



TATA POWER-DDL

Towards a *Greener* Tomorrow

ANNUAL REPORT

2022-2023

(1st April 2022 to 31st March 2023)



Charging
Station



COMPANY AT A GLANCE

FRONT RUNNER IN POWER DISTRIBUTION REFORMS

Tata Power Delhi Distribution Limited (the Company/Tata Power-DDL) is a joint venture between The Tata Power Company Limited ("Tata Power") and the Government of NCT of Delhi with the majority stake being held by Tata Power (51%). Currently, the Company is serving 19.5 lakh customers in North and North-West Delhi over an area of 510 sq. km. Since Delhi Power Distribution privatization, the Aggregate Technical & Commercial (AT&C) losses in the Company's area under operations have shown a record decline. As on 31st March 2023, the AT&C losses stands at 6.34%, which is an unprecedented reduction of around 88% from an opening loss level of 53% in July 2002.

Since its inception, Tata Power-DDL has improved System Availability Index from 70% to 99.94%, installed 3.5 lakh smart meters, while overseeing almost two-fold increase in network length and 2.4 times increase in peak demand.

To ensure reliable power supply and to provide best in class services to its customers, the Company has implemented several world-class technologies such as Advance Distribution Management System (ADMS) which is designed to replace the conventional SCADA-DMS-OMS system with features such as real-time integration of Smart Meter Data/ Distributed Generation Integration and single data model from Geographical Information System (GIS), Integrated GIS for instant services, Advanced Metering Infrastructure (AMI), Automated Demand Response (ADR), Smart Street Light Management System, Field Force Automation, Upgraded Network, Integrated Toll Free Helpline No. 19124 etc.

The Company has been successfully empanelled by the Indian Computer Energy Response Team (CERT-In) for providing information security auditing services, a first for utility in India. Along with the introduction of System Enhancements like smart meters and their applications, few key technological advancements includes implementation of IoT based LV Automation, OCR based meter reading and Robotic Process Automation in key work process.

The Company in its journey has continuously worked towards empowerment of customers using technology and many digital platforms and is acknowledged for its customer friendly practices. It provides various facilities and services to its customers for their ease and convenience such as 24x7 Integrated Helpline, Mobile Application for both iOS and Android users, bilingual website, Multiple Payment Avenue, end to end online services for new connections etc.

Since 2018, the Company is the only Indian Utility to be ranked in Top 25 in the Smart Grid Index Benchmarking, conducted by Singapore Power, that benchmarks more than 90 utilities across 39 countries and markets.

Tata Power-DDL's Smart Grid Lab provides a test bed to demonstrate the Smart Grid Technologies and benefits of IT and OT technology convergence for Distribution Sector. It has also been recognised as In-House R&D Unit by Department of Science and Industrial Research (DSIR) under Ministry of Science and Technology.

COMMITTED TO BEING SUSTAINABLE

The Company has added solar generation as a part of its sustainable initiatives since 2008 and installed fifteen (15) Solar Plants on the rooftop of its grid substations with a total generation capacity of 1.8 MW. It also has a total net metering cumulative capacity of 53.34 MWp. The Company is now working on setting up a Smart Grid with the integration of Roof Top Solar, Energy Storage, E-charging of Electric Vehicles, Home Automation etc. in its network.



Tata Power-DDL's Corporate Mascot 'Roshni'

Tata Power-DDL's Customer care centres have energy shops/counters which offer BEE Star rated products to its customers, which helps them to become more energy efficient and reduce energy bills. The usage of energy efficient products also helps in sustaining the environment. Apart from providing a range of Value Added Services to its customers, the Company also engages with its customers through Demand Response Program-Urja Arpan.

For ensuring Energy Islanding in case of major blackouts, Tata Power-DDL has installed South Asia's first 10 MW Grid Connected Battery Energy Storage System (BESS). Additional Community Energy Storage System and Pole Mounted Battery Energy Storage System have also been installed.

To address the challenges of peak load management, network optimization and the improvement of the power quality and reliability, *iElectrix-Shakti*, a local energy system has been implemented at the St. Xavier's school substation, in the Civil lines area, that aims to integrate the excess generation from PV solar panels installed at the consumer premises into the distribution network and its storage into BESS.

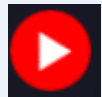
GEOGRAPHIC PRESENCE

The Company's change management experience, distributed leadership system, adoption of latest technology, robust competence development process and innovative & open work culture are the key strategic boosters which have helped in building and sustaining competitive advantage in the changing business scenario. A journey which began more than a decade ago for empowering the customers in Delhi has also spread its footprints in the other Indian distribution utilities and utilities across the globe. The Company has a presence in India in nearly 7+ States and working with 8+ Discoms including Goa, Uttar Pradesh, Chhattisgarh, Jharkhand, Chandigarh, Rajasthan etc.

FOLLOW US ON



<https://www.facebook.com/TataPower.DDL>



<https://www.youtube.com/channel/UCyu6HLsGXEF1Ebf8wPQNivg/>



https://twitter.com/TataPower_DDL



https://www.instagram.com/tatapower_ddl/



<https://www.linkedin.com/company/tatapower-ddl/?viewAsMember=true>

OUR APPS



<https://play.google.com/store/apps/details?id=com.tpddl.www.tpddlconnect>



<https://apps.apple.com/in/app/tpddl-connect-an-official-app/id1287044083>

CERTIFICATIONS

CERTIFICATE	DESCRIPTION
ISO 9001:2015	Specifies requirements for a Quality Management System (QMS).
ISO 14001:2015	Specifies requirements for an environmental management system to enable an organization to enhance its environmental performance.
ISO 27001:2013	Specification for an Information Security Management System (ISMS).
ISO 22301:2012	International Standard for Business Continuity Management (BCM).
SA 8000:2014	An international certification standard that encourages organizations to develop, maintain and apply socially acceptable practices in the workplace.
ISO 45001:2018	Sets out the requirements for occupational health and safety management good practice for any size of organization.
ISO 17025:2017	NABL Accreditation to Transformer Oil Analysis Laboratory.
ISO 50001:2018	The standard aims to help organizations in continually reducing their energy usage and therefore, their energy costs and greenhouse gas emissions.
ISO 10002:2018	Gives guidelines for the process of complaints handling.
ISO 20400:2017	Provides guidance to organizations, independent of their activity or size, on integrating sustainability within procurement.

ISO 31000:2018	Guidelines on managing risk faced by organizations.
CMMI SVC LEVEL-5	CMMI Appraisal for Information Technology (IT) and Operational Technology (OT) services.

AWARDS AND RECOGNITIONS

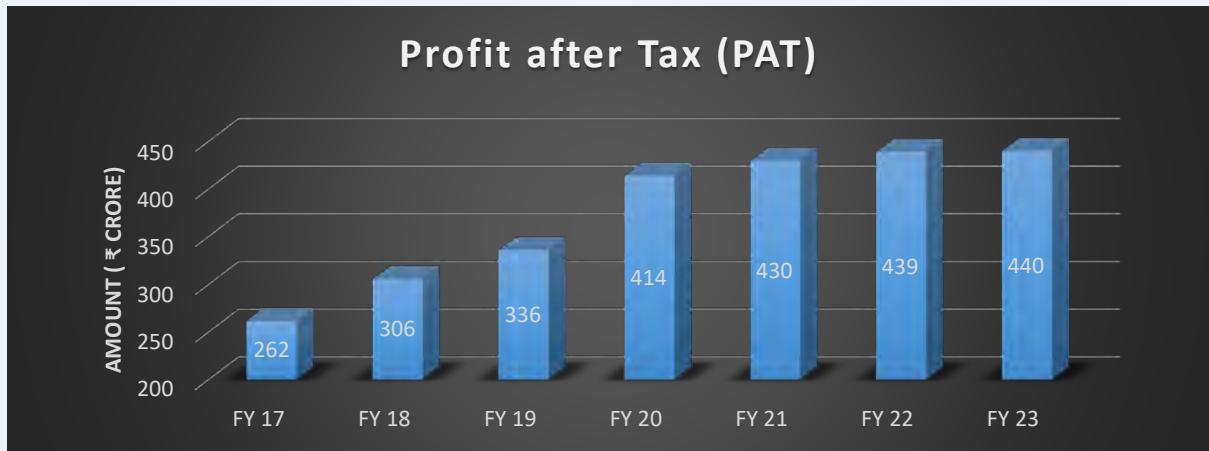
Various awards and recognitions have been bestowed on the Company and its executives during the financial year 2022-23. Some of the awards and recognitions received by the Company are as under:

	Quality of Service and Customer Empowerment Award 2022 organised by Indian Chamber of Commerce at 16 th India Energy Summit held on 18 th November 2022.
	Gold Runner Up Award in the Large Enterprise in Power Sector category organised by Indian Chamber of Commerce during 4 th National Occupational Health and Safety Awards 2022.
	Excellent Energy Efficiency Unit Award organised by Confederation of Indian Industry at the 23 rd National Award for Excellence in Energy Management 2022.
	Prestigious Mahatma Award for Covid-19 Humanitarian Efforts 2022 at an award ceremony held on 1 st October 2022.
	Safety Innovation Award 2022 at 19 th Safety Convention jointly organised by Safety and Quality Forum-IEI and Institution of Engineers–Delhi State Chapter on 7 th September 2022.
	Organization with Innovative HR Practices Award at Asia Best Employer Brand Awards 2022.

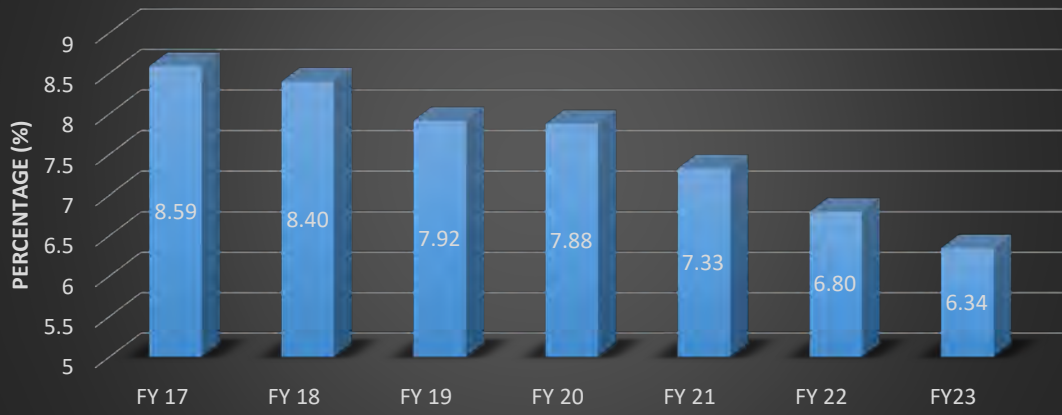
	<p>Initiative Lineman Diwas wins National Award for Leadership and Excellence in Corporate Communications and Public Relations.</p>
	<p>“Corporate Communications Team of the Year Award” at the 7th StratComm India Summit & Awards 2022 held on May 26th in Mumbai.</p>
	<p>“TAAP Jury Award 2021” at the Tata Affirmative Action Programme Annual Convention in Mumbai.</p>
	<p>Award for Best Use of Voice of Customer and Best Digital Customer Experience Initiative at the 15th Edition of the Customer FEST Awards 2022 held in May 2022</p>
	<p>Award for Corporate Governance at Indian Corporate Governance and Sustainability Vision Summit and Awards organised by Indian Chamber of Commerce.</p>
	<p>Jury Award - non deemed Category Corporate at TIOL Awards 2022.</p>

	<p>South Asian Federation of Accountants (SAFA) Award for the year 2021 received in December 2022.</p>
	<p>Impact Award at Indian Chamber of Commerce's India Energy Summit for Quality of Service and Customer Empowerment.</p>
 <p>Sustainable Development Foundation A UNIT OF EK KAAM DESH KE NAAM</p>	<p>Platinum Award for implementing best practices in the field of Occupational Health, Safety and Security.</p>
 <p>ieema your link to electricity</p>	<p>Award for Best Technical Paper at the Metering India Conference 2022.</p>
 <p>11th Edition CX Strategy Summit & Awards 2022</p>	<p>Award for best customer experience team and Best contact center experience in 11th edition of CX Strategy Summit and Awards 2022.</p>
	<p>National Excellent Health Services Award 2022 to Dr. Kunda Mendhekar, CMO, Tata Power-DDL.</p>
 <p>TATA SUSTAINABILITY CONCLAVE 2022 RESILIENT. RESPONSIBLE. FUTURE-READY</p>	<p>Ms. Monika Tayal, Commercial Consumer Experience, Tata Power-DDL received SPOC Hero Award for Tata Volunteering Week 17 at Tata Sustainability Conclave, Mumbai by Tata Sustainability Group.</p>
 <p>ISGF India Smart Grid Forum</p>	<p>Diamond Award for Co-extruded Power Cable Project and Gold Award for Meter Anomaly detection using Image Analytics project at ISGF Awards 2023.</p>

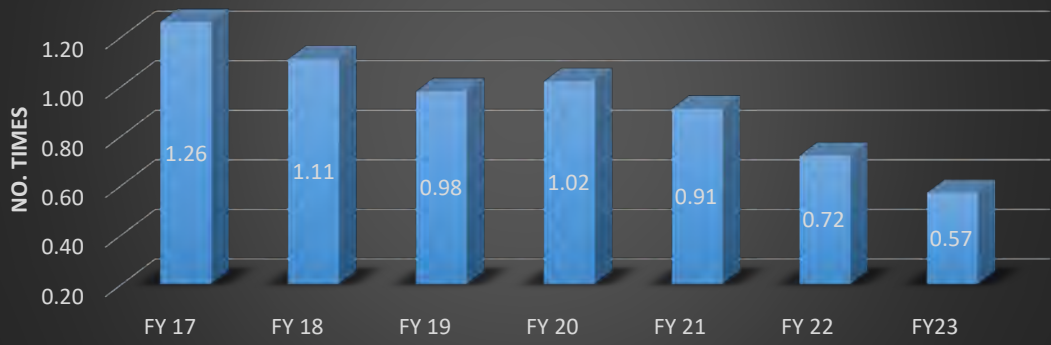
KEY PERFORMANCE INDICATORS



AT & C Losses



Debt Equity Ratio



Board of Directors



Dr. Praveer Sinha
Chairman



Mr. Kailash Nath Shrivastava
Independent Director



Mr. Manish Kumar Gupta
Non-Executive Director



Dr. Ashish Chandra Verma
Non-Executive Director



Mr. Shurbir Singh
Non-Executive Director



Mr. Narendra Nath Misra
Independent Director



Mr. Ashok Sinha
Independent Director



Mr. Sanjay Kumar Banga
Non-Executive Director



Mr. Ajay Kapoor
Non-Executive Director



Mr. Arup Ghosh
Non-Executive Director



Ms. Satya Gupta
Non-Executive Director



Mr. Ganesh Srinivasan
Chief Executive Officer

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Annual General Meeting	
Day & Date	: Friday, 21st July 2023
Time	: 1:15 p.m.
Venue	: Tata Power-DDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector-15, Rohini, adjacent to RG-05 Grid, Delhi - 110085

TATA POWER DELHI DISTRIBUTION LIMITED

BOARD OF DIRECTORS

Dr. Praveer Sinha	Chairman
Mr. Manish Kumar Gupta	Non-Executive Director
Dr. Ashish Chandra Verma	Non-Executive Director
Mr. Shurbir Singh	Non-Executive Director
Mr. Kailash Nath Shrivastava	Independent Director
Mr. Narendra Nath Misra	Independent Director
Mr. Ashok Sinha	Independent Director
Mr. Sanjay Kumar Banga	Non-Executive Director
Mr. Ajay Kapoor	Non-Executive Director
Mr. Arup Ghosh	Non- Executive Director
Ms. Satya Gupta	Non-Executive Director

REGISTERED OFFICE:

NDPL House, Hudson Lines, Kingsway Camp, Delhi 110009

CORPORATE IDENTITY NUMBER (CIN):

U40109DL2001PLC111526

STATUTORY AUDITORS:

M/s T R Chadha & Co LLP, Chartered Accountants (Firm Registration No. 006711N/N500028)

COST AUDITORS

M/s Chandra Wadhwa & Co., Cost Accountants, (Firm Registration No. 000239)

SECRETARIAL AUDITORS:

M/s Sanjay Grover & Associates, Company Secretaries

INTERNAL AUDITOR:

Mr. Piyush Kumar Jain

BANKERS:

HDFC Bank	Punjab & Sind Bank	Axis Bank
IDFC First Bank	State Bank of India	Canara Bank
Indian Bank	Bank of Baroda	Punjab National Bank
Yes Bank	Deutsche Bank	Karnataka Bank Limited
Standard Chartered Bank		

TATA POWER DELHI DISTRIBUTION LIMITED**NOTICE**

NOTICE is hereby given that the Twenty Second Annual General Meeting of the members of Tata Power Delhi Distribution Limited will be held on Friday, 21st July 2023 at 1:15 p.m. at Tata Power-DDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector-15, Rohini, adjacent to RG-05 Grid, Delhi-110085 through Video Conferencing/Other Audio-Visual Means to transact the following business(es):

Ordinary Business:

1. To receive, consider and adopt:
 - (a) the Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2023 together with the Reports of the Board of Directors and the Auditors thereon.
 - (b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2023 together with the Reports of the Auditors thereon.
2. To declare a dividend on Equity Shares for the financial year ended 31st March 2023.
3. To appoint a Director in place of Mr. Arup Ghosh (DIN:06711047), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Satya Gupta (DIN: 08172427), who retires by rotation and being eligible, offers herself for re-appointment.

Special Business:**5. Appointment of Mr. Manish Kumar Gupta as a Director**

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

"**RESOLVED** that Mr. Manish Kumar Gupta (DIN: 01135912), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company effective 17th March 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any modification or re-enactment thereof) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

6. Appointment of Dr. Ashish Chandra Verma as a Director

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

"**RESOLVED** that Dr. Ashish Chandra Verma (DIN: 00260070), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company effective 17th March 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any modification or re-enactment thereof) and the Articles of Association of the Company and who is eligible for appointment and has

consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. Appointment of Mr. Shurbir Singh as a Director

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

"RESOLVED that Mr. Shurbir Singh (DIN: 07331962), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company effective 17th March 2023 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 and any other applicable provisions, if any, of the Companies Act, 2013 ('Act') (including any modification or re-enactment thereof) and the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. Appointment of Mr. Kailash Nath Shrivastava as a Director and as an Independent Director

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

"RESOLVED that Mr. Kailash Nath Shrivastava (DIN: 01584124), who was appointed as an Additional Director of the Company effective 23rd March 2023 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Mr. Kailash Nath Shrivastava (DIN: 01584124), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 23rd March 2023 up to 22nd March 2026, be and is hereby approved."

9. Appointment of Mr. Narendra Nath Misra as a Director and as an Independent Director

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

"RESOLVED that Mr. Narendra Nath Misra (DIN: 00575501), who was appointed as an Additional Director of the Company effective 23rd March 2023 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Mr. Narendra Nath Misra (DIN: 00575501), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 23rd March 2023 up to 22nd March 2026, be and is hereby approved.”

10. Appointment of Mr. Ashok Sinha as a Director and as an Independent Director

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

“**RESOLVED** that Mr. Ashok Sinha (DIN: 00070477), who was appointed as an Additional Director of the Company effective 24th March 2023 by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee and who holds office up to the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, who is eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

FURTHER RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, appointment of Mr. Ashok Sinha (DIN: 00070477), who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, as an Independent Director of the Company, not liable to retire by rotation, for a period of three years commencing from 24th March 2023 up to 23rd March 2026, be and is hereby approved.”

11. Ratification of Cost Auditor’s Remuneration

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

“**RESOLVED** that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the remuneration of ₹ 2,25,000/- (Rupees Two lakh twenty five thousand only) plus applicable taxes and out of pocket expenses on actual basis incurred in connection with the audit, payable to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No. 000239), who are appointed as Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2023-24.”

NOTES:

- (1) The relative explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) and the rules made thereunder, in regard to the business(es) set out in item nos. 5 to 11 and the relevant details of the Directors of the Company seeking re-appointment/appointment as set out in item nos. 3 to 10 above as required under Secretarial Standard-2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.

- (2) Pursuant to General Circulars No.14/2020 dated 8th April 2020, No.17/2020 dated 13th April 2020, No.20/2020 dated 5th May 2020, No. 02/2021 dated 13th January 2021, No. 21/2021 dated 14th December 2021, No. 2/2022 dated 5th May 2022 and No. 10/2022 dated 28th December 2022 issued by the Ministry of Corporate Affairs (collectively referred to as 'MCA Circulars'), the Company is convening the Twenty Second Annual General Meeting (AGM) through Video Conferencing (VC)/Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and the applicable provisions of the Act, the AGM of the members of the Company is being held through VC/OAVM. The deemed venue for Twenty Second Annual General Meeting will be TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector – 15, Rohini, adjacent to RG-05 Grid, Delhi – 110085.
- (3) Corporate Shareholders are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote in the meeting to be held through VC/OAVM.
- (4) In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report for FY 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. Members may note that the Notice for FY 2022-23 will also be available on the Company's website <https://www.tatapower-ddl.com/>
- (5) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- (6) Since the AGM will be held through VC/OAVM, the Route Map and Attendance Slip are not annexed in this Notice.
- (7) In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- (8) If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made in accordance with provisions of the Act and the rules made thereunder. The Company will make adequate provisions for paying dividends directly in members' bank accounts through the Electronic Clearing Service (ECS) or any other electronic means.
- (9) To support the 'Green Initiative', Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including annual reports, notices, circulars etc. from the Company electronically.
- (10) Updation of members' details:
The format of the register of members prescribed by the Ministry of Corporate Affairs under the Act, requires the Company to record additional details of members, including their PAN details, e-mail address, bank details for payment of dividend etc. A form for capturing additional details is appended at the end of this annual report. Members holding shares in physical form are requested to submit the filled in form to the Company. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

- (11) Members seeking any information with regard to the accounts, are requested to write to the Company at an early date, at the email id i.e. csso@tatapower-ddl.com so as to enable the Management to keep the information ready at the AGM.
- (12) Members may obtain meeting link and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; and ii) self-attested scanned copy of PAN Card and any document (such as Driving License, Bank Statement, Election Card, Passport, Aadhaar Card) in support of the address of the Member as registered with the Company; to the email address of the Company i.e. csso@tatapower-ddl.com
- (13) The Company will provide facility for audio visual participation in AGM Weblink/recording etc.
- (14) The Company ensures that all other compliances associated with the provisions relating to general meetings viz. making of disclosures, inspection of related documents and registers, by members, including Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice or authorizations for voting by bodies corporate etc. as provided in the Act and the Articles of Association of the Company are made available for inspection through electronic mode.
- (15) The Company ensures that the AGM through VC/OAVM facility allows two way videoconferencing or MS Teams for the ease of participation of the members and the participants are allowed to pose questions concurrently or given time to submit questions in advance on the e-mail address of the Company i.e. csso@tatapower-ddl.com
- (16) The facility for joining the meeting shall be kept open for at least 15 minutes before the time scheduled to start the meeting and shall not be closed till the expiry of 15 minutes after such scheduled time.
- (17) A proxy is allowed to be appointed under Section 105 of the Act to attend and vote at a general meeting on behalf of a member who is not able to attend personally. Since AGM will be held through VC/OAVM, where physical attendance of members in any case has been dispensed with, there is no requirement for appointment of proxies. Accordingly, in terms of the MCA circulars, the facility for appointment of proxies by the members will not be available for this AGM and hence, the proxy form is not annexed to this notice. However, in pursuance of Sections 112 and 113 of the Act, representatives of the members may be appointed for the purpose of participation and voting in the meeting to be held through VC/OAVM.
- (18) The confidentiality of the password and other privacy issues associated with the designated email address shall be strictly maintained by the Company at all times. Due safeguards with regard to authenticity or email address(es) and other details of the members shall also be taken by the Company.
- (19) The meeting will be conducted through audio visual means (MS Teams). Members may participate in the meeting through the following link:
[Click here to join the meeting](#)
Meeting ID: 440 853 129 839 (Passcode: yCAa9i)
[Download Teams](#) | [Join on the web](#)



- (20) Disclosures with regard to the manner in which framework available for use by the Members and clear instructions on how to access and participate in the meeting are clearly mentioned in this AGM Notice. 9818677072 is the helpline number for those shareholders who need assistance with using the technology before or during the meeting.
- (21) The Chairman may decide to conduct voting by show of hands, unless a demand for poll is made by any Member, in accordance with Section 109 of the Act and the rules made thereunder.

Delhi, 17th April 2023
Corporate Identity No. :
U40109DL2001PLC111526

By order of the Board
For **Tata Power Delhi Distribution Limited**

Registered Office:
NDPL House, Hudson Lines,
Kingsway Camp, Delhi 110 009
Tel:01166112222
Email: TPDDL@tatapower-ddl.com
Website: <http://www.tatapower-ddl.com/>

Sd/-
(Monica Mehra)
Company Secretary
Membership No. 15293

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT**

As required by Section 102 of the Companies Act, 2013 (“the Act”), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 5 to 11 of the accompanying notice dated 17th April 2023.

Item no. 5: With reference to Order No. F.06/45/Power/Misc. Matter/2022/278 dated 10th February 2023 issued by Jt. Director (Power), Government of NCT of Delhi (GoNCTD), Delhi Power Company Limited (DPCL) vide its letter no. F.17/DPCL/CS/2022-23/167 dated 14th February 2023 and email dated 17th February 2023, had nominated Mr. Manish Kumar Gupta (DIN:01135912) as Director on the Board of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Manish Kumar Gupta as an Additional Director of the Company effective 17th March 2023 in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1) of the Act, Mr. Gupta holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Gupta’s appointment as a Director.

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

Mr. Manish Kumar Gupta is an IAS officer of AGMUT (1991) batch and currently serving as Additional Chief Secretary (Industries), GoNCTD. He serves on the Board of Delhi State Industrial and Infrastructure Development Corporation Limited. He is Additional Chief Secretary (Land & Building), Additional Chief Secretary (Labour) and Nodal Officer for (i) Single Use Plastic (ii) Liaison with Northern Railways Authority regarding redevelopment of New Delhi Railway Station and (iii) Coordination with various departments of GoNCTD for timely grant of NOCs and clearances required for the project related to redevelopment of AIIMS, New Delhi.

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

In compliance with the applicable provisions of the Act, the appointment of Mr. Gupta as a Director liable to retire by rotation, is now being placed before the Members for their approval.

