 6.16 | 29.08 | 6.10 |
| Interest cost | 14.85 | 3.66 | 16.75 | 3.31 |
| Benefits paid | (123.08) | (0.78) | - | - |
| Acquisitions credit/(cost) | 56.86 | - | (5.53) | - |
| Remeasurements - actuarial loss/(gain) | (2.80) | (15.63) | (5.05) | (5.67) |
| Present value of obligation at the year end | <u>245.38</u> | <u>47.28</u> | <u>279.96</u> | <u>53.87</u> |

The components of defined benefit cost recognised in Statement of Profit and Loss are as follows:

| | Rs./Lacs | Rs./Lacs | Rs./Lacs | Rs./Lacs |
|----------------------|-------------------|-----------------------------|-------------------|-----------------------------|
| | As at 31-Mar-2023 | | As at 31-Mar-2022 | |
| | Gratuity | Other Defined benefit plans | Gratuity | Other Defined benefit plans |
| Current Service cost | 19.59 | 6.16 | 29.08 | 6.10 |
| Interest cost | 14.85 | 3.66 | 16.75 | 3.31 |
| Expense for the year | <u>34.44</u> | <u>9.82</u> | <u>45.83</u> | <u>9.41</u> |

Recognised In Other Comprehensive Income

| | Rs./Lacs | Rs./Lacs | Rs./Lacs | Rs./Lacs |
|--|-------------------|-----------------------------|-------------------|-----------------------------|
| | As at 31-Mar-2023 | | As at 31-Mar-2022 | |
| | Gratuity | Other Defined benefit plans | Gratuity | Other Defined benefit plans |
| Remeasurement - Actuarial loss/(gain) for the year | (2.80) | (15.63) | (5.05) | (5.67) |

| Sensitivity analysis for the year | Rs./Lacs | | Rs./Lacs | |
|--|-------------------|-----------------------------|-------------------|-----------------------------|
| | As at 31-Mar-2023 | | As at 31-Mar-2022 | |
| | Gratuity | Other Defined benefit plans | Gratuity | Other Defined benefit plans |
| Effect on Defined benefit obligation on | | | | |
| Increase of 0.50% in discount rate | (10.45) | (3.71) | (11.35) | (2.93) |
| Decrease of 0.50% in discount rate | 11.35 | 4.24 | 12.40 | 3.42 |
| Effect on Defined benefit obligation on | | | | |
| Increase of 0.50% in salary escalation rate | 11.33 | 3.93 | 12.32 | 3.10 |
| Decrease of 0.50% in salary escalation rate | (10.53) | (4.30) | (11.38) | (2.68) |

| Maturity profile of Defined Benefit obligation | Rs./Lacs | Rs./Lacs |
|--|---------------|-----------------------------|
| | 31-Mar-23 | 31-Mar-23 |
| | Gratuity | Other Defined benefit plans |
| Particulars | | |
| March 31, 2024 | 8.94 | 1.72 |
| March 31, 2025 | 9.96 | 1.76 |
| March 31, 2026 | 11.70 | 1.77 |
| March 31, 2027 | 11.05 | 3.42 |
| March 31, 2028 | 12.79 | 1.59 |
| March 31, 2029 to March 31, 2033 | 185.99 | 24.17 |
| Total | <u>240.44</u> | <u>34.44</u> |



