

# **ANNUAL REPORT**

**2019-2020**

**(1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020)**

**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. Sanjay Kumar Banga**  
(Chairman)



**Mr. Arup Ghosh**  
(Non-Executive Director)



**Mr. Ganesh Srinivasan**  
(Non-Executive Director)



**Mr. Sunil Joglekar**  
(Non-Executive Director)



**Ms. Kiran Gupta**  
(Non-Executive Director)



**Mr. Suranjit Mishra**  
(Non-Executive Director)



**Mr. Gajanan Sampatrao Kale**  
(Chief Executive Officer)

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<b>Annual General Meeting</b>	
<b>Day &amp; Date</b>	<b>: Wednesday, 15<sup>th</sup> July 2020</b>
<b>Time</b>	<b>: 1:45 p.m.</b>
<b>Venue</b>	<b>: Board Room, Second Floor, NDPL House, Hudson Lines, Kingsway Camp, Delhi-110009</b>

**BOARD OF DIRECTORS**

Mr. Sanjay Kumar Banga	Chairman (from 17 <sup>th</sup> January 2020)
Mr. Arup Ghosh	Director
Mr. Ganesh Srinivasan	Additional Director (w.e.f 17 <sup>th</sup> January 2020)
Ms. Kiran Gupta	Additional (Woman) Director (w.e.f 26 <sup>th</sup> June 2019)
Mr. Sunil Joglekar	Director
Mr. Suranjit Mishra	Director
Mr. Minesh Shrikrishna Dave	Chairman (upto 30 <sup>th</sup> November 2019)
Mr. Sunil Singh	Director (upto 30 <sup>th</sup> November 2019)

**REGISTERED OFFICE:**

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

**CORPORATE IDENTITY NUMBER (CIN):**

U40100MH2017PLC293914

**STATUTORY AUDITORS:**

Messrs V. Sankar Aiyar & Co., Chartered Accountants (ICAI Firm Registration No. 109208W)

**SECRETARIAL AUDITORS:**

Messrs Siddiqui & Associates, Company Secretaries (FCS 2229, CP No. 1284)

**INTERNAL AUDITORS:**

The Tata Power Company Limited

**COST AUDITORS:**

Messrs Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212)

**BANKERS:**

ICICI Bank

IndusInd Bank

State Bank of India

**TP AJMER DISTRIBUTION LIMITED**

**NOTICE**

NOTICE is hereby given that the Third Annual General Meeting of the members of TP Ajmer Distribution Limited will be held on Wednesday, the 15<sup>th</sup> July 2020 at 1:45 p.m. at Board Room, Second Floor, NDPL House, Hudson Lines, Kingsway Camp, Delhi-110009, to transact the following business(es) *[Through video conferencing as per relaxation given by Ministry of Corporate Affairs to hold Annual General Meeting through video conferencing (VC) or other audio visual means (OAVM) vide its General Circular No. 20 /2020 dated 5<sup>th</sup> May 2020, due to COVID 19 pandemic]:*

**Ordinary Business:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March 2020 together with the reports of the Board of Directors and the auditors thereon.
2. To appoint a Director in place of Mr. Sunil Parashuram Joglekar (DIN: 07832066), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Suranjit Mishra (DIN: 08176957), who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business(es):**

**4. Appointment of Ms. Kiran Gupta as a Director**

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

**“RESOLVED** that Ms. Kiran Gupta (DIN: 08196580), who was appointed as an Additional Director of the Company with effect from 26<sup>th</sup> June 2019, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under second proviso of section 149(1) read with section 161(1) of the Companies Act, 2013 (the Act) and Article 64 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

**5. Appointment of Mr. Ganesh Srinivasan as a Director**

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

**“RESOLVED** that Mr. Ganesh Srinivasan (DIN: 08208444), who was appointed as an Additional Director of the Company with effect from 17<sup>th</sup> January 2020, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under section 161(1) of the Companies Act, 2013 (the Act) and Article 64 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

## 6. 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 ₹ 1,00,000/- (Rupees one lakh only) (plus other applicable taxes, travelling and out of pocket expenses with capping of 10% of fee amount) payable to M/s Sanjay Gupta & Associates, who are appointed as cost auditors to conduct the audit of cost records maintained by the Company for the financial year 2020-21.”

### NOTES

- (1) The relative explanatory statement pursuant to section 102 of the Companies Act, 2013 (the Act) and the rules made thereunder, in regard to the business(es) set out in item nos. 4 to 6 and the relevant details of the Directors of the Company seeking re-appointment/ appointment as set out in item nos. 2 to 5 above as required under Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
- (2) In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, Government of India, the Ministry of Corporate Affairs (“MCA”) allowed conducting AGM through Video Conferencing (VC) or Other Audio Visual Means (OAVM). Accordingly, MCA vide its circular dated 5<sup>th</sup> May 2020 read with circulars dated 8<sup>th</sup> April 2020 and 13<sup>th</sup> April 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act and MCA Circulars, the AGM of the Company is being held through VC/OAVM. The detailed procedure for participation in AGM through VC /OAVM is as per note no.18 and available at the Company’s website.
- (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 or OAVM.
- (4) In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for FY 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice for FY 2019-20 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 is 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) 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. [komal.jolly@tatapower-ddl.com](mailto:komal.jolly@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, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company i.e. [komal.jolly@tatapower-ddl.com](mailto:komal.jolly@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/registers by members/Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act 2013 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 through electronic mode.
- (14) The Company ensures that the AGM through VC or 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. [komal.jolly@tatapower-ddl.com](mailto:komal.jolly@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 or OAVM, where physical attendance of members in any case has been dispensed with, there is no requirement for appointment of proxies. Accordingly, the facility of appointment of proxies by members will not be available for this AGM. However, in pursuance of section 112 and section 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 or 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 (Webex). Members may participate in the meeting through the following link:  
<https://tatapowerddl.webex.com/tatapowerddl/j.php?MTID=m7f7e722136750fca9944eb6da08b8bea>  
Password (if prompted) is: Tatapower  
Meeting number (Access code):- 166 207 5704
- (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. 9958004416 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 Companies Act 2013 and the rules made thereunder.

Delhi, 28<sup>th</sup> April 2020  
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](mailto:Customercare.tpadl@tatapower.com)  
Website: <https://tpadl.com/>

Sd/-  
(Komal Jolly)  
Company Secretary  
Membership No. 22020

**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 business mentioned under item nos. 4 to 6 of the accompanying notice dated 28<sup>th</sup> April 2020.

**Item no.4:** The Board of Directors appointed Ms. Kiran Gupta (DIN: 08196580), nominated by The Tata Power Company Limited (Tata Power) as an Additional (Woman) Director of the Company with effect from 26<sup>th</sup> June 2019 in terms of Article 64 of Company's Articles of Association and second proviso of section 149(1) read with section 161(1) of the Act and the rules made thereunder, as amended from time to time.

In terms of section 161(1) of the Act, Ms. Gupta holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice under section 160(1) of the Act has been received from a member signifying his intention to propose Ms. Gupta's appointment as a Director.

In the opinion of the Board, Ms. Gupta fulfills the conditions specified in the Act and the rules made thereunder for appointment as a Director.

Ms. Gupta holds a B. Tech (Electrical) degree from Delhi College of Engineering with 'GOLD Medal' from Delhi University. She is a certified TBEM assessor and has done various assessments across Tata Group of Companies and also undertaken Technology Innovation workshop at Indian Institute of Management Bangalore (IIMB). She has been conferred with 'Best TBEM Assessor' award and 'Champion for Best Customer Centric practices' on Tata EDGE platform.

Ms. Gupta has an overall experience of 25 years in the Power Sector covering various Consultancy Projects for Design, Erection and Commissioning under Industrial and government domain along with leading the prestigious project for 'Feasibility study for Privatization of DVB' with M/s Tata Consulting Engineers for initial years.

Thereafter, she joined Tata Power-DDL under Corporate Operations Services and led the engineering and contracts group involving development and procurement of Utility equipment specifications, Operation Manuals and Inspection Plans including Grid substations.

She is presently heading Customer Services and Key Consumers department, Tata Power-DDL, including all High revenue consumers (>100kW and Xpress consumers) with dedicated services. This also includes assuring Performance Assurance requirements as laid by Delhi Electricity Regulatory Commission to ensure statutory compliances for 1.71 million customers. Various technological interventions like ADMS/BCM, digitized connect for customer convenience along with engagement platforms across segments have ensured effective Customer Relationship Management delivering Value added services for Key customers.

She has participated as Speaker in various International Power Summit and Conferences on 'PPP model' at Munich, Bishkek and Australia. She has represented Tata Power at first 'WE POWER' regional conference organized by World Bank for SAGE countries for encouraging Women participation in Energy Sector.

Further details and current Directorships of Ms. Gupta are provided in the Annexure to this Notice.

In compliance with the applicable provisions of the Act, the appointment of Ms. Kiran Gupta as a Director is now being placed before the members for their approval.

The Board recommends the resolution at item no. 4 of the accompanying notice for the approval by the members of the Company.

Other than Ms. Gupta, none of the Directors, Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the resolution at item no. 4 of the accompanying notice.

Ms. Gupta is not related to any other Director or KMPs of the Company.

**Item no.5:** The Board of Directors appointed Mr. Ganesh Srinivasan (DIN: 08208444), nominated by The Tata Power Company Limited (Tata Power) as an Additional Director of the Company with effect from 17<sup>th</sup> January 2020 in terms of Article 64 of Company's Articles of Association and section 161(1) of the Act and the rules made thereunder, as amended from time to time.

In terms of section 161(1) of the Act, Mr. Srinivasan holds office only upto the date of the forthcoming AGM of the Company but is eligible for appointment as a Director. A notice under section 160(1) of the Act has been received from a member signifying his intention to propose Mr. Srinivasan's appointment as a Director.

In the opinion of the Board, Mr. Srinivasan fulfills the conditions specified in the Act and the rules made thereunder for appointment as a Director.

Mr. Srinivasan is an alumnus of Indian Institute of Technology (IIT), Madras. He has done M.S. (Industrial) from Purdue University and Masters in Business Administration (Management) from Indian School of Business (ISB), Hyderabad.

Mr. Srinivasan has vast and varied experience of 19 years.

He joined Tata Power in 2012 and was heading Strategy and Corporate Planning. Prior to joining Tata Power, he had worked with McKinsey and Cummins India.

Further details and current Directorships of Mr. Srinivasan are provided in the Annexure to this Notice.

In compliance with the applicable provisions of the Act, the appointment of Mr. Ganesh Srinivasan as a Director is now being placed before the members for their approval.

The Board recommends the resolution at item no. 5 of the accompanying notice for the approval by the members of the Company.

Other than Mr. Srinivasan, none of the Directors, Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the resolution at item no. 5 of the accompanying notice.

Mr. Srinivasan is not related to any other Director or KMPs of the Company.

**Item no. 6:** Pursuant to the provisions of section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. 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 2020-21, at a remuneration of ₹ 1 lakh (plus other applicable taxes, travelling and out of pocket expenses with capping of 10% of fee amount).

M/s Sanjay Gupta & Associates, 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. 6 of the accompanying notice for ratification of the Cost Auditors' remuneration for FY 2020-21, by the members of the Company.

None of the Directors, Key Managerial Personnel (KMP) or their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 6 of the accompanying notice.