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

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

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

Item no. 6: With reference to Order No. F.06/45/Power/Misc. Matter/2022/278 dated 10th February 2023 issued by Jt. Director (Power), Government of NCT of Delhi (GoNCTD), Delhi Power Company Limited (DPCL) vide its letter no. F.17/DPCL/CS/2022-23/167 dated 14th February 2023 and email dated 17th

February 2023, had nominated Dr. Ashish Chandra Verma (DIN:00260070) as Director on the Board of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Dr. Ashish Chandra Verma as an Additional Director of the Company effective 17th March 2023, in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1) of the Act, Dr. Verma holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Dr. Verma's appointment as a Director.

In the opinion of the Board, Dr. Verma fulfils the conditions specified in the Act and the rules made thereunder for appointment as a Director.

Dr. Ashish Chandra Verma is an IAS Officer of AGMUT (1994) batch and currently serving as Principal Secretary (Finance), GoNCTD. He serves on the Boards of several companies including Delhi Integrated Multi Modal Transit System Limited, Delhi State Industrial and Infrastructure Development Corporation Limited, Delhi Tourism and Transportation Development Corporation Limited, Delhi State Civil Supplies Corporation Limited and Geospatial Delhi Limited.

Further details and current Directorships of Dr. Verma are provided in the Annexure to this Notice.

In compliance with the applicable provisions of the Act, the appointment of Dr. Verma as a Director liable to retire by rotation, is now being placed before the Members for their approval.

The Board recommends the resolution at item no. 6 of the accompanying notice for approval by the Members of the Company.

Other than Dr. Verma, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution set out at item no. 6 of the accompanying notice.

Dr. Verma is not related to any other Director or KMPs of the Company.

Item no. 7: With reference to Order No. F.06/45/Power/Misc. Matter/2022/278 dated 10th February 2023 issued by Jt. Director (Power), Government of NCT of Delhi (GoNCTD), Delhi Power Company Limited (DPCL) vide its letter no. F.17/DPCL/CS/2022-23/167 dated 14th February 2023 and email dated 17th February 2023, had nominated Mr. Shurbir Singh (DIN:07331962) as Director on the Board of the Company.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Shurbir Singh as an Additional Director of the Company effective 17th March 2023, in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1) of the Act, Mr. Singh holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Singh's appointment as a Director.

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

Mr. Shurbir Singh is an IAS Officer of AGMUT (2004) batch and currently serving as Secretary (Power), GoNCTD. He is also Chairman-cum-Managing Director of both Delhi Power Company Limited and Delhi Transco Limited. In addition, he is also the Chairman of Indraprastha Energy & Waste Management Company Limited, Indraprastha Power Generation Company Limited and Pragati Power Corporation Limited. During his career till date, he has held various key positions such as Chief Electoral Officer, Puducherry, Secretary (Finance), Puducherry, Managing Director, Delhi Tourism & Transportation Corporation, New Delhi and CEO, Delhi Urban Shelter Improvement Board, New Delhi.

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

In compliance with the applicable provisions of the Act, the appointment of Mr. Singh as a Director, liable to retire by rotation, is now being placed before the Members for their approval.

The Board recommends the resolution at item no. 7 of the accompanying notice for approval by the Members of the Company.

Other than Mr. Singh, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution set out at item no. 7 of the accompanying notice.

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

Item no. 8: Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Kailash Nath Shrivastava (DIN: 01584124), as an Additional Director (Independent) of the Company, not liable to retire by rotation, for a period of three years commencing from 23rd March 2023 up to 22nd March 2026 in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1), Mr. Shrivastava holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Shrivastava's appointment as a Director.

The Company has received declaration from Mr. Shrivastava to the effect that he fulfills all the conditions specified under Section 149 of the Act to qualify as an Independent Director on the Board of the Company.

He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Shrivastava fulfils the conditions specified in the Act and the rules made thereunder for appointment as an Independent Director and he is Independent of the management.

Mr. Kailash Nath Shrivastava is a retired Indian Administrative Services (IAS) officer from Karnataka Cadre, GoI 1978 Batch who also served under Indian Forest Service and Indian Revenue Service (Income Tax) at the beginning of his career after being selected for Indian Police Service and all Central Services. He has wide experience of over 46 years.

On allocation under Karnataka cadre, he held several important positions in Government of Karnataka. He worked as District Magistrate (DM) of 4 Districts namely Tumkur, Bangalore, Belgaum and Uttar Kannada (Karwar). His postings as DM of Belgaum and Uttar Kannada Districts were done specially to control the then prevailing communal disturbances in those districts.

He successfully managed some very important PSUs. He was posted as Chairman and Managing Director (CMD) of Karnataka Power Transmission Corporation Ltd. (KPTCL) and common Chairman of all the four Power Distribution companies of Karnataka State (2002-04). As Managing Director (MD) of Krishna Bhagya Jala Nigam Ltd. (KBJNL) (1999-2000), he implemented the Upper Krishna Irrigation and Power Project across river Krishna. During his tenure, the famous Almatti Dam Project was completed on river Krishna enabling the state to utilize its water share in Krishna River Basin. As first MD of Bangalore Metro Rail Corporation Ltd. (BMRCL) (2004-06), he got the Bangalore Metro Rail Project sanctioned and started its implementation. He worked as CMD of Hutti Gold Mines Co. (the only gold mining company of the country) (1994-99) for 5 years. He also had an eventful career as Director of Bangalore Dairy (1984-86).

In Government of India, he worked as Joint Secretary in the Ministry of Culture (2000-02), Joint Secretary (Airports) (2006-08) in the Ministry of Civil Aviation, Director General of Archaeological Survey of India (2009-10), Additional Secretary and Financial Adviser in the Ministry of External Affairs (2010-12). During his tenure as Joint Secretary (Airports), most of the Greenfield and Brownfield airport development projects were started.

Mr. Shrivastava also worked as Secretary in the Ministry of Civil Aviation from August 2012 to December 2013. He superannuated from Government Service on 31st December 2013.

He has been appointed Director of India International Centre (IIC) by the Board of Trustees w.e.f 1st January 2019. Before joining as Director, IIC, he worked as Member, National Disaster Management Authority (NDMA) (March to July 2014) and thereafter as an Administrative Member in Central Administrative Tribunal (March 2015-December 2018).

He is also an Independent Director on the Boards of several other companies.

The terms and conditions of appointment of Mr. Shrivastava shall be open for inspection by any Member in accordance with provisions of the Act and the rules made thereunder and are disclosed on the Company's website.

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

In compliance with the provisions of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the rules made thereunder, the appointment of Mr. Shrivastava as an Independent Director of the Company for a period of three years commencing from 23rd March 2023 up to 22nd March 2026, is now being placed before the Members for their approval by way of ordinary resolution.

The Board recommends the resolution at item no. 8 of the accompanying notice for approval by the Members of the Company.

Other than Mr. Shrivastava, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution set out at item no. 8 of the accompanying notice.

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

Item no. 9: Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors appointed Mr. Narendra Nath Misra (DIN: 00575501), as an Additional Director (Independent) of the Company, not liable to retire by rotation, for a period of three years commencing from 23rd March 2023 up to 22nd March 2026 in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1) of the Act, Mr. Misra holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Misra's appointment as a Director.

The Company has received declaration from Mr. Misra to the effect that he fulfills all the conditions specified under Section 149 of the Act to qualify as an Independent Director on the Board of the Company.

He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Misra fulfils the conditions specified in the Act and the rules made thereunder for appointment as an Independent Director and he is Independent of the management.

Mr. Narendra Nath Misra has worked as Director (Operations) of NTPC Ltd. (NTPC), a Maharatna Company, for 4 years. He joined NTPC as an Executive Trainee in 1977 and worked in various areas in NTPC and thereafter became a Member of the Board in 2010.

He has in depth experience in all facets of Power Sector like Design, Engineering, Contracts & Procurement, Human Resources and Operation Services and was responsible for successful implementation and commissioning of India's first 765 kV substations at NTPC, Sipat.

He was actively associated with Bureau of Indian Standards (BIS) and was a Member of Electro-Technical Division Council (ETDC) of BIS. He has represented India in CIGRE (International Conference on Large High Voltage Electrical System) and has contributed in many Study Committees and Working Groups of CIGRE.

He has been on the Boards of the various JVs and Subsidiaries of NTPC engaged in Generation, Power Trading & Manufacturing as Chairman and / or Director in the capacity of Executive and Non-Executive. He has also been a Member, Governing Board NTPC School of Business. He was also Vice-Chairman (Technical) CIGRE-India (World Body of Power System Experts). He has also worked as Consultant Power (Thermal) of State Bank of India (on non-exclusive basis) and as a Member of Enquiry Committee for Mumbai Grid failure of 12th October 2020.

He is an Independent Director on the Boards of several other companies.

The terms and conditions of appointment of Mr. Misra shall be open for inspection by any member in accordance with provisions of the Act and the rules made thereunder and are disclosed on the Company's website.

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

In compliance with the provisions of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the rules made thereunder, the appointment of Mr. Misra as an Independent Director of the Company for a period of three years commencing from 23rd March 2023 up

to 22nd March 2026, is now being placed before the Members for their approval by way of ordinary resolution.

The Board recommends the resolution at item no. 9 of the accompanying notice for approval by the Members of the Company.

Other than Mr. Misra, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution set out at item no. 9 of the accompanying notice.

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

Item no. 10: Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Ashok Sinha (DIN: 00070477), as an Additional Director (Independent) of the Company, not liable to retire by rotation, for a period of three years commencing from 24th March 2023 up to 23rd March 2026, in terms of Article 96 of the Article of Association of the Company and Section 161(1) of the Act and the rules made thereunder.

In terms of Section 161(1) of the Act, Mr. Sinha holds office only upto the date of the forthcoming Annual General Meeting (AGM) of the Company and is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying his intention to propose Mr. Sinha's appointment as a Director.

The Company has received declaration from Mr. Sinha to the effect that he fulfills all the conditions specified under Section 149 of the Act to qualify as an Independent Director on the Board of the Company.

He has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to the registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, Mr. Sinha fulfils the conditions specified in the Act and the rules made thereunder for appointment as an Independent Director and he is Independent of the management.

Mr. Ashok Sinha has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director (CMD) of Bharat Petroleum Corporation Limited (BPCL), which is present across the entire value chain with activities covering exploration and production, refining, marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its CMD for 5 years from August 2005.

He was conferred the Distinguished Alumnus Award from both IIT, Kanpur and IIM, Bangalore. He was also conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU) India and American Express. He received award from Technology Media Group (TMG) for Customer Management.

Since 2011, he has served on the Boards of Petronet LNG Limited, CMC Limited (erstwhile subsidiary of Tata Consultancy Services Limited), four subsidiaries of Vodafone India Limited, Tata Advanced Systems Limited, Tata Lockheed Martin Aerostructures and Nova Integrated Systems.

He is an Independent Director on the Boards of several other companies.

The terms and conditions of appointment of Mr. Sinha shall be open for inspection by any Member in accordance with provisions of the Act and the rules made thereunder and are disclosed on the Company's website.

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

In compliance with the provisions of Sections 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the rules made thereunder, the appointment of Mr. Sinha as an Independent Director of the Company for a period of three years commencing from 24th March 2023 up to 23rd March 2026, is now being placed before the Members for their approval by way of ordinary resolution.

The Board recommends the resolution at item no. 10 of the accompanying notice for approval by the Members of the Company.

Other than Mr. Sinha, none of the Directors or Key Managerial Personnel (KMP) of the Company or their respective relatives are concerned or interested in the resolution set out at item no. 10 of the accompanying notice.

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

Item no.11: Pursuant to the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice and the remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company at the General Meeting. On the recommendation of Audit Committee, the Board of Directors have approved the re-appointment of M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No. 000239), as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the financial year 2023-24, at a remuneration of ₹ 2,25,000/- (Rupees Two lakh twenty five thousand only) plus applicable taxes and out of pocket expenses on actual basis.

M/s Chandra Wadhwa & Co., Cost Accountants, have furnished a certificate regarding their eligibility for re-appointment as Cost Auditors of the Company. They have vast experience in the field of Cost Audit and have conducted the audit of cost records of the Company for the previous year under the provisions of the Act.

The Board recommends the resolution at item no. 11 of the accompanying notice for ratification of the Cost Auditors' remuneration for FY 2023-24, by the Members of the Company.

None of the Directors, Key Managerial Personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 11 of the accompanying notice.

Delhi, 17th April 2023
Corporate Identity No. :
U40109DL2001PLC111526

By order of the Board
For **Tata Power Delhi Distribution Limited**

Registered Office:
NDPL House, Hudson Lines,
Kingsway Camp, Delhi 110 009
Tel:01166112222
Email: TPDDL@tatapower-ddl.com
Website: <http://www.tatapower-ddl.com/>

Sd/-
(Monica Mehra)
Company Secretary
Membership No. 15293



Details of the Directors, seeking re-appointment/appointment at the Twenty Second Annual General Meeting (In pursuance of Secretarial Standard 2 on General Meetings):

Name of Director	Mr. Arup Ghosh	Ms. Satya Gupta
DIN	06711047	08172427
Designation	Non-Executive Director	Non-Executive Director
Date of birth	8 th November 1955	18 th March 1955
Age	(67 years)	(68 years)
Date of appointment	31 st July 2015	18 th July 2018
Expertise in functional areas	<p>Mr. Arup Ghosh is a power sector veteran for more than four decades. He has been extensively engaged in all facets of transmission and distribution operations including restructuring and institutional strengthening of electricity utilities to enable them to cope with regulatory controls. He has worked with electricity utilities in India and Mauritius. Initially as Chief Operating Officer of Tata Power-DDL (“the Company”), he actively supported the Chief Executive Officer & Managing Director in leading the Company to script at Delhi hitherto unmatched reforms of the electricity distribution business. As Chief Technical Officer of the Company, he supported the Chief Executive Officer & Managing Director on strategic decisions and oversees operations, projects, engineering, business development, contracts, safety, generation, human resource, civil, vigilance, security, enforcement, information technology and health services.</p> <p>Prior to joining the Company, he was employed with Central Electricity Board, Mauritius; CESC Ltd., The National Insulated Cable Co. of India Ltd. and Crompton Greaves Ltd., all at Kolkata, India.</p>	<p>Ms. Satya Gupta has vast experience of more than four decades out of which almost 20 years are in Power Sector. She has been associated with Tata Power-DDL since December, 2002. She has handled large Information Technology & Operational Technology (IT & OT) software development, integration and implementation projects, automation of processes, digitalization by identification and implementation of right technology, handling change management, business process re-engineering etc.</p> <p>As General Manager-IT at Tata Power-DDL, Ms. Gupta was part of many Cross Functional Teams and Innovation Council for several strategic initiatives. She was instrumental in implementation of various automation technologies/ software applications, SAP practices, setting up IT infrastructure, integration of information and operational technologies. She was working in Delhi Vidyut Board (DVB), a state-owned utility prior to joining Tata Power-DDL and has anchored the challenging journey of turning around a loss-making utility with no computerization into almost fully automated organization with more than 90% of its processes automated and fully integrated.</p> <p>Ms. Gupta is considered as an expert in Power Sector Cyber Security and is the recipient of the ‘Top 100 CISO’ award for five consecutive years and also DSCI Excellence Award 2016 – ‘Security in Energy Sector- Power’. Under her leadership, Tata Power-DDL became the only utility at global level to get the appraisal done successfully for CMMI Level 3 for both of its IT & OT systems. Her deep knowledge of various IT & OT technologies, cyber security, utility</p>



Name of Director	Mr. Arup Ghosh	Ms. Satya Gupta
DIN	06711047	08172427
Designation	Non-Executive Director	Non-Executive Director
		business processes and regulatory environment made her the recipient of 'Leading Woman in Energy' & 'Leading Woman Owned Innovative Project 2011' and 'SAP ACE Woman CIO (Chief Information Officer) 2015' Awards. Post superannuation from Tata Power-DDL, Ms. Gupta is mentoring energy related innovative technology projects being undertaken by incubators at 'Clean Energy International Innovation Centre'.
Qualifications	<ul style="list-style-type: none"> An alumnus of Indian Institute of Technology (IIT), Kharagpur. Formal training in general management at Administrative Staff College of India, Hyderabad (MDP), Indian Institute of Management, Kolkata (EDP) and Xavier Labour Relations Institute, Jamshedpur (EDP). Training in regulatory matters from Institute of Public-Private Partnerships Inc (IP3), Washington D.C. 	<ul style="list-style-type: none"> M. Tech from Indian Institute of Technology (IIT) Delhi. M.Sc. (Maths) from Delhi University.
Terms & conditions of appointment/ reappointment	Appointed as Non-Executive Director	Appointed as Non-Executive Director
Remuneration	Only sitting fee is paid	Only sitting fee is paid
Directorships held in other Companies (excluding foreign Companies)	Director of the following Companies: 1. Tata Power Jamshedpur Distribution Limited 2. TP Central Odisha Distribution Limited 3. TP Southern Odisha Distribution Limited 4. TP Western Odisha Distribution Limited 5. TP Northern Odisha Distribution Limited	Director of the following Companies: 1. TP Central Odisha Distribution Limited 2. TP Northern Odisha Distribution Limited
Committee positions held in other Companies	Member of the following Committees: 1. TP Central Odisha Distribution Limited- Audit Committee 2. TP Western Odisha Distribution Limited- Audit Committee and Corporate Social Responsibility Committee 3. TP Southern Odisha Distribution Limited - Audit Committee and Corporate Social Responsibility Committee 4. TP Northern Odisha Distribution Limited- Audit Committee	Member of the following Committees: 1. TP Central Odisha Distribution Limited- Corporate Social Responsibility Committee 2. TP Northern Odisha Distribution Limited- Audit Committee and Corporate Social Responsibility Committee
Number of Shares held	Nil	Nil
Number of Meetings of the Board attended during FY 2022-23	4	3
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None



Name of Director	Mr. Manish Kumar Gupta	Dr. Ashish Chandra Verma	Mr. Shurbir Singh
DIN	01135912	00260070	07331962
Designation	Additional Director (Non-Executive)	Additional Director (Non-Executive)	Additional Director (Non-Executive)
Date of birth Age	21 st July 1967 (55 years)	12 th June 1969 (53 years)	16 th December 1976 (46 years)
Date of appointment	17 th March 2023	17 th March 2023	17 th March 2023
Expertise in functional areas	Mr. Manish Kumar Gupta is currently serving as Additional Chief Secretary (Industries), GoNCTD. He serves on the Board of Delhi State Industrial and Infrastructure Development Corporation Limited. He is Additional Chief Secretary (Land & Building), Additional Chief Secretary (Labour) and Nodal Officer for (i) Single Use Plastic (ii) Liaison with Northern Railways Authority regarding redevelopment of New Delhi Railway Station and (iii) Coordination with various departments of GoNCTD for timely grant of NOCs and clearances required for the project related to redevelopment of AIIMS, New Delhi.	Dr. Ashish Chandra Verma is currently serving as Principal Secretary (Finance), GoNCTD. He serves on the Boards of several companies including Delhi Integrated Multi Modal Transit System Limited, Delhi State Industrial and Infrastructure Development Corporation Limited, Delhi Tourism and Transportation Development Corporation Limited, Delhi State Civil Supplies Corporation Limited and Geospatial Delhi Limited.	Mr. Shurbir Singh is currently serving as Secretary (Power), GoNCTD. He is also Chairman-cum-Managing Director of both Delhi Power Company Limited and Delhi Transco Limited. In addition, he is also the Chairman of Indraprastha Energy & Waste Management Company Limited, Indraprastha Power Generation Company Limited and Pragati Power Corporation Limited. During his career till date, he has held various key positions such as Chief Electoral Officer, Puducherry, Secretary (Finance), Puducherry, Managing Director, Delhi Tourism & Transportation Corporation, New Delhi and CEO, Delhi Urban Shelter Improvement Board, New Delhi.
Qualifications	<ul style="list-style-type: none"> IAS officer of AGMUT (1991) batch. Masters in Communication Engineering. 	<ul style="list-style-type: none"> IAS Officer of AGMUT (1994) batch. MBBS 	<ul style="list-style-type: none"> IAS Officer of AGMUT (2004) batch. B.E. (Mechanical Engineering) from Punjab Engineering College, Chandigarh.
Terms & conditions of appointment	Appointed as an Additional Director (Non-Executive)	Appointed as an Additional Director (Non-Executive)	Appointed as an Additional Director (Non-Executive)
Remuneration	Only sitting fee is paid	Only sitting fee is paid	Only sitting fee is paid
Directorships held in other Companies (excluding foreign Companies)	Director of the following Company: 1. Delhi State Industrial and Infrastructure Development Corporation Limited	Director of the following Companies: 1. Delhi Integrated Multi Modal Transit System Limited 2. Delhi State Industrial and Infrastructure	Director of the following Companies: 1. Indraprastha Energy & Waste Management Company Limited 2. Delhi Power Company Limited 3. Delhi Transco Limited



Name of Director	Mr. Manish Kumar Gupta	Dr. Ashish Chandra Verma	Mr. Shurbir Singh
DIN	01135912	00260070	07331962
Designation	Additional Director (Non-Executive)	Additional Director (Non-Executive)	Additional Director (Non-Executive)
		Development Corporation Limited 3. Delhi Tourism and Transportation Development Corporation Limited 4. Delhi State Civil Supplies Corporation Limited 5. Geospatial Delhi Limited	4. Indraprastha Power Generation Company Limited 5. Pragati Power Corporation Limited 6. BSES Rajdhani Power Limited 7. BSES Yamuna Power Limited
Committee positions held in other Companies	Nil	Nil	Nil
Number of Shares held	Nil	Nil	Nil
Number of Meetings of the Board attended during FY 2022-23	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None

Name of Director	Mr. Kailash Nath Shrivastava	Mr. Narendra Nath Misra	Mr. Ashok Sinha
DIN	01584124	00575501	00070477
Designation	Additional Director (Independent)	Additional Director (Independent)	Additional Director (Independent)
Date of birth Age	1 st January 1954 (69 years)	29 th October 1954 (68 years)	15 th February 1952 (71 years)
Date of appointment	23 rd March 2023	23 rd March 2023	24 th March 2023



Name of Director	Mr. Kailash Nath Shrivastava	Mr. Narendra Nath Misra	Mr. Ashok Sinha
DIN	01584124	00575501	00070477
Designation	Additional Director (Independent)	Additional Director (Independent)	Additional Director (Independent)
Expertise in functional areas	<p>Mr. Kailash Nath Shrivastava is having wide experience of over 46 years. He served under Indian Forest Service and Indian Revenue Service (Income Tax) at the beginning of his career after being selected for Indian Police Service and all Central Services.</p> <p>On allocation under Karnataka cadre, he held several important positions in Government of Karnataka. He worked as District Magistrate of 4 Districts namely Tumkur, Bangalore, Belgaum and Uttar Kannada (Karwar). His postings as District Magistrate of Belgaum and Uttar Kannada Districts were done specially to control the then prevailing communal disturbances in those districts.</p> <p>He successfully managed some very important PSUs. He was posted as Chairman and Managing Director (CMD) of Karnataka Power Transmission Corporation Ltd. (KPTCL) and common Chairman of all the four Power Distribution companies of Karnataka State (2002-04). As Managing Director (MD) of Krishna Bhagya Jala Nigam Ltd. (KBJNL) (1999-2000), he implemented the</p>	<p>Mr. Narendra Nath Misra has worked as Director (Operations) of NTPC Ltd. (NTPC), a Maharatna Company, for 4 years. He joined NTPC as an Executive Trainee in 1977 and worked in various areas in NTPC and thereafter became a Member of the Board in 2010.</p> <p>He has in depth experience in all facets of Power Sector like Design, Engineering, Contracts & Procurement, Human Resources and Operation Services and was responsible for successful implementation and commissioning of India's first 765 kV substations at NTPC, Sipat.</p> <p>He was actively associated with Bureau of Indian Standards (BIS) and was a Member of Electro-Technical Division Council (ETDC) of BIS. He has represented India in CIGRE (International Conference on Large High Voltage Electrical System) and has contributed in many Study Committees and Working Groups of CIGRE.</p> <p>He has been on the Boards of the various JVs and Subsidiaries of NTPC engaged in Generation, Power Trading & Manufacturing as Chairman and/or Director in the capacity of Executive and Non-Executive. He has also been a Member, Governing Board NTPC</p>	<p>Mr. Ashok Sinha has a wealth of experience, competencies and expertise from his leadership journey as the Chairman and Managing Director (CMD) of Bharat Petroleum Corporation Limited (BPCL), which is present across the entire value chain with activities covering exploration and production, refining, marketing oil and gas products. He spent 33 years in BPCL, where he served on the Board of BPCL for 15 years - first as Director (Finance) for 10 years from 1996 and then as its CMD for 5 years from August 2005.</p> <p>He was conferred the Distinguished Alumnus Award from both IIT, Kanpur and IIM, Bangalore. He was also conferred with the India Chief Financial Officer Award 2001 for Information and Knowledge Management by the Economic Intelligence Unit (EIU) India and American Express. He received award from Technology Media Group (TMG) for Customer Management.</p> <p>Since 2011, he has served on the Boards of Petronet LNG Limited, CMC Limited (erstwhile subsidiary of Tata Consultancy Services Limited), four subsidiaries of Vodafone India Limited, Tata Advanced Systems Limited, Tata Lockheed Martin Aerostructures and Nova Integrated Systems.</p> <p>He is an Independent Director on the Boards of several other companies.</p>



Name of Director	Mr. Kailash Nath Shrivastava	Mr. Narendra Nath Misra	Mr. Ashok Sinha
DIN	01584124	00575501	00070477
Designation	Additional Director (Independent)	Additional Director (Independent)	Additional Director (Independent)
	<p>Upper Krishna Irrigation and Power Project across river Krishna. During his tenure, the famous Almatti Dam Project was completed on river Krishna enabling the state to utilize its water share in Krishna River Basin. As first MD of Bangalore Metro Rail Corporation Ltd. (BMRCL) (2004-06), he got the Bangalore Metro Rail Project sanctioned and started its implementation. He worked as CMD of Hutti Gold Mines Co. (the only gold mining company of the country) (1994-99) for 5 years. He also had an eventful career as Director of Bangalore Dairy (1984-86).</p> <p>In Government of India, he worked as Joint Secretary in the Ministry of Culture (2000-02), Joint Secretary (Airports) (2006-08) in the Ministry of Civil Aviation, Director General of Archaeological Survey of India (2009-10), Additional Secretary and Financial Adviser in the Ministry of External Affairs (2010-12). During his tenure as Joint Secretary (Airports), most of the Greenfield and Brownfield airport development projects were started.</p> <p>Mr. Shrivastava also worked as Secretary in</p>	<p>School of Business. He was also Vice-Chairman (Technical) CIGRE-India (World Body of Power System Experts). He has also worked as Consultant Power (Thermal) of State Bank of India (on non-exclusive basis) and as a Member of Enquiry Committee for Mumbai Grid failure of 12th October 2020.</p>	



