



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

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**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, 2021, 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, 2021, its profit, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

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

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

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

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

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



### **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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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.

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

*Ajay Gupta*

(Ajay Gupta)  
Partner  
Membership No. 090104  
ICAI UDIN : 21090104AAAACE6422

Place : New Delhi  
Dated : 20<sup>th</sup> April 2021



**"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, 2021.**

- 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, 2021, 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, 2021 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.

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

*Ajay Gupta*

(Ajay Gupta)  
Partner  
Membership No. 090104  
ICAI UDIN : 21090104AAAACE6422

Place : New Delhi  
Dated : 20<sup>th</sup> April 2021



**"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, 2021.**

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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



### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

*Ajay Gupta*

**Place : New Delhi  
Dated : 20<sup>th</sup> April 2021**

**(Ajay Gupta)  
Partner  
Membership No. 090104  
ICAI UDIN : 21090104AAAACE6422**



**TP AJMER DISTRIBUTION LIMITED**  
**BALANCE SHEET AS AT 31ST MARCH 2021**

		Rs. Lacs As at 31-Mar-21	Rs. Lacs As at 31-Mar-20
<b>ASSETS</b>			
	Notes No.		
<b>Non-current assets</b>			
Intangible assets			
Financial assets	3	8,632.01	6,524.13
Service Concession Arrangement			
Other bank balances		189.11	124.77
Deferred tax assets (Net)	8.2	-	3,314.00
Other non-current assets	4	-	-
Total non-current assets	5	8,821.12	10,043.71
<b>Current assets</b>			
Inventories			
Financial assets	6	418.07	652.60
Trade receivables			
Cash and bank balances	7	2,108.57	2,195.97
Cash and cash equivalents			
Bank balance other than above	8.1	123.38	77.69
Other financial assets	8.2	7,962.59	4,438.62
Total current assets	9	13,162.64	9,946.31
<b>Total Assets</b>		<b>22,016.66</b>	<b>19,990.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Equity share capital		1,000.00	1,000.00
Other equity	10	(213.44)	(233.39)
Total Equity		786.56	766.61
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions			
Other non-current liabilities	11	388.95	321.11
Total non-current liabilities	12	3,346.81	1,737.28
<b>Current liabilities</b>			
Financial liabilities			
Short-term borrowings			
Trade payables	13	10,342.27	12,135.12
Total outstanding dues of micro enterprises and small enterprises	14	641.90	313.66
Total outstanding dues other than micro enterprises and small enterprises		4,597.73	2,873.01
Other financial liabilities	15	1,704.78	1,537.04
Provisions			
Other current liabilities	11	17,191.68	16,858.83
Total current liabilities	12	18,141.54	17,187.02
<b>Total Equity and Liabilities</b>		<b>22,016.66</b>	<b>19,990.02</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

*Ajay Gupta*  
 Ajay Gupta  
 Partner

Place: Delhi  
 Date: 20.04.2021

For and on behalf of the Board of Directors

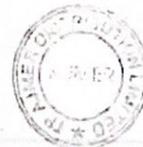
*Ganesh Srinivasan*  
 Ganesh Srinivasan  
 Director

*Bhupendra*  
 Bhupendra Sharma  
 Chief Financial Officer  
 Place: Delhi  
 Date: 20.04.2021

*Suranjit Mishra*  
 Suranjit Mishra  
 Director

*Shriprakash Joshi*  
 Shriprakash Joshi  
 Chief Executive Officer

*Ms. Bhupinderjeet Kaur*  
 Ms. Bhupinderjeet Kaur  
 Company Secretary



TP AJMER DISTRIBUTION LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2021

	Note No.	Rs./Lacs Year ended 31-Mar-21	Rs./Lacs Year ended 31-Mar-20
<b>INCOME</b>			
Revenue from Operations	16	41,766.48	39,897.67
Other Income	17	891.17	756.73
<b>Total income</b>		<b>42,657.65</b>	<b>40,654.40</b>
<b>EXPENSES</b>			
Cost of power purchased			
Less: Rebate on early payment		38,796.03	36,552.53
Cost of power purchased (net)		(42.15)	(31.22)
Employee benefits expense		38,753.88	36,521.31
Finance costs	18	992.36	1,108.67
Amortisation expense	19	767.24	949.18
Other expenses	20	443.13	323.49
	21	1,664.24	1,649.76
<b>Total expenses</b>		<b>42,620.85</b>	<b>40,552.41</b>
<b>Profit / (Loss) before tax</b>		<b>36.80</b>	<b>101.99</b>
<b>Tax expense</b>			
Current tax			
Deferred tax	4		
<b>Profit / (Loss) for the year</b>	4	<b>36.80</b>	<b>101.99</b>
<b>Other comprehensive income</b>			
Remeasurement of Defined Benefit Plans gain / (loss)		5.15	(2.56)
Income tax effect on above (Refer Note 5)			
		5.15	(2.56)
<b>Total comprehensive income for the year</b>		<b>41.95</b>	<b>99.43</b>
<b>Earnings per equity share:</b> (Face value Rs. 10 per share)	22	<b>0.37</b>	<b>1.02</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