Delhi, 28<sup>th</sup> April 2020  
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](mailto:Customercare.tpadl@tatapower.com)  
Website: <https://tpadl.com/>

Sd/-  
(Komal Jolly)  
Company Secretary  
Membership No. 22020

Details of the Directors, seeking re-appointment/appointment at the forthcoming Annual General Meeting:

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

<b>Name of Director</b>	<b>Mr. Sunil Parashuram Joglekar</b>	<b>Mr. Suranjit Mishra</b>	<b>Ms. Kiran Gupta</b>	<b>Mr. Ganesh Srinivasan</b>
Date of birth	19 <sup>th</sup> April 1961	22 <sup>nd</sup> May 1975	07 <sup>th</sup> January 1972	24 <sup>th</sup> March 1976
Date of appointment	1 <sup>st</sup> June 2017	20 <sup>th</sup> July 2018	26 <sup>th</sup> June 2019	17 <sup>th</sup> January 2020
Expertise in functional areas	<p>Mr. Sunil Joglekar is Chief Distribution Customer Services of TATA Power. He had been associated with Tata Power since December 2010. He carries a vast experience of 33 years in the power industry and had worked with BHEL, Reliance Infra and HIRCO.</p> <p>He had presented multiple papers in various National and International conferences held by CBIP, IGCAR, IEEE and CIGRE. In the past he was also a member of Bureau of Indian Standard for EV batteries and Cables and Accessories. He was also a faculty member for USAID for their DRUM program and has been instrumental in training utility officers from all the states in India as well as some 3<sup>rd</sup> world countries.</p> <p>At Tata Power, Mr. Joglekar is currently heading Distribution Customer Service division which includes Distribution Customer Acquisition department, Operation and Maintenance department, Customer relations department, Commercial department and Demand side management department. He was also associated with Advocacy and Estate department in Tata Power.</p>	<p>Mr. Suranjit Mishra, aged 42 years, 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 &amp; Accounts including as Financial Controller, Maithon Power, CFO, Powerlinks Transmission Limited and presently as the CFO of Tata Power Trading Company Limited.</p>	<p>Ms. Kiran Gupta has an overall experience of 25 years in the Power Sector covering various Consultancy Projects for Design, Erection and Commissioning under Industrial and government domain along with leading the prestigious project for 'Feasibility study for Privatization of DVB' with M/s Tata Consulting Engineers for initial years.</p> <p>Thereafter, she joined Tata Power-DDL under Corporate Operations Services and led the engineering and contracts group involving development and procurement of Utility equipment specifications, Operation Manuals and Inspection Plans including Grid substations.</p> <p>She is presently heading Customer Services and Key Consumers department, Tata Power-DDL, including all High revenue consumers (&gt;100kW and Xpress consumers) with dedicated services. This also includes assuring Performance Assurance requirements as laid by Delhi Electricity Regulatory Commission to ensure</p>	<p>Mr. Ganesh Srinivasan has vast and varied experience of 19 years.</p> <p>He joined Tata Power in 2012 and was heading Strategy and Corporate Planning. Prior to joining Tata Power, he had worked with McKinsey and Cummins India.</p>

Name of Director	Mr. Sunil Parashuram Joglekar	Mr. Suranjit Mishra	Ms. Kiran Gupta	Mr. Ganesh Srinivasan
			<p>statutory compliances for 1.71 million customers. Various technological interventions like ADMS/BCM, digitized connect for customer convenience along with engagement platforms across segments have ensured effective Customer Relationship Management delivering Value added services for Key customers.</p> <p>She has participated as Speaker in various International Power Summit and Conferences on 'PPP model' at Munich, Bishkek and Australia. She has represented Tata Power at first 'WE POWER' regional conference organized by World Bank for SAGE countries for encouraging Women participation in Energy Sector.</p>	
Qualifications	BE (Electrical) from Regional Institute of Technology – Jamshedpur and M F M from Bajaj Institute.	Associate member of the Institute of Chartered Accountants of India. Masters in Business Management from Faculty of Management Studies (FMS), Delhi University.	B. Tech (Electrical) degree from Delhi College of Engineering with 'GOLD Medal' from Delhi University.	Alumnus of Indian Institute of Technology (IIT), Madras. M.S. (Industrial) from Purdue University and Masters in Business Administration (Management) from Indian School of Business (ISB), Hyderabad.
Terms & conditions of appointment	Appointed as a Non-Executive Director	Appointed as a Non-Executive Director	Appointed as a Non-Executive (Woman) Director	Appointed as a Non-Executive Director
Remuneration	Nil	Nil	Nil	Nil
Directorships held in other Companies (excluding foreign Companies)	Director of the following Company: 1. Yashmun Engineers Limited	Nil	Director of the following Companies: 1. Tata Power Trading Company Limited 2. Mandakini Coal Company Limited	Director of the following Companies: 1. Mandakini Coal Company Limited 2. NDPL Infra Limited 3. Tata Power Jamshedpur

<b>Name of Director</b>	<b>Mr. Sunil Parashuram Joglekar</b>	<b>Mr. Suranjit Mishra</b>	<b>Ms. Kiran Gupta</b>	<b>Mr. Ganesh Srinivasan</b>
				Distribution Limited
Committee positions held in other Companies	Nil	Nil	Member of the following Committees: 1. Tata Power Trading Company Limited- Audit Committee and Corporate Social Responsibility Committee	Chairman of the following Committee: 1. NDPL Infra Limited- Corporate Social Responsibility Committee
Number of Shares held	One equity share of ₹ 10/- in the Company jointly with The Tata Power Company Limited	Nil	Nil	Nil

**TP AJMER DISTRIBUTION LIMITED**

**Board's Report**

To the Members,

The Directors present Third Annual Report of TP Ajmer Distribution Limited ("the Company" or "TPADL") along with the audited financial statements for the financial year ended 31<sup>st</sup> March 2020.

**1. FINANCIAL RESULTS**

(Figures in ₹ crore)

<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
Net Sales / Income from Other Operations	401.44	377.50
Less: Operating Expenditure	392.82	371.52
<b>Operating Profit/(Loss)</b>	<b>8.62</b>	<b>5.98</b>
Add: Other Income	5.10	4.00
(Less): Finance Cost	9.49	8.81
<b>Profit/(Loss) before Depreciation and tax</b>	<b>4.22</b>	<b>1.16</b>
(Less): Depreciation/ Amortisation	3.23	(0.99)
<b>Profit/(Loss) before tax</b>	<b>0.99</b>	<b>0.17</b>
Add/(Less) : Tax Expenses	NIL	NIL
<b>Profit/(Loss) after tax</b>	<b>1.01</b>	<b>0.40</b>
Other Comprehensive Income	(0.02)	(0.23)
<b>Total comprehensive income for the year ended attributable to</b>	<b>0.99</b>	<b>0.17</b>
Owners of the Company	<b>0.99</b>	<b>0.17</b>
Non-controlling interests	NIL	NIL

**2. DIVIDEND**

No dividend is proposed for the financial year 2019-20 (Previous Year-Nil).

**3. STATE OF THE COMPANY'S AFFAIRS**

• **FINANCIAL HIGHLIGHTS**

The Company reported revenue from operations aggregating to ₹ 401.44 crore as compared to ₹ 377.50 crore in the previous year. This increase is mainly due to reduction in the AT&C Loss, lower operating expenses including repair and maintenance cost, increase in the demand due to increased reliability and new consumers added during the year.

The Company earned a profit of ₹ 0.99 crore in FY 2019-20 as compared to ₹ 0.17 crore in FY 2018-19. Profitability has increased by five times over previous financial year, mainly due to steep reduction of AT&C Loss during the year, improvement in reliability of the power supply and reduction in repair and maintenance cost and A&G cost.

For reduction in interest cost, PR to PO cycle has been reduced to 28 days which is 11% lower than FY 2018-19. Saving due to negotiation is 12% in the existing contract and also in renewal of service and material contracts.

In FY 2019-20, the Company has conducted vendor satisfaction survey for identifying Company's strong performing areas as well as improvement points. The survey resulted in 95% indicating 6% improvement achieved over FY 2018-19 external customer satisfaction.

- **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 CERC (Central Electricity Regulatory Commission) & SERCs (State Electricity Regulatory Commissions).

Your Company operates as a distribution franchisee in the retail end of the electricity chain and is a power distribution Company.

A brief outlook on the business environment is provided below:

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 Integrated Power Development Scheme (IPDS), Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and SAUBHAGYA Yojna was launched in FY 2016-17 to supply the stable and reliable electricity to end consumers.

AT&C losses in India at ~ 28% are higher as compared to world average of 5-10%. In some states, the AT&C losses are as high as 60%. The commercial losses which are a predominant 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 under performance 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.

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 the AT&C losses, increase in efficiency and customer satisfaction, Govt. of Rajasthan had adopted an input based Distribution Franchisee (DF) model in Ajmer, Kota, Bikaner and Bharatpur.

- **Current Business**

The Company was incorporated on 17<sup>th</sup> 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 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 19<sup>th</sup> April 2017 for distribution of power supply for 20 years and started operation with effect from 1<sup>st</sup> 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, DD. City Division-I and City Division-II are being considered for Franchisee operation. The total area under the franchisee is around 190 sq. km. The total consumer base is around 1.51 lakh and total peak demand is 128 MW.

- **Opportunities & Threats**

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

The opportunities are:

- Cost Optimization
- Sustained Long Term Growth
- Promote Digital Payment
- Sales Growth by enhancing the DF area and sales promoting initiatives

And Threats are:

- Power Theft
- Improper Financial Risk Sharing
- Limited Industrial growth in DF area
- Low per capita income
- Non-revision of Tariff
- Change in demand due to Solar Roof-top

- **OPERATIONS**

The Company procured the input energy 540.76 MUs in FY 2019-20 as compared to 528.42 MUs in FY 2018-19 from five 220/132 KV GSS input energy points as specified in the Distribution Franchise Agreement from Ajmer Vidyut Vitran Nigam Limited (AVVNL).

In order to improve the reliability and quality of power supply in Ajmer City, the Company has undertaken various initiatives. In FY 2019-20, customer satisfaction has increased due to reduction of 8.5% in SAIFI as compared to FY 2018-19 (120.3 interruptions per consumer in FY 2018-19 vis-a-vis 110.1 interruptions per consumer in FY 2019-20). There was a reduction in SAIDI of 20.5% from 52.8 hours in FY 2018-19 to 42 hours in FY 2019-20. There was a reduction of average restoration time of transient trippings at 11 KV from 6.40 minutes in FY 2018-19 to 4.22 minutes in FY 2019-20 (34.1% reduction). Lowest average restoration time of 2.82 minutes was achieved in March 2020 as compared to 3.7 minutes recorded in November 2019. At 33 KV level, there was a reduction of 26.59% in average restoration time from 11.66 minutes in FY 2018-19 to 8.56 minutes in FY 2019-20.

In view of increasing network reliability, following key initiatives were undertaken:

- Installation of Medium Voltage Line Cover (MVLC) carried out at identified tripping points. Total 3.2 KM network is covered by MVLC, which resulted into 9.35% reduction in NCC/1k consumers from 30.20 in FY 2018-19 to 27.37 in FY 2019-20.
- 11.95 MVA of DT capacity is enhanced by installation of 113 Nos. of DT (Distribution Transformer) thereby increasing installed DT capacity by 7%.
- 2 Nos. of Ester Oil DT's are installed in Dargah premises to provide 100% fire safety necessary for protection of areas, where an outbreak of fire could have disastrous consequences.
- 5 New GSS along with 13 feeders were charged and taken in service, proliferating 11 kV feeder tally to 126 from 113 in FY 2018-19.
- Installation of 2312 Nos. of TYCO boxes and 338 Nos. of Protection Boxes was completed in FY 2019-20.
- 45.6 km of LT ABC is also laid to ensure safe and reliable power supply to consumers. Due to constant efforts on reliability, the Company had achieved reduction of 30.4% in DT failure rate from 2.5% in FY 2018-19 to 1.74% in FY 2019-20.
- SAP based Annual Maintenance Schedule was implemented in FY 2019-20. In FY 2019-20, the Company had started using SAP Notifications M1- M2-M3- M4- M5 rigorously and system based MIS was being used for monitoring progress of activities. Black Book (Maintenance Check list) has been implemented for proper and precise maintenance of equipments.
- Critical test viz. DGA/FURAN/BDV have been carried out for 37 Nos. of power transformer through Outsourced agency. Installation and commissioning of 11 Nos. of 33 kV Breakers (Replacement/New Installation) was carried out at GSS. Supervision and commissioning of 6 Nos. of 33 kV GSS was done under IPDS. All the above initiatives and efforts have collectively resulted in providing sustainable power to consumers to deliver peak load of 128.64 MW successfully on 10<sup>th</sup> June 2019 at 15:35 hrs.

Through constant efforts for rectifying the defects in remote operation, 99.7% Remote operation success rate was achieved in March 2020. In March 2020, total 20 GSS had 100% success rate of Remote Operation. In FY 2019-20, total 13 GSS were unmanned out of 24 GSS. Growth of 16.4% of SCADA operation success rate was increased from 83.3% in 2018-19 to 99.7% in FY 2019-20. In FY 2019-20, SCADA package erection, testing and commissioning at 4 new GSS was done successfully after takeover from AVVNL's IPDS scheme. Installation of DC transducer for both 110 V and 48 V battery bank for feedback of DC voltage is now available in SCADA for all GSS.

For reduction of AT&C losses, Network Sealing activity has been done in high theft prone areas by way of new connection camp to regularize the unmetered consumers into metered consumers, conversion of overhead network into underground network, conversion of bare network into armoured cable and installation of distribution boxes. One main market on Dargah road area with very unsafe network was converted in underground from open/hanged.

On Innovation front, various cost-effective new software and design have been developed which help in reducing the operational cost and enhance the operational efficiency.

- 1) In house development of mobile app MARG (Mobile assist route via GIS) which is combination of GIS and Google maps that locates each GIS asset of TPADL on Google map. GIS is integrated with RRG, CMG, MMG and Zonal alteration processes.