Name of Director	Mr. Kailash Nath Shrivastava	Mr. Narendra Nath Misra	Mr. Ashok Sinha
DIN	01584124	00575501	00070477
Designation	Additional Director (Independent)	Additional Director (Independent)	Additional Director (Independent)
	<p>the Ministry of Civil Aviation from August 2012 to December 2013. He superannuated from Government Service on 31st December 2013.</p> <p>He has been appointed Director of India International Centre (IIC) by the Board of Trustees w.e.f 1st January 2019. Before joining as Director, IIC, he worked as Member, National Disaster Management Authority (NDMA) (March to July 2014) and thereafter as an Administrative Member in Central Administrative Tribunal (March 2015-December 2018).</p> <p>He is also an Independent Director on the Boards of several other companies.</p>		
Qualifications	<ul style="list-style-type: none"> M.Sc. (Physics) from Allahabad University. Retired Indian Administrative Services (IAS) officer from Karnataka Cadre, GoI 1978 Batch. 	B.E. (Electrical) from NIT, Rourkela.	<ul style="list-style-type: none"> B.Tech. (Electrical Engineering) from the Indian Institute of Technology (IIT), Kanpur. PGDBM from the Indian Institute of Management (IIM), Bangalore, with specialization in Finance.
Terms & conditions of appointment	Appointed as an Additional Director (Independent)	Appointed as an Additional Director (Independent)	Appointed as an Additional Director (Independent)
Remuneration	Only sitting fee is paid	Only sitting fee is paid	Only sitting fee is paid
Directorships held in other Companies (excluding foreign Companies)	<p>Director of the following Companies:</p> <ol style="list-style-type: none"> Prayagraj Power Generation Company Limited TP Central Odisha Distribution Limited TP Southern Odisha Distribution Limited 	<p>Director of the following Companies:</p> <ol style="list-style-type: none"> Gujarat Industries Power Company Limited Prayagraj Power Generation Company Limited 	<p>Director of the following Companies:</p> <ol style="list-style-type: none"> J.K. Cement Limited Navin Fluorine International Limited Cipla Limited The Tata Power Company Limited



Name of Director	Mr. Kailash Nath Shrivastava	Mr. Narendra Nath Misra	Mr. Ashok Sinha
DIN	01584124	00575501	00070477
Designation	Additional Director (Independent)	Additional Director (Independent)	Additional Director (Independent)
	4. TP Western Odisha Distribution Limited 5. TP Northern Odisha Distribution Limited	3. Ind-Barath Energy (Utkal) Limited 4. Gujarat Urja Vikas Nigam Limited 5. Madhya Pradesh Poorv Kshetra Vidyutvitaran Company Limited 6. Maithon Power Limited	5. Tata Communications Limited
Committee positions held in other Companies	Member of the following Committees: 1. Prayagraj Power Generation Company Limited – Audit Committee 2. TP Central Odisha Distribution Limited - Audit Committee 3. TP Southern Odisha Distribution Limited- Audit Committee 4. TP Western Odisha Distribution Limited- Audit Committee 5. TP Northern Odisha Distribution Limited- Audit Committee Chairman of the following Committees: 1. Prayagraj Power Generation Company Limited – Nomination and Remuneration Committee 2. TP Central Odisha Distribution Limited – Nomination and Remuneration Committee 3. TP Southern Odisha Distribution Limited- Nomination and Remuneration Committee 4. TP Western Odisha Distribution Limited- Nomination and Remuneration Committee 5. TP Northern Odisha Distribution Limited-	Member of the following Committees: 1. Gujarat Industries Power Company Limited- Nomination and Remuneration Committee, Risk Management Committee and Project Committee 2. Prayagraj Power Generation Company limited- Audit Committee and Nomination & Remuneration Committee 3. Gujarat Urja Vikas Nigam Limited- Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Personal Committee 4. Madhya Pradesh Poorv Kshetra Vidyutvitaran Company Limited- Audit Committee and Nomination & Remuneration Committee 5. Ind-Barath Energy (Utkal) Limited- Audit Committee and Nomination & Remuneration Committee 6. Maithon Power Limited- Audit Committee, Corporate Social Responsibility Committee and Risk	Member of the following Committees: 1. J.K. Cement Limited- Audit Committee 2. Cipla Limited- Investment & Risk Management Committee 3. The Tata Power Company Limited- Risk Management Committee 4. Tata Communications Limited- Audit Committee Chairman of the following Committees: 1. J.K. Cement Limited- Nomination and Remuneration Committee 2. Cipla Limited- Audit Committee 3. The Tata Power Company Limited- Audit Committee



Name of Director	Mr. Kailash Nath Shrivastava	Mr. Narendra Nath Misra	Mr. Ashok Sinha
DIN	01584124	00575501	00070477
Designation	Additional Director (Independent)	Additional Director (Independent)	Additional Director (Independent)
	Nomination and Remuneration Committee	Management Committee Chairman of the following Committees: 1. Gujarat Industries Power Company Limited- Audit Committee and Personal Committee 2. Maithon Power Limited- Nomination and Remuneration Committee	
Number of Shares held	Nil	Nil	Nil
Number of Meetings of the Board attended during FY 2022-23	Nil	Nil	Nil
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None	None	None

Board's Report

To the Members,

The Directors present 22nd Annual Report of Tata Power Delhi Distribution Limited (the Company or Tata Power-DDL) along with the audited Financial Statements for the year ended 31st March 2023. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

1. FINANCIAL RESULTS

(₹ crore)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	9297	7648	9297	7648
Add: Other income	106	162	108	163
Total income	9403	7810	9405	7811
Expenditure (Excl. Depreciation, Interest & Tax)	8395	6810	8395	6810
Interest	286	324	286	324
Depreciation	377	371	377	371
Total Expenditure	9058	7505	9058	7505
Profit before tax and rate regulated activities	345	305	347	306
Net movement in regulatory deferral account balance	297	330	297	330
Profit before tax	642	635	644	636
Less: Exceptional Items: Impairment of Property, Plant and Equipment	-	-	-	-
Less: Exceptional Items: Impairment loss on assets classified as held for sale	-	-	-	-
Less: Provision for Taxes				
Current Income Tax (including prior period adjustments)	115	112	116	113
Deferred Income Tax (including Deferred Tax on OCI)	87	84	87	84
Profit for the year	440	439	441	439
Other Comprehensive Income	-	-	-	-
Less: Statutory Appropriations				
Balance Profits available for appropriation	440	439	441	439
Add: Balance brought forward from the previous year	2940	2627	2965	2652
Total Profit available in P&L Account, which the Directors have appropriated as under to:	3380	3066	3406	3091
i) Dividend paid	126	126	126	126
ii) Capital Redemption Reserve	-	-	-	-
Leaving a balance to be carried forward	3254	2940	3280	2965

* Previous year figures have been reclassified so as to make them comparable with current year figures.

2. DIVIDEND

The Board recommended a dividend of ₹ 1.50/- per fully paid Equity Share (15%) on 1,05,20,00,000 Equity Shares of face value of ₹ 10/- each, for the year ended 31st March 2023 (previous year 12% i.e. ₹ 1.20/- per share on 1,05,20,00,000 equity shares of ₹ 10/- each).

The dividend on equity shares is subject to the approval of the Shareholders at the Annual General Meeting ('AGM') scheduled to be held on Friday, 21st July 2023.

The dividend once approved by the Shareholders will be paid to them directly in their bank accounts through electronic mode. If approved, the dividend would result in a cash outflow of ₹ 157.80 crore (previous year: ₹ 126.24 crore). The dividend on equity shares is 15% of the paid-up value of each share. The total dividend pay-out works out to 36% (previous year: 29%) of the net profit for the standalone results.

3. STATE OF COMPANY'S AFFAIRS

• FINANCIAL HIGHLIGHTS

The Company had revenues from operations aggregating to ₹ 9,297 crore during FY 2022-23, an increase of about 22% over the previous year revenues of ₹ 7,648 crore. The Company has earned a profit of ₹ 345 crore in FY 2022-23 as compared to a profit of ₹ 305 crore in FY 2021-22 prior to accounting for regulatory income and tax. The regulatory income amounts to ₹ 297 crore in FY 2022-23 as compared to ₹ 330 crore in FY 2021-22. This amount reflects the adjustment in the Company's revenues billed at current tariffs and those chargeable by it to its consumers based on costs incurred during the year. The same has been recognized as regulatory income of the current year on the basis of treatment specified in Guidance Note on Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI) and Ind AS 114. Consequently, on recognizing the regulatory income of ₹ 297 crore (₹ 330 crore regulatory income in FY 2021-22), the resultant Profit Before Tax (PBT) is ₹ 642 crore in FY 2022-23 as compared to ₹ 635 crore in FY 2021-22, reflecting an increase of 1.10% over the previous year. The Profit After Tax (PAT) is ₹ 440 crore in FY 2022-23 as compared to ₹ 439 crore in FY 2021-22.

• Business Environment

Industry Structure and Developments

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

Your Company operates in the retail end of the electricity value chain and is a Power Distribution Company.

Power Distribution

The Distribution Sector, by the virtue of being at the revenue generation end of the entire electricity value chain, is the cornerstone for the financial viability of the entire sector. The sector, despite its opening up to private sector participation in the year 1999, continues to be largely Government owned, having negligible private sector participation with Delhi, Mumbai, Kolkata,

Ahmedabad, Surat, Odisha state and some urban centres being notable exceptions. The national average Aggregate Technical & Commercial (AT&C) losses have improved to 16.5% (FY 2021-22) from 21.5% (FY 2020-21) (PFC- 11th Annual Integrated Rating & Ranking of Power Distribution Utilities FY 2021-22). However, as on 17th April 2023, the AT&C losses for states covered under the Ujjwal DISCOM Assurance Yojana (UDAY) scheme (data available for all states except Nagaland and all UTs except – Andaman & Nicobar and Lakshadweep) stood at 17.27% (Source: UDAY Dashboard). Additionally, absence of cost reflective tariffs, inadequate subsidy reimbursements by the State Governments and rising power procurement costs is adding to the financial woes of the sector.

Sectoral absolute cash-adjusted gap (between income and expenditure) dropped substantially from ₹ 97,000 crore in FY 2019-20 to ₹ 53,000 crore in FY 2021-22. The power distribution entities were recording a loss of ₹ 0.79 per unit in FY 2019-20, which has reduced to ₹ 0.40 per unit in FY 2021-22. (Source: PFC- 11th Annual Integrated Rating & Ranking of Power Distribution Utilities FY 2021-22).

- **Operations**

- **Power Procurement**

As in the past years, the Company has procured sufficient quantity of power during the period under review for meeting 100% peak demand of its consumers. The Company has procured 10,621.37 MUs (including 2.44 MUs of net metering) as on 31st March 2023 for FY 2022-23 to ensure that the consumers are provided with 24x7 power supply.

- **Reliability and Other Operational Metrics**

The Company sustained system reliability at 99.76% and touched the peak load at 2,228 MW during the year. Further, street light functionality was 99.60%, there were 1000+ collection avenues which includes - TPDDL Touch point- 47, Over-the-counter (OTC) (Yes bank)- 5, Bharat Bill Payment System (BBPS) [under National Payments Corporation of India (NPCI)]- approximately 948 (small shops offering payments for electricity/water bills etc.), Customer Delight Index (CDI) was 97 (Top Two Box) and 87 (Top Box), Billing Efficiency and Collection Efficiency were at 93.66% and 100.01%, respectively, as on 31st March 2023.

- **Technology Implementation**

The Company is working in collaboration with more than 70 partners - technology companies, institutions and funding agencies across the globe to take technology and service delivery to the next level. The Company has also moved forward in implementing the Smart Grid Roadmap which encompasses all the key elements such as Smart Metering, Battery Energy Storage, Distributed Energy Resource Management, Low Voltage Automation, Demand Response, Data Analytics, EV penetration impacts, equipment life enhancement and many others.



Tariff Related Matters

The tariffs chargeable to consumers by Power Distribution Utilities are determined by their respective SERCs, which in case of the Company, is the Hon'ble Delhi Electricity Regulatory Commission (DERC). DERC issues Tariff Regulations to determine the retail tariff. Tariff Regulations provide recovery of Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase cost, operation and maintenance expenses, finance cost and an assured return on eligible investment. The utilities are also eligible to claim additional incentives subject to the achievement of targets as laid down by DERC in its Business Plan Regulations.

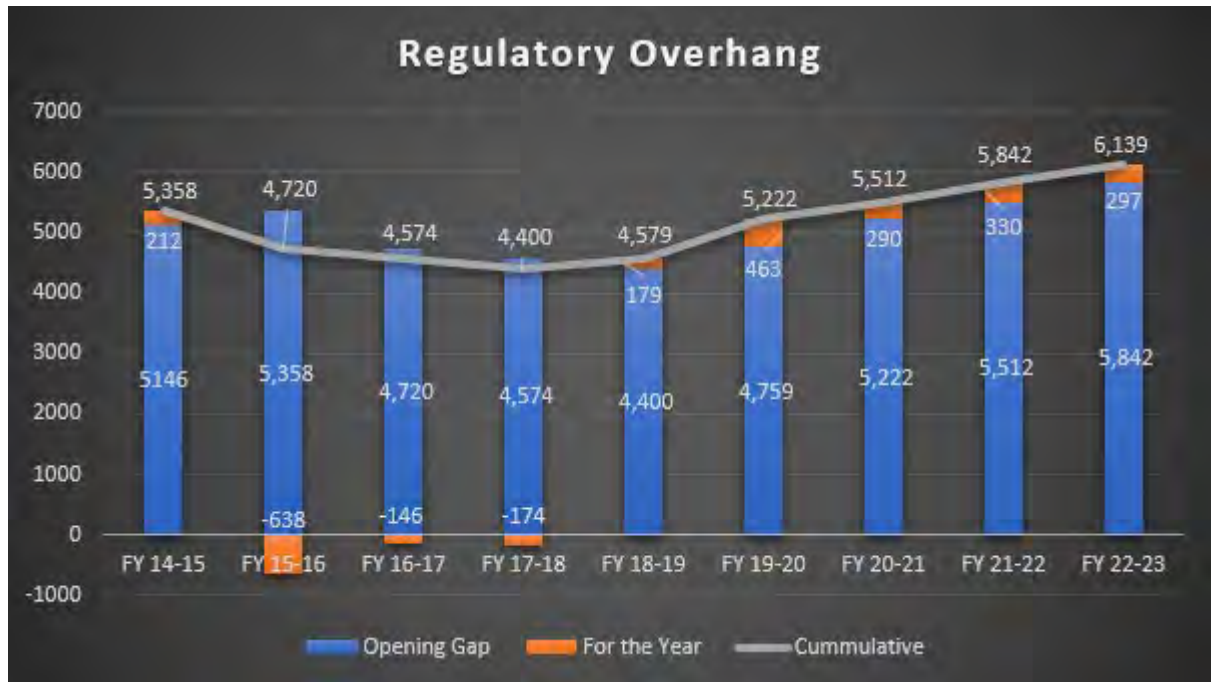
DERC on 31st January 2017 notified the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 for determination of ARR. Further, DERC notified Business Plan Regulations, 2019 for the control period applicable from FY 2020-21 to FY 2022-23. Recently, DERC has issued Business Plan Regulations, 2023 for the next control period applicable from FY 2023-24 to FY 2025-26.

Based on the aforesaid regulations, DERC had published the last Tariff schedule for FY 2021-22 on 30th September 2021 and uploaded the detailed Tariff Order on its website on 12th October 2021 for True up of FY 2019-20 and ARR of FY 2021-22. No tariff order has been issued by DERC for FY 2022-23.

For FY 2022-23, actual power purchase cost constitutes around 78% of total costs, operation & maintenance expenses (inclusive of establishment cost, administrative & general expenses and repair & maintenance expenses), constitutes around 9% with depreciation around 3%, interest on loans for capital investment around 5%, return on equity (RoE) deployed in the business constituting only around 4%-5% of the total cost and balance towards carrying cost. The total cost needs to be recovered through retail tariff determined by DERC and chargeable to the consumers.

During FY 2022-23, actual power purchase cost of the Company was ₹ 7.13/unit against the last approved power purchase cost of ₹ 5.64/unit as per DERC Tariff Order, 2021. To meet such increase in power purchase cost, Business Plan Regulations, 2019 provides mechanism for recovery of this increased cost upto certain extent and accordingly, the Company has provisionally charged Power Purchase Adjustment Charge (PPAC) on retail tariff as per the methodology provided and balance will be levied based on approval from the Regulator.

In line with an opinion pronounced by the Expert Advisory Committee (EAC) of ICAI, the Company has recognized deferred asset for deferred tax liability as a regulatory deferral account debit/credit balance. In the absence of tariff hike, increase in carrying cost and also deferred tax liability, the Regulatory Assets have increased to ₹ 6,139 crore as on 31st March 2023. During the year under review, revenue gap has increased by ₹ 297 crore, which is evident from the graph below and this includes ₹ 87 crore pertaining to recoverable on account of deferred tax liability created during the year.



* FY 2018-19 and earlier years do not include adjustment towards deferred tax recoverable.

In order to get liquidation of Regulatory Assets, all possible avenues provided under legal and regulatory framework are being exercised. While role of DERC on this aspect is important, the Government of National Capital Territory (GoNCT) of Delhi also has a major role to play essentially for protecting consumers' interest and sustainability of this sector in Delhi. Policy advocacy is continuing with DERC & GoNCT of Delhi for Cost Reflective Tariff and timely release of PPAC. The Company also has filed writ petition in Supreme Court for timely liquidation of approved Regulatory Assets and implementation of favorable judgments/orders by DERC/ Appellate Tribunal for Electricity (APTEL).

COMMERCIAL

Key Achievements

AT&C Loss Reduction

One of the most significant measures of operational efficiency in power distribution sector is AT&C loss reduction. AT&C loss refers to the difference between energy input and energy for which revenue is realized. The Company has consistently over-achieved its regulatory AT&C loss reduction targets including the one in FY 2022-23, thereby mitigating increases in retail tariffs through operational efficiency, despite steep increase in input costs and also maintained its edge over competition through demonstrated excellence. However, having reached higher levels of efficiency, further steep reduction of AT&C losses, is becoming increasingly difficult without significant capital investment. This again is a challenge in view of the large, accumulated revenue gaps, associated financing and impact on tariff. Nevertheless, during the year, the Company's AT&C loss was at 6.34% which is much ahead of regulatory target of 8.16%.

Standards of Performance

DERC has specified stringent performance assurance standards with respect to consumer service delivery. As in the past, the Company's compliance with assurance timelines in

FY 2022-23 continued to be in the range of 100% with certain key services such as providing new connections (in average 2.68 days against DERC allowed 7 days), Performance Assurance (PA) compliance for Commercial is 99.62%, replacement of defective meters (3.05 days against 15 days allowed by DERC), being provided in significantly lesser (faster) time than stipulated by DERC. The Company has also redesigned new application form for customers’ convenience and it will help for suspension reduction and reduction of cycle time.

Customer Services

The Company has consistently implemented new technologies and processes to improve customers’ satisfaction. The cumulative installation of Smart Meters has touched the number of 3.53 lakh and the “TPDDL Connect App” has been upgraded to “MY TATA POWER APP” with a host of services like real-time consumption, customized alerts, daily reads, guest user functionality etc.

Overall usage of TPDDL Connect App has gone up to 25 lakh which was made possible by constant promotions through social media and outreaches like GREEN Zones, SYNERGY outreaches with school children, Resident Welfare Association (RWA) interactions etc.

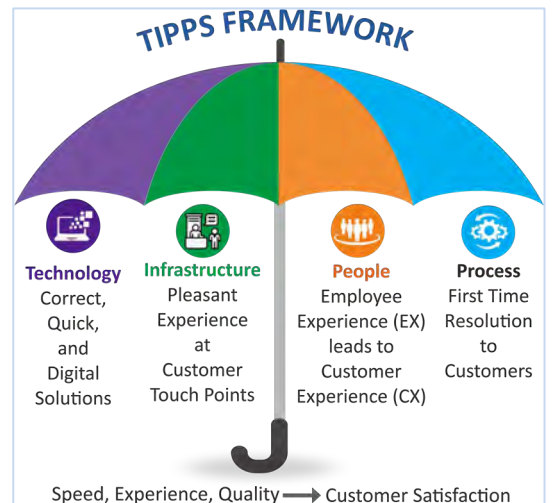
To move to the next orbit in Customer Experience Management, ‘Customer First’ drive has been launched within the organization. Varied measures taken under ‘Customer First’ drive led to an increase of CDI score.

Customer First:

Phase 1: “Apex Customer Experience Council (ACEC)” put in place to align the organization towards ‘Customer First’ objective followed by launch of Customer First Logo, concept of Cx Champions, Cx Hour etc.

Phase 2: Structural framework of **Technology, Infrastructure, People, Process, Satisfaction (TIPPS)** introduced to improve upon Speed, Experience and Quality.

Under this framework, more than 25 initiatives identified (implemented/in process of implementation) by respective Cross Functional Teams across all peripheries of TIPPS to serve delight to the customers.



Engagement activities were conducted vide both offline as well as online modes. 54,000 customers were touched through monthly activities viz. Resident Welfare Association Meet, quarterly Industrial Welfare Association Meet, SAMMAN (Meet for Senior Citizens), Tata Volunteering Week (TVW), new engagements launched like WePower - Women Customer Meet, GENNEXT – Meet with GenZ customers, GREEN Zones, SYNERGY outreaches, Urja Arpan Carnivals and Tejas webinars etc.

Urja Arpan

The Company has launched "Urja Arpan" initiative to encourage responsible and efficient electricity consumption among individuals and organizations. The aim is to create awareness and promote lifestyle changes towards energy efficiency, using 5 star rated energy efficient products and services that consume less electricity, such as EE Air Conditioner, BLDC Fans, LED Lighting, solar and EV etc. This initiative targets various stakeholders, including domestic consumers, schools and college students, residential and industrial associations, and NGOs.



The goal is to save 300MUs of energy over the course of two years, equivalent to saving the job of 10 million matured trees, which takes 1 year to convert 2,70,000 tons of CO₂ to O₂. Energy savings are calculated depending on the new energy efficient product being purchased by customer. To encourage participation among individual customers, institutions and welfare associations, recognition shall be done under Gold, Diamond, and Platinum category based on their contribution.

A dedicated website has been designed www.UrjaArpan.com where customers can know more about the initiative and can register themselves as and when a new energy efficient product is bought by them. Customers can also register as volunteers by taking a pledge to be a climate cautious citizen.

All these measures have helped the Company in improving its CDI Survey score to an overall score of 87 (Top Box) achieved against the baseline score of 81 for previous year.

Capital Expenditure

The Company has executed distribution related capital expenditure works (CAPEX) amounting to ₹ 427 crore in FY 2022-23 (FY 2021-22: ₹ 395 crore). This amount has been judiciously utilized for enhancement of reliability of system through network improvements, reduction of AT&C losses and improvement in consumer services.

During FY 2022-23, total capitalization was ₹ 448 crore (FY 2021-22: ₹ 416 crore).

- **Generation Initiatives**

Rithala Power Plant

Implementation of True-Up Order dated 11th November 2019 (True-Up Order) of the Rithala Power Plant had to be given effect to by DERC in Tariff Order 2021, which did not take place. The Company had also filed an appeal before APTEL against the aforesaid True-Up Order only with respect to the depreciation being allowed. Due to non-implementation by DERC of its True-Up Order, the Company filed an Original Petition under Section 121 of the Electricity Act, 2003 seeking time bound directions to DERC in respect of grant of its long pending claim through implementation of aforesaid True-Up Order. DERC, in its Affidavit filed in the above-mentioned petition, has undertaken to allow the impact of the claims allowed in its True-Up Order in its upcoming Tariff Order. APTEL, in its judgment for the aforesaid petition observed that they bind DERC to its solemn undertaking tendered and would expect scrupulous compliance

therewith. Tariff Order 2022 has still not been issued. Meanwhile, an Appeal filed before APTEL is pending for hearing and is now added in the list of finals.

Solar Projects

Solar & New Business Initiatives

In 2016, the Company became the first and only power utility to be awarded by the Ministry of New & Renewable Energy (MNRE), Govt. of India with National Award for “Utility Enabler for Rooftop Solar Project”. A total of 1880 cases of solar net meters have been installed till FY 2022-23 with a cumulative capacity of 54.2 MWp.



DERC Regulations and Guidelines for net, virtual and group metering have been implemented. Under MNRE Phase-II Guidelines, 2.285 MWp solar installed for 186 domestic (residential) consumers. The Company in its solar EPC activity has done awareness campaigns at RWAs, Industrial Welfare Associations (IWAs) and customer meetings covering domestic & industrial customers and one-to-one outreach has been carried out for express and key customers, educational institutes and high revenue customers etc. A total of 156 leads generated with 13 MWp solar load, the customers are being followed up for conversion. Solar EPC order of 320 kWp has been received from 14 consumers, out of which 112 kWp is commissioned.

Implementation of new Software/System

SCADA EMS, DMS, OMS Getting Upgraded to ADMS

The Company had implemented Supervisory Control and Data Acquisition (SCADA) Energy Management System (EMS) with Grid Substation Automation System (GSAS) to control and monitor the 66/33 kV network with the main objective of improving operational efficiency from 2007 onwards. Your Company has been a pioneer Discom in India to operate the entire network from a central location with all load management decisions being based on real-time power flow information from the system. As of now, all 85 grids have been automated and are unmanned.



A Distribution Management System (DMS) along with the first phase of Distribution Automation was successfully implemented during FY 2010-11 to monitor and control the 11 kV network. Its implementation along with Distribution Automation has helped in curtailing downtime of the 11 kV network by online identification of faults and centralized restoration of power supply from the control centre. As part of the Company’s continued efforts towards ensuring customer delight by enhancing the reliability of the network and further reducing the fault restoration time, the Company implemented Outage Management System (OMS) for faster and more accurate location and restoration of faults in the LT Network, thereby, significantly reducing the downtime.

All the above-stated technologies have been unique and path-breaking at the time of implementation. To upgrade these technologies, the Company implemented Advanced

Distribution Management System (ADMS), a real-time power distribution management system that operates by unifying SCADA, Advanced Distribution Management Applications, and OMS functionality in a single modular solution taking network data directly from Geographical Information System (GIS) in an integrated manner along with SAP-PM/ISU/CRM extending its seamless benefits to the consumers providing synchronous operation for a utility. The Company became the first utility in India to deploy ADMS which was fully rolled out in March 2018, making it the first such kind of installation in Asia and the biggest in size in the world.