*Ajay Gupta*  
Ajay Gupta  
Partner

Place : Delhi  
Date : 20.04.2021



For and on behalf of the Board of Directors

*Ganesh*  
Ganesh Srinivasan  
Director

*Suranjit*  
Suranjit Mishra  
Director

*Shriprakash*  
Shriprakash Joshi  
Chief Executive Officer

*Bhupendra*  
Bhupendra Sharma  
Chief Financial Officer  
Place : Delhi  
Date : 20.04.2021

*Bhupinderjeet*  
Ms. Bhupinderjeet Kaur  
Company Secretary



**TP AJMER DISTRIBUTION LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2021**

	Rs./Lacs Year ended 31-Mar-21	Rs./Lacs Year ended 31-Mar-20
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax		
<u>Adjustments for:</u>		
Amortisation expense	36.80	101.99
Finance cost		
Actuarial gain / loss on employee benefits	443.13	323.49
Interest on financial assets	767.24	949.18
Interest on fixed deposits	5.15	(2.56)
Provision for Doubtful Debts	(12.17)	(8.55)
Operating profit before working capital changes	(441.09)	(427.15)
<u>Changes in working capital:</u>	85.55	122.82
<b>Adjustments for (Increase) / decrease in operating assets:</b>	884.61	1,059.22
Trade receivables		
Inventories	1.85	(283.96)
Other current financial assets	234.53	374.50
	158.34	257.08
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables		
Provision	1,952.96	(664.01)
Other current liabilities	51.91	24.99
Other current financial liabilities	(9.60)	(83.44)
Cash generated from operations	179.64	279.93
Income tax paid	3,454.24	964.31
	17.81	(10.28)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	3,472.05	945.05
<b>B. Cash flow from investing activities</b>		
Payments for assets acquired under SCA		
Sale Proceeds from assets of SCA	(2,585.11)	(2,378.01)
Interest received on Fixed Deposits	1.93	
Investment in short term bank deposits (Net)	326.25	262.41
<b>NET CASH (USED) / FROM INVESTING ACTIVITIES</b>	(211.97)	(1,351.42)
	(2,468.90)	(3,467.02)
Loan from Bank (Net of Repayment)		
Loan from Related Party (Net of Repayment)	(1,792.85)	(4,665.93)
Proceeds from contribution for capital works & service line charges		7,000.00
Payment of Finance costs	1,609.53	758.62
<b>NET CASH USED IN/(FROM) FINANCING ACTIVITIES</b>	(774.14)	(924.35)
	(957.46)	2,168.34
Net Increase/(Decrease) in Cash and cash equivalents	45.69	(353.63)
Cash and cash equivalents at the beginning of the year	77.69	431.32
<b>Cash and cash equivalents at the end of the year / period</b>	123.38	77.69
<b>Break up of Closing Cash &amp; Cash Equivalent</b>		
Current Account		
Escrow Account	28.14	1.88
	95.24	75.81
	123.38	77.69

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

Place : Delhi  
Date : 20.04.2021



For and on behalf of the Board of Directors

*Ganesh Srinivasan*  
Ganesh Srinivasan  
Director

*Suranjit Mishra*  
Suranjit Mishra  
Director

*Shripal Joshi*  
Shripal Joshi  
Chief Executive Officer

*Bhupendra Sharma*  
Bhupendra Sharma  
Chief Financial Officer  
Place : Delhi  
Date : 20.04.2021

*Ms. Bhupinderjeet Kaur*  
Ms. Bhupinderjeet Kaur  
Company Secretary



**TPAJMER DISTRIBUTION LIMITED**  
**Statement of Changes in Equity**

**(a) Equity Share Capital**

Rs./Lacs

Particulars	Amount
As at 1.4.2019	1,000.00
Changes in equity share capital during 2019-20	-
As at 31.03.2020	1,000.00
Changes in equity share capital during 2020-21	-
Balance as at 31st March 2021	1,000.00