Bhupendra

TP AJMER DISTRIBUTION LIMITED

| | Rs /Lacs 31-Mar-23 | Rs/Lacs 31-Mar-22 |
|---|-----------------------|----------------------|
| 28 Related Party disclosures as per Ind AS 24 | | |
| A). Holding Company: | | |
| <u>Tata Power Company Limited</u> | | |
| Interest expenses | 205.76 | 458.88 |
| IT Service cost | 58.39 | 54.58 |
| Internal audit fees | 5.19 | 4.54 |
| Sale of Laptop | 0.23 | - |
| Re-imburements for expenses paid | 0.42 | 6.09 |
| Conversion of unsecured loan into Unsecured perpetual debt | 9,500.00 | - |
| Unsecured Loan Payable (Including interest accrued) | - | 9,515.74 |
| Employees related retiral liabilities receivable on transfer | 5.06 | 36.35 |
| Employees related retiral liabilities payable on transfer | 14.41 | 5.94 |
| Amount (payable) / receivable at the year end | (29.41) | 36.43 |
| Bank Guarantee / Letter of credit received | 10,805.00 | 10,517.00 |
| B). Fellow Subsidiary : | | |
| <u>i) Tata Power Delhi Distribution Limited</u> | | |
| Management contract for deputation of employees | 9.72 | 2.59 |
| Employees related retiral liabilities received on transfer | 0.31 | 2.64 |
| Employees related retiral liabilities paid on transfer | 0.73 | 0.22 |
| IT Service Cost | 2.14 | 4.74 |
| Amount (payable) / receivable at the year end | (6.34) | (1.41) |
| <u>ii) Coastal Gujarat Private Limited (CGPL)</u> | | |
| Paid on account of re-imburement of employee related expenses | - | 6.11 |
| Mutual benefit fund Paid | - | 0.33 |
| <u>iii) Waluhan Renewable Energy Limited (WREL)</u> | | |
| Employees related retiral liabilities paid on transfer | - | 19.58 |
| Employees related retiral liabilities receivable on transfer | 0.58 | - |
| laptop buyback | - | 0.06 |
| Amount (payable) / receivable at the year end | 0.58 | - |
| <u>iv) Muthon Power Limited</u> | | |
| Employees related retiral liabilities paid on transfer | - | 1.53 |
| Performance liabilities payable | (0.13) | - |
| laptop buyback | - | 0.07 |
| Mutual benefit fund Paid | - | 0.34 |
| Amount (payable) / receivable at the year end | (0.06) | 0.07 |
| <u>v) Powerlinks Transmission Limited</u> | | |
| Mutual benefit fund Paid | - | 0.18 |
| <u>vi) Industrial Energy Limited</u> | | |
| Amount (payable) / receivable at the year end | (4.95) | (4.95) |
| <u>vii) Waluhan Solar AP Limited</u> | | |
| Employees related retiral liabilities paid | - | 2.89 |
| Employees related retiral liabilities payable on transfer | - | 5.65 |
| <u>viii) TP Renewable Microgrid Limited</u> | | |
| Employees related retiral liabilities payable on transfer | 2.99 | - |
| Performance liabilities paid | - | 7.47 |
| Amount (payable) / receivable at the year end | (2.99) | - |



Bhupendra

TP AJMER DISTRIBUTION LIMITED

| | Rs /Lacs 31-Mar-23 | Rs /Lacs 31-Mar-22 |
|--|-----------------------|-----------------------|
| <u>(x) TP Western Odisha Limited</u> | | |
| Buyback of Laptop | - | 1.09 |
| Employees related retiral liabilities payable on transfer | - | 12.25 |
| Amount (payable) / receivable at the year end | (61.61) | (59.02) |
| <u>(xi) TP Central Odisha Limited</u> | | |
| Buyback of Laptop | - | 0.07 |
| Employees related retiral liabilities payable on transfer | 0.59 | - |
| Amount (payable) / receivable at the year end | - | (43.30) |
| <u>(xii) Tata Capital Financial Services Ltd.</u> | | |
| Car Lease Expenses | 4.84 | 2.49 |
| Amount (payable) / receivable at the year end | - | (0.55) |
| <u>(xiii) Tata AIG General Insurance CO. LTD.</u> | | |
| Insurance Expense | 52.84 | 18.77 |
| Insurance Claim Received | 59.50 | - |
| Amount (payable) / receivable at the year end | (0.10) | (0.10) |
| <u>(xiv) Tata Communication Ltd.</u> | | |
| Communication Charges | - | 3.37 |
| <u>(xv) Tata Power Solar System Limited</u> | | |
| Mutual fund benefit Paid | - | 0.17 |
| Sale of Laptop | 0.03 | 0.06 |
| Employees related retiral liabilities payable on transfer | 12.36 | - |
| Amount (payable) / receivable at the year end | (12.28) | 0.06 |
| <u>(xvi) Tata Power Northern Odisha Dist. Ltd.</u> | | |
| Buyback of Laptop | 0.65 | 0.56 |
| Employees related retiral liabilities payable on transfer | 0.94 | - |
| Employees related retiral liabilities receivable on transfer | 90.84 | - |
| Amount (payable) / receivable at the year end | (0.94) | 0.56 |
| <u>(xvii) Tata Power South Odisha Distribution Limited</u> | | |
| Employees related retiral liabilities paid on transfer | 16.56 | - |