- 2) SAP based process implementation of M5 Notification for tracking the maintenance schedule.
- 3) Upgradation of SARAL software for initiating SMS facility, remote operation status report and Quality module are integrated in SARAL. Using this quality module, all Quality inspections would be entered in the system. SARAL has got third prize in TPADL's Innovation Council Contest and qualified in Tata Power Innovista.
- 4) Designing the cost effective hanging type feeder pillar (named Kawach) to eliminate safety hazards of open LT Open Fuse systems at low elevation to ensure reliable power supply to consumers near water logged areas during heavy rain in Ajmer. KAWACH won Quality Circle Gold Category Award in Western Region Quality Circle Competition held at Jaipur. Total 338 Nos. of hanging feeder pillar were installed in FY 2019-20.
- 5) Implementation of Voice Bot for enhancing the recovery.

• **COMMERCIAL**

The Company has increased its consumer base upto 1,51,314 in FY 2019-20 through various initiatives such as simplification in processes for release of new connection(s). The Company has reduced the average cycle time for release of new connection from 9 days in FY 2017-18 to 1.45 days in FY 2019-20. Total 24.89 MW Load was added in FY 2020, through ease of load extension and new connection process.

Aggregate Technical & Commercial (AT&C) Losses is a key measure of the performance of Power Distribution Sector. During the year, The Company has undertaken various initiatives for reduction of the AT&C Losses, which are as under:

- Network sealing activity in high theft prone area with new connection camp to regularize the unmetered consumers into metered consumers.
- Replacement of faulty and mechanical meters for accurate billing.
- 100% HTCT and LTCT meters healthiness and MF checked in FY 2019-20 to minimise revenue leakage.
- Strengthening of process of dues checking.
- Energy audit at 11 KV and DT level has been started for accurate T&D loss calculation. 253 Nos. of DT meters were installed in FY 2019-20 for energy audit at high loss area and data collected through CMRI for monthly DT loss analysis by EAG team. All 135 Nos. of 11KV feeders meter wiring was checked and rectified for calculating T&D loss and Sub-transmission loss.
- Total 155 cases were referred through CMRI analysis to vigilance team and ₹ 81 lakh was raised in FY 2019-20.
- Enforcement activity based on data analysis was started which resulted into detection of high technology theft cases in LTCT Meters which lead to protection of revenue leakages and enhancement of billing efficiency.
- Reduction in provisional billing from 1.8% in FY 2019-20 to 3.81% in FY 2018-19.
- Assessment of defective/other activities was started in FY 2019-20 for revenue enhancement.
- Smart mobile meter reading application is being used for meter reading with 100% photographs.

For enhancing collection efficiency, there is steep reduction in the private live arrear by 41.85 % in FY 2019-20 before the lock down imposed by Government of Rajasthan on 22<sup>nd</sup> March 2020. The overall collection has increased by 6% as compared to FY 2018-19.

Recovery of ₹ 2.02 crore was done through enforcement cases in FY 2019-20 as compared to ₹ 1.01 crore in FY 2018-19. Total load of 4521 kW was booked by enforcement, 1603 kW was booked under S/C 135 and 2562 kW was booked under S/C 126. Total 36 FIRs were lodged by enforcement.

These initiatives has helped the Company in reducing AT&C Losses from 11.21% in FY 2018-19 to 9.96% in FY 2019-20. The Company has achieved billing efficiency of 90.21% in FY 2019-20 as compared to 88.2% in FY 2018-19 and collection efficiency of 99.81% in FY 2019-20.

- **Customer Services**

On consumer front, the Company has undertaken various initiatives such as:

- Launch of KYC portal Development for capturing all mobile numbers, email-ids and other information. Consumers are approaching in CSC (Consumer Service Centre) for data cleaning activity and are getting history record which would help in updating the consumer details in SAP and also getting history data captured in this portal.
- QMS System Development - For queue management and tracking system in customer service center for controlling and managing customers in a sequence.
- Regular update in Mobile Application for enhancing the new facility.
- Launch of two 100% women operated Consumer Service Centre at Vaishali Nagar Sub division and Hathi-Bhata Subdivision to promote "Women Empowerment" in the organization as well as in the society.
- Pay & Win lottery scheme was organized for consumers for promoting the digital payments, due to which online payment has increased from 19% in FY 2018-19 to 33% in FY 2019-20.
- Smart Meter Reading Device (SMRD) has been implemented and 100% photograph of the reading are being taken. Training to Company Executive has resulted into reduction of 13% foot fall in customer service center in FY 2019-20 as against FY 2018-19 and 59% complaints were reduced under commercial heads in FY 2019-20 as against FY 2018-19.
- Customer feedbacks were taken under Happy Calling on customer complaints and as per survey, the Company has achieved an average 91.4% for 7 months score on resolution of complaints at CSC.
- Average call handling time in call center has reduced to 1.35 seconds in FY 2019-20 against 2.92 seconds in FY 2018-19.
- Senior Citizen meet was organized wherein TPADL work culture, customer handling process and technology implemented for customers was highly appreciated.
- Camps were organised at various locations for release of new connections instantly.
- Consumers grievance forums were set-up wherein meetings with consumers were conducted every Saturday to resolve their complaints.

The Company has achieved 88.8% of CSAT score in FY 2019-20 as compared to 82.2% in FY 2018-19.

- **Capital Expenditure**

The Company has executed distribution related capital expenditure works (CAPEX) amounting to ₹ 23.78 crore in FY 2019-20 as compared to ₹ 31.43 crore in FY 2018-19. This amount has 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 and condition of the Distribution Agreement with Ajmer Vidyut Vitran Nigam Limited (AVVNL).

During the year 2019-20, the total capitalisation was ₹ 29.02 crore (capitalisation of FY 2018-19 was ₹ 27.5 crore).

#### **4. RESERVES**

There has been no transfer to general reserves during FY 2019-20 (Previous year - Nil).

#### **5. SUBSIDIARIES/JOINT VENTURES/ASSOCIATES**

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 read with rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, 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 Companies Act, 2013 are not applicable to the Company.

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

Mr. Sanjay Kumar Banga was appointed as Chairman of Board of Directors of the Company, w.e.f 17<sup>th</sup> January 2020.

The Board of Directors had appointed Ms. Kiran Gupta (DIN: 08196580) as an Additional (Woman) Director w.e.f 26<sup>th</sup> June 2019 and Mr. Ganesh Srinivasan (DIN: 08208444) as an Additional Director w.e.f 17<sup>th</sup> January 2020, on the Board of the Company, as Directors nominated by The Tata Power Company Limited (Tata Power), in terms of Article 64 of Company's Articles of Association and section 161(1) of the Act and the rules made thereunder, as amended from time to time.

Mr. Minesh Shrikrishna Dave (DIN: 07604493) and Mr. Sunil Singh (DIN: 08114215), had resigned as Chairman and Director of the Company, respectively, with effect from close of working hours of 30<sup>th</sup> November 2019.

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

In accordance with the requirements of the Act and Company's Articles of Association, Mr. Arup Ghosh (DIN: 06711047) and Mr. Sunil Parashuram Joglekar (DIN: 07832066) retire by rotation and are eligible for reappointment.

The Company has received notices under section 160(1) of the Act from shareholders proposing the names of Ms. Kiran Gupta and Mr. Ganesh Srinivasan for their appointment for the office of Director(s) at the forthcoming Annual General Meeting.

The Board places on record its appreciation for the valuable contribution made by the outgoing Directors as members of the Board and welcomes the new Director(s) on the Board.

- **Key Managerial Personnel (KMP):**

Mr. Gajanan Sampatrao Kale is the Chief Executive Officer, Mr. Hemant Kumar Gupta is the Chief Financial Officer and Ms. Komal Jolly is the Company Secretary of the Company. They are the Key Managerial Personnel (KMPs) of TPADL as on 31<sup>st</sup> March 2020.

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

Meetings are scheduled well in advance and minimum 7 days advance notice of each Board meeting is given in writing to each Director. The Board meets at least 5 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 meetings of the Board of Directors were held during the year 2019-20 and the gap between two meetings did not exceed 120 days. The meetings were held on 17<sup>th</sup> April 2019, 19<sup>th</sup> July 2019, 3<sup>rd</sup> September 2019, 15<sup>th</sup> October 2019 and 17<sup>th</sup> January 2020.

Second Annual General Meeting of the Company was held on 17<sup>th</sup> May 2019.

No Extra-Ordinary General Meeting was held during the financial year 2019-20.

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	Business Relationship	No. of Board meetings held	No. of Board meetings attended	Attendance at the 2 <sup>nd</sup> AGM
1.	Mr. Sanjay Kumar Banga (Chairman w.e.f 17 <sup>th</sup> January 2020)	Chairman Non-Executive Director (Nominated by Tata Power)	5	5	Yes
2.	Mr. Ganesh Srinivasan (appointed w.e.f. 17 <sup>th</sup> January 2020)	Non-Executive Director (Nominated by Tata Power)	5	1	N.A.
3.	Mr. Arup Ghosh	Non-Executive Director (Nominated by Tata Power)	5	5	Yes
4.	Mr. Sunil Parashuram Joglekar	Non-Executive Director (Nominated by Tata Power)	5	2	No
5.	Ms. Kiran Gupta (appointed w.e.f. 26 <sup>th</sup> June 2019)	Woman Director (Nominated by Tata Power)	5	4	N.A.
6.	Mr. Suranjit Mishra	Non-Executive Director (Nominated by Tata Power)	5	5	Yes
7.	Mr. Minesh Shrikrishna Dave (ceased w.e.f. 30 <sup>th</sup> November 2019)	Chairman, Non-Executive Director (Nominated by Tata Power)	5	4	Yes
8.	Mr. Sunil Singh (ceased w.e.f. 30 <sup>th</sup> November 2019)	Non-Executive Director (Nominated by Tata Power)	5	4	Yes

- **A statement on declaration given by Independent Directors under sub-section 149 (7):**  
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 Board in its meeting held on 16<sup>th</sup> October 2018 had constituted 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 and does all such other things/matters as may be delegated to it by the Board of Directors from time to time.

Currently, Committee of Directors comprises of the following Directors:

1. Mr. Sanjay Kumar Banga, Director
2. Mr. Sunil Joglekar, Director
3. Mr. Suranjit Mishra, Director

**(ii) Loans and Borrowings Committee**

The Board in its meeting held on 16<sup>th</sup> October 2018, had reconstituted 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, Loans and Borrowings Committee comprises of Mr. Suranjit Mishra, Director, Mr. Minesh Shrikrishna Dave (ceased w.e.f 30<sup>th</sup> November 2019).

**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: Not Applicable
- Criteria for evaluation of performance of Independent Directors (as indicated by NRC): The Company does not have any Independent Director as the requirement is not applicable.

- 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 the Electricity Act, 2003 in supplying and distributing power in the Distribution Franchisee area. 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.

## 10. RISK MANAGEMENT FRAMEWORK

### **Risk management Committee/framework/policy/review mechanism**

Enterprise Risk Management at TPADL is reviewed by the 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:

- Loss of business due to Roof Top Solar Installation
- Regulator policy on Open access.
- Power Theft
- Cyber Security risk which is affecting various sectors in the world

### **COVID-19 Pandemic Situation impact on TP Ajmer Distribution Limited is as under:**

#### ➤ **Impact of COVID-19 pandemic on the business**

Amidst of the lockdown and various restrictions imposed due to COVID-19 Pandemic, various challenges occurred while conducting smooth operation of the Company.

The Company is engaged in the distribution of electricity in Ajmer City region of Rajasthan State which is considered as an essential service as per the Government directions. The Company's operations were hit substantially during the lockdown impacting the following activities of the Company:

- Lower input growth by 40% during lockdown period
- Increase in T&D loss
- Increase in arrears
- Meter Reading, Bill distribution, Collection, Recovery & other commercial activities
- Enforcement

#### ➤ **Ability to maintain operations including the factories/units/office spaces functioning and closed down**

The operations of the Company are continued amidst the lockdown by ensuring minimum staff requirement to be present in the office premise for emergency services with following all the precautionary guidelines issued by the Central Government and State Government regarding the COVID pandemic. The Company has deferred the scheduled maintenance required for supply reliability. Also, the Company adopted the Work from Home policy during the lockdown for its major workforce.

➤ **Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations**

With gradual lifting of the lockdown restrictions, the Company has started ancillary services to its electricity business like meter reading and bill distribution, Revenue Collection and other commercial and support services in the non-containment zones of city region with work force as per guidelines of State and Central Government.

➤ **Estimation of the future impact of COVID-19 on its operations**

COVID-19 has predominantly impacted the operations and revenue of the Company as the Input Energy is quite low due to the non-consumption of electricity by Non-Domestic Consumers. Revenue Collection of the Company is also impacted due to lockdown since bills are not delivered to consumers, consumers can't move for payment during lockdown and Government of Rajasthan relaxed consumer to make electricity bill payment till 31st May 2020 which led to increase in Finance cost by approximately 10%, increase in the Company's arrears and difficulty in recovery of old arrears from lower income groups. The Company couldn't pay 100% against input energy invoice of locked down months due to very poor recovery from consumers. The drop in Input energy and collection is expected to impact the profitability in the near term.