**(b) Other Equity**

Particulars	Retained Earnings
As at 1.4.2019	(354.82)
Adjustments:	
Profit / (Loss) for the year	101.99
Other Comprehensive Income	
Re-measurement gains (losses) on defined benefit plans	(2.56)
As at 31.03.2020	(255.39)
Profit / (Loss) for the year	36.80
Other Comprehensive Income	
Re-measurement gains / (losses) on defined benefit plans	5.15
As at March 31, 2021 (A+B)	(213.44)

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: Delhi  
 Date: 20.04.2021

For and on behalf of the Board of Directors

*Ganesh Srinivasan*

Ganesh Srinivasan  
 Director

*Bhupendra*

Bhupendra Sharma  
 Chief Financial Officer

Place: Delhi  
 Date: 20.04.2021

*Suranjit Mishra*

Suranjit Mishra  
 Director

*Shriprakash Joshi*

Shriprakash Joshi  
 Chief Executive Officer

*Bhupinderjeet Kaur*

Ms. Bhupinderjeet Kaur  
 Company Secretary



**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 an 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 TAPDL 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 Vidut 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

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.

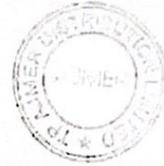
**The areas involving estimates are :**

Estimation of current tax and deferred tax - Refer Note 4

Estimation of defined benefit obligation - Refer Note 26

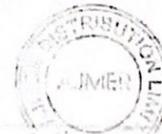
Estimation of unbilled revenue- Refer Note 9

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 <u>31-Mar-21</u>	Rs./Lacs As at <u>31-Mar-20</u>
<b>3 Intangible Assets-</b>		
<u>Service Concession Arrangement</u>		
<u>Cost</u>		
Balance as at beginning of the year		
Additions	7,051.03	4,709.27
Transfer to financial assets	2,584.52	2,378.02
Deletion of Asset	32.17	36.26
<b>Balance at period/year end</b>	<u>9,597.60</u>	<u>7,051.03</u>
<u>Accumulated Amortisation</u>		
Balance as at beginning of the year		
Amortization	526.90	203.41
Amortization written back on asset discarded	443.13	323.49
<b>Balance at period/year end</b>	<u>4.44</u>	<u>-</u>
	965.59	526.90
<u>Net Carrying Amount</u>		
At the beginning of the year	6,524.13	4,505.86
At the end of the year	<u>8,632.01</u>	<u>6,524.13</u>
<b>4 Deferred Tax Assets (Net)</b>		
<u>Deferred tax assets</u>		
Provision for employee benefits		
Carried forward losses (Refer Note below)	65.58	42.62
Preliminary expenses	387.27	254.25
Provision for loss allowance on trade receivables	0.40	0.79
	52.44	30.91
	<u>495.69</u>	<u>328.57</u>
<u>Deferred tax liabilities</u>		
Service concession arrangement / fixed assets		
	441.30	262.61
	<u>441.30</u>	<u>262.61</u>
<b>Net deferred tax assets / (liabilities)</b>	<u>54.39</u>	<u>65.96</u>
<b>Charge / (Credit) for the year</b>	<u>11.57</u>	<u>48.76</u>
<b>Note -</b>		
Net deferred tax, being an asset on account of carried forward losses, is recognized only to the extent of deferred tax liabilities as a matter of prudence. Accordingly, movement in deferred taxes during the year is not recognized in Statement of Profit and Loss as there is net deferred tax asset at the year end.		
<b>5 Non-Current Tax Assets</b>		
Advance payment of income taxes (Including TDS)	63.00	80.81
	<u>63.00</u>	<u>80.81</u>
<b>6 Inventories</b>		
Stores and spare parts	418.07	652.60
	<u>418.07</u>	<u>652.60</u>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-21	Rs./Lacs As at 31-Mar-20
<b>7 Trade Receivable - Current</b>		
Considered good - Secured	669.98	623.02
Considered good - Unsecured	1,439.59	1,572.95
Trade Receivables which have significant increase in credit risk	208.37	122.82
Less:- Allowance for doubtful trade receivables	2,316.94	2,318.79
	<u>208.37</u>	<u>122.82</u>
	<u>2,108.57</u>	<u>2,195.97</u>
<b>Note 1:</b>		
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.		
<b>Movement in the Allowance for Doubtful Trade Receivables</b>		
Balance at the beginning of the year	122.82	-
Add: Addition during the year	85.55	122.82
Less: Provision written back during the year	-	-
Balance at the end of the year	<u>208.37</u>	<u>122.82</u>
<b>8 Cash &amp; Bank Balances</b>		
<b>8.1 Cash and cash equivalents</b>		
Balance with banks - in current accounts	28.14	1.88
Balance with banks - in escrow account (Refer note below)	95.24	75.81
	<u>123.38</u>	<u>77.69</u>
<b>8.2 Other Balances with Bank</b>		
<b>Non-Current</b>		
Balance in Deposit Account (with maturity of more than 12 months)	-	3,314.00
	<u>-</u>	<u>3,314.00</u>
<b>Current</b>		
Balance in Deposit Account with maturity of less than 12 months (Refer note below)	7,962.59	4,436.62
	<u>7,962.59</u>	<u>4,436.62</u>
<b>Note -</b>		
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.		
<b>9 Other Financial Assets - Current</b>		
Unbilled revenue	2,199.25	2,409.74
Security deposits to vendor	5.44	5.35
Interest accrued on fixed deposits	279.58	164.74
Advances to employees	0.43	1.23
Other recoverable from related parties	55.08	2.22
Tariff subsidy recoverable	0.15	0.15
	<u>2,539.93</u>	<u>2,583.43</u>