C) Key Management Personnel :

| | | |
|---|-------|--------|
| i) Mr. Manoj Digambar Salvi - Chief Executive Officer (w e f 1st May 22) Remuneration * | 72.78 | - |
| ii) Mr. Shriprakash Joshi - Chief Executive Officer (Upto 15th May 22) Remuneration * | 6.46 | 122.54 |
| iii) Mr. Bhupendra Sharma - Chief Finance Officer Remuneration * | 24.06 | 21.42 |

* Key Management Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are lump sum amounts provided on the basis of actuarial valuation, the same is not included above.

29 Operating Segment as per Ind AS 108

In line with the provisions of Ind AS 108 - operating segments and on the basis of review of operations being done by the senior management, the operation of the Company fall under Electricity distribution, which is considered to be the only reportable segment by the management and the Chief Operating Decision Maker.



TP AJMER DISTRIBUTION LIMITED

30 Additional disclosure / Regulatory Information as required by Notification no. GSR 207(E) dated 24.03.2021

- (i) The Company does not have any immovable property
- (ii) The Company does not have any investment property
- (iii) The Company has not revalued its Property Plant and Equipment (including Right to Use Assets)
- (iv) The Company has not revalued its intangible assets
- (v) Loan or advances granted to the promoters, directors and KMPs and the related parties.
No loan or advances in the nature of loans have been granted to the promoters, directors, key managerial persons and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person that are
 - (a) repayable on demand or
 - (b) without specifying any terms or period of repayment
- (vi) The Company does not have any Capital Work in progress at the balance sheet date
- (vii) The Company does not have intangible assets under development
- (viii) No proceedings have been initiated or pending against the company for holding any benami property under benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder
- (ix) Reconciliation of quarterly statement of current assets filed with banks or financial statements
The quarterly statement of current assets filed, during the year, with banks are in agreement with books of accounts
- (x) Willful Defaulter
No bank has declared the company as "willful defaulter"
- (xi) Relationship with Struck off Companies.
There are no transaction with the companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year ended 31 March 2023 and the year ended 31 March 2022.
- (xii) Registration of charges or satisfaction with Registrar of Companies.
The Company has filed registration of charges or satisfaction of charges with Registrar of Companies, wherever applicable. No registration or satisfaction is pending at end of financial year
- (xiii) Compliance with number of layers of companies
No layers of companies has been established beyond the limit prescribed as per above said section / rules



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TP AJMER DISTRIBUTION LIMITED