➤ **Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control, Supply chain and demand for its services**

The collection process had been impacted due to lockdown, however, Company is in comfortable liquidity position due to adequate banking limits and ability to take Inter corporate Deposits (ICD) of ₹ 20 crore from its holding Company to meet its funding requirements.

There has been increase in finance cost of the Company as well as increase in AT&C Losses due to non-recovery of theft and low input energy due to lockdown. Thus, the COVID-19 situation is expected to adversely affect the profitability of the Company in current financial year.

There is no impact on Internal financial reporting and control due to COVID-19 pandemic. Also, there is no disruption in the supply chain.

➤ **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**

The Company is well positioned to fulfill its obligation and does not foresee any significant impact on the business due to non-fulfillment of the obligations by any party.

#### **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

Sl. No.	Safety Parameters (Employees and contractors)	FY 2019	FY 2020
1	Fatality (Number)	0	0
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	3.04	0.51
3	First Aid Cases (Number)	16	15

For developing culture of safety in the organization, the Company has undertaken various initiatives such as:

- Regular on site and in-house training for business associates and employees on rolls.
- Introduction of issuing safety helmets with red sticker and safety training card for new BA employees.
- "Mega Seekh" Session of safety conducted for all workforce.
- Initiated E-learning Modules for Electrical safety and Fire safety.
- Introduction of LOTO at all GSS, voltage detector for leakage current checking, mock drills.
- Formation of local safety Committee at each work location for sharing the learning on safety and LSC done at all seven locations covering 198 employees.
- Current leakage identification drive started in rural areas for public safety.
- Jansanvad "Public safety awareness camp was arranged at schools, Grampanchayat, Atal Seva Kendra which covered 2000+ children.
- Stakeholder SURAKSHA APP was also implemented for reporting safe act, unsafe act and best practices of employees, business associates and citizens of Ajmer.
- Reward and Recognition for "Best Safety Performer".
- Quarterly Town Hall meetings.
- Safety Awareness Session/Walkathon.

## 11.2 CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

In line with Tata Group's vision of becoming neighbor of choice, the Company is actively involved in the CSR activities with the involvement of TPADL employees, business associates and community. Total 1173 hours of volunteering were contributed in CSR. Key CSR initiative include Enerji Club Session, Christmas Celebration, Care for Society, Greenolution, Good Health (Health & Sanitation), Blanket Distribution, Blood Donation Camp, Swachchata Hi Seva and Drug De-addition Camp.

### **TPADL's Preparedness for prevention and containment of Covid-19 is through various initiatives for supporting communities against Covid-19 which are as under:**

- All the mandatory precautions are taken like awareness of employees, use of sanitizers and masks, temperature screening at gate, Offices and rooms sanitization, maintaining social distancing, use of COVID PPE etc. are being taken.
- Mandatory screening of body temperature of every person (employees, associates, visitors, customers etc.) entering Company's premises using Non-contact infrared thermometer is done, temperature is recorded for all employees.
- Mandatory hand sanitization at entry gates for everyone every time while entering the premises. Security sprays hand sanitizer wearing hand gloves to avoid physical contact.
- During TBT, ZSO observes and checks the employees for COVID – 19 symptoms. All the employees including BA employees are advised to maintain personal log. Personal Log of B A is being checked during TBT.
- Employees have downloaded Aarogya Setu app on their mobiles.
- Guidance provided to all cashiers for the necessary precautions regarding Covid-19. Hand gloves, masks and sanitizers are provided to them. Cashier rooms are sanitized. Pick up & drop facility provided to all cashiers. Work has been scheduled as per ROTA. There are 19 counters/cashiers whereas the Company is running 6 counters during this phase. Marked signage of 1 meter to maintain safe distance at cash counters.
- Messages along with posters for COVID–19 awareness and encouraging digital payment is updated on TPADL social media accounts as well as on Cash collection counters/ CSCs and aired on my FM Ajmer.
- One Pest control agency is engaged for carrying out fumigation/ Disinfection of 6 sub-division offices daily and 9 GSS along with guest house on alternate days.
- Emergency Response team has been formed. Zonal safety In-charges (Safety wardens) are part of the Emergency Response team. They are advised to report suspicious cases immediately.
- List and contact details of nearby hospitals and ambulance service providers, equipped for COVID patient handling are made available at every location and communicated to Zonal Managers, Heads and Emergency response team members.
- Quarantine rooms at four locations mainly Vaishali Nagar, Hathibhata, Parbatpura and Hazaribagh have been identified and designated within office premises till the suspected person is transferred to hospital as per guidelines.
- Adequate stock of hand sanitizers, disinfectants, hand gloves, face masks, tissues etc. is made available and being replenished at each location.
- Operation's business continuity plan: The Company operates with 65 nos. of permanent employees and 245 nos. of BA employees in normal conditions. In Lockdown period operating with approx. 54 nos. of permanent and 150 nos. of BA employees in a day, considering 50% roaster. All the team members are engaged in alternate days shifts.
- In curfew situation, Company would be operating with 35 nos. permanent employees and around 102 nos. of BA employees dedicatedly each day in shifts.

- Second location of operation for all the 9 nos. of critical locations has been identified, in case of any hotspot of Covid-19 is identified in or near our critical locations.
- A pool of 10 nos. of permanent employees has been identified from cross functions, who can be deputed to critical locations in case of complete lockdown of any location in addition to the present employees.
- New in-house application for meter reading has been developed for customers by providing reading via link shared through SMS from April 2020. Email IDs of consumers are being captured through link provided for updating in system for further communication.
- Provisional bills have been generated from the month of April 2020 onwards.
- 12 No's of manpower deputed in call centers instead of 18 No's for operating 24\*7 services to consumers.
- Alternate BA/TPADL manpower from various departments are being prepared and trained to run call centers in emergency.
- TL are appointed (Work from Home) for the resolution of consumer grievances related to prepaid Token, billing & reading issues through customer Email id, call center/zones/Mobile App/social media etc.

### 11.3 AFFIRMATIVE ACTION

Presently 7.5% management cadre employees are from scheduled caste. TPADL 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.

## 12. HUMAN RESOURCES

- **Organizational Workforce**

- TPADL has sourced and inducted 133 management cadre employees out of which 30 employees are from AVVNL, 24 from FDA cadre and 6 OMST.
- TPADL has engaged more than 611 contract workforces through various agencies in areas of Operation, Maintenance, Metering, Billing, Security and facility services etc.
- Despite various challenges and locational constraint, TPADL has been able to restrict employee attrition at 1.5% during FY 2019-20. The employee strength at the end of the year was 133.

- **Gender Diversity & Delight**

In line with Tata Group's vision to increase gender diversity, TPADL has also started engaging women employees in leadership position like all consumer lead positions are being occupied by women. Presently, gender diversity at TPADL is 10% of the regular workforce and 5% in Outsource. TPADL has started engaging women employees on quarterly basis and addressing their issues towards making TPADL a better place to work for diverse gender. TPADL has also converted two Consumer Centres which are now operated by all women employees only. Mentoring program and career plan have been implemented for women employees to promote equality and provide career development opportunities.

- **Employee Connect & Engagement**

TPADL is a three year old organization. During this short span, TPADL has adopted a holistic approach to engage its employees towards creating a performance driven and consumer

centric organization. Several leadership communication platform and social engagement initiatives have been undertaken in this direction:

- Bandhan Session - HR connect with 100% employees was established through different platform i.e. Bandhan sessions, one to one connect sessions and Focus Group Meeting wherein 128 issues were raised during the dialogue out of which 114 issues have already been resolved.
  - Four Town Hall Sessions with Chairman or Chief Executive Officer were organized.
  - Coffee with Manager to create engaged workplace and to create the platform of one to one connect with team members by Chiefs, Heads and GHs.
  - Employee Engagement - TPADL has adopted Kincentric Engagement model for its employees, VOICE sessions for employees towards ensuing better engaged workplace, Founder's Day Celebration, TPADL Annual Day Celebration, Festival Celebration, Sports at TPADL, Trekking, Yoga Camp, Bachha Party, Birthday Celebrations, Women's Day Celebration and Lunch with TPADL Chairman.
  - Employee Engagement survey – A survey regarding HR and Admin services at TPADL was done and it resulted into an overall satisfaction score of 93.94%.
- **Capability Development**

TPADL has implemented L&D policy for its employees and various training needs like technical training needs, behavioral training needs, safety training needs and organizational training needs have been identified in consultation with immediate appraiser and senior management team. Based on training needs, various trainings have been designed throughout the year. (TPADL follows July 2019 to June 2020 annual training calendars in line with Tata Power). All behavioral TNI are assigned to employees in GYANKOSH. 88.18% employees have completed their assigned courses. 100% employees have logged in GYANKOSH and are doing different courses in GYANKOSH as per their needs and interests. Four Focus Group Trainings (FGT) were also organized in TPADL. So far TPADL has achieved 75.88% TNCI (Training Needs Compliance Index), 4.79 average man-days. All training records are captured in SAP HR module.

- **Performance Management System**

Annual PMS started through preparation of KRA for all employees through SDM followed by KRA audit by HR team. Half yearly Performance discussion was carried out 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.

TPADL has also identified successors for six critical positions and total 27 successors have been identified. Individual development plan for all successors have been prepared and being executed for their long-term development.

- **Industrial Relations**

The industrial relations situation in the Company was peaceful during the year under review. TPADL has engaged more than 133 management cadre employees and 611 outsourced employees from different backgrounds and is driven by different people policies. Hence, maintaining healthy industrial relation was of prime importance. TPADL has customized an IR strategy which includes strong communication and feedback mechanism. Issues raised at various communication platform(s) have been addressed. Total 8 BANDHAN (Quarterly

Session with contract workforce) have been conducted and all issues have been closed. As per the PM Kaushal Vikas Yojna (Government scheme) in coordination with Tata Skill Development, 190 Associate employees of TPADL had undergone through skill development assessment and the result of the same is still awaited. After successfully completion, Associates would be awarded with ₹ 500/- and Skill Certificate from National Skill Council.

- **Prevention of Sexual Harassment**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“the Act”), as amended from time and time 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 Act in the previous financial year.

In line with the 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 2019-20:

No. of complaints received: 0

No. of complaints disposed of: 0

No. of cases pending for more than 90 days: Nil

Nature of action taken by the employer or District Officer: Not Applicable

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 Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- **Succession Planning**

Successors and their IDPs (Individual Development Plan) are finalized for 5 out of 12 unique positions at TPADL. 4 successors are out of TPADL. 50% IDPs are also completed. A conscious approach is undertaken to develop and retain people with aptitude and abilities to meet the current and future organizational requirements. In view of this, 5 out of 12 unique positions have been identified that form a part of the succession planning within the organization with identified successors who can take over immediately and after 3-5 years respectively.

- **Award and Recognition**

Various awards and recognitions have been bestowed on the Company and its executives during the year FY 2019-20. Some of the awards and recognitions received by the Company are as under:

- Rajasthan Best Employee Brand Award for Rajasthan Dream Companies to work for in the award category for Talent Management.
- Declared Runner Up in Sustainability Conclave FY 2019-20 and Best Sustainability Champion as change agent organised by Tata Power.
- Quality Circle Gold Category Award in Western Region Quality Circle Competition held at Jaipur for designing of Hanging type feeder pillar.
- Appreciation certificate from GST department for error free and timely filling of GST.
- Completed First internal TBEM Assessment with **404** score.

- **Ethics Management**

Ethics Management at TPADL 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 TPADL which was followed by Nukkad Natak, Quiz, Poster making, Poem writing, Slogan and drawing competition for children.

- **Vigil Mechanism**

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 behaviour. 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.

As per the requirements of the Act and the rules made thereunder, TPADL 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.

## **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 31<sup>st</sup> March 2020, the Company had long term credit rating as **A 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 2019-20 (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 Companies Act, 2013, read with Rule 5(2) of 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. The requirement to place the matter relating to appointment of Statutory Auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from 7<sup>th</sup> May 2018.

**Internal Audit:** The Board at its meeting dated 28<sup>th</sup> April 2020 had approved re-appointment of The Tata Power Company Limited as Internal Auditor of TPADL for the financial year 2020-21.

**Secretarial Audit:** The Board at its meeting dated 28<sup>th</sup> April 2020 had approved re-appointment of M/s Siddiqui & Associates, Company Secretaries, as the Secretarial Auditors of the Company for the financial year 2020-21.

## **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 Companies Act, 2013.

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**

As per the requirements of the Central Government and pursuant to section 148 of the Act and the rules made there under, the Company is required to carry out an audit of the cost accounts relating to electricity from FY 2018-19. Subject to the ratification of remuneration by the members of the Company, the Board of Directors of the Company at its meeting held on 28<sup>th</sup> April 2020 has re-appointed M/s Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212) to audit the cost accounts relating to electricity for FY 2020-21. They have, pursuant to section 148 of the Act, furnished a certificate regarding their eligibility for re-appointment as the cost auditors of the Company. They have also certified their independence and arm's length relationship with the Company.