During the year under review, ADMS has been integrated with homegrown Field Force Automation (FFA) and Smart Meter Data Management for faster reflection of any event at the control room level/ field level. Further, an advanced application like Automated Power Restoration System (APRS), Integrated Volt-Var Control (IVVC) and Group Tele-Control (GTC) has also been rolled out to assist control room operators in providing best-in class services to its end consumers. Holistically, this integration has reduced outage time by providing faster resolution of faults through more efficient and accurate results, which has ultimately improved reliability, operational safety and consumer satisfaction.

Technology

The Company has been a front runner in implementation of latest technologies in the distribution sector and plays an instrumental role in reforming Power Distribution sector in India. The Company is not only working to provide reliable and quality power to its consumers within its licensed area, but also crafting a niche by achieving sectorial sustenance to become a world class leader by its innovative technology adoption.

Under the Horizon 2020 Program, funded by the European Union, the Company has deployed an Energy Islanding System at one of its distribution substations, integrating key technologies by installing Smart Transformer(s), Smart Meter(s) for its customers, Low Voltage Automation, Battery Energy Storage System (with penetration of excess renewable energy generated from the solar into the battery), to utilize the same to create energy islanding system for its substation. This is the first project funded by the European Union wherein actual demonstration is conducted at 11kV distribution substation located at St. Xavier's School, Delhi. The project has been concluded and report submitted to European Union in February 2023 at Paris, France.



The project also focuses on community engagement as its key aspect, wherein, the students, teachers and the management have been engaged to sensitize them about energy conservation and the benefits of the project. On the same lines, Energy Warrior campaign for the school students was initiated for depicting ideas on clean energy and climate change etc. through video and voice messages, artwork, slogans and tree plantation initiatives. The school faculty along with the teachers were given a tour of Tata Power-DDL's Smart Grid Lab, to help them experience how things work in real world. The key partners of the project are ENEDIS (French Discom), M/s Schneider Electric, M/s Odit-e (Technology partners), M/s GECO Global (Community engagement partner) and IIT Comillas & CIRCE (study partners).

Tata Power-DDL and Nexcharge (a joint venture between Exide India and Leclanché) launched India's first Grid-Connected Community Energy Storage System (CESS) in Rani Bagh, New Delhi. The installation of the 150 kW CESS at Ranibagh Substation will improve the supply

reliability at the distribution level that is mainly at load centre to mitigate peak load on distribution transformers. The setup will help in providing continuous and reliable power to key consumers during any exigency. In continuation to the storage application being experimented in the Company, a pole-mounted Battery Energy Storage unit has been installed in District Pitampura. The unit will be helpful in contributing to a greener, more cost-effective and reliable grid.

In another major technology drive, the Company, in partnership with SUN Mobility- provider of energy infrastructure platform and services for electric vehicles, has set up a network of battery swap points across North and North-West Delhi. SUN Mobility launched the first swap point with two interchange stations to serve the growing demand of EVs in the Azadpur area, one of the busiest marketplaces of the capital. This initiative is in line with the Delhi Government's "Switch Delhi" campaign and aims at setting up a broad network of battery swapping infrastructure that makes swapping accessible to customers at the same scale and ease as conventional refuelling.

Smart Grid

Smart, self-shaping, fully adaptable networks that connect the energy provider with the consumers on a real-time basis represent the essence of smart grids.

In 2016, the Company inaugurated the Smart Grid Lab to provide a "one place" view of the entire distribution network and how these various technologies thread through and provide seamless integration all the way from the time the Company takes on transmission to the edge of the grid. The lab imbues both the transference as well as convergence of smart technologies at play and how the intersection of these technologies allows for stronger, reliable and responsive organization.



The lab that is divided in two areas - Technology Zone and Consumer Experience Zone provides "hands-on" demonstration of various technologies, products and solutions for power distribution utilities and how these technologies help in providing an improved connectivity, efficiency and reliability that is both sustainable and scalable.

The Technology Zone provides end-to-end technology deployment and integration that have been commissioned to demonstrate solutions from sub-transmission level (66kV/33kV level) up to the last mile (230V) i.e. Smart Meter to the customer's appliances, from foundational technologies such as ADMS, GIS, SAP based utility architecture, Smart Meters with Advanced Metering Infrastructure to edge of the grid technologies viz. Utility Controlled Battery Storage, Demand Response, Home Automation, EV Charging Station, Distribution Grid Digitization and Integrated Energy Islanding. While these technologies cover the span of the distribution grid, the technologies that operate to sense, control and optimize to respond to grid changes such as power quality, predictive load forecasting are also showcased at the Smart Grid Lab.

Working on the need to make the complete system smart through sensing and back-end data analytics, the technologies related to live parameter sensing at edge of the grid, its back-end integration with core technologies, real-time monitoring and auto triggers for fast response have also been demonstrated. Taking giant leap towards the urban micro grid, hybrid energy islanding serving demand through integration of solar, battery and grid connected power gives a glimpse of maturity that has been achieved in technology adoption and its real-world applications.

Customer Experience area of Smart Grid Lab was developed to build a tactile space and reduce the burden of “unknown” associated with technology for the customers or general public. Various Demand-Side Management (DSM) initiatives and energy conservation solutions which have been commissioned are displayed for an easy understanding of those foundational principles. Our efforts to promote green energy in the form of rooftop solar and an extended roadmap of energy efficiency continues to be the forefront of all our initiatives.

Appreciating the steps taken towards technology adaptation and innovation, Department of Science and Industrial Research (DSIR) under the Ministry of Science and Technology has certified the Smart Grid lab of the Company as ‘In-house R&D unit’.

Since inception, the lab draws an average of 120 visits and a footfall of 1375 every year. These visits include regulators, stakeholders such as United States Agency for International Development (USAID), United States Trade and Development Agency (USTDA), technology partners, institutions such as University of California, Los Angeles (UCLA), Massachusetts Institute of Technology (MIT), Academia from across the world and aspiring collaborators looking to work with the Company. A journey which began almost two decades ago now holds the potential to transform the distribution sector in India. The Smart Grid Lab provides a perfect place to showcase that journey spanning across both time and technologies put in place to empower - the consumers, the grid and most of all, empower green energy growth. Overhauling the conventional framework under which the utilities are governed and making them open up for usage of new and renewable generation would help usher distribution utilities to a new era of grid modernization across the globe.

Advanced Metering Infrastructure Project

The Company has always been a pioneer in technology adoption based on understanding of customer needs. In 2013, the Company conducted “Smart Grid Road Map” study through M/s Quanta and subsequently National Tariff Policy, 2016 was released by Central Government. The Company has taken its first step in its smart metering journey with the learning of several proof of concepts on different communication technologies.

Considering the viability of RF-Mesh Network which is found to be the best suited technology for Advanced Metering Infrastructure (AMI) implementation in the Company having a geographical spread of 510 sq. kms. in North and Northwest Delhi. The head-end system shall support Network Operation Center (NOC) and administrative activities with role-based user access for outage management, RF network deployment, network monitoring, alerts/notification, reading data, remote configurations, network reporting etc. Meter Data Management System supports different actions viz. reading extraction, revenue protection module, integration with different IT/OT utility applications, analytical report preparation which had helped in improvement in consumer services and cost optimization. In addition to providing real time communication and monitoring capability, this initiative will also provide accurate information on energy consumption patterns, enhanced monitoring and control points throughout network on real time basis and reduced commercial losses.

As a part of learning and capacity building, it has also been understood that a mix of communication technologies is the future need and necessary for pan-India scenarios. The Company has also adopted Public Cellular Networks starting with Narrow Band Internet of Things (NBloT), after due consideration and approvals from DERC. Separate Head-End System was also implemented and integrated with multiple meter manufacturers. Going ahead, in the next FY, 4G shall also be a part of our communication technology in AMI.

For the integration of two different head-end systems of RF-Mesh and NBloT technologies, a unified Meter Data Management System was placed initially with the vision of future requirements. Till now, 3.53 lakh smart meters have been deployed in the Company consisting of 3.06 lakh and 0.35 lakh smart meters on RF-Mesh and NBloT, respectively. Both these technologies are strategically placed for meter types, consumer segments, geographical location, gestation time and use case requirements. Multiple meter manufacturers (3 in each communication technology) have been integrated to cater to supply chain issues. Presently, smart meters deployment is mainly focused on business needs.

Several commercial and operational enablement were achieved with AMI deployments viz. lean prepaid, over-the-air firmware upgrade & mode change, increased transparency of data with consumers and a dashboard on customer applications with features such as customized alerts, Time of the Day (ToD) and prepaid balance. The capability of demand response has been demonstrated by reducing load 85.08 MW, connect/ disconnect having operations of approx. 90,000 each, sustained billing reads over 98% per month, peer-to-peer project which has been done with i-Electrix, integration with Distributed Energy Resources (rooftop or ground mount solar, EV and battery storage), distribution automation by transformer health monitoring through DIDO installed in specially designed distribution transformer (DT) smart meter, asset optimization by DT swapping and outage management integration with last gasp in a phased manner.

NBloT DT meters are also integrated and approx. 100 meters are deployed in the field. Low-cost smart metering, universal NIC module, lean prepaid in NBloT technology and load balancing at the DT level to reduce technical losses are the next steps planned in the journey of Smart Grid implementation.

Other Initiatives

Lineman Diwas

As a step towards institutionalizing the practice of celebrating a day as 'Lineman Diwas' by all State and private discoms, your Company under the guidance of the Central Electricity Authority of India (CEA) organized the Third Edition of Lineman Diwas celebration on 4th March 2023 in Delhi.

Over 100 linemen from 20 State and private discoms from across the country were felicitated at the central event in Delhi. Besides this, celebrations were also organized by the discoms at their respective locations to honour their linemen and ground staff. Tata Power-DDL initiated the First Ever Lineman Diwas celebration of Indian power sector in March 2021. The theme of the celebration was Seva Suraksha Svabhimaan signifying the Dedication, Service and Sacrifice of the frontline heroes of the Power Sector. Second Edition of Lineman Diwas was celebrated in 2022 at a much wider scale across Tata Power's T&D cluster and other discoms from Delhi, Odisha, Mumbai, Goa, Ajmer, Jammu & Kashmir, Uttar Pradesh, Jharkhand and Ajmer wherein around 15,000 linemen were felicitated.



4. RESERVES

The Board of Directors has decided to retain the entire amount of profit for the financial year 2022-23 in the statement of profit and loss.

5. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

The Company has one wholly owned subsidiary i.e. NDPL Infra Limited. There has been no major change in the nature of business of your Company and its subsidiary. Currently, there is no joint venture and associate of the Company.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Policy on Board Diversity & Director Attributes and Remuneration Policy for Directors, Key Managerial Personnel and other employees**

In terms of the provisions of Section 178(3) of the Companies Act, 2013 (“the Act”), the Nomination and Remuneration Committee (“NRC”) is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP) and other employees.

Based on the recommendations of the NRC and as per the requirements of the Act and the rules made thereunder, the Board had approved and adopted the Remuneration Policy for Directors, KMP and other employees. The philosophy for remuneration of Directors, KMP and all other employees of the Company is based on commitment of fostering a culture of leadership with trust. The Remuneration Policy is aligned to the same.

The Remuneration Policy of the Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavors to attract, retain, develop and motivate a high-performance workforce.

Diversity at Board level is a necessary requirement in ensuring an effective Board. A mix of Executive, Independent and other Non-Executive Directors is one important facet of diverse attributes that the Company desires. Further, a diverse Board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive and effective Board. All Board appointments shall be made on merit in terms of the policy.

In line with this requirement, the Board has adopted the Policy on Board Diversity & Director attributes, which is reproduced as per Annexure-I and the Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company, which is reproduced as per Annexure-II.

The Company has also placed a copy of Policy on Board Diversity & Director attributes and Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company on the website of the Company and the web-link of such policies is: https://tatapowerddl.com/Editor_UploadedDocuments/Content/TPDDL_company's_policy_on_directors'_appointment_&_remuneration.pdf

The Directors nominated by Delhi Power Company Limited and the Independent Directors draw only sitting fee from the Company. Amongst the Directors nominated by Tata Power, only Mr. Arup Ghosh and Ms. Satya Gupta, Directors, draw sitting fee from the Company. No Commission is payable to any Director of the Company.

Governance Guidelines:

The Company has also adopted Governance Guidelines on Board effectiveness. The governance guidelines cover aspects related to:

- Composition and role of the Board (this includes elements on the size, composition, role of the Board, the Chairman and the Directors. It also covers definition of independence, Directors' term, retirement age and Committees of the Board)
- Nomination, appointment, induction and development of Directors
- Directors' remuneration
- Board effectiveness review (this includes aspects related to the process for evaluation of Board as a whole, Individual Directors including Managing Director/ Executive Director/ Non-Executive Director/ Independent Director/ Chairman and Board Committees)
- Mandates of Board Committees (this includes the mandate for Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee).

• **Additions/ Retirements/Resignations of Directors**

Dr. Amar Jit Chopra and Mr. Ajay Shankar were appointed as Independent Directors (IDs) of the Company for a first term of three years with effect from 23rd March 2017 to 22nd March 2020. Thereafter, they were re-appointed to hold office for a second term of three years from 23rd March 2020 to 22nd March 2023. In terms of the provisions of Section 149(10) of the Act, both Dr. Chopra and Mr. Shankar were not eligible to be re-appointed as IDs of the Company before the expiry of three years from 23rd March 2023.

Also, in terms of Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR)] at least one ID on the Board of The Tata Power Company Limited (Tata Power/Parent Company) was required to be appointed as a director on the Board of the Company, it being an unlisted material subsidiary of Tata Power. In compliance with the same, Mr. K. M. Chandrasekhar (ID of Tata Power) was appointed as an ID of the Company for a first term of three years from 24th March 2020 to 23rd March 2023. His first term of three years expired on 23rd March 2023. However, since he attained the retirement age as per the Governance Guidelines on Board Effectiveness adopted by the Company, he was also not eligible to be re-appointed for a second term as an ID of the Company on the expiry of his first term.

During FY 2022-23, Dr. Amar Jit Chopra, Mr. Ajay Shankar and Mr. K M Chandrasekhar have ceased to be Independent Directors of the Company in view of the expiry of their respective terms w.e.f. 22nd March 2023 and 23rd March 2023 respectively.

Mr. Jasmine Shah, Mr. Ajit Kumar Singh, Ms. Rashmi Krishnan and Mr. Naveen ND Gupta have also ceased to be Directors of the Company in view of withdrawal of their nominations by the

appointing authority i.e. Delhi Power Company Limited (DPCL/Investee Company) w.e.f. 14th February 2023.

The Board places on record its appreciation for the valuable contribution made by the outgoing Directors as members of the Board.

The Board appointed Mr. Kailash Nath Shrivastava, Mr. Narendra Nath Misra and Mr. Ashok Sinha as Additional Directors (Independent), not liable to retire by rotation, for a period of 3 years commencing from 23rd March 2023 and 24th March 2023 respectively, based on the recommendation of Nomination and Remuneration Committee (NRC) and subject to the approval of shareholders at the next general meeting,

DPCL vide its communication dated 14th February 2023 basis the Order issued by Jt. Director (Power), Department of Power, Govt. of NCT of Delhi dated 10th February 2023, had nominated Mr. Manish Kumar Gupta, Dr. Ashish Chandra Verma and Mr. Shurbir Singh as Directors on the Board of the Company.

The Board appointed Mr. Manish Kumar Gupta, Dr. Ashish Chandra Verma and Mr. Shurbir Singh as Additional Directors w.e.f 17th March 2023, based on the recommendation of NRC. They would hold office upto the conclusion of the forthcoming AGM.

The Company has received notices under Section 160(1) of the Act from shareholders proposing the names of Mr. Kailash Nath Shrivastava, Mr. Narendra Nath Misra, Mr. Ashok Sinha, Mr. Manish Kumar Gupta, Dr. Ashish Chandra Verma and Mr. Shurbir Singh for their appointment for the office of Directors at the forthcoming General Meeting.

In accordance with the requirements of the Act and the Company's Articles of Association, Mr. Arup Ghosh and Ms. Satya Gupta, Directors retire by rotation and are eligible for re-appointment.

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

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

Key Managerial Personnel: As on 31st March 2023, following are the Key Managerial Personnel (KMP) of the Company:

- (i) Mr. Ganesh Srinivasan, Chief Executive Officer
- (ii) Mr. Suranjit Mishra, Chief Financial Officer
- (iii) Ms. Monica Mehra, Company Secretary

During FY 2022-23, there was no change in the composition of KMPs of the Company.

• **Number of Board Meetings and dates:**

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

The Company Secretary in consultation with the Chairman and the Chief Executive Officer prepares a detailed agenda for the meetings. The Board papers comprising the agenda and other

explanatory notes are circulated to the Directors in advance. The members of the Board have complete access to all information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. Senior Management is invited to attend the Board meetings so as to provide additional inputs to the items being discussed by the Board as well as to get Board's first-hand perspective on critical issues. The directions of the Board are further communicated down the line by the Senior Management through various town hall meetings and dialogue sessions.

Four (4) meetings of the Board of Directors were held during the year 2022-23 and the gap between two meetings did not exceed 120 days. The meetings were held on 22nd April 2022, 14th July 2022, 15th October 2022 and 13th January 2023.

Twenty First (21st) Annual General Meeting of the Company was held on 4th July 2022.

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

S. No.	Name of the Director	Nature of Relationship	No. of Board meetings held	No. of Board meetings attended	Attendance at the 21 st AGM
1.	Dr. Praveer Sinha	Chairman Non-Executive Director (Nominated by The Tata Power Company Limited)	4	4	No
2.	Mr. K M Chandrasekhar (Ceased w.e.f. 23 rd March 2023)	Independent Director	4	4	No
3.	Mr. Ajay Shankar (Ceased w.e.f. 22 nd March 2023)	Independent Director	4	4	No
4.	Dr. Amar Jit Chopra (Ceased w.e.f. 22 nd March 2023)	Independent Director	4	4	Yes
5.	Mr. Sanjay Kumar Banga	Non-Executive Director (Nominated by The Tata Power Company Limited)	4	4	Yes
6.	Mr. Jasmine Shah (Ceased w.e.f. 14 th February 2023)	Non-Executive Director (Nominated by Delhi Power Company Limited)	4	3	No



S. No.	Name of the Director	Nature of Relationship	No. of Board meetings held	No. of Board meetings attended	Attendance at the 21 st AGM
7.	Mr. Ajit Kumar Singh (Ceased w.e.f. 14 th February 2023)	Non-Executive Director (Nominated by Delhi Power Company Limited)	4	4	Yes
8.	Ms. Rashmi Krishnan (Ceased w.e.f. 14 th February 2023)	Woman Director (Nominated by Delhi Power Company Limited)	4	4	Yes
9.	Mr. Naveen ND Gupta (Ceased w.e.f. 14 th February 2023)	Non-Executive Director (Nominated by Delhi Power Company Limited)	4	4	No
10.	Mr. Arup Ghosh	Non-Executive Director (Nominated by The Tata Power Company Limited)	4	4	No
11.	Ms. Satya Gupta	Woman Director (Nominated by The Tata Power Company Limited)	4	3	No
12.	Mr. Ajay Kapoor	Non-Executive Director (Nominated by The Tata Power Company Limited)	4	4	No
13.	Mr. Kailash Nath Shrivastava (Appointed w.e.f. 23 rd March 2023)	Non-Executive (Independent) Director (Nominated by The Tata Power Company Limited)	N.A.	N.A.	N.A.
14.	Mr. Narendra Nath Misra (Appointed w.e.f. 23 rd March 2023)	Non-Executive (Independent) Director (Nominated by The Tata Power Company Limited)	N.A.	N.A.	N.A.
15.	Mr. Ashok Sinha (Appointed w.e.f. 24 th March 2023)	Non-Executive (Independent) Director (Nominated by The Tata Power Company Limited)	N.A.	N.A.	N.A.



S. No.	Name of the Director	Nature of Relationship	No. of Board meetings held	No. of Board meetings attended	Attendance at the 21 st AGM
16.	Mr. Manish Kumar Gupta (Appointed w.e.f. 17 th March 2023)	Non-Executive Director (Nominated by Delhi Power Company Limited)	N.A.	N.A.	N.A.
17.	Dr. Ashish Chandra Verma (Appointed w.e.f. 17 th March 2023)	Non-Executive Director (Nominated by Delhi Power Company Limited)	N.A.	N.A.	N.A.
18.	Mr. Shurbir Singh (Appointed w.e.f. 17 th March 2023)	Non-Executive Director (Nominated by Delhi Power Company Limited)	N.A.	N.A.	N.A.

- **A statement on declaration given by Independent Directors under Section 149:** Mr. Kailash Nath Shrivastava, Mr. Narendra Nath Misra and Mr. Ashok Sinha, Independent Directors of the Company have confirmed that they comply with the requirements specified under Section 149 of the Act and the Companies (Appointment and Qualifications of Directors) Rules, 2014, for being Independent, Non- Executive Directors of the Company.
- **A statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors of the Company:** Based on the declaration(s) received by the Independent Directors, the Board is of the opinion that Independent Directors have integrity, expertise, experience and proficiency (to the extent applicable) as prescribed under the provisions of the Act and the rules made thereunder.
- **Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Act.**
- **Statement indicating all pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:** None of the Non-Executive Directors had any pecuniary relation or transactions with the Company other than the sitting fees and reimbursement of expenses incurred by them (as applicable), for the purpose of attending meetings of the Board/Committee of the Company.
- **Meeting of Independent Directors**
During the year, the Independent Directors of the Company met once on 21st April 2022, without the presence of Non-Independent Directors and other members of management. The Independent Directors reviewed the performance of Non-Independent Directors, the Chairman and the Board as a whole. They also assessed the quality and adequacy of the information between the Company's Management and the Board.

- **COMMITTEES OF THE BOARD:**

- (i) **Audit Committee:**

Terms of reference of Audit Committee are given below:

- (i) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (ii) review and monitor the auditor's independence and performance and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the Company with related parties;
- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the Company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters

The Company complies with the provisions of Section 177 of the Act, pertaining to Audit Committee and its functioning. The Board has also approved and adopted charter of Audit Committee.

Currently, the Audit Committee comprises of the following Directors:

1. Mr. Ashok Sinha, Chairman, Independent Director
2. Mr. Kailash Nath Shrivastava, Member, Independent Director
3. Mr. Narendra Nath Misra, Member, Independent Director
4. Mr. Ajay Kapoor, Member, Non- Executive Director

All members are financially literate and bring in expertise in the fields of finance, economics, development, strategy and management.

The Audit Committee met four (4) times during the year 2022-23. These meetings were held on 21st April 2022, 14th July 2022, 14th October 2022 and 12th January 2023.

The number and attendance of Audit Committee Meetings is as follows:

S. No.	Name of the Director	Category	No. of meetings attended
1.	Dr. Amar Jit Chopra ¹	Independent, Non-Executive	4
2.	Mr. Ajay Shankar ¹		4
3.	Mr. K M Chandrasekhar ²		4
4.	Mr. Ashok Sinha ³		N.A.
5.	Mr. Kailash Nath Shrivastava ⁴		N.A.
6.	Mr. Narendra Nath Misra ⁴		N.A.
7.	Mr. Naveen ND Gupta ⁵	Non-Independent, Non-Executive	4
8.	Mr. Ajay Kapoor		4

¹ Ceased w.e.f. 22nd March 2023.

² Ceased w.e.f. 23rd March 2023.

³ Appointed w.e.f. 24th March 2023.

⁴ Appointed w.e.f. 23rd March 2023.

⁵ Ceased w.e.f. 14th February 2023.

In addition to above, Chief Executive Officer and Chief Financial Officer of the Company have attended Audit Committee meetings held during the year. The Audit Committee invites such of the other executives as it considers appropriate to be present at its meetings. The Statutory Auditors, Internal Auditor and Cost Auditors are also invited to the meetings.

The minutes of the meetings of Audit Committee were placed before the Board.

(ii) Corporate Social Responsibility Committee

The Company has adopted a Corporate Social Responsibility (CSR) Policy which indicates the activities to be undertaken by the Company as specified in Schedule VII to the Act. The policy, including overview of projects or programs proposed to be undertaken, is provided on the Company website:

https://www.tatapower-ddl.com/Editor_UploadedDocuments/Content/CSR_Policy_Tata_Power-DDL_FY_22-23.pdf

The broad terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject as specified in Schedule VII to the Act;
- Recommend the amount of expenditure to be incurred on the activities referred to in the above clause; and
- Monitor the CSR Policy of the Company from time to time.

Currently, the CSR Committee comprises of the following Directors:

- Mr. Narendra Nath Misra, Chairman, Independent Director
- Mr. Sanjay Kumar Banga, Member, Non- Executive Director
- Mr. Arup Ghosh, Member, Non- Executive Director

The Committee met once during the year 2022-23 on 11th October 2022.

The number and attendance of CSR Committee meeting is as under:

S.No.	Name of the Director	Category	No. of meeting attended
1.	Mr. Ajay Shankar ¹	Independent, Non-Executive	1
2.	Mr. Narendra Nath Misra ²		N.A.
3.	Mr. Jasmine Shah ³	Non-Independent, Non-Executive	1
4.	Mr. Ajit Kumar Singh ³		1
5.	Mr. Sanjay Kumar Banga		0
6.	Mr. Arup Ghosh		1

¹Ceased w.e.f. 22nd March 2023.

²Appointed w.e.f 23rd March 2023.

³Ceased w.e.f. 14th February 2023.

The minutes of the meetings of the CSR Committee were placed before the Board.

(iii) Nomination and Remuneration Committee:

Terms of Reference

The Committee shall identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the

Board, by the Nomination and Remuneration Committee (NRC) or by an independent external agency and review its implementation and compliance.

The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The Board also approved and adopted charter of NRC.

Currently, the NRC comprises of the following Directors:

1. Mr. Kailash Nath Shrivastava, Chairman, Independent Director
2. Mr. Narendra Nath Misra, Member, Independent Director
3. Dr. Praveer Sinha, Member, Non- Executive Director

The Committee met twice during the year 2022-23 on 22nd April 2022 and 28th December 2022.

The number and attendance of NRC meetings is as under:

S. No.	Name of the Director	Category	No. of meetings attended
1.	Mr. K M Chandrasekhar ¹	Independent, Non-Executive	2
2.	Mr. Ajay Shankar ²		2
3.	Mr. Kailash Nath Shrivastava ³		N.A.
4.	Mr. Narendra Nath Misra ⁴		N.A.
5.	Dr. Praveer Sinha	Non-Independent, Non-Executive Director	2
6.	Ms. Rashmi Krishnan ⁵		2

¹Ceased w.e.f. 23rd March 2023.