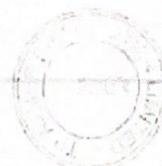
**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at <u>31-Mar-21</u>	Rs./Lacs As at <u>31-Mar-20</u>
<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>
<b>Of the above:</b>		
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, 2020	10,000,000	10,000,000
Add : Shares issued during the year	-	-
Balance at 31st March 2021	<u>10,000,000</u>	<u>10,000,000</u>
<b>11 Provision</b>		
<b>Non-Current</b>		
Provision for employee benefits	368.95	321.11
	<u>368.95</u>	<u>321.11</u>
<b>Current</b>		
Provision for employee benefits	16.14	12.07
	<u>16.14</u>	<u>12.07</u>
<b>12 Other Liabilities</b>		
<b>Non-current</b>		
(a) <u>Service Line Charges</u>		
Opening balance	613.28	400.31
Add: Additions during the year	232.40	242.81
Less: Transfer to the statement of profit and loss	43.14	29.84
Closing balance	<u>802.54</u>	<u>613.28</u>
(b) <u>Consumer contribution for deposit works</u>		
Opening balance	1,124.00	578.35
Add: Additions during the year	1,528.05	601.76
Less: Transfer to the statement of profit and loss	105.78	56.11
Closing balance	<u>2,544.27</u>	<u>1,124.00</u>
	<u>3,346.81</u>	<u>1,737.28</u>
<b>Current</b>		
Statutory dues	37.23	37.70
Advance deposit towards electricity consumption charges	266.26	277.05
Other liabilities	3.03	1.37
	<u>306.52</u>	<u>316.12</u>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at <u>31-Mar-21</u>	Rs./Lacs As at <u>31-Mar-20</u>
<b>13 Short Term Borrowings</b>		
<b>From bank - Secured</b>		
Short term loan from IndusInd Bank Ltd (Refer Note below)	842.27	2,635.12
<b>From related party- Unsecured</b>		
Loans from holding Company	9,500.00	9,500.00
	<u>10,342.27</u>	<u>12,135.12</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)	541.90	313.66
- total outstanding dues of creditors other than micro enterprises and small enterprises	4,597.73	2,873.01
	<u>5,139.63</u>	<u>3,186.67</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	541.90	313.66
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)	3,327.87	3,130.55
Sundry deposits from customers (Temporary Consumers)	172.44	152.36
	<u>3,500.31</u>	<u>3,282.91</u>
Less: Security deposits of customers transferred to AVVNL	<u>3,385.98</u>	<u>3,188.66</u>
	<u>114.33</u>	<u>94.25</u>
Security deposit from vendors	131.75	137.97
Interest accrued on unsecured loan from holding company	30.70	37.60
Accrued salary and benefits	200.62	206.07
Payable to AVVNL		
Electricity duty, water cess tax and urban cess tax	143.26	158.15
Other dues	1,089.12	903.00
	<u>1,595.45</u>	<u>1,442.79</u>
	<u>1,709.78</u>	<u>1,637.04</u>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs Year ended <u>31-Mar-21</u>	Rs./Lacs Year ended <u>31-Mar-20</u>
<b>16 Revenue from Operations</b>		
Revenue from sale of power	41,500.63	39,725.91
<u>Other Operating Income</u>		
Transfer from service line charges	43.14	29.84
Transfer from consumer contribution for capital works	105.78	58.11
Miscellaneous revenue	116.93	85.81
	<u>41,766.48</u>	<u>39,897.67</u>
<b>17 Other Income</b>		
Delayed payment charges (Refer Note below)	401.56	246.57
Interest Income on bank deposits	441.09	427.15
Interest on financial assets	12.17	8.55
Miscellaneous income	32.13	72.26
Interest on Income tax refund	4.22	2.20
	<u>891.17</u>	<u>756.73</u>