The Cost Audit Report of the Company for the financial year ended 31<sup>st</sup> March 2019 was filed with the Central Government, Ministry of Corporate Affairs on 23<sup>rd</sup> September 2019 through Extensive Business Reporting Language (XBRL), before the due date of 30<sup>th</sup> September 2019.

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 sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

## **20. SECRETARIAL AUDIT REPORT**

Pursuant to the provisions of section 204 of the Companies Act, 2013 ("Act") and the rules made there under, every Listed Company and every Public Company having paid-up share capital of ₹ 50 crore or more or turnover of ₹ 250 crore or more, shall annex with its Board's Report, a Secretarial Audit Report, given by a Company Secretary in practice.

M/s Siddiqui & Associates, Company secretaries, were appointed as Secretarial Auditor to conduct Secretarial Audit of records and documents of the Company for FY 2019-20. 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-V.

## **21. CONSERVATION OF ENERGY, 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 & Annexure I respectively.

## **22. RELATED PARTY TRANSACTIONS**

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

## **23. EXTRACT OF ANNUAL RETURN**

Pursuant to section 92 of the Act and rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided in Annexure IV.

The Company has also placed a copy of the annual return on the website of the Company, and the web-link of such annual return is <https://www.tpadl.com/regulations.aspx>.

## **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. 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:**

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.

## **27. 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 to the best of their knowledge and ability 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 29. FRAUD REPORTING

No frauds have been reported to the Board during FY 2019-20, 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.

## 30. 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.

## 31. 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, 28<sup>th</sup> April 2020

## Annexures to Board's Report

### ANNEXURE I – TECHNOLOGY ABSORPTION

- Research and Development (R&D)

1	Specific area in which R & D carried out by the Company	NA
2	Benefits derived as a result of the above R & D	NA
3	Future plan of action	NA
4	Expenditure on R & D (in ₹ crore) a) Capital b) Recurring c) Total	NA

- Technology absorption, adaptation and innovation

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	NA															
2	Benefits derived as a result of the above efforts	NA															
3	In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished: a) Technology Imported b) Year of Import c) Has technology been fully absorbed If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	<table border="1"> <thead> <tr> <th>(a)</th> <th>(b)</th> <th>(c)</th> </tr> <tr> <th>Technology imported</th> <th>Year of Import</th> <th>Has technology been fully absorbed</th> </tr> </thead> <tbody> <tr> <td>SAP- ERP (ISU, MM, FICO, PM Module)</td> <td>2018</td> <td>Fully absorbed</td> </tr> <tr> <td>SAP-HANA</td> <td>2018</td> <td>Fully absorbed</td> </tr> <tr> <td>Oracle Database Standard Edition 2 Processor License</td> <td>2018</td> <td>Fully absorbed</td> </tr> </tbody> </table>	(a)	(b)	(c)	Technology imported	Year of Import	Has technology been fully absorbed	SAP- ERP (ISU, MM, FICO, PM Module)	2018	Fully absorbed	SAP-HANA	2018	Fully absorbed	Oracle Database Standard Edition 2 Processor License	2018	Fully absorbed
(a)	(b)	(c)															
Technology imported	Year of Import	Has technology been fully absorbed															
SAP- ERP (ISU, MM, FICO, PM Module)	2018	Fully absorbed															
SAP-HANA	2018	Fully absorbed															
Oracle Database Standard Edition 2 Processor License	2018	Fully absorbed															

#### TECHNOLOGIES BEING REVIEWED/ADOPTED

- Smart Meter Reading Device (SMRD) application of automatic meter reading
- GIS Implementation
- Mobile application for the consumers

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, 28<sup>th</sup> April 2020

**Annexure II – Conservation of Energy**

- *The steps taken or impact on conservation of energy - NA*
- *The steps taken by the Company for utilizing alternate sources of energy-NA*
- *The capital investment on energy conservation equipment: NIL*

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, 28<sup>th</sup> April 2020

**ANNEXURE III – RELATED PARTY TRANSACTIONS**

- 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 (FORM AOC-2)

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of contracts / arrangements/ transactions	Salient terms of the contracts / arrangements/ transactions including value	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:**

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transaction	Salient terms of the contracts/ arrangements/ transaction including value, if any	Date (s) of approval by the Board	Amount paid as advances, if any
NA	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, 28<sup>th</sup> April 2020

## Annexure IV– EXTRACT OF ANNUAL RETURN

**Form No. MGT-9**

### EXTRACT OF ANNUAL RETURN

as on the financial year ended 31<sup>st</sup> March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

- (i) CIN : U40100MH2017PLC293914
- (ii) Registration Date : 17<sup>th</sup> April 2017
- (iii) Name of the Company: : TP Ajmer Distribution Limited
- (iv) Category / Sub-Category of the Company: : Unlisted Public Limited Company  
Electricity Distribution
- (v) Address of the Registered office and contact details: : C/o The Tata Power Company Limited  
34, Sant Tukaram Road, Carnac  
Bunder, Mumbai 400 009, Maharashtra
- (vi) Whether listed Company Yes / No : No
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : N.A.

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Sale of power	N.A.	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	The Tata Power Company Limited Address: Bombay House 24, Homi Mody Street Mumbai - 400 001	L28920MH1919PLC000567	Holding Company	100%	2(46)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April 2019]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	0	6	6	0	0	6	6	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	0	99,99,994	99,99,994	100	0	99,99,994	99,99,994	100	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (1)</b>	0	100,00,000	100,00,000	100	0	100,00,000	100,00,000	100	0
(2) Foreign									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
d) Any other	0	0	0	0	0	0	0	0	0
<b>Sub Total (A) (2)</b>	0	0	0	0	0	0	0	0	0
<b>Total shareholding of Promoter(A)= (A)(1)+ (A)(2)</b>	0	100,00,000	100,00,000	100	0	100,00,000	100,00,000	100	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 <sup>st</sup> April 2019]				No. of Shares held at the end of the year [As on 31 <sup>st</sup> March 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	0	0	0	0	0	0	0	0	0
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	0	0	0	0	0	0	0	0	0
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	0	100,00,000	100,00,000	100	0	100,00,000	100,00,000	100	0

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	The Tata Power Company Limited	100,00,000	100%	Nil	100,00,000	100%	Nil	Nil
	<b>Total</b>	100,00,000	100%	Nil	100,00,000	100%	Nil	Nil

**(iii) Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	100,00,000	100	100,00,000	100
2	Date wise Increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.)	Nil	Nil	Nil	Nil
3	Allotment/transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
4	At the end of the year	100,00,000	100	100,00,000	100

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
1	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
3	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus /sweat equity etc)	N.A.	N.A.	N.A.	N.A.
4	At the End of the year ( or on the date of separation, if separated during the year)	N.A.	N.A.	N.A.	N.A.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	For Each of the Directors and KMP	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	At the beginning of the year	4	Nil	4	Nil
3	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	(1) [Decrease due to resignation of Mr. Sunil Singh, Director w.e.f 30.11.2019]	Nil	(1)	Nil
4	At the end of the year	3	Nil	3	Nil

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in ₹ crore)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	77.19	30.28	NA	107.47
ii) Interest due but not paid	NA	0.70	NA	0.70
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total (i+ii+iii)</b>	<b>77.19</b>	<b>30.98</b>	<b>NA</b>	<b>108.17</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	339.23	25.00	NIL	364.23
• Reduction	343.40	30.98	NIL	374.38
<b>Net Change</b>	<b>(4.18)</b>	<b>(5.98)</b>	<b>NIL</b>	<b>(10.16)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	73.01	25.00	NIL	98.01
ii) Interest due but not paid	NIL	0.13	NIL	0.13
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>73.01</b>	<b>25.13</b>	<b>NIL</b>	<b>98.14</b>

Note:- The difference between opening CC and closing CC has been shown as addition/reduction, whichever is applicable.

Opening Interest accrued has been shown as reduction.

Closing Interest accrued has been shown as addition

**VI. A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER- Not Applicable**

(in ₹)

Sl. no.	Particulars of Remuneration	NAME OF THE MD/WTD/MANAGER	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	N.A.
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	N.A.	N.A.
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	N.A.	N.A.
2.	Stock option	N.A.	N.A.
3.	Sweat equity	N.A.	N.A.
4.	Commission -as % of profit - others, specify	N.A.	N.A.
5.	Others, please specify*(Deputation Pay and other benefits)	N.A.	N.A.
	<b>Total</b>	N.A.	N.A.

**VI. B. REMUNERATION TO OTHER DIRECTORS**

**DISCLOSURE OF REMUNERATION PAID TO DIRECTORS**

Disclosure regarding receipt of commission by a Director from the holding or subsidiary of a Company, in which such person is a managing or whole time Director: Not Applicable

**Remuneration of Directors:**

Directors take no commission from the venture. Except for the nominated Director - Mr. Arup Ghosh, no other director nominated by The Tata Power Company Limited (Tata Power) on the Board draws any sitting fee nor commission from TPADL.

Mr. Sanjay Kumar Banga, Mr. Minesh Shrikrishna Dave (upto 30<sup>th</sup> November 2019), Mr. Ganesh Srinivasan, Mr. Sunil Parashuram Joglekar, Ms. Kiran Gupta and Mr. Suranjit Mishra, Non Executive Directors (NEDs) nominated by Tata Power were not paid any sitting fee/commission by the Company.

The Board of Directors in its meeting held on 19<sup>th</sup> July 2019, have approved payment of sitting fees to Mr. Arup Ghosh and Mr. Sunil Singh (upto 30<sup>th</sup> November 2019), Non Executive Directors (NEDs).

Mr. Arup Ghosh and Mr. Sunil Singh (upto 30<sup>th</sup> November 2019), Non Executive Directors (NEDs) were paid remuneration by way of Sitting Fees of ₹ 50,000/- (Rupees Fifty Thousand only) per meeting of the Board.

During the period under review, 5 Board Meetings were held.

None of the NEDs had any pecuniary relation or transactions with the Company other than mentioned below.

(in ₹)

<b>TP Ajmer Distribution Limited</b>				
<b>Detail of payments made to Directors during the period from 19.7.2019 to 31.03.2020</b>				
S. No.	Name of Directors	Fee Amount	Others Reimbursement	Total
1	Mr. Arup Ghosh	2,00,000/-	0	2,00,000/-
2	Mr. Sunil Singh	1,50,000/-	0	1,50,000/-
	<b>Total</b>	<b>3,50,000/-</b>	<b>0</b>	<b>3,50,000/-</b>

**VI. C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD:**

(in ₹ lakh)

Sl. no.	Particulars of Remuneration Key Managerial Personnel	Key Managerial Personnel		
		CEO Mr. Gajanan Kale	CFO Mr. Hemant Gupta	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	74.51	19.53	94.04
2.	Stock option	Nil	Nil	Nil
3.	Sweat equity	Nil	Nil	Nil
4.	Commission -as % of profit - others, specify	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>74.51</b>	<b>19.53</b>	<b>94.04</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:NIL**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed Authority	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers in Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

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, 28<sup>th</sup> April 2020

**ANNEXURE V– SECRETARIAL AUDIT REPORT**

Form No. MR-3  
**SECRETARIAL AUDIT REPORT**  
For the Financial Year ended 31<sup>st</sup> March 2020

*[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 **31<sup>st</sup> March 2020** 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 **31<sup>st</sup> March 2020** 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**
- vi The Company has also complied with various provisions of Electricity Laws, Labour Laws, Environment Laws and related 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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: 8<sup>th</sup> April 2020**

**K.O.SIDDIQUI**  
**FCS 2229; CP 1284**



**V. SANKAR AIYAR & CO.**  
**CHARTERED ACCOUNTANTS**

Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi – 110 008  
Flat No. 202, 203 Tel. (011) 25702691, 25704639, 43702919  
& 301 Tel. (011) 25705233, 25705232  
E-mail : [newdelhi@vsa.co.in](mailto: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 financial statements of TP Ajmer Distribution Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity, 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 31<sup>st</sup> March, 2020, 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. We have nothing to report in this regard.



## **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 the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.
2. 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 31<sup>st</sup> March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 197 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 23 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.