TP AJMER DISTRIBUTION LIMITED

(xiv) Financial Ratios

| Sr No | Ratios | As at | As at | As at | As at | % of Variance | Reason for Variance | |
|-------|---|-------------------------|-------------------------|------------|------------|---------------|---------------------|--|
| | | 31.03.2023 | 31.03.2022 | 31.03.2023 | 31.03.2022 | | | |
| | | Numerator / Denominator | Numerator / Denominator | Ratio | Ratio | | | |
| a) | Current Ratio = Current assets divided by Current Liabilities | 12,696.17 8,667.76 | 12,377.83 16,031.50 | 1.46 | 0.71 | 105% | Refer Note 1 below | |
| b) | Debt equity ratio = total debt divided by total shareholder's equity | 697.99 10,535.71 | 10,384.17 762.62 | 0.07 | 13.62 | 100% | Refer Note 1 below | |
| c) | Debt service coverage ratio = earnings available for debt services divided by total interest and principal repayments | 1,307.52 357.23 | 1,256.43 593.28 | 3.66 | 2.12 | 73% | Refer Note 1 below | |
| d) | Return on equity ratio/ return on investment ratio = Net profit after tax divided by Average shareholder's equity | 261.55 10,535.71 | (33.90) 762.62 | 2.43 | (4.45) | -156% | Refer Note 2 below | |
| e) | Inventory turnover ratio = Net sales divided by average Inventory | Not Applicable | | | | | | |
| f) | Trade receivables turnover ratio = Net sales divided by average trade receivables | 41,754.62 15,124.7 | 43,144.51 1,993.13 | 27.61 | 22.79 | 21% | | |
| g) | Trade Payables turnover ratio = Net Purchases divided by average trade Payables | 38,084.02 5,715.76 | 39,795.55 5,459.79 | 6.66 | 7.29 | -9% | | |
| h) | Net capital turnover ratio = Net sales divided by capital | 41,754.62 10,535.71 | 43,144.51 762.62 | 3.98 | 56.57 | -93% | Refer Note 1 below | |
| i) | Net profit turnover ratio = Net profit after tax divided by Net sales | 261.55 41,754.62 | (33.90) 43,144.51 | 0.63 | (0.08) | -897% | Refer Note 2 below | |
| j) | Return on Capital employed = Earnings before interest and taxes (EBIT) divided by Capital Employed | 619.73 11,190.25 | 559.38 11,244.53 | 0.06 | 0.05 | 11% | Refer Note 2 below | |
| k) | Return on investment (Net Income/Cost of Investment) | Not Applicable | | | | | | |

Note 1. The variance is due to conversion of interest bearing loan to interest free perpetual debt during the year
2. Variance is due to increase in profit during the year

(xv) Compliance with approved Scheme(s) of Arrangements

No scheme of arrangements has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013

(xvi) Utilisation of Borrowed funds and share premium

| Particulars | Description |
|--|---|
| Transactions where an entity has provided any advance, loan, or invested funds to any other person (s) or entity/ entities, including foreign entities | No such transaction has taken place during the year |
| Transactions where an entity has received any fund from any person (s) or entity/ entities, including foreign entity | |

(xvii) Undisclosed income

There is no such income which has not been disclosed in the books of accounts. No such income is surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961

(xviii) Details of Crypto Currency or Virtual Currency

| Particulars | 31-Mar-23 | 31-Mar-22 |
|--|--------------------------------------|-----------|
| Profit or loss on transactions involving Crypto currency or Virtual Currency | No Such Transaction during the years | |
| Amount of currency held as at the reporting date | | |
| Deposits or advances from any person for the purpose of trading or investing in Crypto Currency / virtual currency | | |

(xix) Corporate Social Responsibility Expenditure

Gross amount required to be spent by the Company during the year -NIL (Previous Year- NIL)



TP AJMER DISTRIBUTION LIMITED

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(xx) Ageing schedule Trade Receivables

As at 31st March 2023

| Particulars | Outstanding for following periods from due date of payment # | | | | | Total |
|--|--|-------------------|--------------|---------------|-------------------|-----------------|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables | | | | | | |
| a) Considered good | 1,139.09 | 70.70 | 65.40 | 53.39 | 17.67 | 1,347.25 |
| b) Significant increase in credit risk | 2.47 | 5.30 | 27.00 | 49.11 | 160.13 | 244.07 |
| c) Credit Impaired | - | - | - | - | - | - |
| (ii) Disputed Trade Receivables | | | | | | |
| a) Considered good | - | - | - | - | - | - |
| b) Significant increase in credit risk | - | - | - | - | - | - |
| c) Credit Impaired | - | - | - | - | - | - |
| Total | 1,141.56 | 76.00 | 93.40 | 102.50 | 177.85 | 1,591.32 |