**Restatement of financial statement**

During the current year, based on an opinion pronounced by the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI), the Company has recognised Delayed Payment Charges(DPC) as "other income" instead of "other operating income". Accordingly, the comparative financial information included in these financial statements, have been restated. As an effect of restatement of financial statements, Statement of Profit and Loss for the year ended 31 March, 2020 has been restated. Accordingly, DPC of Rs. 246.57 Lakhs has been recognised in other income instead of other operating income.

Impact on Statement of Profit and Loss for the year ended 31st March, 2020

<u>Particulars</u>	<u>Year ended</u> <u>31.03.2020</u> <u>(Restated)</u>	<u>Year ended</u> <u>31.03.2020</u> <u>(Original)</u>
(i) Other Operating Income	171.76	418.33
(ii) Other Income	756.73	510.16
<b>Total</b>	<u>928.49</u>	<u>928.49</u>

The above reclassification in the previous year have been made to confirm to the current year's classification/disclosure. This does not have any impact on the profit of the Company of previous period.

There is no impact on the retained earnings balance as at opening date of the comparative period i.e. 1 April, 2019 therefore, opening date balances have not been restated or presented.

**18 Employee Benefits Expense**

<b>(a) Employee on Company payroll</b>		
Salaries, allowances and incentives	914.42	939.20
Contribution to provident and other funds	50.22	45.28
Retiral benefits	61.27	62.55
Staff welfare expenses	7.81	15.71
	<u>1,033.72</u>	<u>1,062.74</u>
<b>(b) Employee from AVVNL &amp; TPDDL</b>		
Deputation From AVVNL & TPDDL	232.11	259.37
<b>(c) Employee cost Capitalised</b>		
Employee Cost Capitalised	(273.47)	(213.44)
	<u>992.36</u>	<u>1,108.67</u>



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs Year ended <u>31-Mar-21</u>	Rs./Lacs Year ended <u>31-Mar-20</u>
<b>19 Finance Costs</b>		
<b>(a) Interest Expense:</b>		
<b>Borrowings</b>		
Interest on loan - Bank	134.13	254.28
Interest on loan - Holding Company	595.06	678.43
<b>Others</b>		
Interest on late payment of statutory dues	0.15	1.13
	<u>729.34</u>	<u>933.84</u>
<b>(b) Finance Charges</b>		
Other finance costs	37.90	15.34
	<u>767.24</u>	<u>949.18</u>
<b>20 Amortisation expense</b>		
Amortization of intangible assets	443.13	323.49
	<u>443.13</u>	<u>323.49</u>
<b>21 Other Expenses</b>		
<b>Operating and Maintenance</b>		
Consumption of stores		
Repair and maintenance	7.74	38.29
Building		
Plant & machinery	2.32	3.45
Others	577.89	539.12
	<u>587.95</u>	<u>580.86</u>
<b>Administrative and General</b>		
Rent		
Cost of services procured	10.27	11.12
Other operation expenses	551.73	512.89
Insurance	13.04	14.43
Advertisement, publicity and business promotion	26.79	16.79
Communication	3.95	10.87
Electricity charges	94.51	83.35
Travelling and conveyance	37.56	37.74
IT Expenses	34.13	41.98
Printing and stationery	103.48	111.00
Training	14.65	13.65
Legal and professional charges	8.63	2.23
Auditors remuneration (Refer Note No. 24)	42.77	38.58
Rates and taxes	8.53	9.96
Provision for doubtful debts	14.42	13.16
Loss on disposal of assets	85.55	122.82
Miscellaneous & other administrative expenses	3.25	-
	<u>23.03</u>	<u>28.33</u>
	<u>1,076.29</u>	<u>1,068.90</u>
	<u>1,664.24</u>	<u>1,649.76</u>
<b>22 Earnings Per Share</b>		
The computation of basic / diluted earning/ ( loss) per share is set out below		
Net Profit / (Loss) after current and deferred tax	36.80	101.99
No of Shares outstanding at the beginning of the year	10,000,000	10,000,000
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	10,000,000
EPS (Rs.) - Basic and Diluted	0.37	1.02