Place : New Delhi  
Dated : 28-04-2020

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

*Ajay Gupta*  
(Ajay Gupta)  
Partner  
Membership No. 90104  
ICAI UDIN - 20090104AAAAWS692



**"Annexure A" referred to in the Independent Auditors' report to the shareholders of TP Ajmer Distribution Limited on the accounts for the year ended 31<sup>st</sup> March, 2020.**

- i The Company does not have any fixed assets (Property, Plant and Equipment) and hence reporting under clause (i) of the Order is not applicable.
- ii The inventories consisting of stores and spares have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on physical verification.
- iii The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties required to be covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii) (a) to (c) of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us and the representation obtained from the management (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 in connection with a loan.
- v In our opinion and according to the information and explanations given to us, the Company has not accepted deposits within the provisions of sections 73 to 76 of the Act and the Rules framed there under.
- 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 a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and other material statutory dues with the appropriate authorities. We are informed that there is no liability of the Company on account of duty of customs. There were no arrears of undisputed statutory dues as at 31<sup>st</sup> March, 2020, which were outstanding for a period of more than six months from the date they became payable.  
b) There are no disputed dues which have remained unpaid as on 31<sup>st</sup> March, 2020 on account of Income-tax and GST except GST on ancillary services relating to electricity distribution business. The Company has discontinued charging and collecting GST on such services from its customers w.e.f. 19.07.2019 and it is not paying GST on such services to Government. (Refer Note 23 of financial statements).
- viii According to information and explanations given to us and based on our verification of records, the Company has not defaulted on repayment of loans to banks. The Company did not have any loans or borrowings from any financial institution and Government nor has it issued any debentures, as at the balance sheet date.
- ix The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) and term loans during the year. Therefore, the provisions of clause 3(ix) of the Order are not applicable.
- x According to information and explanations given to us and the representation obtained from the management, no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the course of our audit.
- xi According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration within the meaning of section 197 of the Act. Therefore, the provisions of clause 3(xi) of the Order are not applicable.
- xii The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such 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 During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : New Delhi

Dated : 28-04-2020

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

*Ajay Gupta*

(Ajay Gupta)

Partner

Membership No. 90104

ICAI UDIN - 20090104AAAAAW5692



**"Annexure B" referred to in the Independent Auditors' report to the shareholders of TP Ajmer Distribution Limited on the accounts for the year ended 31<sup>st</sup> March, 2020.**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2020 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 authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



### **Inherent Limitations of Internal Financial Controls 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, 2020, 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.

Place : New Delhi

Dated : 28-04-2020

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

*Ajay Gupta*

(Ajay Gupta)

Partner

Membership No. 90104

ICAI UDIN - 20090104AAAAAWS692



**TP AJMER DISTRIBUTION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2020**

		Rs./Lacs As at 31-Mar-20	Rs./Lacs As at 31-Mar-19
<b>ASSETS</b>			
	Note No.		
<b>Non-current assets</b>			
Intangible assets	3	6,524.13	4,505.86
<b>Financial assets</b>			
Service Concession Arrangement		124.77	79.97
Other bank balances	8.2	3,314.00	-
Deferred tax assets (Net)	4	-	-
Other non-current assets	5	80.81	61.55
<b>Total non-current assets</b>		<b>10,043.71</b>	<b>4,647.38</b>
<b>Current assets</b>			
Inventories	6	652.60	1,027.10
<b>Financial assets</b>			
Trade receivables	7	2,195.97	2,034.83
Cash and bank balances			
Cash and cash equivalents	8.1	77.69	431.32
Bank balance other than above	8.2	4,436.62	6,399.20
Other financial assets	9	2,583.43	2,675.77
<b>Total current assets</b>		<b>9,946.31</b>	<b>12,568.22</b>
<b>Total Assets</b>		<b>19,990.02</b>	<b>17,215.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital	10	1,000.00	1,000.00
Other equity		(255.39)	(354.82)
<b>Total Equity</b>		<b>744.61</b>	<b>645.18</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	11	321.11	299.25
Other non-current liabilities	12	1,737.28	978.66
<b>Total non-current liabilities</b>		<b>2,058.39</b>	<b>1,277.91</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Short-term borrowings	13	12,135.12	9,801.05
Trade payables	14		
Total outstanding dues of micro enterprises and small enterprises		313.66	194.99
Total outstanding dues other than micro enterprises and small enterprises		3,385.28	4,167.94
Other financial liabilities	15	1,024.79	720.03
		<b>16,858.83</b>	<b>14,884.01</b>
Provisions	11	12.07	8.94
Other current liabilities	12	316.12	399.56
<b>Total current liabilities</b>		<b>17,187.02</b>	<b>15,292.51</b>
<b>Total Equity and Liabilities</b>		<b>19,990.02</b>	<b>17,215.60</b>

See accompanying notes to financial statements

As per our report of even date attached  
For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors

*Ajay Gupta*  
Ajay Gupta  
Partner

*Ganesh Srinivasan*  
Ganesh Srinivasan  
Director

*Suranjit Mishra*  
Suranjit Mishra  
Director

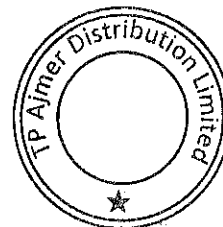
*Gajanan Kala*  
Gajanan Kala  
Chief Executive Officer

*Hemant Gupta*  
Hemant Gupta  
Chief Financial Officer

*Komal Jolly*  
Ms. Komal Jolly  
Company Secretary

Place : New Delhi  
Date : 28.04.2020

Place : New Delhi  
Date : 28.04.2020



**TP AJMER DISTRIBUTION LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2020**

	Note No.	Rs./Lacs Year ended 31-Mar-20	Rs./Lacs Year ended 31-Mar-19
<b><u>INCOME</u></b>			
Revenue from Operations	16	40,144.24	37,750.47
Other income	17	510.16	399.70
<b>Total income</b>		<b>40,654.40</b>	<b>38,150.17</b>
<b><u>EXPENSES</u></b>			
Cost of power purchased		36,552.53	34,058.59
Less : Rebate on early payment		(31.22)	(52.99)
Cost of power purchased (net)		36,521.31	34,005.60
Employee benefits expense	18	1,108.67	1,387.50
Finance costs	19	949.18	881.94
Amortisation expense	20	323.49	99.13
Other expenses	21	1,649.76	1,755.59
<b>Total expenses</b>		<b>40,552.41</b>	<b>38,109.76</b>
<b>Profit / (Loss) before tax</b>		<b>101.99</b>	<b>40.41</b>
<b>Tax expense</b>			
Current tax	4		
Deferred tax	4		
<b>Profit / (Loss) for the year</b>		<b>101.99</b>	<b>40.41</b>
<b><u>Other comprehensive income</u></b>			
Remeasurement of Defined Benefit Plans gain / (loss)		(2.56)	(23.21)
Income tax effect on above (Refer Note 5)		(2.56)	(23.21)
<b>Total comprehensive income for the year</b>		<b>99.43</b>	<b>17.20</b>
<b>Earnings per equity share:</b> (Face value Rs. 10 per share)	22	1.02	0.48

See accompanying notes to financial statements

As per our report of even date attached  
 For V. Sankar Aiyar & Co.  
 Chartered Accountants  
 ICAI Firm Regn. No. 109208W

For and on behalf of the Board of Directors

*Ajay Gupta*  
 Ajay Gupta  
 Partner  
 Membership No. 90104

*Ganesh Srinivasan*  
 Ganesh Srinivasan  
 Director

*Suranjit Mishra*  
 Suranjit Mishra  
 Director

*Gajanan Kale*  
 Gajanan Kale  
 Chief Executive Officer

*Hemant Gupta*  
 Hemant Gupta  
 Chief Financial Officer

*Komal Jolly*  
 Ms. Komal Jolly  
 Company Secretary

Place : New Delhi  
 Date : 28.04.2020

Place : New Delhi  
 Date : 28.04.2020



**TP AJMER DISTRIBUTION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2020**

	Rs./Lacs Year ended 31-Mar-20	Rs./Lacs Year ended 31-Mar-19
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	101.99	40.41
<b>Adjustments for:</b>		
Amortisation expense		
Finance cost	323.49	99.13
Actuarial gain / loss on employee benefits	949.18	881.94
Interest on financial assets	(2.56)	(23.21)
Interest on fixed deposits	(8.55)	(2.15)
Provision for Doubtful Debts	(427.15)	(375.93)
Operating profit before working capital changes	122.82	122.82
<b>Changes in working capital:</b>	1,059.22	620.19
<b>Adjustments for (increase) / decrease in operating assets:</b>		
Trade receivables		
Inventories	(263.96)	(508.39)
Other current financial assets	374.50	(237.95)
	257.08	(56.58)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(664.01)	742.69
	24.99	128.00
Other current financial liabilities	(83.44)	(130.57)
Cash generated from operations	279.93	297.20
Income tax paid	964.31	854.59
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(19.28)	(37.49)
	945.05	817.10
<b>B. Cash flow from investing activities</b>		
Payments for property, plant and equipment	(2,378.01)	(3,143.24)
Interest received on Fixed Deposits	262.41	375.93
Investment in short term bank deposits (Net)	(1,351.42)	798.72
<b>NET CASH (USED) / FROM INVESTING ACTIVITIES</b>	(3,467.02)	(1,968.59)
Infusion of Equity Capital		999.00
Loan from Bank (Net of Repayment)		(417.52)
Loan from Related Party (Net of Repayment)	(4,665.93)	(417.52)
Proceeds from contribution for capital works & service line charges	7,000.00	(528.00)
Payment of Finance costs	758.62	478.35
<b>NET CASH USED IN/(FROM) FINANCING ACTIVITIES</b>	(924.35)	(939.39)
	2,168.34	(407.66)
Net Increase/ (Decrease) In Cash and cash equivalents	(363.63)	(1,559.05)
Cash and cash equivalents at the beginning of the year	431.32	1,990.37
Cash and cash equivalents at the end of the year	77.69	431.32
<b>Break up of Closing Cash &amp; Cash Equivalent</b>		
Current Account	1.88	35.52
Escrow Account	75.81	395.80
	77.69	431.32

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. 90104

Place : New Delhi  
Date : 28.04.2020



For and on behalf of the Board of Directors

*Ganesh Srinivasan*  
Ganesh Srinivasan  
Director

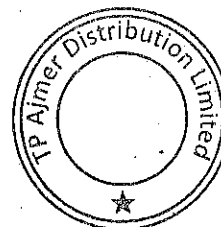
*Suranjit Mishra*  
Suranjit Mishra  
Director

*Gajanan Kaik*  
Gajanan Kaik  
Chief Executive Officer

*Hemant Gupta*  
Hemant Gupta  
Chief Financial Officer

*Komal Jolly*  
Ms. Komal Jolly  
Company Secretary

Place : New Delhi  
Date : 28.04.2020



**TP AJMER DISTRIBUTION LIMITED**  
**Statement of Changes in Equity**

**(a) Equity Share Capital**

Rs./Lacs

Particulars	Amount
As at 1.4.2018	1.00
Changes in equity share capital during 2018-19	999.00
As at 31.03.2019	1,000.00
Changes in equity share capital during 2019-20	-
Balance as at 31st March 2020	1,000.00

**(b) Other Equity**

Particulars	Retained Earnings
As at 1.4.2018	(372.02)
<b>Adjustments:</b>	
Profit / (Loss) for the year	40.41
Other Comprehensive Income	
Re-measurement gains (losses) on defined benefit plans	(23.21)
As at 31.03.2019	(354.82)
Profit / (Loss) for the year	101.99
Other Comprehensive Income	
Re-measurement gains / (losses) on defined benefit plans	(2.56)
As at March 31, 2020 (A+B)	(255.39)

As per our report of even date attached

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

For and on behalf of the Board of Directors

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No. 90104

*Ganesh Srinivasan*

Ganesh Srinivasan  
Director

*Surajjit Mishra*

Surajjit Mishra  
Director

*Gajanan Kale*

Gajanan Kale  
Chief Executive Officer

*Hemant Gupta*

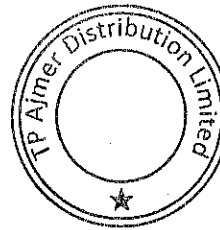
Hemant Gupta  
Chief Financial Officer

*Komal Jolly*

Ms. Komal Jolly  
Company Secretary

Place : New Delhi  
Date : 28.04.2020

Place : New Delhi  
Date : 28.04.2020



**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 1999 from the erstwhile Rajasthan State Electricity Board and has been engaged in distribution of electricity in the eastern part of the State 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 Sant Tukaram Road, Camac 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.

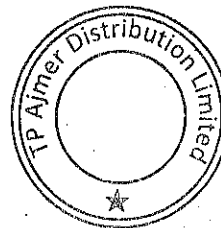
Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 as 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 Franchise 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 Assets 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.

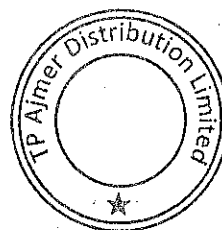
Output method where direct measurements of value to the customer based on survey's of performance completed to date.

##### 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

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

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 60 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.

## 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.

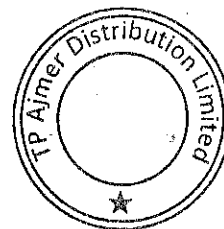
Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use. They are included in the cost of those assets when they are regarded 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.