As at 31st March 2022

| Particulars | Outstanding for following periods from due date of payment # | | | | | Total |
|--|--|-------------------|---------------|---------------|-------------------|-----------------|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Receivables | | | | | | |
| a) Considered good | 1,365.60 | 98.74 | 94.28 | 69.56 | 49.51 | 1,677.69 |
| b) Significant increase in credit risk | - | - | 72.62 | 56.09 | 111.39 | 240.10 |
| c) Credit Impaired | - | - | - | - | - | - |
| (ii) Disputed Trade Receivables | | | | | | |
| a) Considered good | - | - | - | - | - | - |
| b) Significant increase in credit risk | - | - | - | - | - | - |
| c) Credit Impaired | - | - | - | - | - | - |
| Total | 1,365.60 | 98.74 | 166.90 | 125.65 | 160.90 | 1,917.79 |

31-03-2023 31-03-2022

Unbilled Dues (Not due)

2,363.11 2,373.51

Total

2,363.11 2,373.61

Where due date of payment is not available date of transaction has been considered

(xxi) Ageing schedule Trade Payables

As at 31st March 2023

| Particulars | Outstanding for following periods from due date of payment # | | | | Total |
|-------------------------------|--|---------------|---------------|-------------------|-----------------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Payables | | | | | |
| a) MSME | 217.71 | - | - | - | 217.71 |
| b) Others | 2,706.52 | 50.01 | - | - | 2,756.53 |
| (ii) Disputed Trade Payables | | | | | |
| a) MSME | - | - | - | - | - |
| b) Others | 1,771.00 | 527.43 | 378.92 | - | 2,677.35 |
| Total | 4,695.23 | 577.44 | 378.92 | - | 5,651.59 |

Note- Ageing wise outstanding amounts are reported here after netting off payment made under protest to vendors

As at 31st March 2022

| Particulars | Outstanding for following periods from due date of payment # | | | | Total |
|-------------------------------|--|--------------|-------------|-------------------|-----------------|
| | Less than 1 Year | 1-2 Years | 2-3 years | More than 3 years | |
| (i) Undisputed Trade Payables | | | | | |
| a) MSME | 278.17 | - | - | - | 278.17 |
| b) Others | 3,975.33 | 2.21 | 1.12 | 3.08 | 3,981.74 |
| (ii) Disputed Trade Payable | | | | | |
| a) MSME | - | - | - | - | - |
| b) Others | 1,498.89 | 21.14 | - | - | 1,520.03 |
| Total | 5,752.39 | 23.35 | 1.12 | 3.08 | 5,779.94 |

Note- Ageing wise outstanding amounts are reported here after netting off payment made under protest to vendors

Where due date of payment is not available date of transaction has been considered



31 Financial Instruments

31.1 Financial Assets and Financial Liabilities

Rs./Lacs

The carrying value of financial instruments by categories is as follows

| Particulars | As at March 31, 2023 | | | As at March 31, 2022 | | |
|--|----------------------|-----------------------------------|-------------------|----------------------|-----------------------------------|-------------------|
| | At Cost | Fair value through profit or loss | At Amortised Cost | At Cost | Fair value through profit or loss | At Amortised Cost |
| Financial assets | | | | | | |
| Trade Receivables | 1,347.25 | - | - | 1,677.69 | - | - |
| Cash and cash equivalent | 26.29 | - | - | 44.90 | - | - |
| Other Bank Balances | 8,207.00 | - | - | 8,015.41 | - | - |
| Other Financial assets- Service Concession Arrangement | - | - | 387.14 | - | - | 247.24 |
| Other Financial Assets - Current | 2,604.46 | - | - | 2,724.48 | - | - |
| Total | 12,185.00 | - | 387.14 | 12,462.48 | - | 247.24 |
| Financial Liabilities | | | | | | |
| Short term borrowings | 697.99 | - | - | 10,384.17 | - | - |
| Trade payables | 5,651.59 | - | - | 5,779.94 | - | - |
| Other financial liabilities | 2,098.69 | - | - | 1,608.48 | - | - |
| Total | 8,448.27 | - | - | 17,772.59 | - | - |