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at <u>31-Mar-21</u>	Rs./Lacs As at <u>31-Mar-20</u>
<b>23 Commitments and Contingencies</b>		
<b>a) Contingent Liabilities</b>		
Claims against the Company not acknowledged as debts	Nil	Nil
<b>Guarantees and Letter of credit</b>		
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	<u>8,017.00</u>	<u>7,900.00</u>
	<u>10,617.00</u>	<u>10,500.00</u>

**b) Goods and Service Tax (GST)**

The Company has been charging GST on ancillary services relating to electricity distribution business based on advance ruling obtained from Authority for Advance Ruling, Rajasthan in the previous years. However, during the previous 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. 305.59 Lakhs ( Previous Year 31.25 Lakh) which has not been billed and collected from the consumers on such ancillary services during the period 19.07.2019 to 31.03.2021. Besides this, in some cases, Company has made refunds of GST paid by certain consumers on the basis of bills raised before 19.07.2019 aggregating to Rs. 48.46 lakhs(Previous Year 48.43 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.

C) Due to COVID-19 and lockdown imposed from 22nd March 2020, Rajasthan Government has provided various concession and relief to the power consumers which includes extension of due date of payment of electricity dues for consumers without late payment of charges which impacted Company's collection efficiency. In terms of clause 8.2 of DFA, the Company is required to make payment to AVVNL for its energy dues within 7 days from the date of receipt of Invoice, but due to the liquidity crisis the payment dues to AVVNL was delayed in some cases during the quarter ended June 20. The company has represented to AVVNL for relaxation of the DFA payment condition due to the extraordinary/force majeure situation arise due to COVID-19 pandemic and the company is expecting that the delay will get condoned. However the company has estimated approx. Rs 94 Lakhs as contingent liability calculated @ 18%pa on account of delayed payment till final payment. Subsequently, the Company has made all the payments of energy dues and there is no overdue amount payable to AVVNL for energy dues as on date.

**24 Auditors Remuneration (Including taxes)**

Statutory audit	4.13	4.13
Limited Review	2.66	2.66
Tax Audit Fees	0.89	1.77
Certification Fees	0.71	0.59
Re-imbursment of out of pocket expenses	<u>0.15</u>	<u>0.81</u>
	<u>8.53</u>	<u>9.96</u>

**25 Taxation (Including deferred taxes)**

<b>Effective tax Reconciliation</b>		
Total Comprehensive Income	41.95	99.43
Enacted tax rates	25.17%	25.17%
Computed tax Income / (expense)	10.56	25.02
<b>Tax Expenses</b>		
Current Tax	-	-
Deferred Tax (Refer Note 4)	-	-
Total tax expense / (credit)	<u>(11.57)</u>	<u>(48.76)</u>
<b>Items of Reconciliation</b>	<u>(11.57)</u>	<u>(48.76)</u>
Permanent difference	-	0.11
Effect of change in tax rate	-	28.23
Tax impact on liability routed through OCI	1.00	(3.34)
Effect of tax on other items	<u>-</u>	<u>(1.26)</u>
	<u>(10.57)</u>	<u>(25.02)</u>



**TP AJMER DISTRIBUTION LIMITED**

Rs./Lacs  
As at  
31/Mar/2021      Rs./Lacs  
As at  
31/Mar/2020

**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

26.50      28.72

**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.

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

Discount Rate	6.60%	6.50%
Expected Rate of Increase in salary	6.00%	7.00%
Attrition Rate		
Age - 21 to 44 Years	6.00%	6.00%
Age - 45 and above	2.00%	2.00%
Mortality Rate		
	Indian Assured Lives Mortality (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	As at 31-Mar-2021		As at 31-Mar-2020	
	Gratuity	Other Defined benefit plans	Gratuity	Other Defined benefit plans
<b>Particulars</b>				
Present value of obligation at the beginning of the year	176.37	33.74	145.52	32.85
Current service cost	23.51	5.62	21.08	8.98
Interest cost	11.44	2.19	10.77	2.63
Benefits paid	(0.86)	(0.03)	(0.86)	-
Acquisitions credit/ (cost)	29.89	-	(13.42)	-
Remeasurements - actuarial loss/ (gain)	4.16	(9.31)	13.28	(10.72)
<b>Present value of obligation at the year end</b>	<u>244.71</u>	<u>32.22</u>	<u>176.37</u>	<u>33.74</u>