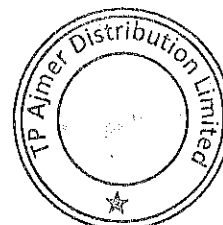
The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

### 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.

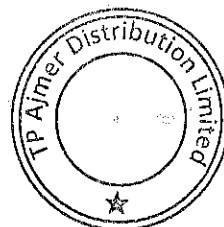
### 2.13.3 Financial assets at fair value through profit or loss (FVTPL)

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.

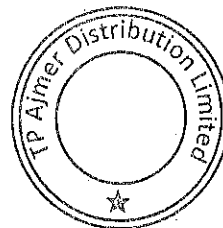
### The areas involving estimates are :

Estimation of current tax and deferred tax - Refer Note 4

Estimation of defined benefit obligation - Refer Note 28

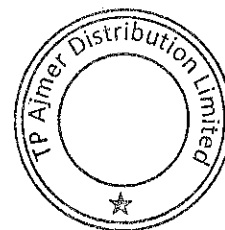
Estimation of unbilled revenue- Refer Note 9

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.



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-20	Rs./Lacs As at 31-Mar-19
<b>3 Intangible Assets:</b>		
<u>Service Concession Arrangement</u>		
<u>Cost</u>		
Balance as at beginning of the year	4,709.27	2,769.07
Additions	2,378.02	1,989.27
Transfer to financial assets	36.26	49.07
<b>Balance at year end</b>	<b>7,051.03</b>	<b>4,709.27</b>
<u>Accumulated Amortisation</u>		
Balance as at beginning of the year	203.41	104.28
Amortization	323.49	99.13
<b>Balance at year end</b>	<b>526.90</b>	<b>203.41</b>
<u>Net Carrying Amount</u>		
At the beginning of the year	4,505.86	2,664.79
At the end of the year	<b>6,524.13</b>	<b>4,505.86</b>
<b>4 Deferred Tax Assets (Net)</b>		
<u>Deferred tax assets</u>		
Provision for employee benefits	42.62	30.52
Carried forward losses (Refer Note below)	254.25	232.45
Preliminary expenses	0.79	1.57
Provision for loss allowance on trade receivables	30.91	-
	<b>328.57</b>	<b>264.54</b>
<u>Deferred tax liabilities</u>		
Service concession arrangement / fixed assets	262.61	149.82
	<b>262.61</b>	<b>149.82</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>65.96</b>	<b>114.72</b>
<b>Charge / (Credit) for the year</b>	<b>48.76</b>	<b>6.81</b>
<b>Note -</b>		
Net deferred tax, being an asset on account of carried forward losses, is recognised only to the extent of deferred tax liabilities as a matter of prudence. Accordingly, movement in deferred taxes during the year is not recognised in Statement of Profit and Loss as there is net deferred tax asset at the year end.		
<b>5 Non-Current Tax Assets</b>		
Advance payment of income taxes (including TDS)	80.81	61.55
	<b>80.81</b>	<b>61.55</b>
<b>6 Inventories</b>		
Stores and spare parts	652.60	1,027.10
	<b>652.60</b>	<b>1,027.10</b>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-20	Rs./Lacs As at 31-Mar-19
<b>7 Trade Receivable - Current</b>		
Considered good - Secured	623.02	472.77
Considered good - Unsecured	1,572.95	1,562.06
Trade Receivables which have significant increase in credit risk	122.82	
	<u>2,318.79</u>	<u>2,034.83</u>
Less:- Allowance for doubtful trade receivables	122.82	
	<u>2,195.97</u>	<u>2,034.83</u>

**Note 1:**

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.

**Movement in the Allowance for Doubtful Trade Receivables**

Balance at the beginning of the year	-	-
Add: Addition during the year	122.82	-
Less: Provision written back during the year	-	-
Balance at the end of the year	<u>122.82</u>	<u>-</u>

**8 Cash & Bank Balances**

**8.1 Cash and cash equivalents**

Balance with banks - in current accounts	1.88	35.52
Balance with banks - in escrow account (Refer note below)	75.81	395.80
	<u>77.69</u>	<u>431.32</u>

**8.2 Other Balances with Bank**

**Non-Current**

Balance in Deposit Account (with maturity of more than 12 months)	3,314.00	-
	<u>3,314.00</u>	<u>-</u>

**Current**

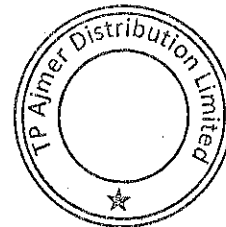
Balance in Deposit Account with original maturity of less than 12 months (Refer note below)	4,436.62	6,399.20
	<u>4,436.62</u>	<u>6,399.20</u>

**Note -**

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 AVVNL.

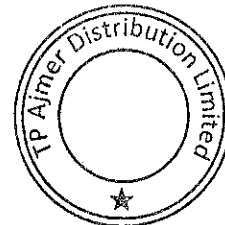
**9 Other Financial Assets - Current**

Unbilled revenue	2,409.74	2,617.49
Security deposits to vendor	5.35	5.25
Interest accrued on fixed deposits	164.74	17.52
Advances to employees	1.23	1.63
Other recoverable from related parties	2.22	33.88
Tariff subsidy recoverable	0.15	-
	<u>2,583.43</u>	<u>2,675.77</u>



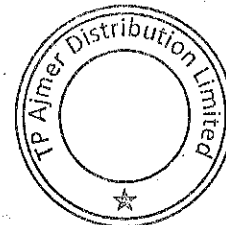
**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-20	Rs./Lacs As at 31-Mar-19
<b>10 Equity Share Capital</b>		
<b>Authorised</b>		
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>
<b>Issued, Subscribed and Paid up</b>		
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:		
10.1 100,00,000 Equity shares i.e., 100% equity shares of Rs. 10 each with voting rights, are held by Tata Power Company Limited, the holding company (including shares held by the nominee shareholders).		
10.2 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.		
10.3 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:		
<b>Particulars</b>	<b>No of Shares</b>	<b>No of Shares</b>
Balance at 1 April, 2019	10,000,000	10,000
Add: Shares issued during the year		9,990,000
Balance at 31st March 2020	<u>10,000,000</u>	<u>10,000,000</u>
<b>11 Provision</b>		
<b>Non-Current</b>		
Provision for employee benefits	321.11	299.25
	<u>321.11</u>	<u>299.25</u>
<b>Current</b>		
Provision for employee benefits	12.07	8.94
	<u>12.07</u>	<u>8.94</u>
<b>12 Other Liabilities</b>		
<b>Non-current</b>		
(a) <b>Service Line Charges</b>		
Opening balance	400.31	269.56
Add: Additions during the year	242.81	143.97
Less: Transfer to the statement of profit and loss	29.84	13.22
Closing balance	<u>613.28</u>	<u>400.31</u>
(b) <b>Consumer contribution for deposit works</b>		
Opening balance	578.35	230.75
Add: Additions during the year	601.78	373.49
Less: Transfer to the statement of profit and loss	56.11	25.89
Closing balance	<u>1,124.00</u>	<u>578.35</u>
	<u>1,737.28</u>	<u>978.66</u>
<b>Current</b>		
Statutory dues	37.70	39.39
Advance deposit towards electricity consumption charges	277.05	359.82
Other liabilities	1.37	0.35
	<u>316.12</u>	<u>399.56</u>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-20	Rs./Lacs As at 31-Mar-18
<b>13 Short Term Borrowings</b>		
<b>From bank - Secured</b>		
Short term loan from IndusInd Bank Ltd (Refer Note below)	2,635.12	7,301.05
<b>From related party- Unsecured</b>		
Loans from holding Company	9,500.00	2,500.00
	<u>12,135.12</u>	<u>9,801.05</u>
<b>Note -</b>		
Secured by exclusive first charge over the entire current assets present and future except balance in escrow and deposit account with banks.		
<b>14 Trade Payables</b>		
- total outstanding dues of micro enterprises and small enterprises (Refer Note below)	313.66	194.99
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,365.26	4,167.94
	<u>3,698.92</u>	<u>4,362.93</u>
<b>Note -</b>		
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	313.66	194.99
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 unpaid to MSM vendors on account of retention money have not been considered for the purpose of Interest calculation		
<b>15 Other Financial Liabilities- Current</b>		
<b>Deposits from customers</b>		
Security deposit from customers (Permanent Consumers)	3,130.55	2,955.40
Sundry deposits from customers (Temporary Consumers)	162.36	138.79
	<u>3,282.91</u>	<u>3,094.19</u>
Less: Security deposits of customers transferred to AVVNL	<u>3,188.66</u>	<u>3,013.51</u>
	94.25	80.68
Security deposit from vendors	137.97	113.24
Interest accrued on unsecured loan from holding company	37.60	12.77
Accrued salary and benefits	206.07	175.75
Payable to AVVNL		
Electricity duty, water cess tax and urban cess tax	168.15	203.34
Other dues	390.75	134.25
	<u>930.54</u>	<u>639.35</u>
	<u>1,024.79</u>	<u>720.03</u>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs Year ended 31-Mar-20	Rs./Lacs Year ended 31-Mar-19
<b>16 Revenue from Operations</b>		
Revenue from sale of power (Refer Note below)	39,725.91	37,298.29
<b>Other Operating Income</b>		
Delayed payment charges	246.57	351.27
Transfer from service line charges	29.84	13.22
Transfer from consumer contribution for capital works	56.11	25.89
Miscellaneous revenue	85.81	61.80
	<b>40,144.24</b>	<b>37,750.47</b>

Note - The Company has made provisional billing amounting to Rs.412.87 Lacs and 4.98 MU's (included in the Billed Debtors) w.e.f 23rd March 2020 amid lockdown declared by the government in the state due to the impact of Covid-19. The differential between provisional billing and actual billing would be accounted at the time actual meter reading.

**17 Other Income**

Interest Income on bank deposits	427.15	375.93
Interest on financial assets	8.55	2.15
Miscellaneous income	72.26	21.62
Interest on Income tax refund	2.20	-
	<b>610.16</b>	<b>399.70</b>

**18 Employee Benefits Expense**

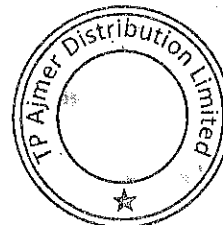
<b>(a) Employee on Company payroll</b>		
Salaries, allowances and incentives	939.20	948.98
Contribution to provident and other funds	45.28	39.00
Retiral benefits	62.55	88.81
Staff welfare expenses	15.71	22.12
	<b>1,062.74</b>	<b>1,098.91</b>
<b>(b) Employee from AVVNL &amp; TPDDL (including parallel operation)</b>		
Deputation From AVVNL & TPDDL	259.37	344.26
<b>(c) Employee cost Capitalised</b>		
Employee Cost Capitalised	(213.44)	(75.67)
	<b>1,108.67</b>	<b>1,367.50</b>

**19 Finance Costs**

<b>(a) Interest Expense:</b>		
<b>Borrowings</b>		
Interest on loan - Bank	254.28	705.08
Interest on loan - Holding Company	678.43	158.41
<b>Others</b>		
Interest on late payment of statutory dues	1.13	7.40
	<b>933.84</b>	<b>870.89</b>
<b>(b) Finance Charges</b>		
Other finance costs	15.34	11.05
	<b>949.18</b>	<b>881.94</b>

**20 Amortisation expense**

Amortization of Intangible assets	323.49	99.13
	<b>323.49</b>	<b>99.13</b>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs Year ended 31-Mar-20	Rs./Lacs Year ended 31-Mar-19
<b>21 Other Expenses</b>		
<b>Operating and Maintenance</b>		
Consumption of stores		
Repair and maintenance	38.29	17.00
Building	3.45	4.73
Plant & machinery	539.12	759.61
Others	-	1.81
	<u>580.86</u>	<u>783.15</u>
<b>Administrative and General</b>		
Rent	11.12	14.02
Cost of services procured	512.89	462.48
Other operation expenses	14.43	28.62
Insurance	16.79	16.01
Advertisement, publicity and business promotion	10.87	15.32
Communication	83.35	104.04
Electricity charges	37.74	26.27
Travelling and conveyance	41.98	45.61
IT Expenses	111.00	124.21
Printing and stationery	13.65	19.27
Training	2.23	5.39
Legal and professional charges	38.58	32.87
Auditors remuneration	9.96	10.39
Rates and Taxes	13.18	35.13
Computer & printer operation	0.70	3.24
Provision for Doubtful Debts	122.82	-
Miscellaneous & Other Administrative Expenses	27.63	29.59
	<u>1,068.90</u>	<u>972.44</u>
	<u>1,649.76</u>	<u>1,755.59</u>

**22 Earnings Per Share**

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

Net Profit / (Loss) after current and deferred tax	101.99	40.41
No of Shares outstanding at the beginning of the year	10,000,000	10,000
No of Shares outstanding at the end of the year	10,000,000	10,000,000
Weighted average number of equity shares of Rs. 10/- each	10,000,000	8,385,178
EPS (Rs.) - Basic and Diluted	1.02	0.48

**23 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

2,600.00 2,600.00

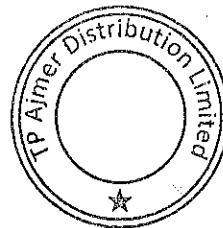
Letter of Credit

7,900.00 6,200.00

10,500.00 8,800.00

**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 current year, 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 wef 19.07.2019 and it is not paying GST on such services to Government. The Company has estimated GST liability of Rs. 31.25 lakhs which has not been billed and collected from the consumers on such ancillary services during the period 19.07.2019 to 31.03.2020. 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. 48.43 lakhs. Any adjustments arising out of this matter would be provided at the time of final outcome of petition filed in Hon'ble High Court of Rajasthan.