²Ceased w.e.f. 22nd March 2023.

³Appointed w.e.f. 24th March 2023.

⁴Appointed w.e.f. 23rd March 2023.

⁵Ceased w.e.f. 14th February 2023.

The minutes of the meetings of the NRC were placed before the Board.

(iv) Operations Review Committee

The Operations Review Committee (ORC) reviews progress on all important issues pertaining to operational aspects of the Company and such other matters as may be delegated to it by the Board of Directors from time to time. Currently, ORC comprises of the following Directors:

1. Mr. Sanjay Kumar Banga, Chairman, Non- Executive Director
2. Mr. Arup Ghosh, Member, Non- Executive Director
3. Mr. Ajay Kapoor, Member, Non- Executive Director

The Committee met once during the year 2022-23 on 13th January 2023.

The number and attendance of ORC meeting is as under:

S.No.	Name of the Director	Category	No. of meeting attended
1.	Mr. Sanjay Kumar Banga	Non-Independent, Non-Executive Director	1
2.	Mr. Arup Ghosh		1
3.	Mr. Ajay Kapoor		1

The minutes of the meeting of the ORC were placed before the Board.

(v) Long Term Loans and Borrowings Committee

The Long Term Loans and Borrowings Committee (LTBC) reviews and approves terms and conditions pertaining to all long term loans and borrowings and such other matters as are delegated to it by the Board of Directors from time to time.

Currently, LTBC comprises of the following Directors:

1. Mr. Ashok Sinha, Chairman, Independent Director (w.e.f 24th March 2023)
2. Dr. Praveer Sinha, Member, Non- Executive Director

(vi) Committee for Liquidation of Regulatory Assets

The Committee for Liquidation of Regulatory Assets explores and advises the management on various ways to reduce the regulatory assets of the Company and to engage external industry experts and consultants, if required and such other matters as are delegated to it by the Board of Directors from time to time.

Currently, the Committee for Liquidation of Regulatory Assets comprises of the following Directors:

1. Mr. Ashok Sinha, Independent Director (w.e.f 24th March 2023)
2. Mr. Kailash Nath Shrivastava, Independent Director (w.e.f 23rd March 2023)
3. Mr. Narendra Nath Misra, Independent Director (w.e.f 23rd March 2023)

(vii) Committee of Directors for Framework for Contingent Liabilities

The Committee of Directors for Framework for Contingent Liabilities was constituted for a specific purpose of formulating a framework for Contingent Liabilities. It met once during the year 2022-23 on 15th December 2022 and finalized the framework for Contingent Liabilities. It comprised of Mr. Ajay Kapoor, Chairman, Ms. Rashmi Krishnan and Mr. Naveen ND Gupta, Members.

The minutes of the meeting of the Committee of Directors were placed before the Board.

7. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

Statement indicating the manner in which formal annual evaluation has been made by the Board:

The Company has instituted a process for evaluation of the performance of the Board, Statutory Committees of the Board and of Individual Directors by various governance organs - the full Board, the NRC and Independent Directors. The evaluation requires each Director to make an assessment confidentially of the performance of the Board as a body and of each individual Director. The assessments so made are collated and the blended opinion of the Directors who have responded is discussed in the various aforementioned governance organs, as statutorily mandated. In the case of Statutory Committees, assessments are made by the Committee Members and a report based on them is presented to the Board. Feedback was provided to the Directors, as appropriate. During the year under review, the recommendations made in the previous year were satisfactorily implemented.

8. REGULATORY & LEGAL

• CHANGES IN REGULATIONS

Delhi Electricity Regulatory Commission (Business Plan) Regulations, 2023

These regulations have been issued by DERC on 29th March 2023. Return on Equity has been reduced from 16% to 14% for distribution licensee and the carrying cost has been reduced from 14% to 13% for computation of Weighted Average Rate of Interest for funding of Regulatory Asset/Accumulated Revenue Gap. Operation & Maintenance expenses have been changed from 'based on per unit asset' to 'rate per unit of electricity sale'.

Delhi Electricity Regulatory Commission-Renewable Power Obligation-Renewable Energy Certificates (First Amendment) Regulations, 2023

These regulations have been issued by DERC on 29th March 2023. Renewable Power Obligation (RPO) trajectory has been redefined into Wind, Other and Hydro Power Obligation (HPO) instead of the earlier categories of Solar and Non-Solar along with HPO. Steep targets have been set in line with RPO trajectory defined by Ministry of Power, Government of India.

Ministry of Power, Government of India notifications:

I.Directions to Generating Companies for blending of imported coal on 5th May 2022, 26th May 2022 and 9th January 2023. Looking into the emergent situation owing to the rise in demand and non-adequate supply of domestic coal, all states and gencos based on coal were directed to import coal of atleast 10% of their requirement for blending. The methodology for compensating due to blending of coal, mechanism for billing and payment of these plants and situation of default etc. are issued. Further, directions have been given on 9th January 2023 to take necessary action and plan on priority, the import of coal through transparent competitive procurement for blending at the rate of 6% by weight to ensure coal stocks for smooth operations till September 2023.

II.RPO and energy storage obligation trajectory till FY 2029-30 notified on 22nd July 2022 and corrigendum issued on 19th September 2022: Trajectory upto FY 2029-30 and new categories such as Wind RPO, HPO and other RPO have been defined. Wind RPO can be met only from Wind Power Plants (WPPs) commissioned after 31st March 2022. HPO can be met only by energy produced from Large Hydro Power Projects (LHPs) including Pumped Storage Projects (PSPs) commissioned after 8th March 2019. While the other RPO can be met from Renewable Energy (RE) not allowed for other two categories. Targets for energy storage obligations have been defined till FY 2029-30.

III.Electricity (Amendment) Rules, 2022 notified on 29th December 2022: Electricity Rules 2005, have been amended. The amendment has created implementation of Uniform Renewable Energy Tariff for central pool. There shall be a different central pool for each of the sectors of the renewable energy sources. The Implementing Agency shall compute the uniform renewable energy tariff for selling of electricity to end procurer by intermediary procurer, on a monthly basis, as per the methodology specified. It shall also issue the monthly account statements for adjustment of any surplus or deficit tariff among the intermediary procurers and the Intermediary Procurer shall within fifteen days make the payment as per the monthly account statements to the other intermediary procurer, if the payment is due to it. The uniform renewable energy tariff under these rules shall be applicable only to the renewable energy- generators for their contracted capacity which forms part of central pool under these rules. It also defines the Fuel and Power Purchase Adjustment Methodology.

Directions in the interest of grid security, in pursuance of the provisions of the Electricity Act, 2003 and the provisions of the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022

After these regulations came into effect, CERC has been closely monitoring implementation of the Deviation Settlement Mechanism (DSM) Regulations, 2022 from the date of its operation. While various players sought to align themselves with the new system put in place by these regulations, CERC was apprised that wide frequency fluctuations had occurred post the implementation of the same. CERC held detailed discussions and consultations with the Grid Controller of India Ltd (Grid-India) and the regional entity generating stations to assess the implementation challenges in this regard. In the wake of the operational experience post 5th December 2022, CERC issued directions on 26th December 2022 vide suo motu petition stipulating inter-alia, certain regulatory measures to contain frequency within the operating band and reduce wide frequency fluctuations. CERC further reviewed implementation of the DSM Regulations, 2022, post issuance of directions dated 26th December 2022. It also received Operational Feedback from Grid-India on 10th January 2023 and held detailed deliberations with Grid- India, the regional entity generating stations, the Wind and Solar Generators represented by their Associations and the Regional Power Committees. In the interest of grid security and based on the feedback of the stakeholders during consultations, CERC, in exercise of its powers under the DSM Regulations, 2022 and the Electricity Act, 2003 issued practice directions vide order dated 6th February 2023. It relaxed the regulations to provide that the Normal Rate of Charges for Deviations for a time block as specified shall be equal to the higher of [the weighted average ACP of the Day Ahead Market segments of all the Power Exchanges; and the weighted average ACP of the Real Time Market segments of all the Power Exchanges, for that time block] subject to a ceiling of ₹ 12 per kWh, until further orders. It also relaxed the charges for deviation in a time block by a seller/ buyer, payable by such seller/buyer to Deviation and Ancillary Service Pool Account.

Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022

CERC notified these regulations on 7th June 2022 and has appointed different dates for commencement of different regulations. The regulations aim to facilitate non-discriminatory open access to licensees or generating companies or consumers for use of Inter-State Transmission System (ISTS) through General Network Access (GNA) and to consolidate the regulations on the subject. Applications for grant of either Connectivity or GNA shall be made online to the Nodal Agency and shall be digitally signed by the Applicant. The regulations describe various aspects pertaining to Connectivity to ISTS and GNA.

Approval of 'Detailed Procedure for Connectivity and GNA' under Regulation 39.1 of the Central Electricity Regulatory Commission (Connectivity and General Network Access to the Inter-State Transmission System) Regulations, 2022

In accordance with Regulation 39.1 of the GNA Regulations, Central Transmission Utility (CTU) was required to submit Detailed Procedure in respect of specified Regulations for approval of CERC. Accordingly, CTU vide its letter dated 30th September 2022 submitted the 'Detailed Procedure for Connectivity and GNA'. CERC examined and re-issued the same after incorporating suitable changes approved the "Detailed Procedure for Connectivity and GNA" in terms of proviso to the aforesaid Regulation vide its order dated 14th October 2022. The Detailed Procedure shall be effective from the date of coming into effect of GNA Regulations.

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

10. RISK MANAGEMENT FRAMEWORK

Risk Management Committee/framework/policy/review mechanism

Enterprise Risk Management at the Company is monitored by the Apex Risk Management Committee (ARMC) and is reviewed by the Audit Committee and Board. Based on the suggestions of the Audit Committee, a comprehensive model covering the qualitative and quantitative impact of risks has been adopted. The Company has developed an in-house web-based application for risk management to register and monitor risks. The Audit Committee and the Board review the actions taken by the Company to evaluate and mitigate these risks.

Top risks of the Company are:

1. Amount recoverable from DERC (Regulatory Overhang)
2. Rithala Plant disallowance of cost
3. National Thermal Power Corporation Limited (NTPC) – Gas Authority India Limited (GAIL) gas related Take or Pay liability
4. Cyber Risk

Financial risk impact of Covid-19

Due to the nature of its regulatory business, the Company does not expect any significant financial impact of Covid-19 on its profitability. It continues to closely monitor its cash flow situation, liquidity, value of assets & liabilities and collection pattern to minimize the impact of any unprecedented situation under Covid-19.

INTERNAL FINANCIAL REPORTING AND CONTROL

The Company has a robust system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

- The Audit Committee comprising of majority of Independent Directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- Reinforcement of Tata Code of Conduct (TCoC) is prevalent across the organization. The code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns etc.
- Anti-Fraud programs such as proactive vigilance and Vigil Mechanism are operative across the organization.
- A comprehensive delegation of power exists for smooth decision making which is being reviewed periodically to align it with changing business environment.
- A well-established, independent, multi-disciplinary internal audit team operates in line with best governance practices. To ensure that adequate checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits (based on the annual audit plans approved by the Audit Committee) are conducted by the team. Significant observations during the audits are periodically presented to the Management and the Audit Committee on compliance with internal controls along with efficiency and effectiveness of the operations.

- Detailed business plan including capital expenditure, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions.
- Out of the 296 documented processes of the organizations, majority are configured suitably with the state-of-the-art SAP enterprise resource planning system. The violations with respect to access rights and segregation of duties are periodically monitored through SAP GRC (governance, risk and compliance) system and necessary corrective/preventive action taken, if deemed necessary. The Company also maintains a comprehensive information security policy and undertakes continuous upgrades of its IT systems. Existing IMS Processes have been aligned and integrated with People Capability Maturity Model (PCMM) and competency framework.

11. SUSTAINABILITY

11.1 SAFETY – CARE FOR OUR PEOPLE

S. No.	Safety Parameters (Employees and Contractors)	FY 2022-23	FY 2021-22
1	Fatality (Number)	0	0
2	Lost Work Day Case (LWDC)	4	1
3	Lost Time Injuries Frequency Rate per million man hours (LTIFR)	0.21	0.06
4	First Aid Cases (Number)	5	11
5	Medical Treatment Cases (MTC)	3	1

11.2 CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

CORPORATE SOCIAL RESPONSIBILITY

The Tata Group is a value driven organization. One of the core values underpinning the way the business is carried, clearly demonstrates that “we must continue to be responsible and sensitive to the countries, communities and environments in which we work, always ensuring that what comes from the people goes back to the people many times over”. Community welfare is central to the core values of the Company and serves as one of the major purposes of our existence. The concern for bringing about a positive change in people’s lives drives us as a Company.



Tata philosophy “to give back to the community manifold” and Tata Power-DDL’s Mission Statement “Reach out and engage in community development programs and initiatives” provide the necessary direction and the rationale to create an environment supporting these communities.

The Company has won two prominent awards- 'TAAP Jury Award and Best in Class for Individual E's- Employability' and 'ICC Social Impact Awards 2023' in the category of Promoting Education.

A total of 15.28 lakh beneficiaries have been helped and supported through Corporate Social Responsibility (CSR) initiatives of the Company viz. Ujjwal (> 0.16 lakh), Sanjeevani (> 5.00 lakh), Unnati (> 2.77 lakh), Club Enerji (> 0.62 lakh), Disaster Management & Unforeseen Contingencies {Covid-19 Response/Activities} (> 0.91 lakh) and Road Safety Initiative (> 5.00 lakh). Several initiatives have been taken in FY 2022-23 viz. CSR Effectiveness Index, Handloom Unit Inauguration, distribution of Aids & Appliances to the differently abled, NGO Scorecard Assessment, Lakshya Classes for meritorious students, Impact4Nutrition and CSR support for the rural belt under the licensed area of the Company. Some of the existing CSR initiatives are Women Literacy Centres, ABHAs, Self- Help Groups (SHGs), Vocational Training Centres, Mobile Dispensaries, Potable RO Water Plants, Energy Conservation Sensitization Sessions and Tree Plantation.

Prescribed CSR expenditure of two per cent of the average net profits of the Company made during the three immediately preceding financial years was ₹ 12.34 crore as per the requirements of the Act and the rules made thereunder and the Company has spent ₹ 12.52 crore during FY 2022-23. The Annual Report on CSR Activities is provided in Annexure III.

11.3 AFFIRMATIVE ACTION

The Company's journey in the realm of Affirmative Action began with the signing of the Code for Affirmative Action on 3rd February 2007. The "Policy on Affirmative Action for Scheduled Caste (SC) & Scheduled Tribe (ST) Communities" was approved by the Board of Directors on 18th July 2007. In order to supplement efforts of the government to improve condition of socially and economically underprivileged SC/STs and to create a level playing field, concrete steps for giving better opportunities in the private sector were initiated. The Company's Affirmative Action aiming towards upliftment of SC and ST communities are classified under 4Es viz. Education, Employability, Employment and Entrepreneurship. 1,070 students pursuing professional and other degree courses have been provided scholarship, more than 10,000 girls have been supported under soft skills development training program at 15 schools, 640 beneficiaries are enrolled at special training centres under Meri Pathshala and 230 students are being mentored and guided by the mentors (employees) under Mentor-Mentee Program. A new initiative— Special Coaching Classes (Lakshya Classes) was introduced in FY 2022-23 for 100 meritorious students from underprivileged communities to help them prepare for competitive examinations such as IIT-JEE & NEET.

12. HUMAN RESOURCES

- **Organizational Workforce**

The Company has recruited people from various technical & non-technical colleges at trainee and lateral levels to cater to manpower requirements during the period under review. The employee strength of the Company for FY 2022-23 was 3,244 (including 141 fixed term employees). Productivity study was carried out for Commercial and F&A functions; diagnostic study findings have been disseminated.

- **Diversity & Inclusion**

With an objective to strengthen Diversity & Inclusion (D&I) in the organization, D&I Council and focused D&I Policy are already in place covering the aspects of Recruit, Nurture and Support. A special survey to capture feedback and inputs from target audience of women and specially-abled employees was carried out. A separate hiring drive was also conducted for giving opportunities to specially-abled candidates. On the occasion of International Women's Day, an exclusive event was organized for all the women employees.



Other Women oriented initiatives like “Break in Service”, “Protection of Performance Ratings while proceeding on Maternity Leave”, “Re-orientation Programs post Maternity Leave”, “Customized Leadership Program for Women Employees”, “Dialogue with Senior Leadership”, “Samridhi Merit Award” etc. are being continuously implemented for women employees to promote equality and provide career development opportunities. Females accounted for 19% out of the total recruitments done in FY 2022-23.

Recruitment done under Affirmative Action was 14% during the year under review.

- **Employee Connect & Engagement**

The Employee Grievance Redressal Index of HR Connect was 100% with 2 average days for addressing the grievances in FY 2022-23.

During the year under review, 91% of distinct employees were recognized under the various rewards and recognition schemes.

Following engagement initiatives were undertaken:

1. Revamped achiever's portal with introduction of new R&R bouquet and modification in existing reward categories, flexibility in achiever's point redemption.
2. Launch of VIBES- Happiness Pulse Check, an online platform to capture employee's happiness on fortnightly basis along with action planning.
3. Special reward scheme- Outstanding Achievers for recognizing annual contribution.
4. Introduction of Celebrating New Life hampers to all employees for becoming parents and being part of their most joyous occasion.
5. Revision and simplification of policies like reward & recognition policy, higher education policy, mobile policy, car policy, joining reimbursement, office bag etc.
6. Feedback and Suggestions captured on the policies through Reflections Survey.
7. Introduction of Annual Happiness Calendar.
8. Continuation of Health+ Mobile App in collaboration with Visit Health.
9. Multiple engagement contests and events to celebrate festivals and team spirit across the organization.
10. Organized various Trainee Engagement events such as YPC, Movie Evening, Euphoria, YPC rewind- Sports event, Trainee Development Programme - TSAF etc.
11. Unique celebrations – International Women's Day, Bachey Maan Kay Sachey, IT – Day etc.
12. Organizing Decentralized R&R at locations beside central ceremonies for Long Service Award and Annual R&R.
13. TMT connect with HoGs - open house session organized with senior leadership to get leadership insights on organizational objectives and priorities.

- **Capability Development**

In order to improve the engagement levels of the employees and to develop them further, about 82% employees in Executive cadre and 79% employees in Non-Executive cadre having experience of more than 5 years in the same role have been given job rotation/enrichment during the year under review.

Functional Competency Assessments have been done for 1,600+ employees and 3,340 development needs have been identified. These gaps were allocated to various interventions: training program by DOSEC, talent development, on-the-job training through mentoring, departmental competency based Seekh sessions and self-learning. 86% of active competency gaps have been addressed through competency-based trainings and mentoring (on-the-job training).

- **Talent Development**

A conscious approach is undertaken to develop and retain people with aptitude and abilities to meet the current and future organizational requirements.

In FY 2022-23, 99% executive and 91% non-executive employees were covered in various training & development programs. The Company tied up with Skillsoft's Intelligent learnings – Percipio in 2019 to provide best in class and 24x7 learning opportunity to the employees. Total Gyankosh learning hours in FY 2022-23 were 22,333 hours.



Classroom and online sessions were organized for the employees resulting in 54,212+ learning hours for almost 2,970+ employees. 71% women employees were covered in women specific interventions through Women Leadership series- WILL Conquer from within, Achieve Excellence.

Some of the other learning and development initiatives during the year were as follows:

1. 928 unique employees covered in various internal and external programs focusing on future growth areas like Data Analytics, Micro Grid, Block Chain, Renewables, Smart Meter & Sensor, Battery Energy Storage, EV, Charging, Internet of Things etc.
2. 215+ learning hours in Talent 100 2.0 journey- to build future leaders.
3. Report Preparation of in-house 360-degree feedback for Senior Leadership Team.
4. Launch of Mentoring by Choice Platform.
5. Trainee development interventions- Series of Youth Power Confluence, Outbound Residential Training at Uttarkashi.
6. Extension of Gyankosh license to Supervisor cadre.
7. Design Thinking Workshops for capability development.
8. Customized ALDP Program at IIM Indore.
9. Tie up with Great Learning for customized program on AI & Machine Learning.
10. Higher education policy revision.
11. Empowered learning Scheme for HoGs & above.
12. Launch of Finance Functional Academy.

- **Industrial Relations**

The industrial relations situation in the Company continued to be peaceful during the year under review. Management's relation with employees continued to be cordial and cooperative. HR Business Partners have continuously improved direct interface with all employees. Voice of Employees sessions and Open house sessions were organized at multiple locations by Chief-HR & IR. Open House sessions were also conducted with women employees, trainee batches, BA employees.

- **Prevention of Sexual Harassment**

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

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

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

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

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

S. No.	Particulars	No.
1.	Complaints received	2
2.	Complaints disposed of	1
3.	Cases pending	1
4.	Cases pending for more than 90 days	1
5.	Established cases of Sexual Harassment	0
6.	Sessions conducted on awareness	10

Creating Awareness

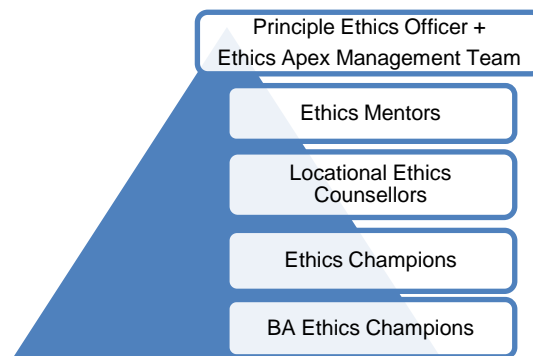
In order to create an engaging and immersive e-learning experience, videos on awareness of POSH were also shared with all the employees along with sharing of awareness messages through central platform of Sandesh.

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

Ethics Management

Ethics Management at the Company has been institutionalized through TCoC. To spread awareness and sustain an ethical culture across the organization, ethics management is a 5-tier structure. Ethics Management Apex Team (EMAT), led by the CEO in his capacity as the Principal Ethics Officer (PEO) and represented by other senior leadership members of the organization. Apex team plays the lead role in guiding, reviewing and monitoring ethical issues.

At the 2nd tier, Ethics Mentors address grievances of all stakeholders. At the 3rd tier, Locational Ethics Counsellors (LECs) comprising of officers at the level of Senior Manager to Deputy General Manager, who are present at key locations across the Company and are readily approachable to all the locational employees and other stakeholders. The 4th tier comprises of Ethics Champions (ECs) who are officers up to Manager level who assist LECs and spread awareness about TCoC and other Ethics related policies amongst employees at their respective locations. The 5th tier comprising of Business Associates (BA) Ethics Champions under the guidance of LECs/ECs are exclusively dealing with the concerns of contract employees apart from spreading awareness about ethics policies and systems so that the prevalent guidelines in regard to ethics are percolated up to the last level.



The Company has established a robust Ethical Concern resolution process, centrally controlled by Chief Ethics Counsellor (CEC). Concerns are logged and monitored through an online portal and tracking process wherein all complaints are resolved in a time bound manner. The ethical concerns received from consumers/residents of the area through Interactive Voice Response System are also tracked for resolution through the online portal. Corrective actions are taken, if the concerns raised are found to be valid. Ethical conduct is considered as one of the parameters while finalizing contracts of BAs. Exemplary ethical practices are rewarded by leadership in various forums and Reward & Recognition ceremonies. As a new initiative, statistics and synopsis of Ethical Concerns, both substantiated and not substantiated, are circulated to employees on quarterly basis through Sandesh from CEO Office. The same are also displayed through screensaver from time to time.

TCoC is available at: https://tatapower-ddl.com/Editor_UploadedDocuments/Content/TCoC-2015-English.pdf

Launch of Anti-Bribery & Anti-Corruption Policy

Anti-Bribery & Anti-Corruption Policy (ABAC Policy) was implemented in the Company w.e.f. 6th September 2022. Accordingly, an internal communication attaching ABAC Policy along with its salient features was circulated amongst the employees. All complaints falling under the purview

of this Policy can be forwarded to the concerned Compliance Officer in accordance with the ABAC Policy

A copy of the ABAC Policy has been placed on the Company's website at the web-link:
<https://www.tatapower-ddl.com/corporate/our-company/corporate-policies>

Vigil Mechanism

As per the requirements of the Act and the rules made thereunder, the Company has also formulated Vigil Mechanism for its Directors, employees and stakeholders to approach the CEC/ Chairman of the Audit Committee to report concerns of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics related policies. This mechanism provides adequate safeguards against victimization of persons who use the mechanism and shall also ensure direct access to the CEC or Chairman of the Audit Committee in appropriate or exceptional cases.

Under Vigil Mechanism, complainant must disclose his/her identity. Anonymous disclosures are not favoured under the Vigil Mechanism. However, when an anonymous complainant provides specific and credible information, then the Company may consider investigating the complaint.

A copy of Vigil Mechanism has been placed on the Company's website at the web-link:
https://www.tatapowerddl.com/Editor_UploadedDocuments/Content/Vigil_Mechanism_Jan_'22.pdf

The Company sensitizes the availability of the above Vigil Mechanism for its Directors and employees from time to time.

Gift Policy

The Company has formulated Gift Policy in line with the commitment made in Gifts & Hospitality clause of TCoC which is available at the following web-link:
[https://www.tatapowerddl.com/Editor_UploadedDocuments/Content/TPDDL_Gift_Policy_\(Rev_5\)_01102019.pdf](https://www.tatapowerddl.com/Editor_UploadedDocuments/Content/TPDDL_Gift_Policy_(Rev_5)_01102019.pdf)

SA-8000-2014: The Company is certified for SA-8000-2014 version, an international standard for social accountability. In order to address social and environmental challenges, the Company continues to strive to identify areas where it can make a difference.

13. CREDIT RATING

The Company's borrowing facilities (both fund and non-fund based) are rated by International Credit Rating Agency (ICRA), the credit rating agency. As on 31st March 2023, the Company had fund-based credit rating as AA with stable outlook along with short term and non-fund based credit rating as A1+ for bank lines. The Company has A1+ rating for its Commercial Paper from ICRA (obtained on 28th February 2023) and Credit Rating Information Services of India Limited (CRISIL) (obtained on 1st December 2022).

14. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

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

15. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars – Standalone	(₹ crore)	
	FY 2022-23	FY 2021-22
Foreign Exchange Earnings mainly on account of interest, dividend	Nil	Nil
Foreign Exchange Earnings mainly on account of consultancy services	1.085	0.11
Foreign Exchange Outflow mainly on account of:		
<i>Fuel purchase</i>	Nil	Nil
<i>Interest on foreign currency borrowings, NRI dividends</i>	Nil	Nil
<i>Purchase of capital equipment, components and spares and other miscellaneous expenses</i>	Nil	Nil
<i>Foreign consultancy & other expenses</i>	0.96	1.14
<i>Foreign travelling expenses</i>	0.36	0.03

16. DISCLOSURE OF PARTICULARS

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

17. SUBSIDIARIES

NDPL Infra Limited is the wholly owned subsidiary of the Company. Pursuant to Section 129(3) of the Act and the rules made thereunder, a statement containing salient features of financial statements of the subsidiary of the Company in form AOC-1 is attached to financial statements of the Company.

During FY 2022-23, the existing subsidiary did not cease to be a subsidiary of the Company. There has been no major change in the nature of business of your Company and its subsidiary. Currently, there is no joint venture and associate of the Company.

Report on the performance and financial position of NDPL Infra Limited and its contribution to the overall performance of the Company is given below:

Performance, Financial Highlights and contribution of the subsidiary to the overall performance of the Company

NDPL Infra Limited has earned other income of ₹ 1.48 crore during FY 2022-23, an increase of about 5.8% from ₹ 1.40 crore in FY 2021-22. NDPL Infra Limited has earned Profit Before Tax (PBT) of ₹ 1.33 crore for the year ended 31st March 2023 as against ₹ 1.13 crore for the year ended 31st March 2022 and total comprehensive income of ₹ 1 crore for the year ended 31st March 2023 as against ₹ 0.82 crore for the year ended 31st March 2022.

18. AUDITORS

Statutory Audit: Members of the Company at the AGM held on 21st June 2021 had approved the appointment of M/s T R Chadha & Co LLP, Chartered Accountants (Firm Registration No. 006711N/N500028), as the Statutory Auditors of the Company, to examine and audit the accounts

of the Company, for five years commencing from the conclusion of 20th AGM of the Company till the conclusion of the 25th AGM to be held in 2026 (i.e. from FY 2021-22 to FY 2025-26).

Internal Audit: Mr. Piyush Kumar Jain is the Internal Auditor (AGM, Internal Audit & Risk Appraisal) of the Company.

Secretarial Audit: M/s Sanjay Grover & Associates, Company Secretaries were appointed as Secretarial Auditors of the Company for FY 2022-23 at the Board Meeting held on 22nd April 2022 to conduct the secretarial audit for the year under review.

Based on the recommendation of the Audit Committee, the Board at its meeting held on 17th April 2023 has approved the re-appointment of M/s Sanjay Grover & Associates, Company Secretaries, as the Secretarial Auditors of the Company for FY 2023-24. They have, pursuant to provisions of the Act and the rules made thereunder, furnished a certificate regarding their eligibility for appointment as the Secretarial Auditors of the Company.

19. AUDITORS' REPORT

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

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

20. COST ACCOUNTS, COST AUDITOR AND COST AUDIT REPORT

Pursuant to provisions of Rule 8(5)(ix) of the Companies (Accounts) Rules, 2014, the Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act. Further, in accordance with the requirements of the Central Government and pursuant to Section 148 of the Act and the rules made thereunder, the Company carries out an audit of the cost accounts relating to electricity every year since 2006.

M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No. 000239) were re-appointed as Cost Auditors of the Company for FY 2022-23 at the Board Meeting held on 22nd April 2022 to conduct the cost audit for the year under review.

The Cost Audit Report of the Company for the financial year ended 31st March 2022 was filed with the Central Government, Ministry of Corporate Affairs on 10th August 2022 through Extensible Business Reporting Language (XBRL), before the due date of 30th September 2022.

Based on the recommendation of the Audit Committee, the Board at its meeting held on 17th April 2023 has approved the re-appointment of M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No. 000239) as the Cost Auditors of the Company for the financial year 2023-24, to audit the cost accounts relating to electricity, subject to the ratification of remuneration by the members in the ensuing Annual General Meeting of the Company. They have, pursuant to Section 148 of the Act, furnished a certificate regarding their eligibility for appointment as the Cost Auditors of the Company. They have also certified their independence and arm's length relationship with the Company.

21. SECRETARIAL AUDIT REPORT

M/s Sanjay Grover & Associates, Company Secretaries, were re-appointed as Secretarial Auditor to conduct Secretarial Audit of records and documents of the Company for FY 2022-23 at the Board Meeting held on 22nd April 2022 and Secretarial Audit was conducted by them. The Secretarial Audit Report confirms that the Company has generally complied with the provisions of the Act, rules, regulations and guidelines.

The Secretarial Audit Report is provided in Annexure-IV.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information on conservation of energy and technology absorption stipulated under Section 134(3)(m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014, is provided in Annexure V and Annexure VI respectively.

23. RELATED PARTY TRANSACTIONS

In line with the requirements of the Act, the Company has adopted a related party transactions framework.

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

24. ANNUAL RETURN

Pursuant to provisions of Sections 92(3) and 134(3)(a) of the Act and the rules made thereunder, the Annual Return as on 31st March 2023 in Form MGT-7 is available on the Company's website on https://www.tatapower-ddl.com/Editor_UploadedDocuments/Content/Form_MGT_7_FY_22-23_TPDDL.pdf

25. DEPOSITS

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

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

- (I) By the Auditor in his report (standalone and consolidated financial statements): There are no qualifications, reservations or adverse remarks or disclaimers.
- (II) By the Company secretary in practice in his secretarial audit report: There are no qualifications, reservations or adverse remarks or disclaimers.

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

28. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company complies with all applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

29. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

30. INSOLVENCY AND BANKRUPTCY CODE, 2016

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

31. VALUATION

The details of difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof: Not Applicable

32. FRAUD REPORTING

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

33. APPRECIATION

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

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

34. ACKNOWLEDGEMENTS

The Board of Directors wish to thank the Government of India (including Ministry of Power), Government of National Capital Territory of Delhi, Delhi Electricity Regulatory Commission, Delhi Power Company Limited, Delhi Transco Limited, Power Suppliers, USTDA & their associates, financial institutions, bankers, customers, shareholders, employees of the Company and all individuals and agencies that have contributed in one or the other way, for their co-operation and support extended to the Company.

On behalf of the Board of Directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman
(DIN: 01785164)

Delhi, 17th April 2023

Annexures to Board's Report

ANNEXURE I - POLICY ON BOARD DIVERSITY & DIRECTOR ATTRIBUTES

1. Objective

- 1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the Board of Directors ('the Board') of Tata Power Delhi Distribution Limited (the Company).
- 1.2 The Company recognises that diversity at Board level is a necessary requirement in ensuring an effective Board. A mix of executive, Independent and other Non-Executive Directors is one important facet of diverse attributes that the Company desires. Further, a diverse Board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective Board. All Board appointments shall be made on merit having regard to this policy.

2. Attributes of Directors

The following attributes need to be considered in considering optimum Board composition:

- i) Gender diversity:
Having at least one-woman Director on the Board with an aspiration to reach three women Directors.
- ii) Age
The average age of Board members should be in the range of 60 - 65 years.
- iii) Competency
The Board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the Company's businesses, energy commodity markets and other disciplines related to the Company's businesses.
- iv) Independence
The Independent Directors should satisfy the requirements of the Act and the listing agreements in respect of the 'independence' criterion.

Additional Attributes

- The Directors should not have any other pecuniary relationship with the Company, its subsidiaries, associates or joint ventures and the Company's promoters, besides sitting fees and commission.
- The Directors should not have any of their relatives (as defined in the Act and the Rules made thereunder) as Directors or employees or other stakeholders (other than with immaterial dealings) of the Company, its subsidiaries, associates or joint ventures.
- The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the Directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The Directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The Directors should have ability to devote sufficient time to the affairs of the Company.



3. **Role of the Nomination and Remuneration Committee**

3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess Board composition whilst recommending the appointment or reappointment of Independent Directors.

4. **Review of the Policy**

4.1 The NRC will review this policy periodically and recommend revisions to the Board for consideration.

ANNEXURE II – REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The philosophy for remuneration of Directors, Key Managerial Personnel (“KMP”) and all other employees of Tata Power Delhi Distribution Limited (“Company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”). In case of any inconsistency between the provisions of law and this Remuneration Policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

“(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals”

Key principles governing this Remuneration Policy are as follows:

- **Remuneration for Independent Directors and Non-Independent Non-Executive Directors**
 - Independent Directors (“ID”) and non-Independent non-executive Directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of Committees of which they may be members) and commission within regulatory limits.
 - Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
 - Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
 - Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay the remuneration.
 - Overall remuneration practices should be consistent with recognized best practices.
 - Quantum of sitting fees may be subject to review on a periodic basis, as required.
 - The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
 - The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and Committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
 - In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/ her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/ Board Committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from Independent advisors in the furtherance of his/ her duties as a Director.

- **Remuneration for managing Director (“MD”)/ executive Directors (“ED”)/ KMP/ rest of the employees**
- The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be
 - Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
 - Driven by the role played by the individual,
 - Reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay,
 - Consistent with recognized best practices and
 - Aligned to any regulatory requirements.
 - In terms of remuneration mix or composition,
 - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursments or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The Company provides retirement benefits as applicable.
 - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.
 - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.
- **Remuneration payable to Director for services rendered in other capacity**
- The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:
- a. The services rendered are of a professional nature; and
 - b. The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.
- **Policy implementation**
- The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE III– Annual Report on CSR Activities

Format for the Annual Report on CSR Activities for Financial Year Commencing on or After 1st Day of April, 2020

1. Brief outline on CSR Policy of the Company:

As a part of the Tata Group, the Company believes in the Tata Group's ethos of giving back to society. Rich heritage and unmatched legacy of Tata Group for holistic development of underprivileged communities, societies and nation becomes the guiding force for adoption of community development initiatives. The Company is committed to promote social wellbeing and bring more compliments to the business. The community outreach programs, working on the lines of triple bottom line approach aim to serve key communities in a systematic and planned way.

There are 200+ listed JJ clusters & resettlement colonies, unauthorized colonies and villages that fall in the Company's area of operation. The residents of JJ clusters are basically migrants from different communities, culture, ethnicity and creed who drifted from their native places. The Company is committed to ensuring the social wellbeing of the residents of JJ Clusters/ resettlement colonies/ villages in the vicinity of its operational areas through Corporate Social Responsibility (CSR) initiatives in alignment with Tata Power-DDL 2.0 strategy.

These clusters also have a very high representation of SC/ST communities which further emphasizes the need for inducing various developmental initiatives therein. The Company's CSR program has been restructured and rebranded under the mother brand SAATHI with the Guiding Principles being UNNATI (Women & Youth Empowerment), UJJWAL (Support to SC/ST Communities), SANJEEVANI (Health) and CLUB ENERJI (Environment) which are meant to serve marginalized societal sections and communities falling in its licensed area of supply and its geographical locations of business development projects.

The Company undertakes its CSR initiatives as per the provisions of the Act and the rules made thereunder. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

2. Composition of CSR Committee:

S. No.	Name of Director(s)	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Ajay Shankar ¹	Chairman- Independent Director	1	1
2	Mr. Narendra Nath Misra ²	Chairman- Independent Director	N.A.	N.A.
3	Mr. Jasmine Shah ³	Member-Director	1	1
4	Mr. Ajit Kumar Singh ³	Member-Director	1	1
5	Mr. Sanjay Kumar Banga	Member-Director	1	0
6	Mr. Arup Ghosh	Member-Director	1	1

¹Ceased w.e.f. 22nd March 2023.

²Appointed w.e.f 23rd March 2023.

³ Ceased w.e.f. 14th February 2023.

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

The Company's CSR Policy for FY 2022-23, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company website:

https://www.tatapower-ddl.com/Editor_UploadedDocuments/Content/CSR_Policy_Tata_Power-DDL_FY_22-23.pdf

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: Not Applicable

- 5. a) Average net profit of the company as per sub-section (5) of section 135:**
₹ 61,738.86 lakh/-
- b) 2% of average net profit of the company as per sub-section (5) of section 135:**
₹ 12,34,78,000/-
- c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Not Applicable**
- d) Amount required to be set off for the financial year, if any: Nil**
- e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 12,34,78,000/-**
- 6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):**
₹ 12,52,75,727/- [Other than ongoing projects: ₹ 12,52,75,727/-] [Ongoing projects: Nil]
- b) Amount spent in Administrative Overheads: Not Applicable**
- c) Amount spent on Impact Assessment, if applicable: Not Applicable**
- d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 12,52,75,727/-**
- e) CSR amount spent or unspent for the financial year-**

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
₹ 12,52,75,727 /-	Nil	-	-	Nil	-

f) Excess amount for set off, if any: Nil

Sl. No.	Particulars	Amount (in ₹)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	12,34,78,000/-
(ii)	Total amount spent for the Financial Year	12,52,75,727/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	17,97,727/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

**7. Details of Unspent CSR amount for the preceding three financial years- Not Applicable**

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY-1							
2	FY-2							
3	FY-3							

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

If Yes, enter the number of Capital assets created/ acquired: Not Applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

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

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries.)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable, the Company has spent CSR expenditure in accordance with Section 135 of the Act and the rules made thereunder.

Sd/-
Ganesh Srinivasan
 (Chief Executive Officer)
 (DIN: 08208444)
 Delhi, 17th April 2023

Sd/-
Narendra Nath Misra
 (Independent Director)
 (Chairman, CSR Committee)
 (DIN: 00575501)
 Delhi, 17th April 2023

ANNEXURE IV– SECRETARIAL AUDIT REPORT**Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March 2023**

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

To,
**The Board of Directors,
Tata Power Delhi Distribution Limited
(CIN: U40109DL2001PLC111526)
NDPL House,
Hudson Lines, Kingsway Camp,
Delhi 110 009**

We have conducted the Secretarial Audit of the compliance of the applicable provisions of the Companies Act, 2013 and the adherence to good corporate practices by **Tata Power Delhi Distribution Limited** (hereinafter called “the Company”), which is an Unlisted Public Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

- a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during Financial Year ended on 31st March 2023 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.



We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings {Not Applicable during the audit period}
- (iv) The Company is engaged in the business of electricity distribution and on the basis of management representation and our check on test basis, we are of the view that the Company has adequate system to ensure compliance of laws specifically applicable on it which are mentioned herein below:
 - The Electricity Act, 2003;
 - The Electricity (Supply) Act 1948;
 - The Indian Electricity Rules, 1956;
 - The Rules, regulations and applicable order(s) under Central and State Electricity Regulatory Commission/Authority;
 - The Energy Conservation Act, 2001

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India, which the Company has been generally complied.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines to the extent applicable, as mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Woman Director and Independent Directors. There were changes in the composition of the Board of Directors during the period under review which were in Compliance of the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board Meetings, Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Board decisions were carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that Statutory Registers as required under the Act were maintained by the Company.

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

The Long Term Loans and Borrowings Committee of the Company vide its circular no. 50 dated 3rd June 2022 has accorded its in-principle approval for issuance of secured unlisted Non-Convertible Debentures of ₹ 150 crore to Asian Development Bank to fund Capital Expenditure.

**For Sanjay Grover & Associates
Company Secretaries
Firm Registration No. P2001DE052900
Peer review No.: 1352/2021**

**Place: New Delhi
Date: 06 April, 2023**

**Vijay K Singhal
Partner
ACS No:21089, CP No: 10385
UDIN: AO21089E000029944**

**Annexure V – Conservation of Energy***(i) The steps taken or impact on conservation of energy**(ii) The steps taken by the Company for utilizing alternate sources of energy***Demand Side Management Initiatives for Conservation of Energy**

Being the pioneer in the field of Demand Side Management and Energy Efficiency, the Company is committed to promote energy conservation and its efficient use among its consumers. In line with the same, the Company has introduced several energy efficiency programs for its consumers over the years. These initiatives include replacement of conventional lighting with efficient lighting (LED applications), rebate-based BEE 5 star rated ceiling fans, appliance replacement program for air conditioners, automated demand response etc.

The Company has received various public accolades for driving energy efficiency initiatives for its customers:

1. AC Replacement Scheme

Project Name	Objective	Brief Description	Status/Progress
Replacement of Non-Star Rated Air Conditioner (AC) with BEE 5 Star Rated/ Inverter AC	-Summer Peak Reduction -To accelerate the adoption of Energy Efficient ACs through the Discount based scheme	Up to 56% discount offered on MRP and 5 years of comprehensive warranty. -Participating consumer would be benefitted by the annual reduction of approx. ₹ 5,500/- in the electricity bill depending upon their usage. -All the old ACs collected under the scheme are disposed-off in an environment friendly manner. -Tariff Neutral from year 1	Scheme launched on 10 th July 2015. - VOLTAS, Hitachi and Godrej were the participating OEMs. -Total installed quantity till now – 24,499 Nos. -Deemed Load Reduction – 20.62 MW. -Annual Cumulative Energy Savings- 21.75 Mus. -Annual CO ₂ Reduction – 17.84 MT.

2. UJALA-Program: Distribution of LED Light and Ceiling Fan

Project Name	Objective	Brief Description	Status/Progress
UJALA Program- Distribution of Energy Efficient LED Light and Ceiling Fan at the discounted rates	To evolve a framework to encourage the Company's customers for usage of the Energy Efficiency Appliances through Ujala Yojana	-LED lights (Bulb and Tube light) and BEE 5 star rated ceiling fans would be offered at discounted rates in association with Energy Efficiency Services Limited (EESL). -Distribution of 9-watt LED bulb @ ₹ 75/- -20-watt LED T8 Tube light @ ₹ 230/- - BEE 5-star ceiling fan @ ₹ 1,110/- -The Company to facilitate distribution of the products through ABHA members on chargeable basis.	-MoU signed between the Company and EESL about SOP and commercial part regarding the Company's facilitation charges as the Company is the only DISCOM allowed by EESL for working as distribution partner. -Scheme launched on 7 th February 2017 -Program Targets: a. Bulbs – 13,19,206 Nos. b. Tube lights – 95,999 Nos. c. Fans – 11,102 Nos. Cumulative quantity: 14,26,307 Nos. Total Deemed MW Saving: 39.72 MW Total MU savings: 41.99 MUs Total CO ₂ emission reduction: 34.43 MT



3. Energy Efficiency Services for Tata Power-DDL consumers –Energy Service Company (ESCO)

Project Name	Objective	Brief Description	Status/Progress
Energy Efficiency Program through Energy Service Company (ESCO)	<p>- To evolve a framework to encourage customers within and outside the Company for conducting Energy Audits and implementation of the Energy Efficiency (EE) measures through Discom driven ESCO route.</p> <p>-To optimize the Company's peak load consumption.</p> <p>-To provide value added services to customers.</p> <p>-Single window energy efficiency solution to consumers.</p>	<p>-Empanelled and developed a pool of Grade 2 ESCOs.</p> <p><u>Customer Specific:</u></p> <p>-An ESCO identifies energy improvements, provide capital required, install improvements, offer turn-key installation, monitor and guarantee energy savings.</p> <p>-This service is available for all types of customers segments including domestic, commercial and industrial.</p> <p><u>Institution Specific:</u></p> <p>-EESL awarded contract to the Company for conducting Energy Audit for Government buildings on PAN India basis.</p> <p>-Smart Energy Management projects with collaboration partners.</p>	<p>-Empaneled six ESCO agencies for conducting energy audit.</p> <p>-Total audit done of 87 MW (72.21 MW from customer specific and 14.79 MW from EESL Energy Audit project).</p> <p>-Energy Efficiency Project implemented for 24.91 MW (10.68 MW from customer specific and 14.23 MW from NDMC streetlight project package 1).</p> <p>-Collaboration with The Tata Power Company Limited/Tata Power Trading Company Limited. Conversion – APFC – 52 Nos. (₹:1.09 crore) Harmonics – 1 No. (₹ 15.15 lakh) SEM – 10 Nos. (₹: 1.08 lakh) Energy Audit- 2 Nos. (₹: 3.95 lakh) HVAC – 1 No. (ESCO based annual saving ₹: 26.97 lakh)</p>

4. NDMC Streetlight Project

Project Name	Objective	Brief Description	Status/Progress
NDMC Streetlight Project	Replacement of existing HPSV lamps with energy efficient LED light fixtures	<p>-The Company in consortium with Havells was awarded the NDMC LED streetlight Project.</p> <p>-Havells as technology partner and the Company as implementation partner under ESCO model.</p>	The project was awarded in two phases. In both phases, total 1.76 lakh LED points have been installed and are connected through 3,334 central control monitoring system yielding into monthly billing of ₹ 1.67 crore.

(iii) The capital investment on energy conservation equipment: Nil

Energy Savings achieved due to implementation of Energy Efficiency improvement measures

S. No.	DSM Program till date	Scale (Nos.)	Energy Savings (MU)	Load Reduction (MW)	CO2 reduction (MT)
1	LED Lights (DELP Scheme)	14,00,000	40.7	9.7	33.37
2	LED Lights & Fan (UJALA Scheme)	14,26,307	41.99	39.72	34.43
3	Whole range LED Light with Crompton	1,04,687	4.67	1.84	4
4	BEE 5 Star Ceiling Fan with Crompton	50,000	5.4	1	4
5	5 Star LED Bulb Scheme with Crompton	1,60,177	6.73	3.19	5.52
6	Non-Star AC Replacement Scheme	24,499	21.75	20.62	17.84
7	Energy Efficiency Implementation Project	-	-	24.91	-
8	Rooftop Solar through Net Metering	1893	53.37	43.84	37.36

On behalf of the Board of Directors
For Tata Power Delhi Distribution Limited

Sd/-
Praveer Sinha
Chairman
(DIN: 01785164)

Delhi, 17th April 2023

ANNEXURE VI – TECHNOLOGY ABSORPTION

Technology Absorption

1	The efforts made towards technology absorption	<ul style="list-style-type: none"> • Adoption & installation of SF6 Free 33kV Switchgear Indoor Panel. • Smart Metering with new communication module of 4G (including HT & EHT Metering). • Fall Arrester Mechanism in Monopole for safe maintenance work – Safety in Design. • Introduction of Smart MCCB – Smart Switching for DSS. • Installation of Digital Grid Substation at Bhalswa-2. • Asset Health Monitoring for 11kV Switchgear Panels at Burari Grid, Bhalswa-2 and RG-02. • Design of Smart Meter as Electrical Guard. • Pilot installation of Sheath Current Monitoring System for 1CX1000Sqmm 66kV Cable. • Development of Online Tool for local connection /disconnection of NBloT Smart Meters. • Introduction of Ester Oil in Potential Transformer, Current Transformer and Neutral Current Transformer. • Installation of 630kVA Unitized Substation (USS) - DT, RMU and LT Switch on single platform. • Roll-out of design of Single-Phase DT Bank to utilize the NM/SM dismantled Single Phase DTs. • Use of Ester Oil in place of Mineral Oil for small rating transformers up to 250 kVA DT. • Mass roll-out of Ladder Leveller. • In house replacement of old pulleys with new ball bearing pulleys in all the existing ladders. • SF6 Free Auto-reclosure/Sectionalizer (vacuum based). • Pilot installation of SF6 free 11kV RMU in collaboration with M/s Schneider. • Pilot for GO enclosure. • Development of LT ACB with push to lock arrangement. • Development of standard size fuses for 630 kVA & 990 kVA DT. • Usage of lead-free PVC compound in cable outer sheath. • Usage of longitudinal water sealing of conductor for 150 sq.mm. and above in LT cables. • Development of Neon Tester for Tower Wagon. • Implementation of Virtual Metering Dashboard for the planning of un-metered Distribution Transformers and Asset Sweating using smart meter data of consumers. • Python script based application developed for identification of weak sections in network to enhance the capacity of existing network.
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		<ul style="list-style-type: none"> • With Data analytics and statistical tools, outlier removal in identification of peak loading of a Distribution Transformer to optimize transformer planning. • 1600 KVA Distribution Transformer installed to cater the highly concentrated load in Rani Bagh area of District PPR.
2	<p>The benefits derived like product improvement, cost reduction, product development or import substitution</p>	<ul style="list-style-type: none"> • SF6 being a hazardous gas for environment, an initiative has been taken to eliminate the gas with vacuum interrupter in 33kV Switchgear Indoor Panels. This is not only environment friendly, but the interrupting feature is also better than SF6. The cost of the panel is less and maintenance of these panels is easier than SF6 panels. • Smart Metering Technology with 4G is a new technology which has been introduced for HT and EHT metering systems of around 15K meters. This latest technology will help in ease of operation and maintenance of overall system. Cost of meter will be less than RF and NBloT Smart meters. • Monopoles with fall arrester mechanical have been designed to eliminate the risk of free fall and mitigate the high potential risk of working at height. This will help in maintenance works. • The Smart MCCB is introduced for Distribution Substation (DSS). This equipment has the facility of monitoring of per phase voltage and current, this in term help to have monitoring of unbalancing, fault identification and energy auditing. Further, through this equipment 'one sub-station, one communication philosophy' will be implemented. • Installation of digital sub-station in the Company at Bhalswa-2. This sub-station will have a better monitoring of relay and equipment. Communication will be faster and this will reduce the control cabling. Civil cost and control cable cost will also be reduced. • Installation of asset health monitoring at 11 kV switchgear panels will help to monitor the temperature, humidity and sparking in all three chambers. Predictive maintenance and health monitoring will be better with this equipment. • Three major faults in internal wiring of consumers can be identified through this development of Smart Meter as Electrical Guard. For sparking, short circuit and earth leakage, alert and events can be generated. • Monitoring of sheath voltage and current is a challenge for field staff, as the links boxes are installed at remote locations. Online monitoring of the same will help to monitor health of cables. • Online Toll for connection/disconnection will facilitate successful implementation of NBloT Smart Meters connect/Disconnect feature at field. This will help to generate revenue for effective disconnection and reconnection changes. • Installation of 630 kV Unitised Substation (USS) having single side open plot with reduction in space requirement by 65%. Release of