Since there are no financial assets or financial liabilities at the balance sheet date for which fair value is adopted therefore classification of hierarchy of fair valuation of financial instruments is not required to be given.

31.2 Capital risk management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of its long-term and short-term goals. Its Capital structure consists of net debt (borrowings as detailed in notes below) and total equity.

Gearing Ratio

The gearing ratio at the end of the reporting year was as follows:

| | 31-Mar-23 | 31-Mar-22 |
|---------------------------------|-------------------|-----------------|
| Debt | 697.99 | 10,384.17 |
| Cash and bank balances | 8,233.29 | 8,060.31 |
| Net Debt | (7,535.30) | 2,323.86 |
| Total Equity | 10,535.71 | 762.62 |
| Net debt to equity ratio | Nil | 3.05 |

(i) Debt consists of short-term borrowings.

(ii) Equity is defined as Equity share capital and other equity including Profit / Loss.

31.3 Financial risk management

Financial risk factors

In its ordinary operations, the Company's activities expose it to the various types of risks, which are associated with the financial instruments and markets in which it operates. The Company has a risk management policy which covers various risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The following is the summary of the main risks.

i) Market Risk Management

Market risk is the risk that changes in market prices, such as interest rates (interest rate risk), will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



TP AJMER DISTRIBUTION LIMITED

ii) Credit Risk Management

The Company takes on exposure to credit risk which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Financial assets that potentially expose the Company to credit risks are listed below:

| | 31-Mar-23 | 31-Mar-22 |
|------------------------|-----------------|-----------------|
| Trade Receivables | 1,347.25 | 1,677.69 |
| Other Financial Assets | 2,604.46 | 2,724.48 |
| | <u>3,951.71</u> | <u>4,402.17</u> |

Refer Note No. 10 for further information in respect of Other financial assets. The Company believes exposure to credit risk to be minimal in respect of these receivables.

(iii) Liquidity Risk Management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The maturity profile of the financial liabilities are listed below:

| Expected contractual maturity for Financial Liabilities | 31-Mar-23 | | | 31-Mar-22 | | |
|---|---------------------|-------------------|-----------------|---------------------|-------------------|------------------|
| | Repayable on Demand | Due within 1 Year | Total | Repayable on Demand | Due within 1 Year | Total |
| Short term borrowings | - | 697.99 | 697.99 | - | 10,384.17 | 10,384.17 |
| Trade Payables | - | 5,651.59 | 5,651.59 | - | 5,779.94 | 5,779.94 |
| Other Financial Liabilities | 173.69 | 1,925.00 | 2,098.69 | 150.69 | 1,457.79 | 1,608.48 |
| | 173.69 | 8,274.58 | 8,448.27 | 150.69 | 17,621.90 | 17,772.59 |

The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

32 Service Concession Arrangements -

TP Ajmer Distribution Limited (The Company, The Operator) has been granted rights for Supply and Distribution of Electricity in Ajmer City from Ajmer Vidut Vitran Nigam Limited (AVVNL) for a period of 20 years starting from 1st July 2017 to 30th June 2037 in pursuance of Distribution Franchise Agreement ("DFA" Agreement) dated 19th April 2017.