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-20	Rs./Lacs As at 31-Mar-19
<b>24 Auditors Remuneration (Including taxes)</b>		
Statutory audit	4.13	4.48
Limited Review	2.66	2.65
Tax Audit Fees (including previous year of Rs.0.88 lacs))	1.77	0.89
Certification Fees	0.59	1.30
Re-imbusement of out of pocket expenses	0.81	1.07
	<u>9.96</u>	<u>10.39</u>
<b>25 Taxation (Including deferred taxes)</b>		
<u>Effective tax Reconciliation</u>		
Total Comprehensive Income	99.43	17.20
Enacted tax rates	25.17%	33.38%
Computed tax Income / (expense)	25.02	5.74
<u>Tax Expenses</u>		
Current Tax		
Deferred Tax (Refer Note 4)		
Total tax expense / (credit)	(48.76)	(6.91)
	<u>(48.76)</u>	<u>(6.91)</u>
<u>Items of Reconciliation</u>		
Permanent difference		
Effect of change in tax rate	0.11	2.64
Tax impact on liability routed through OCI	28.23	
Effect of tax on other items	(3.34)	
	<u>(1.26)</u>	<u>(1.47)</u>
	<u>(25.02)</u>	<u>(5.74)</u>

**26 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 Employees 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

28.72                      29.12

**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**

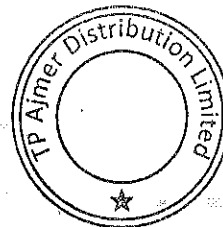
The Company has a defined benefit plan granting ex-gratia in case of death during service. The benefit consists of a predetermined lump sum amount along with a sum determined based on the last drawn basic salary per month and the length of service.

**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 salary at the retirement date.



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31/Mar/2020	Rs./Lacs As at 31/Mar/2019
<b>2.3 The principal assumptions used for the purposes of the actuarial valuations were as follows:</b>		
Discount Rate	6.50%	7.40%
Expected Rate of Increase in salary	7.00%	7.00%
Attrition Rate		
Age - 21 to 44 Years	6.00%	2.50%
Age - 45 and above	2.00%	1.00%
Mortality Rate	Indian Assured Lives Mortality (2006-08) UT	Indian Assured Lives Mortality (2008-08) UT

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	Gratuity	Other Defined benefit plans	Gratuity	Other Defined benefit plans
<b>Particulars</b>				
Present value of obligation at the beginning of the year	145.52	32.85	91.61	21.39
Current service cost	21.08	8.98	15.87	4.75
Interest cost	10.77	2.63	7.03	1.65
Benefits paid	(0.86)	-	(0.59)	-
Acquisitions credit/ (cost)	(13.42)	-	8.39	5.06
Remeasurements - actuarial loss/ (gain)	13.28	(10.72)	23.21	0.00
<b>Present value of obligation at the year end</b>	<b>176.37</b>	<b>33.74</b>	<b>145.52</b>	<b>32.85</b>

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

Current Service cost	21.08	8.98	15.87	4.75
Interest cost	10.77	2.63	7.03	1.65
<b>Expense for the year</b>	<b>31.85</b>	<b>11.61</b>	<b>22.90</b>	<b>6.40</b>

Recognised in Other Comprehensive Income  
Remeasurement - Actuarial loss/(gain) for the year

13.28	(10.72)	23.21	0.00
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Sensitivity analysis for the year

Effect on Defined benefit obligation on

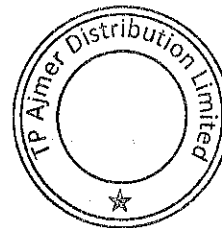
Increase of 0.50% in discount rate	(11.02)	(2.79)	(10.53)	(2.50)
Decrease of 0.50% in discount rate	12.10	3.26	11.62	2.89

Effect on Defined benefit obligation on

Increase of 0.50% in salary escalation rate	11.99	0.78	11.61	0.88
Decrease of 0.50% in salary escalation rate	(11.03)	(0.74)	(10.62)	(0.82)

Maturity profile of Defined Benefit obligation

Particulars	Gratuity	Other Defined benefit plans
01 Apr 2020 to 31 Mar 2021	5.51	1.88
01 Apr 2021 to 31 Mar 2022	6.63	2.06
01 Apr 2022 to 31 Mar 2023	8.41	2.27
01 Apr 2023 to 31 Mar 2024	9.31	2.50
01 Apr 2024 to 31 Mar 2025	10.76	2.73
01 Apr 2025 onwards	165.26	18.59



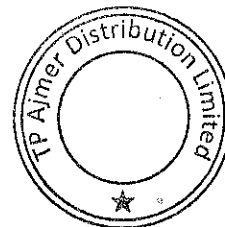
**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at <u>31/Mar/2020</u>	Rs./Lacs As at <u>31/Mar/2019</u>
<b>27 Related Party disclosures as per Ind AS 24</b>		
<b>A) Holding Company:</b>		
<b><u>Tata Power Company Limited</u></b>		
Issue of equity shares		999.00
Unsecured loan taken		
Unsecured loan repaid	19,500.00	2,500.00
Unsecured Loan Payable (Including Interest accrued)	12,500.00	3,098.22
	9,537.80	2,512.77
Interest expenses	678.43	158.41
IT Service cost	38.91	34.67
Internal audit fees	5.04	3.35
Re-Imbursements for expenses incurred - Payments	15.30	47.81
Amount (payable) / receivable at the year end	2.22	20.36
Bank Guarantee / Letter of credit received	10,500.00	8,800.00
<b>B) Fellow Subsidiary :</b>		
<b><u>i) Tata Power Delhi Distribution Limited</u></b>		
Management contract for deputation of employees paid	3.23	45.03
Employees related retiral liabilities received on transfer	1.70	21.15
Employees related retiral liabilities paid on transfer	1.21	-
Travelling and conveyance paid	0.37	4.32
Purchase of GSM Modems	2.84	-
Amount (payable) / receivable at the year end		(1.12)
<b><u>ii) Coastal Gujarat Private Limited (CGPL)</u></b>		
Recoverable on account of re-imburement of employee related expenses	3.24	13.52
Amount (payable) / receivable at the year end		5.61
<b><u>iii) Welspun Renewable Energy Private Limited (WREPL)</u></b>		
Employees related retiral liabilities payable on transfer	5.81	5.99
Amount (payable) / receivable at the year end	(5.81)	-
<b><u>iv) Mathon Power Limited</u></b>		
Re-imburement of employee related expenses paid		0.54
<b><u>v) Powerlinks Transmission Limited</u></b>		
Payable on account of re-imburement of employee related expenses ( net)		40.89
Amount (payable) / receivable at the year end		(40.89)
<b><u>vi) Industrial Energy Limited</u></b>		
Employees related retiral liabilities payable on transfer	2.56	-
Amount (payable) / receivable at the year end	(2.56)	-
<b>C) Key Management Personnel :</b>		
<b>i) Mr. Yogesh Kumar Luthra - Chief Executive Officer (Till 31st Dec 18)</b>		
Remuneration *		72.72
<b>ii) Mr. Gajanan Kale - Chief Executive Officer (w.e.f 1st Jan 19)</b>		
Remuneration *	74.51	12.90
<b>iii) Mr. Kallash Mall - Chief Finance Officer (Till 31st Mar 19)</b>		
Remuneration *		30.18
<b>iv) Mr. Hamant Gupta - Chief Finance Officer (w.e.f 01st Apr 19)</b>		
Remuneration *	19.53	-

\* 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.

**28. 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 operations 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.



29 **Financial Instruments**

29.1 **Financial Assets and Financial Liabilities**

The carrying value of financial instruments by categories is as follows:

Particulars	As at March 31, 2020			As at March 31, 2019		
	At Cost	Fair value through profit or loss	At Amortised Cost	At Cost	Fair value through profit or loss	At Amortised Cost
<b>Financial assets</b>						
Trade Receivables	2,195.97	-	-	2,034.83	-	-
Cash and cash equivalent	77.89	-	-	431.32	-	-
Other Bank Balances	7,750.62	-	-	6,399.20	-	-
Other Financial assets- Service Concession Arrangement	-	-	124.77	-	-	79.97
Other Financial Assets - Current	2,583.43	-	-	2,675.77	-	-
<b>Total</b>	<b>12,607.71</b>	<b>-</b>	<b>124.77</b>	<b>11,541.12</b>	<b>-</b>	<b>79.97</b>
<b>Financial Liabilities</b>						
Short term borrowings	12,135.12	-	-	9,801.05	-	-
Trade payables	3,698.92	-	-	4,362.93	-	-
Other financial liabilities	1,024.79	-	-	720.03	-	-
<b>Total</b>	<b>16,858.83</b>	<b>-</b>	<b>-</b>	<b>14,884.01</b>	<b>-</b>	<b>-</b>

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.

29.2 **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-20	31-Mar-19
Debt	12,135.12	9,801.05
Cash and bank balances	7,828.31	6,830.52
<b>Net Debt</b>	<b>4,306.81</b>	<b>2,970.53</b>
<b>Total Equity</b>	<b>744.61</b>	<b>645.18</b>
<b>Net debt to equity ratio</b>	<b>5.78</b>	<b>4.60</b>

(i) Debt consists of short-term borrowings

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

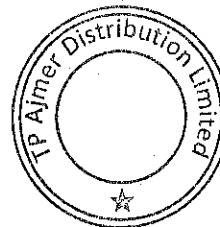
29.3 **Financial risk management**

**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.



**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-20	31-Mar-19
Trade Receivables	2,195.97	2,034.83
Other Financial Assets	2,583.43	2,675.77
	<u>4,779.40</u>	<u>4,710.60</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-20			31-Mar-19		
	Repayable on Demand	Due within 1 Year	Total	Repayable on Demand	Due within 1 Year	Total
Short term borrowings	-	12,135.12	12,135.12	-	9,801.05	9,801.05
Trade Payables	-	3,698.92	3,698.92	-	4,362.93	4,362.93
Other Financial Liabilities	94.25	930.54	1,024.79	80.68	839.35	720.03
	<u>94.25</u>	<u>16,764.58</u>	<u>16,858.83</u>	<u>80.68</u>	<u>14,803.33</u>	<u>14,884.01</u>

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

**30 Service Concession Arrangements -**

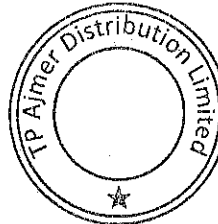
TP Ajmer Distribution Limited ("The Company", "The Operator") has been granted rights for Supply and Distribution of Electricity in Ajmer City from Ajmer Vidyut Vitran Nigam Limited (AVVNL) for a period of 20 years starting from 1st July 2017 to 30th June 2037 in pursuance of Distribution Franchise Agreement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

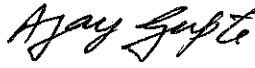


**TP AJMER DISTRIBUTION LIMITED**

- 31 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. During the year independent auditor has completed the audit for period 01.07.2017 to 31.03.2019 and have submitted a draft report. Necessary adjustments in the power purchase cost have been made during the year based on the draft report.
- 32 Pursuant to the enactment of the Taxation Law (Amendment) Act, 2019 ('Act') which is effective from April 1, 2019, domestic companies have the option to pay income tax at 22% plus applicable surcharge and cess ('new tax regime') subject to certain conditions. The Company has opted for the said amendment.
- 33 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 : New Delhi  
Date : 28.04.2020



For and on behalf of the Board of Directors

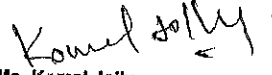
  
Ganesh Srinivasan  
Director

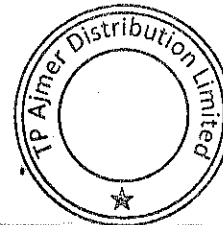
  
Hemant Gupta  
Chief Financial Officer

Place : New Delhi  
Date : 28.04.2020

  
Suranjit Mishra  
Director

  
Gajanan Kale  
Chief Executive Officer

  
Ms. Komal Jolly  
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