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

Current Service cost	23.51	5.62	21.08	8.98
Interest cost	11.44	2.19	10.77	2.63
Expense for the year	<u>34.95</u>	<u>7.82</u>	<u>31.85</u>	<u>11.61</u>

**Recognised in Other Comprehensive Income**

Remeasurement - Actuarial loss/(gain) for the year	4.16	(9.31)	13.28	(10.72)
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**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at 31-Mar-2021		Rs./Lacs As at 31-Mar-2020	
	Gratuity	Other Defined benefit plans	Gratuity	Other Defined benefit plans
<b>Sensitivity analysis for the year</b>				
<u>Effect on Defined benefit obligation on</u>				
Increase of 0.50% in discount rate	(11.14)	(2.75)	(11.02)	(2.79)
Decrease of 0.50% in discount rate	12.17	3.21	12.10	3.26
<u>Effect on Defined benefit obligation on</u>				
Increase of 0.50% in salary escalation rate	12.08	0.70	11.99	0.78
Decrease of 0.50% in salary escalation rate	(11.15)	(0.66)	(11.03)	(0.74)

**Maturity profile of Defined Benefit obligation**

Particulars	Rs./Lacs As at 31/Mar/2021		Rs./Lacs As at 31/Mar/2021	
	Gratuity	Other Defined benefit plans	Gratuity	Other Defined benefit plans
01 Apr 2021 to 31 Mar 2022			9.05	1.57
01 Apr 2022 to 31 Mar 2023			10.52	1.43
01 Apr 2023 to 31 Mar 2024			117.30	2.30
01 Apr 2024 to 31 Mar 2025			9.68	1.54
01 Apr 2025 to 31 Mar 2026			10.19	1.71
01 Apr 2026 onwards			62.82	13.01

**27 Related Party disclosures as per Ind AS 24**

**A). Holding Company:**

Tata Power Company Limited

Unsecured loan taken		2,000.00	19,500.00
Unsecured loan repaid		2,000.00	12,500.00
Unsecured Loan Payable (Including interest accrued)		9,530.70	9,537.60
Interest expenses		595.06	678.43
IT Service cost		19.48	38.91
Internal audit fees		2.98	5.04
Re-imbursments for expenses incurred - Payments		1.83	15.30
Employees related retiral liabilities receivable on transfer		119.49	-
Employees related retiral liabilities payable on transfer		6.38	-
Amount (payable) / receivable at the year end		55.08	2.22
Bank Guarantee / Letter of credit received		10,617.00	10,500.00

**B). Fellow Subsidiary :**

i) Tata Power Delhi Distribution Limited

Management contract for deputation of employees paid		5.03	3.23
Employees related retiral liabilities received on transfer		16.62	1.70
Employees related retiral liabilities paid on transfer		-	1.21
IT Service Cost		5.61	-
Travelling and conveyance paid		0.10	0.37
Transfer of Laptop		0.33	2.84
Amount (payable) / receivable at the year end		(4.70)	-

ii) Coastal Gujarat Private Limited (CGPL)

Payable on account of re-imbusement of employee related expenses		6.11	3.24
Amount (payable) / receivable at the year end		(6.11)	-

iii) Wajghan Renewable Energy Limited (WREL)

Employees related retiral liabilities payable on transfer		13.02	5.81
Amount (payable) / receivable at the year end		(13.07)	(5.81)

iv) Mithon Power Limited

Employees related retiral liabilities payable on transfer		0.45	-
Amount (payable) / receivable at the year end		(0.45)	-