Following are significant terms of this agreement -

- The operator would be entitled to use the existing distribution infrastructure set up by AVVNL without any additional charge.
- The operator is required to incur minimum capital expenditure of Rs.3760.00 lacs to improve efficiencies, augment and upgrade infrastructure, reduction in distribution losses and improvement in quality of supply in the franchise area etc. over a period of 5 years from the effective date i.e. 1st July 2017.
- After the expiry of the term of this agreement, all the existing infrastructure including assets created by the Operator would be handed over to the grantor. The grantor would compensate the operator an amount equal to the depreciated value of assets created by it.
- The operator would purchase the electricity from the grantor at a price derived from the formula given in the agreement and sell the electricity to consumers at a price tariff decided by Rajasthan Electricity Regulatory Commission.
- The grantor would supply electricity to the operator for supply in the franchise area to fulfill its obligations under the agreement.

The Company has considered this agreement to be covered by Appendix D related to Service Concession Arrangement of Ind AS 115 - Revenue from Contract with Customers and have carried out accounting based on the guidance provided in the standard. Accordingly, it has recognised the discounted value of the minimum future obligations it is expected to incur in terms of this agreement as an intangible asset i.e. Service Concession Arrangement. It has also recognised a financial asset on account of receivables due from the grantor at the time of transfer of assets created by it at the time of expiry of this agreement. It is recognised at an amount equal to the discounting value of depreciated value of assets created by it.

The Company has used weighted average cost of capital of its parent Company i.e. Tata Power Company Limited as discount rate.



TP AJMER DISTRIBUTION LIMITED

- 33 The cost of power purchased represents power purchased from Ajmer Vidyut Vitran Nigam Limited (AVVNL) in terms of Distribution Franchise Agreement (DFA). As per the term of the DFA, the cost of the power purchase is subject to audit by an outside agency appointed jointly by the Company and AVVNL. The cost of power purchase has been calculated provisionally based on the methodology of DFA and best estimate by the management of the company. Till 31.03.2022, independent auditor has completed the audit for period 01.07.2017 to 31.03.2021 and necessary adjustments in the power purchase cost are made in the respective periods based on the report of independent auditor.

Some of the matters impacting power purchase cost were disputed by the Company and it filed an arbitration application in accordance with the dispute resolution mechanism as per DFA during FY 2021-22.

In current FY 2022-23, the Company received arbitral award dated 20.06.2022 and the Company did not accept the award and have filed a petition against the arbitral award in Commercial Court, Ajmer.

The Company has made adequate provision towards power purchase cost in its books and does not anticipate any additional liabilities pending outcome of the case.

- 34 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.

- 35 Previous year figures have been regrouped / reclassified, wherever considered necessary, to conform to current year classification.

As per our report of even date attached

For V. Sankar Aiyar & Co.
Chartered Accountants
ICAI Firm Regn. No. 109208W



Ajay Gupta
Partner
Membership No. 90104

Place : Ajmer
Date : 14.04.2023



For and on behalf of the Board of Directors



Ganesh Srinivasan
Director
DIN - 06208444



Suranjit Mishra
Director
DIN - 08176957



Manoj Digambar Salvi
Chief Executive Officer



Bhupendra Sharma
Chief Financial Officer

Place : Ajmer
Date : 14.04.2023



Ms. Bhupinderjeet Kaur
Company Secretary

Shareholder Information

To,
Company Secretary,
TP Ajmer Distribution Limited
 C/o The Tata Power Company Limited,
 Corporate Center, 34, Sant Tukaram Road
 Carnac Bunder, Mumbai 400 009, Maharashtra

Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

General Information:

| | |
|--|--|
| Folio No.: | |
| Name of the first named Shareholder: | |
| PAN: * | |
| CIN/ Registration No.: *(applicable to Corporate Shareholders) | |
| Tel No. with STD Code: | |
| Mobile No.: | |
| Email Id: | |

*Self attested copy of the document(s) enclosed

Bank Details:

| | |
|----------------------|--------------------|
| IFSC: (11 digit) | MICR: (9 digit) |
| Bank A/c Type: | Bank A/c No.: * |
| Name of the Bank: | |
| Bank Branch Address: | |

* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place:

Date:

Signature of Sole/ First holder