		<p>connection in HRB schemes can be done through these sub-stations. Further, any component of this unit can be replaced independently, and the Company is planning for 1000kVA USS for pilot installation.</p> <ul style="list-style-type: none">• The design of single-phase DT Bank helped to utilize more than 200 nos. of NM/SM DTs. Capex optimization is possible for more than ₹ 1 crore.• The life of Current Transformer (CT), Potential Transformer (PT) and Neutral Current Transformer (NCT) will be enhanced through use of Ester Oil as insulating medium.• Ester oil is highly biodegradable and environment friendly compared to mineral oil. Hence, use of ester oil is being promoted.• Existing ladder is not capable to work on uneven surface. Hence, as an alternative, in-house ladder leveller has been developed to mitigate this issue. The ladder leveller can be easily retrofitted in the existing ladder without any alteration. It not only enhances the safety of workforce but also resulted in cost saving of approx. ₹ 77 lakh in FY 2022-23.• Newly developed ball bearing pulley reduces force required to pull the ladder by 40 kg. It enhances the safety of linemen and cost saving of approx. ₹ 42 lakh has been achieved in FY 2022-23.• To restrict the use of SF6 gas which is very harmful from environment perspective, the Company has implemented 60 nos. of SF6 Free Auto-reclosure/Sectionalizer (vacuum based) in FY 2022-23.• To restrict the use of SF6 gas, the Company is in discussion with M/s Schneider to implement SF6 free 11 kV RMU. Expected pilot is proposed in May 2023.• GO enclosure is developed to prevent tripping due to animal electrocution in GO switch. It shall improve the reliability and provide the wildlife safe network.• Push to Lock provision in LT ACB enhances the Asset life as well as enhances the safety of men and material. 80 nos. of LT ACB with push to lock arrangement have been procured in FY 2022-23.• Installation of standard size fuses for 630 and 990 kVA DTs in place of RMU in space constraint areas shall enhance the reliability of the network. It shall also enhance the asset life and improve the customer satisfaction.• Neon Tester for tower wagon shall enhance the safety of linemen while working on installation of pole. This development is a big leap towards safety enhancement.• Reduction of approx. 6.5 ton/year consumption of lead naphthenate is significant from environment perspective.• Provision of longitudinal water sealing of conductor in LT Cable reduces LT cable failure rate due to water ingress and enhance the cable longevity.
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		<ul style="list-style-type: none"> Capex/Cost Optimization via innovative approaches in Network Planning viz. reviewing of old approved schemes w.r.t. current network topology and re-utilization of dismantled assets. 		
3	<p>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):</p> <p>a) the details of technology imported b) the year of import c) whether the technology been fully absorbed d) if not fully absorbed, areas where absorption has not taken place and reasons thereof</p>	(a)	(b)	(c)
		Technology imported	Year of Import	Has technology been fully absorbed
		Implementation of ADMS infrastructure & changes in related interfaces	2018	Fully Absorbed
		Field Force Automation	2018	Fully Absorbed
		Advanced Metering Infrastructure (AMI)	2018	Fully Absorbed
		Integrated Communication Technology (ICT)	2018	Fully Absorbed
		Battery Energy Storage System (BESS)	2018	Fully Absorbed
		Integrated Security Solution (ISS)	2018	Fully Absorbed
		Smart Street Light Management System	2018	Fully Absorbed
		Field Force Automation 2.0 (NCC & Streetlight)	2021	Fully Absorbed
		Advanced ADMS Application	2021	Fully Absorbed

1	<p>Specific area in which R&D carried out by the Company</p>	<ul style="list-style-type: none"> Design of Smart Meter as Electrical Guard. Introduction of Smart MCCB – Smart Switching for DSS. Pilot installation of Sheath Current Monitoring System for 1CX1000Sqmm 66kV Cable. Development of online tool for local connection/disconnection of NB IoT Smart Meters. Development of Self-Diagnostic testing tool for LT ACB. Fabrication of Di-electric Jacket (10 nos.) completed and issued to front staff for field trial. 33 kV Single Core AB Cable.
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		<ul style="list-style-type: none">• Development of in-house software tool to monitor and control Pixii make pole top battery installed in Rani Bagh.• Addition of upper limit of consumer count constraint in Network Optimization for minimum technical loss.• Development of software tool and algorithms under PARVATI project:<ul style="list-style-type: none">- GIS & Load data integration tool- Contingency Analysis algorithm- LT load shifting algorithm
2	Benefits derived as a result of the above R & D	<ul style="list-style-type: none">• Safety of consumers from fire hazards.• One sub-station, one communication medium for health monitoring of all equipment and energy auditing.• Elimination of failure of 1CX66kV cable due to rise in sheath voltage.• Effective disconnection and recovery of reconnection charges.• Self-Diagnostic testing tool shall enhance the protection features which enable LT ACB to check the health of the circuit before getting energized. It shall check short circuit and earth fault condition proactively.• Di-electric Jacket is an insulated apron for protecting lineman from any accidental contact with live parts. It is an upgraded safety jacket made of special fire-retardant material developed for ensuring non-conductivity even after sweating while working.• 33 kV single core AB cable has been designed to improve the reliability of the network. It shall be used in place of bare O/H network.• Test use cases and logics to manage load and defer traditional CAPEX using battery storage solutions.• NOP Optimization to run the network as per the minimum technical losses.• Software Tool (algorithm) will help in optimal integration of Distributed Energy Resources in the network + possible commercialization of software tool.
3	Future plan of action	<ul style="list-style-type: none">• Installation of 50 nos. of meters in FY 2023-24.• Pilot installation of one Substation having universal communication medium in FY 2023-24.• Roll-out of sheath monitoring system in all cable laying job.• Mass roll-out of this local online tool for NBloT smart meters.• Pilot installation shall be done on 2 nos. of LT ACBs. After successful pilot installation, self-diagnostic tool shall be installed on 100 nos. of LT ACBs.• 10 nos. of Di-electric Jackets have been fabricated and issued to operation team for field trial. Mass manufacturing shall be done after incorporating learnings from field trial.



		<ul style="list-style-type: none">• Pilot installation of 33kV single core AB cable is going to start. After field trial, further implementation shall be done on the basis of tripping data.• Focus on Power Quality (Voltage Violation) analysis through data analytics.• GIS based analytics for the pocket wise load growth.
4	Expenditure on R & D (in ₹ crore) a) Capital b) Operational c) Recurring d) Total	 a) 1.5 b) Nil c) Nil d) 1.5

On behalf of the Board of Directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman
(DIN: 01785164)

Delhi, 17th April 2023

Annexure VII– Related Party Transactions

FORM AOC-2

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

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

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

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

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

	(a)	(b)	(c)	(d)	(e)	(f)
Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	Tata Power Trading Company Limited (TPTCL)	Power Procurement	Validity of Power Purchase Agreement [from CLP Power India Private Limited (CLP) is upto 19 th July 2037 and Maithon Power Limited (MPL) is upto 23 rd July 2042].	Power from both CLP and MPL is sourced through TPTCL as per the initial agreement between the parties executed on 20 th January 2009 (between Tata Power-DDL and TPTCL) and 10 th September 2009 (between Tata Power-DDL, TPTCL and MPL). Tariff of MPL is decided by the CERC while tariff applicable of CLP was determined under competitive bidding. Both these PPAs are approved by the DERC. Trading margin of 4 paise per kWh for the energy scheduled from MPL and trading margin of 2% of power purchase bill (Capacity and Energy Charges) of CLP is payable by Tata Power-DDL to TPTCL. Accordingly, trading margin paid to TPTCL on	These were approved by the Audit Committee	Nil



	(a)	(b)	(c)	(d)	(e)	(f)
Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any
				account of power scheduled from MPL in FY 2022-23 is ₹ 858.08 lakh and on account of the power scheduled from CLP in FY 2022-23 is ₹ 790.69 lakh.		
2	Tata Power Renewable Energy Limited (TPREL)	Power Procurement	Validity of Power Purchase Agreement [for 510 MW of hybrid power from project at Karnataka] is upto 25 years from Scheduled Commissioning Date (Date from which plant will be commissioned and start scheduling power)	Power from TPREL is to be sourced for 510 MW hybrid power from project located at Karnataka as per agreement between the parties executed on 7 th March 2023. This PPA is approved by DERC. The Hybrid Power Developer (HPD) shall be entitled to receive a tariff of ₹ 3.00 per unit, fixed for the entire term of this agreement.	-	Nil

On behalf of the Board of Directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman
(DIN: 01785164)

Delhi, 17th April 2023



Independent Auditor's Report
To the Members of Tata Power Delhi Distribution Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Tata Power Delhi Distribution Limited ('the Company')**, which comprise the Standalone Balance Sheet as at 31st March 2023, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year ended on that date and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended (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, and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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

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

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

T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015

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In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the 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. The Annual Report is not made available to us at the date of this Auditor's Report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 Standards on Auditing 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to these standalone financial statements 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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.

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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

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

As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
- 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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements 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 for any managerial remuneration during the year. Accordingly, reporting under Section 197 (16) of the Act is not applicable.

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- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company, as detailed in Note 28 and 30.2 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2023;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2023;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2023; and
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The dividend declared or paid by the Company during the year is in accordance with Section 123 of the Companies Act, 2013.

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

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Hitesh Garg

Partner

Membership No. 502955



Place: Noida

Date: 17th April 2023

UDIN: 23502955BGQPVY2322



Tata Power Delhi Distribution Limited

“Annexure A” as referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date for the year ended 31st March 2023

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we report that:

- (i) In respect of the Company’s Property, Plant and Equipment and Intangible Assets
- (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets covered under Ind AS 116, ‘Leases’.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so as to cover all the assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain Property, Plant and Equipment were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) The Company does not hold any land in its name. Land and buildings were transferred to company in terms of the DERA, transfer Scheme Rules 2001 on “as is where is” basis. The Company retains operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC). Refer Note 4.4.13 to the Standalone Financial Statements of the Company.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories were physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedure of such

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verification by the management is appropriate having regard to the size of the company and nature of its operations. Further, no discrepancies of 10% or more in the aggregate for each class of inventories, between physical inventory and book records, were noticed on such physical verification.

(b) The Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets of the company. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements, book debt statements and other stipulated financial information filed by the Company with such banks or financial institutions till the date of this report are in agreement with the books of account of the Company of the respective quarters and no material discrepancies have been observed. The company is yet to submit the return/statement for the quarter ended 31st March 2023 with the banks or financial institutions.

- (iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) of the Order is not applicable.
- (iv) The Company has not granted any loans, made investments or provided guarantees or securities during the year and hence, reporting under clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of Company's products/services. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and the report of cost auditors of the company for the year and 31st March 2023. Accordingly, we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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(vii) (a) The Company has generally been regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, there were no undisputed amounts payable in respect thereof which were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March 2023 on account of any dispute, are given below:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under protest (₹ in lacs)	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	1,951.56	1,951.56	2005-06	Assessing Officer
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	130.24	-	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand on account of disallowance of certain expenses and short allowance of TDS and interest thereon	0.12	-	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of disallowance of certain expenses and short allowance of TDS and interest thereon	105.75	39.20	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty u/s 271(1) (c)	63.80	-	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of de-recognition of income & Interest on security deposit added in MAT.	452.86	-	2011-12	Commissioner of Income Tax (Appeals)

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Income Tax Act, 1961	Demand on account of disallowance of certain expenses	75.07	23.08	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Penalty u/s 271(1) (c)	72.16	-	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on short allowance of TDS and excess interest charged	19.59	-	2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of disallowance under Section 43B, short credit of TDS, non-grant of FTC under Section 91	354.17	-	2017-18	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand on account of incorrect amount of bad debts considered in return of Income and disallowance u/s 43B	53.28	-	2018-19	Assessing Officer

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

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

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, term loans availed by the Company were applied by the Company during the year for the purposes for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, the funds raised on short-term basis have, prima facie, not been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures or associate companies.

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- (x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed, by us or cost accountant or company secretary in practice conducting secretarial audit under Section 204 of the Act, in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions, with the directors or persons connected with them, which are covered under Section 192 of the Act.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3 (xvi)(a), (b) and (c) of the Order is not applicable.

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- (b) The Group has more than one CIC (Core Investment Company) as part of the group. As per the information and explanation given to us, there are six CIC's forming part of the group out of which five CICs are registered with Reserve Bank of India (RBI) and One CIC is not required to be registered with RBI.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due
- (xx) The company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Hitesh Garg

Partner

Membership No. 502955

Place: Noida

Date: 17th April 2023

UDIN: 23502955BGQPVY2322



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Tata Power Delhi Distribution Limited

“Annexure B” as referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) for the year ended 31st March 2023

We have audited the internal financial controls over financial reporting of Tata Power Delhi Distribution Limited (“the Company”) as of 31st March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 Companies Act, 2013.

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 on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design





and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls

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system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn No. 006711N / N500028

Hitesh Garg

Partner

Membership No. 502955



Place: Noida

Date: 17th April 2023

UDIN: 23502955BGQPVY2322

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH, 2023

	Notes	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	4,14,978.09	4,07,596.92
(b) Capital work-in-progress	4	15,573.62	17,672.87
(c) Right-of-use assets	5	6,568.86	7,661.88
(d) Intangible assets	4	4,855.62	6,223.06
(e) Financial assets			
(i) Investments	6	5.00	5.00
(ii) Other financial assets	7	85.07	78.78
(f) Income tax assets (net)	8	300.21	355.03
(g) Other non-current assets	9	3,628.95	3,119.62
Total non-current assets		4,45,995.42	4,42,713.16
(2) Current assets			
(a) Inventories	10	1,553.30	1,411.12
(b) Financial assets			
(i) Trade receivables	11	19,502.27	18,606.45
(ii) Cash and cash equivalents	12	327.28	2,521.59
(iii) Bank balances other than (ii) above	12	5,459.90	7,420.24
(iv) Other financial assets	13	49,482.42	42,709.59
(c) Other current assets	14	18,803.72	24,015.50
Total current assets		95,128.89	96,684.49
Assets classified as held for sale	34.7.1	2,004.00	2,004.00
Total assets before regulatory deferral account balance		5,43,128.31	5,41,401.65
(3) Regulatory deferral account debit balances	34	6,13,927.70	5,84,222.83
Total assets		11,57,056.01	11,25,624.48
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	1,05,200.00	1,05,200.00
(b) Other equity	16	3,34,486.21	3,03,089.65
Total equity		4,39,686.21	4,08,289.65
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	17	1,68,969.62	1,98,611.07
(ii) Lease liabilities	5	5,069.97	6,086.30
(iii) Other financial liabilities	18	87,305.98	79,123.11
(b) Provisions	19	5,820.05	5,671.18
(c) Deferred tax liabilities (net)	38	52,092.26	43,421.57
(d) Capital grants	20	306.56	363.68
(e) Contributions for capital works and service line charges	21	80,354.12	80,145.14
(f) Other non-current liabilities	22	67,899.97	39,399.74
Total non-current liabilities		4,67,818.53	4,52,821.79
(2) Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	23	75,199.18	89,644.23
(ii) Lease liabilities	5	2,580.42	934.44
(iii) Trade payables	24		
- total outstanding dues of micro enterprises and small enterprises		3,207.86	2,518.77
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,08,107.84	1,21,346.26
(iv) Other financial liabilities	25	21,899.44	19,996.77
(b) Provisions	26	2,774.21	1,277.61
(c) Other current liabilities	27	35,782.32	28,794.96
Total current liabilities		2,49,551.27	2,64,513.04
Total equity and liabilities		11,57,056.01	11,25,624.48

See accompanying notes forming part of standalone financial statements (1-45)

In terms of our report attached of even date

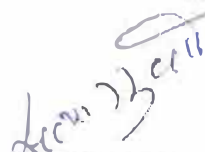
For T. R. Chadha & Co. LLP
Chartered Accountants
Firm's Registration No.: 006711N/N500028



Nitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors



Satya Gupta
Director
DIN: 08172427



Ajay Kapoor
Director
DIN: 00466631



Ganesh Srinivasan
Chief Executive Officer

Monica Mehra **Suranjit Mishra**
Company Secretary Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

	Notes	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
I Revenue from operations	29	9,29,669.05	7,64,789.27
II Other income	29	10,676.20	16,158.01
III Total Income		9,40,345.25	7,80,947.28
IV Expenses			
Cost of power purchased (net) (excludes own generation)	30	7,46,956.70	5,95,691.96
Employee benefits expense (net)	31	53,812.22	51,572.46
Finance costs	32	28,632.81	32,405.18
Depreciation and amortisation expense	4,5	37,714.21	37,113.58
Other expenses	33	38,710.40	33,712.04
Total expenses		9,05,826.34	7,50,495.22
V Profit/(Loss) before movement in regulatory deferral account balance and tax		34,518.91	30,452.06
Movement in regulatory deferral account balance (net)	34	29,704.87	33,052.33
VI Profit/(Loss) before tax		64,223.78	63,504.39
VII Tax expense			
(i) Current tax	38	11,508.85	11,228.13
(ii) Deferred tax	38	8,675.70	8,410.18
VIII Profit/(Loss) for the year		44,039.23	43,866.08
IX Other comprehensive Income/(expense)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of defined benefit plans		(28.69)	58.09
(ii) Income tax credit/(charge) relating to Items that will not be reclassified to profit or loss			
(a) Current tax	38	5.01	(10.15)
(b) Deferred tax	38	5.01	(10.15)
Other comprehensive Income/(expense) for the year		(18.67)	37.79
X Total comprehensive Income for the year		44,020.56	43,903.87
Earnings per equity share (face value ₹ 10/- each)	35		
(i) Basic and Diluted earnings per equity share before net movement in regulatory deferral account balance (₹)		2.35	2.13
(ii) Basic and Diluted earnings per equity share after net movement in regulatory deferral account balance (₹)		4.19	4.17

See accompanying notes forming part of standalone financial statements (1-45)

In terms of our report attached of even date

For T. R. Chadha & Co. LLP

Chartered Accountants

Firm's Registration No.: 006711N/N500028

Hitesh Garg

Partner

Membership No.: 502955



For and on behalf of the Board of Directors


Satya Gupta
Director
DIN: 08172427


Ajay Kapoor
Director
DIN: 00466631


Ganesh Srinivasan
Chief Executive Officer


Monica Mehra
Company Secretary


Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2023

A. Equity share capital

Particulars	Amount (₹/Lakhs)
(i) Balance as at 1 April, 2021	1,05,200.00
(ii) Changes in equity share capital during the year	-
(iii) Balance as at 31 March, 2022	1,05,200.00
(i) Balance as at 1 April, 2022	1,05,200.00
(ii) Changes in equity share capital during the year	-
(iii) Balance as at 31 March, 2023	1,05,200.00

B. Other equity

₹/Lakhs

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
(i) Balance as at 1 April, 2021	9,150.00	2,62,659.78	2,71,809.78
(ii) Profit for the year	-	43,866.08	43,866.08
(iii) Other comprehensive income/(expense) for the year (net of tax)	-	37.79	37.79
(iv) Total comprehensive income {(ii)+(iii)}	-	43,903.87	43,903.87
(v) Dividend paid	-	(12,624.00)	(12,624.00)
(vi) Balance as at 31 March, 2022 {(i)+(iv)+(v)}	9,150.00	2,93,939.65	3,03,089.65
(i) Balance as at 1 April, 2022	9,150.00	2,93,939.65	3,03,089.65
(ii) Profit for the year	-	44,039.23	44,039.23
(iii) Other comprehensive income/(expense) for the year (net of tax)	-	(18.67)	(18.67)
(iv) Total comprehensive income {(ii)+(iii)}	-	44,020.56	44,020.56
(v) Dividend paid	-	(12,624.00)	(12,624.00)
(vi) Balance as at 31 March, 2023 {(i)+(iv)+(v)}	9,150.00	3,25,336.21	3,34,486.21

See accompanying notes forming part of standalone financial statements (1-45)

In terms of our report attached of even date

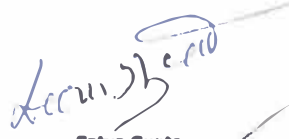
For T. R. Chadha & Co. LLP
Chartered Accountants
Firm's Registration No.: 006711N/N500028



Hitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors



Satya Gupta
Director
DIN: 08172427



Ajay Kapoor
Director
DIN: 00466631



Ganesh Srinivasan
Chief Executive Officer



Monica Mehra
Company Secretary



Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
A. Cash flow from operating activities		
Profit for the year	44,039.23	43,866.08
Adjustments to reconcile profit for the year to net cash flows:		
Income tax recognised as expense in Statement of Profit and Loss	20,184.55	19,638.31
Depreciation and amortisation expense	37,714.21	37,113.58
Finance costs (net of capitalisation)	28,632.81	32,405.18
Interest income	(964.69)	(698.82)
Gain on sale/fair value of mutual fund investment measured at FVTPL	-	(0.58)
Loss on disposal of property, plant and equipment	834.57	1,817.57
Amortisation of capital grants	(57.12)	(70.00)
Amortisation of contribution for capital works and service line charges	(9,150.14)	(8,307.76)
Obsolete inventory written off/allowance for obsolete inventory	76.14	201.40
Bad debts written off/(written back)	544.90	422.84
Provision for litigation	1,113.88	-
Late payment surcharge	(2,125.14)	(2,190.86)
Allowance for doubtful debts	612.61	412.36
Net unrealised foreign exchange (gain) / loss	0.80	(7.04)
Operating profit before working capital changes	1,21,456.61	1,24,602.26
Working capital adjustments:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(218.32)	70.24
Trade receivables	(2,841.46)	7,448.74
Other financial assets - current	(6,709.32)	(5,435.41)
Other financial assets - non current	(6.29)	6.78
Other non-current assets	(406.54)	(2.26)
Other current assets	5,211.78	(8,728.14)
Regulatory deferral account debit balances	(29,704.87)	(33,052.33)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(12,549.33)	5,532.61
Other financial liabilities - current	2,300.73	2,723.23
Other financial liabilities - non current	(200.88)	234.58
Other current liabilities	6,987.37	7,822.88
Other non-current liabilities	28,390.95	13,029.14
Provision for employee benefits - current	354.03	269.00
Provision for employee benefits - non current	148.87	(12.00)
Cash generated from operations	1,12,213.33	1,14,509.32
Taxes paid (including tax deducted at source net of refund)	(11,449.02)	(8,345.83)
Net cash from/(used in) operating activities	1,00,764.31	1,06,163.49
	(A)	
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(41,591.55)	(39,854.99)
Proceeds from sale of property, plant and equipment	1,035.33	1,216.41
Proceeds from bank deposits (net)	1,960.34	2,459.75
Interest received	1,010.46	872.40
Late payment surcharge received	2,125.14	2,190.86
Purchase of current investments	-	(15,400.00)
Proceeds from sale of current investments	-	15,400.58
Net cash from/(used in) investing activities	(35,460.28)	(33,114.99)
	(B)	
C. Cash flow from financing activities		
Finance cost paid	(28,965.61)	(33,941.13)
Payment of lease liabilities	-	(1,644.96)
Proceeds from short-term borrowings and working capital demand loans	8,49,440.04	5,86,585.07
Repayment of short-term borrowings and working capital demand loans	(8,33,807.21)	(6,06,690.82)
Net (repayment)/proceeds from cash credit and other credit facilities	(6,664.08)	4,335.37
Proceeds from long-term borrowings	72,764.30	55,000.00
Repayment of long-term borrowings	(1,25,819.55)	(83,614.30)
Net (refund)/proceeds from contribution for capital works	6,077.15	5,247.29
Proceeds from service line charges	3,281.97	2,880.95
Net (repayment)/proceeds from consumers' security deposits	8,818.65	9,326.98
Dividend paid to equity shareholders	(12,624.00)	(12,624.00)
Net cash from/(used in) financing activities	(67,498.34)	(75,139.55)
	(C)	
Net increase/(decrease) in cash and cash equivalents	(2,194.31)	(2,091.05)
	(A+B+C)	
Cash and cash equivalents at the beginning of the year	2,521.59	4,612.64
Cash and cash equivalents at the end of the year (refer note 12)	327.28	2,521.59

See accompanying notes forming part of standalone financial statements (1-45)

In terms of our report attached of even date

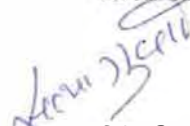
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Firm's Registration No.: 006711N/N500028



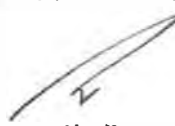
Hitesh Garg
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For and on behalf of the Board of Directors



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Ganes Srinivasan
Chief Executive Officer



Monica Mehra
Company Secretary



Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

Note 1

General Information

Tata Power Delhi Distribution Limited (Tata Power-DDL) or (the Company) is a public limited company incorporated and domiciled in India and is primarily engaged in the business of distribution of electricity in North and North-West Delhi. The Company was set up in terms of Delhi Electricity Reforms (Transfer Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi along with the personnel employed therein were transferred to the Company with effect from 1 July, 2002 which also marked the commencement of commercial operations for the Company.

The address of its registered office and principal place of business is NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110009. The Company has been granted a license under Section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The license is valid for a period of twenty-five years. During the period from 1 July, 2002 to the date of grant of license, Tata Power-DDL was a deemed licensee.

The Company is subsidiary of Tata Power Company Limited (TPCL) which holds 51% equity shares and controlling stake and 49% equity shares is held by Delhi Power Company Limited.

Note 2

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 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. As the Company is governed by Electricity Act, 2003 and the saved provisions of Electricity (Supply) Act, 1948, the provisions of the said Acts prevail wherever these are inconsistent with the provisions of the Companies Act, 2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis and on historical cost convention 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. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for leasing transactions that are within the scope of Ind AS 116/Ind AS 17 (as applicable), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Note 3

Other significant accounting policies

Accounting policies are set out along with respective explanatory notes where it specifically relates to such transactions or balances. Other significant accounting policies are set out below:

3.1 Foreign currencies

These financial statements are presented in Indian rupees, which is the functional currency of the Company. The functional currency represents the currency of the primary economic environment in which the Company operates.

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 the Statement of Profit and 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, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 Current versus non-current classification

The Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

3.3 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.

3.3.1 Offsetting of financial instruments

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



- 3.4 Financial assets**
- 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.
- 3.4.1 Amortised cost**
- A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:
- (i) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
 - (ii) 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.
- The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.
- 3.4.2 Financial assets at fair value through profit or loss (FVTPL)**
- Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.
- 3.4.3 Financial assets at fair value through other comprehensive income (FVTOCI)**
- On initial recognition, the Company can make 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. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. 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 the Statement of Profit and Loss on disposal of the investments.
- A financial asset is held for trading if:
- (i) It has been acquired principally for the purpose of selling it in the near term; or
 - (ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
 - (iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.
- Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the Statement of Profit and Loss are included in the 'Other Income' line item.
- 3.4.4 Impairment of financial asset**
- The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.
- For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from Contracts with Customers", the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109 "Financial Instruments".
- Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.
- Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.
- 3.4.5 Derecognition of financial asset**
- The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.
- 3.5 Financial liabilities and equity instruments**
- 3.5.1 Classification as debt or equity**
- Debt and equity instruments issued by the 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.
- 3.5.2 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. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.
- 3.5.3 Financial liability**
- All financial liabilities are subsequently measured at amortised cost using the effective interest method.
- 3.5.3.1 Financial liabilities subsequently measured at amortised cost**
- Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.
- The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



3.5.3.2 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.6 Reclassification of financial assets & liabilities

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

3.7 Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.8 Changes in accounting policies and disclosures

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements.