**TP AJMER DISTRIBUTION LIMITED**

	Rs./Lacs As at <u>31/Mar/2021</u>	Rs./Lacs As at <u>31/Mar/2020</u>
<b>B). Fellow Subsidiary - Continued</b>		
<u>vi) Powerlinks Transmission Limited</u>		
Sale of Laptop	0.12	-
Amount (payable) / receivable at the year end	-	-
<u>vii) Industrial Energy Limited</u>		
Employees related retiral liabilities payable on transfer	(4.95)	2.56
Amount (payable) / receivable at the year end	(4.95)	(2.56)
<u>viii) Waiwhan Solar AP Limited</u>		
Employees related retiral liabilities receivable on transfer	2.83	-
Amount (payable) / receivable at the year end	2.76	-
<u>ix) TP Renewable Microgrid Limited</u>		
Recovery of Employee Related Expenses	0.36	-
Employees related retiral liabilities payable on transfer	6.13	-
Amount (payable) / receivable at the year end	(5.77)	-
<u>x) TP Western Odisha Limited</u>		
Sale of Laptop	1.49	-
Employees related retiral liabilities payable on transfer	49.34	-
Amount (payable) / receivable at the year end	(47.85)	-
<u>xi) TP Central Odisha Limited</u>		
Recovery of Employee Related Expenses	1.20	-
Sale of Laptop	0.18	-
Employees related retiral liabilities payable on transfer	44.76	-
Amount (payable) / receivable at the year end	(43.38)	-
<b>C) Key Management Personnel :</b>		
i) Mr. Gajanan Kale - Chief Executive Officer (Till 31st Dec 20 )		
Remuneration *	67.92	74.51
ii) Mr. Shriprakash Joshi - Chief Executive Officer (w.e.f 1st Jan 21 )		
Remuneration *	20.59	-
iii) Mr. Hemant Gupta - Chief Finance Officer (Till 31st Dec 20 )		
Remuneration *	20.02	19.53
iv) Mr. Bhupendra Sharma - Chief Finance Officer (w.e.f 1st Jan 21 )		
Remuneration *	4.39	-

\* 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.



TP AJMER DISTRIBUTION LIMITED

29 Financial Instruments

Rs./Lacs

29.1 Financial Assets and Financial Liabilities

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

Particulars	As at March 31, 2021			As at March 31, 2020		
	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	2,108.57	-	-	2,195.07	-	-
Cash and cash equivalent	123.38	-	-	77.89	-	-
Other Bank Balances	7,952.59	-	-	4,436.62	-	-
Other Financial assets- Service Concession Arrangement	-	-	169.11	-	-	124.77
Other Financial Assets - Current	2,539.93	-	-	2,583.43	-	-
<b>Total</b>	<b>12,734.47</b>	<b>-</b>	<b>169.11</b>	<b>9,293.71</b>	<b>-</b>	<b>124.77</b>
<b>Financial Liabilities</b>						
Short term borrowings	10,342.27	-	-	12,135.12	-	-
Trade payables	5,139.83	-	-	3,186.67	-	-
Other financial liabilities	1,709.78	-	-	1,537.04	-	-
<b>Total</b>	<b>17,191.68</b>	<b>-</b>	<b>-</b>	<b>16,858.83</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-21	31-Mar-20
Debt	10,342.27	12,135.12
Cash and bank balances	8,085.97	4,514.31
Net Debt	2,256.30	7,620.81
Total Equity	788.56	744.61
Net debt to equity ratio	2.87	10.23

(i) Debt consists of short-term borrowings

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

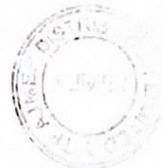
29.3 Financial risk management

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.



**(i) 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-21	31-Mar-20
Trade Receivables	2,108.57	2,195.97
Other Financial Assets	2,539.93	2,583.43
	4,648.50	4,779.40

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.

**(ii) 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-21			31-Mar-20		
	Repayable on Demand	Due within 1 Year	Total	Repayable on Demand	Due within 1 Year	Total
Short term borrowings	-	10,342.27	10,342.27	-	12,135.12	12,135.12
Trade Payables	-	5,139.53	5,139.53	-	3,185.87	3,185.87
Other Financial Liabilities	114.33	1,695.45	1,709.78	94.25	1,442.79	1,537.04
	114.33	17,077.35	17,191.68	94.25	16,764.58	16,858.83

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 estimates by the management of the company Till 31.03.2021. Independent auditor has completed the audit for period 01.07.2017 to 30.09.2020 and necessary adjustments in the power purchase cost are made in the respective periods based on the report of independent auditor
- 32 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. Impact if any of the change will be assessed and accounted in the period in which said Code becomes effective and the rules framed thereunder are notified.
- 33 Previous year figures have been regrouped / reclassified, wherever considered necessary, to conform to current year classification

As per our report of even data attached

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

*Ajay Gupta*  
Ajay Gupta  
Partner  
Membership No. 90104

Place : Delhi  
Date : 20.04.2021

For and on behalf of the Board of Directors

*Ganesh*  
Ganesh Srinivasan  
Director  
*Bhupendra*  
Bhupendra Sharma  
Chief Financial Officer  
Place : Delhi  
Date : 20.04.2021

*Suranjit*  
Suranjit Mishra  
Director

*Shripriakash*  
Shripriakash Joshi  
Chief Executive Officer

Ms. Bhupinderjeet Kaur  
Company Secretary