3.9 Deferred tax recoverable/payable

In the regulated operations of the Company where tariff recovered from consumers is determined on cost plus return on equity, the income tax cost is passed through cost and accordingly the Company recognises Deferred tax recoverable/ payable against any Deferred tax expense/ income. As per the opinion pronounced by the Expert Advisory Committee of The Institute of Chartered Accountants of India, the Company has recognised Deferred tax recoverable/ payable under regulatory deferral account debit/ credit balance.

3.10 Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is 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 critical estimates or judgements are:

1. Estimates used for Impairment of property, plant and equipment of certain cash generating units (CGU) - Note 4
2. Estimated fair value of unquoted securities and Impairment of investments - Note 6
3. Estimation of defined benefit obligation - Note 19, 26 and 31
4. Estimation of current tax and deferred tax expense (Including Minimum Alternate Tax credit) - Note 38
5. Estimation of regulatory deferral account balances - Note 34
6. Estimation of provision and contingent liability - Note 19, 26 and 28
7. Estimation of impairment of financial assets - Note 11
8. Estimation of unbilled revenue - Note 13(c) and 14(a)

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.

3.11 Impact of COVID-19

Spread of second wave of Coronavirus disease (COVID-19) led to lockdown in Delhi from 19 April, 2021 which was gradually lifted during subsequent months. Due to the lockdown, economic activity in general was significantly impacted and remained much below normal level. The demand of electricity in the distribution area was subdued compared to the normal year. To manage the expected liquidity risk, the Company has taken various measures including availing of seller's side bill discounting for a portion of power purchase supplies invoices from generating companies, reprioritized capital expenditure in immediate future and extended credit period from vendors. Gradually the demand of electricity and collection is returning back to normal level, however the Company continues to closely monitor the cash flow situation and is actively working to minimize the impact of this unprecedented situation.



Note 4

Property, plant and equipment and intangible assets

Accounting policy

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable in bringing the assets to their working condition for their intended use.

Asset transferred from erstwhile DVB are stated at the transaction value notified by the Government of National Capital Territory of Delhi (GNCTD) under the Transfer Scheme. Values are assigned to different heads of individual property, plant and equipment as on the date of the transfer i.e. 1 July, 2002 as per an independent technical valuer's estimation.

With effect from 1 April, 2014, Schedule II of the Companies Act, 2013 has been notified and in accordance with Part B of Schedule II, the rate or useful life and residual value given in DERC regulations are applied for computing depreciation on assets. However, in case of assets where no useful life is prescribed in DERC regulations, the useful life and residual value as given in Part C of Schedule II of the Companies Act, 2013 is followed. Further, in case of any class of asset where useful life as estimated by management and/or certified by independent valuer is lower than DERC or Part C of Schedule II of the Companies Act, 2013 then such lower useful life is followed for computing depreciation on such asset.

As per DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 notified on 31 January, 2017 applicable from financial year (FY) 2017-18 onwards, DERC has changed rate of depreciation @ 5.83% up to 12 years of useful life on plant and equipment (comprising of transformers including fixed apparatus, switch gears, lighting arresters, overhead/underground cables) and balance WDV up to 90% over remaining period of useful life of assets instead of equal rate of depreciation applicable in previous regulations. The new regulations have also changed useful life of other class of property, plant and equipment. Accordingly w.e.f. 1 April, 2017 the Company has started charging the depreciation @ 5.83% p.a. on plant and equipment whose useful life has not yet been over up to 12 years, changed useful life of other class of property plant and equipment as per new regulations.

Depreciation for the reporting period in respect of property, plant and equipment has been provided on the straight line method so as to write off the cost of the assets over the useful lives as per DERC regulations/Schedule II of the Companies Act 2013, as applicable.

Residual value is taken at the rate of 10% for assets where rate or useful life is prescribed in DERC regulations and 5% where useful life as per Part C of Schedule II of the Companies Act, 2013 is considered.

Assets (other than project assets) costing less than ₹ 5,000 where useful life is considered as per Part C of schedule II to the Companies Act, 2013 are depreciated fully in the year of first use.

Depreciation for the reporting period in respect of property, plant and equipment used for electricity generation has been provided on straight line method as per rates/ useful life prescribed in regulations notified by DERC on 31 January, 2017. The depreciation has been calculated in a manner which has the effect of depreciating 90% of the capitalized cost of each such depreciable asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Similarly, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation on subsequent expenditure on property, plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life, which is not more than the life specified in DERC regulations/Schedule II to the Companies Act, 2013, as applicable.

Based on the above, the useful life used for various class of assets are:

Description/Class of Assets	Useful life (years)
Office buildings, housing colonies	50
Temporary structures	0
Meters (including smart meters)	10
General plant & machinery, SCADA (excluding IT software/hardware), street lightening	15
SCADA IT software/hardware	6
Office furniture & related equipments (excluding communication equipment)	10
Communication Equipment	15
Batteries	5
IT equipment including software	6
Overhead lines, solar PV	25
Electrical plant & machinery (not covered in above classes)	25
Underground cables	35
Motor vehicles	10

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct costs, other directly attributable costs of construction and attributable interest.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.



4.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4.3 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.



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Note 4.4

Particulars	Cost					Accumulated depreciation and amortisation				Net carrying amount	
	As at	Additions	Borrowing	Disposals/	As at	As at	Depreciation/	Eliminated	As at	As at	As at
	01.04.2022		costs	Adjustment	31.03.2023	01.04.2022	amortisation	on	31.03.2023	31.03.2023	31.03.2022
			capitalised				expense	disposals			
4.4.1 Property, plant and equipment											
(a) Buildings - Plant	33,324.59	283.31	4.07	-	33,611.97	11,011.55	504.92	-	11,516.47	22,095.50	22,313.04
(b) Building - Others	5,180.10	246.58	1.12	-	5,427.80	3,770.77	292.36	-	4,063.13	1,364.67	1,409.33
(c) Plant and equipment	3,43,748.95	25,899.67	202.38	3,933.56	3,65,917.44	1,60,049.19	19,166.63	2,765.32	1,76,450.50	1,89,466.94	1,83,699.76
(d) Transmission lines and cable network	3,40,577.07	16,780.99	137.20	496.28	3,56,998.98	1,45,783.48	14,445.75	276.01	1,59,953.22	1,97,045.76	1,94,793.59
(e) Furniture and fixtures	1,277.66	29.54	-	3.53	1,303.67	813.20	67.57	3.14	877.63	426.04	464.46
(f) Vehicles	3,799.34	608.31	-	616.51	3,791.14	933.52	328.52	227.98	1,034.06	2,757.08	2,865.82
(g) Office equipment	4,622.88	121.86	-	444.59	4,300.15	2,571.96	258.21	352.12	2,478.05	1,822.10	2,050.92
Total	7,32,530.59	43,970.26	344.77	5,494.47	7,71,351.15	3,24,933.67	35,063.96	3,624.57	3,56,373.06	4,14,978.09	4,07,596.92
As at 31.03.2022	(6,99,232.96)	(41,072.55)	(192.73)	(7,967.65)	(7,32,530.59)	(2,95,536.61)	(34,330.73)	(4,933.67)	(3,24,933.67)	(4,07,596.92)	
4.4.2 Intangible assets											
Computer software	17,293.17	449.49	-	-	17,742.66	11,070.11	1,816.93	-	12,887.04	4,855.62	6,223.06
Total	17,293.17	449.49	-	-	17,742.66	11,070.11	1,816.93	-	12,887.04	4,855.62	6,223.06
As at 31.03.2022	(16,982.41)	(310.76)	-	-	(17,293.17)	(9,091.28)	(1,978.83)	-	(11,070.11)	(6,223.06)	
Grand total	7,49,823.76	44,419.75	344.77	5,494.47	7,89,093.81	3,36,003.78	36,880.89	3,624.57	3,69,260.10	4,19,833.71	4,13,819.98
As at 31.03.2022	(7,16,215.37)	(41,383.31)	(192.73)	(7,967.65)	(7,49,823.76)	(3,04,627.89)	(36,309.56)	(4,933.67)	(3,36,003.78)	(4,13,819.98)	
4.4.3 Capital work-in-progress (CWIP)	17,872.87	41,477.50	231.12	43,807.87	15,573.62	-	-	-	-	15,573.62	17,672.87
As at 31.03.2022	(19,711.18)	(38,295.93)	(285.82)	(40,620.06)	(17,672.87)	(-)	(-)	(-)	(-)	(17,672.87)	

4.4.4 Property plant & equipment and intangible assets (movable and immovable) are hypothecated against secured borrowings of ₹ 1,94,952.78 lakhs (as at 31 March, 2022 ₹ 1,95,334.80 lakhs) (refer note 17.1(i), 23.1, 23.3).

4.4.5 CWIP is stated at cost, net of accumulated impairment loss, if any. CWIP includes closing capital inventory of ₹ 5,581.08 lakhs (as at 31 March, 2022 ₹ 6,664.99 lakhs).

4.4.6 Carrying amount of capital inventory hypothecated as security for borrowings is ₹ 5,581.08 lakhs (net of provision of ₹ 330.23 lakhs) (as at 31 March, 2022 ₹ 6,664.99 lakhs) (refer note 17.1(i), 23.1, 23.3).

4.4.7 During the year ended 31 March, 2023 the borrowing cost of ₹ 231.12 lakhs (for the year ended 31 March, 2022 ₹ 285.82 lakhs) relating to capital work-in-progress includes ₹ 149.53 lakhs (for the year ended 31 March, 2022 ₹ 187.00 lakhs) on account of capitalisation of interest expense on lease liability.

4.4.8 Depreciation and amortisation charge to Statement of Profit and Loss :

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation on tangible assets	35,063.96	34,330.73
Add: Depreciation on right of use assets (refer note 5)	833.32	804.02
Add: Amortisation on intangible assets	1,816.93	1,978.83
Total	37,714.21	37,113.58

4.4.9 During the year ended 31 March, 2019 the property, plant and equipment relating to Rithala Power Generation Plant had been classified as assets held for sale (refer note 34.7.1).

4.4.10 The Company does not own any land in its name. The Company retain operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC).

4.4.11 Figures in bracket represents previous year figures.



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4.4.12 There are no proceedings which have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

4.4.13 Details of immovable property included in Property, plant and equipment not held in the name of the Company.

As at 31 March, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property Plant & Equipment	Land	Nil	Government of National Capital Territory of Delhi (GNCTD) {Land and buildings were transferred to company in terms of the DERA, transfer Scheme Rules 2001 on as is where is basis to be occupied and utilised for distribution business}	No	July 2002 to March 2023	The Company does not own any land in its name. The Company retain operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC).
	Buildings - Plant	33,611.97				Post acquisition of licence, the Company has made additions on the said land & building and the same is being classified under Property, plant and equipment.
	Building - Others	5,427.80				

As at 31 March, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property Plant & Equipment	Land	Nil	Government of National Capital Territory of Delhi (GNCTD) {Land and buildings were transferred to company in terms of the DERA, transfer Scheme Rules 2001 on as is where is basis to be occupied and utilised for distribution business}	No	July 2002 to March 2022	The Company does not own any land in its name. The Company retain operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC).
	Buildings - Plant	33,324.59				Post acquisition of licence, the Company has made additions on the said land & building and the same is being classified under Property, plant and equipment.
	Building - Others	5,180.10				

4.4.14 Age of capital work-in-progress (CWIP)

Ageing schedule as at 31 March, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9,105.74	403.51	75.72	59.36	9,644.33
Projects temporarily suspended	93.72	96.20	46.57	111.71	348.20
Capital inventory	3,537.05	661.31	205.69	1,177.04	5,581.09
Total	12,736.51	1,161.02	327.98	1,348.11	15,573.62

Ageing schedule as at 31 March, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,896.76	1,420.50	665.93	1,774.85	10,758.04
Projects temporarily suspended	12.01	93.45	43.92	100.46	249.84
Capital inventory	4,052.23	910.09	379.73	1,322.94	6,664.99
Total	10,961.00	2,424.04	1,089.58	3,198.25	17,672.87

4.4.15 There is no significant amount which is lying in capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.



Note 5

Leases

Accounting Policy

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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assessed whether:

- the contract involves the use of identified asset;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset.

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, as follows:

Description/Class of Assets	Lease term (years)
Land	10 (Period of license)

The Company has disclosed right-to-use assets that do not meet the definition of investment property separately in the Balance Sheet.

(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 has disclosed lease liabilities separately under the head 'Financial liabilities' in 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.

(IV) Disclosures under Ind AS 116

The Company has entered into lease contracts for land used in its operations. Leases of land has been considered for a lease term of 10 years however, the Company's future lease payments in respect of land leases are dependent upon extension of its distribution licence. The Company may assign and sub-lease the leased assets.

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Right-of-use assets		
Cost		
Opening balance	10,945.54	10,945.54
Add: Additions during the year	1.71	-
Closing balance	10,947.25	10,945.54
Accumulated depreciation and amortisation		
Opening balance	3,283.66	2,189.11
Add: Depreciation for the year	1,094.73	1,094.55
Closing balance	4,378.39	3,283.66
Net carrying amount		
Closing balance	6,568.86	7,661.88
(b) Lease liabilities		
Opening balance	7,020.74	9,440.67
Add: Additions during the year	1.72	-
Add: Interest expense accrued on lease liabilities (refer note 32)	627.93	704.52
Less: Lease liabilities paid	-	3,124.45
Closing balance	7,650.39	7,020.74
Non-current lease liabilities	5,069.97	6,086.30
Current lease liabilities	2,580.42	934.44



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Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Amount recognised in Statement of Profit & Loss		
(i) Depreciation on Right-of-use assets (classified under Depreciation and amortisation expense)	833.32	804.02
(ii) Interest on lease liabilities (classified under Finance costs)	478.40	517.52
(iii) Expenses related to short term leases (classified under Other expenses)	272.46	400.91
(b) Amount transferred to capital work-in-progress		
(i) Depreciation on Right-of-use assets	261.41	290.53
(ii) Interest on lease liabilities	149.53	187.00
(c) Amount recognised in Statement of Cash Flows		
(i) Total cash outflow of leases	269.51	3,476.27

(i) The incremental rate of borrowing as at 1 April, 2019 has been considered at 8.60% p.a.

(ii) Refer note 39.3.3 for maturity analysis of lease liabilities.

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 recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Company has entered into operating sub-lease arrangement for its certain land. These typically have lease terms of between 1 to 3 years. The Company has recognised an amount of ₹ 142.51 lakhs as rental income for operating lease during the year ended March 31, 2023 (for the year ended 31 March, 2022 ₹ 117.24 lakhs).

Future minimum rentals receivable under operating leases as at 31 March, 2023 are as follows:

Particulars	As at	
	31.03.2023	31.03.2022
(i) Upto 1 year	140.04	126.67
(ii) 1 to 2 years	30.77	129.22
(iii) 2 to 3 years	4.13	22.65



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Note 6

Investments - non current

Accounting policy

6.1 Investments in subsidiary

A subsidiary is an entity that is controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company records the investments in subsidiary at cost less impairment, if any.

After initial recognition, the Company determines whether there is any objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the investment in a subsidiary and that event (or events) has an impact on the estimated future cash flows from the investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Company's investment in a subsidiary.

When necessary, the cost of the investment is tested for impairment in accordance with Ind AS 36, Impairment of Assets, as a single asset by comparing its recoverable amount (higher of value in use or fair value less costs of disposal) with its carrying amount, any impairment loss recognised is adjusted from the cost of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of investment in a subsidiary, a gain or loss is recognised in the Statement of Profit and Loss and is calculated as the difference between (a) the aggregate of the fair value of consideration received and (b) the previous carrying amount of the investment in subsidiary.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
6.2 Investments in equity instruments		
- Investment in subsidiaries (Unquoted) - at cost less accumulated impairment, if any		
(a) Investments in fully paid-up equity shares of wholly owned subsidiary company		
NDPL Infra Limited	5.00	5.00
(0.50 lakhs (as at 31 March, 2022 0.50 lakhs) equity shares of ₹ 10 each, fully paid up)		
6.3 Aggregate carrying value of unquoted investments	5.00	5.00
6.4 Aggregate amount of impairment in value of investments	-	-

Note 7

Other financial assets - non current

(Unsecured and considered good, at amortised cost)

(a) Security deposits	63.22	56.93
(b) Recoverable from SVRS Trust (refer note 28.10)	21.85	21.85
	<u>85.07</u>	<u>78.78</u>

Note 8

Income tax assets (net)

Income tax	300.21	355.03
Net of provision of income tax of ₹ 1,32,339.06 lakhs (as at 31 March, 2022 net of provision of income tax ₹ 1,20,604.62 lakhs)		

Note 9

Other non-current assets

(Unsecured and considered good)

(a) Capital advances	775.95	673.16
(b) Income tax paid under protest against demand	2,321.84	2,321.84
(c) Prepaid expenses	271.43	26.66
(d) Others	259.73	97.96
	<u>3,628.95</u>	<u>3,119.62</u>

Note 10

Inventories

Accounting policy

10.1 Inventories of stores and spares and loose tools are valued at lower of cost net of provision for diminution in value or net realisable value. Costs of inventories are determined on 'Weighted Average' basis.

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

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
(a) Stores and spares	1,756.48	1,598.97
(b) Loose tools	83.35	99.90
	<u>1,839.83</u>	<u>1,698.87</u>
(c) Less: Allowance for non-moving inventories	286.53	287.75
	<u>1,553.30</u>	<u>1,411.12</u>

10.2 Stores and spares includes traded inventory amounting to ₹ 23.37 Lakhs (as at 31 March, 2022 ₹ 28.32 Lakhs)

10.3 Inventories are hypothecated as security for borrowings (refer note 17.1(i), 23.1, 23.3).



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 11		
Trade receivables		
(At amortised cost)		
(a) Debtors for sale of power in licensed area (refer note 11.1 below)		
(i) Considered good - secured	5,717.03	6,263.63
(ii) Considered good - unsecured	7,601.84	6,278.59
(iii) Credit Impaired	14,846.98	14,362.83
	28,165.85	26,905.05
Less: Allowance for doubtful trade receivables	14,846.98	14,362.83
	13,318.87	12,542.22
(b) Debtors for sale of power other than Tata Power-DDL licensed area		
(i) Considered good - unsecured	107.50	-
(c) Other debtors		
(i) Considered good - unsecured	6,075.90	6,064.23
(ii) Credit Impaired	1,487.19	589.54
	7,563.09	6,653.77
Less: Allowance for doubtful trade receivables	1,487.19	589.54
	6,075.90	6,064.23
	<u>19,502.27</u>	<u>18,606.45</u>
11.1 Government subsidy included in note 11(a)	1,981.45	113.53

11.2 The Company considers non-payment of trade receivables within credit period as increase in credit risk. Further, some part of these receivables is secured by security deposits made by the customers. The status of ageing of trade receivable is given in note 11.4.1.

11.3 The average credit period for the trade receivable in note 11 (a) for distribution of power in license area is 15 clear days.

Late payment surcharge (LPSC) is charged at 1.5% per month on principal component for number of days of delay in receiving payment as per DERC regulations.

11.4 The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables (excluding government receivables in case of energy debtors) are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

11.4.1 Ageing of receivables

Expected credit loss provision matrix

(i) Debtors for sale of power in licensed area

Particulars	Expected Credit loss (%)	
	As at 31.03.2023	As at 31.03.2022
(a) Within the credit period	0.55%	0.48%
(b) 1-90 days past due	0.90%	0.85%
(c) 91-182 days past due	4.00%	3.62%
(d) 183 days-1 year past due	9.38%	9.74%
(e) 1-2 year past due	19.73%	21.26%
(f) 2-3 year past due	28.80%	30.77%
(g) >3 years past due	100.00%	100.00%

(ii) Other debtors

Particulars	Expected Credit loss (%)	
	As at 31.03.2023	As at 31.03.2022
(a) Within the credit period	1.50%	0.75%
(b) 1-90 days past due	3.09%	0.74%
(c) 91-182 days past due	3.09%	0.81%
(d) 183 days-1 year past due	4.62%	2.31%
(e) 1-2 year past due	14.04%	7.27%
(f) 2-3 year past due	28.49%	14.67%
(g) >3 years past due	100.00%	50.00%

Age of receivables

Ageing schedule as at 31 March, 2023

Outstanding for following periods from due date of payment #					₹/Lakhs
	Undisputed		Disputed		Total
	Considered Good	credit impaired	Considered Good	credit impaired	
(a) Less than 6 months	9,384.77	128.95	-	526.86	10,040.58
(b) 6 months - 1 year	3,302.24	204.45	-	387.86	3,894.55
(c) 1-2 year	2,137.26	397.12	-	602.90	3,137.28
(d) 2-3 year	780.57	295.46	-	387.82	1,463.85
(e) More than 3 years	220.74	4,724.43	-	8,652.76	13,597.93
(f) Total overdue	15,825.58	5,750.41	-	10,558.20	32,134.19
(g) Not due	3,676.69	25.56	-	-	3,702.25
(h) Total Trade Receivables (f+g)	19,502.27	5,775.97	-	10,558.20	35,836.44



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Ageing schedule as at 31 March, 2022

Outstanding for following periods from due date of payment #	Undisputed		Disputed		₹ /Lakhs Total
	Considered Good	credit impaired	Considered Good	credit impaired	
(a) Less than 6 months	7,016.19	89.27	-	435.48	7,540.94
(b) 6 months - 1 year	2,260.93	131.45	-	282.94	2,675.32
(c) 1-2 year	1,913.02	323.77	-	316.08	2,552.87
(d) 2-3 year	1,387.00	490.51	-	852.74	2,730.25
(e) More than 3 years	387.15	4,316.65	-	7,682.59	12,386.39
(f) Total overdue	12,964.29	5,351.65	-	9,569.83	27,885.77
(g) Not due	5,642.16	30.83	-	0.06	5,673.05
(h) Total Trade Receivables (f+g)	18,606.45	5,382.48	-	9,569.89	33,558.82

where due date of payment is not available, date of the transaction has been considered.

11.4.2 Movement in the allowance for doubtful trade receivables based on expected credit loss:

Particulars	₹ /Lakhs	
	As at 31.03.2023	As at 31.03.2022
Debtors for billed revenue		
Balance at beginning of the year	14,952.37	13,981.65
Additions/(reversal) in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	140.20	224.84
Specific allowance/ (reversal) on trade receivables for the year	1,241.60	745.88
Balance at end of the year	16,334.17	14,952.37

11.5 The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. There is no consumer who represents more than 5% of the total balance of trade receivables other than mentioned below:

Particulars	₹ /Lakhs	
	As at 31.03.2023	As at 31.03.2022
Delhi Metro Rail Corporation (DMRC)	6,993.30	6,248.43
Havells India Limited	3,599.11	2,637.78
REC Power Distribution Company Ltd (RECPDCL)	2,421.29	2,586.56

Note 12

Cash and bank balances

Accounting policy

12.1 Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

	As at 31.03.2023	As at 31.03.2022
	₹/Lakhs	₹/Lakhs
12.2 Cash and cash equivalents		
(a) Balances with banks - In current accounts	136.51	1,675.35
(b) Cheques, drafts on hand*	190.77	840.43
(c) Cash on hand	-	5.81
	327.28	2,521.59

* Includes balances held with payment aggregator

12.2.1 Reconciliation of liabilities from financing activities:

Particulars	As at 31.03.2022	Cash flows		Non-cash transactions		As at 31.03.2023
		Proceeds	Repayment	Additions	Amortisation	
(a) Long-term borrowings (including current maturities)	2,64,689.40	72,764.30	(1,25,819.55)	-	-	2,11,634.15
(b) Lease liabilities (including current maturities)	7,020.74	-	-	629.65	-	7,650.39
(c) Short-term borrowings and working capital demand loans	10,680.05	8,49,440.04	(8,33,807.21)	-	-	26,312.88
(d) Cash credit and other credit facilities (net)	12,885.85	-	(6,664.08)	-	-	6,221.77
(e) Consumer contribution for:						
- capital works	62,666.42	6,077.15	-	-	(5,143.36)	63,600.21
- service line	17,478.72	3,281.97	-	-	(4,006.78)	16,753.91
(f) Consumer security deposits (net)	83,693.60	8,818.65	-	-	-	92,512.25
Total	4,59,114.78	9,40,382.11	(9,66,290.84)	629.65	(9,150.14)	4,24,685.56

	As at 31.03.2023	As at 31.03.2022
	₹/Lakhs	₹/Lakhs
12.3 Other balances with banks		
(a) Deposits with banks with original maturity more than 3 months upto 12 months	88.91	84.80
(b) Restricted bank deposits (Earmarked pursuant to court order or contractual obligations)	5,370.99	7,335.44
	5,459.90	7,420.24



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Note 13

Other financial assets - current

(Unsecured and considered good, unless otherwise stated, at amortised cost)

(a) Security deposits	577.48	845.70
(b) Accruals		
Interest accrued on fixed deposits	136.60	73.09
(c) Unbilled revenue	44,816.49	41,501.51
(d) Others		
(i) Recoverable from SVRS Trust (refer note 28.10)	-	3.93
(ii) Recoverable from DDA	3,331.24	-
(iii) Other receivables (including recoverable against street light)	799.98	464.73
Less: Allowance for doubtful assets against street light	<u>179.37</u>	<u>179.37</u>
	<u>620.61</u>	<u>285.36</u>
	<u>49,482.42</u>	<u>42,709.59</u>

Note 14

Other current assets

(Unsecured and considered good)

(a) Unbilled revenue (contract asset)	281.83	713.20
(b) Prepaid insurance	756.20	801.75
(c) Prepaid expenses	1,441.15	903.03
(d) Power banking	-	11,318.40
(e) Advance to vendors	5,047.28	4,640.52
(f) Others	<u>11,277.26</u>	<u>5,638.60</u>
	<u>18,803.72</u>	<u>24,015.50</u>



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 15		
Share capital		
Authorised		
12,500 lakhs (as at 31 March, 2022 12,500 lakhs) equity shares of ₹ 10/- each with voting rights.	1,25,000.00	1,25,000.00
500 lakhs (as at 31 March, 2022 500 lakhs) 12% cumulative redeemable preference shares of ₹ 100/- each without voting rights.	50,000.00	50,000.00
	1,75,000.00	1,75,000.00
Issued, subscribed and paid up		
10,520 lakhs (as at 31 March, 2022 10,520 lakhs) equity shares of ₹ 10/- each fully paid up with voting rights.	1,05,200.00	1,05,200.00

Of the above:

- 15.1 5,365.20 lakhs (as at 31 March, 2022 5,365.20 lakhs) i.e. 51% (as at 31 March, 2022 51%) equity shares of ₹ 10/- each with voting rights, are held by Tata Power Company Limited, the holding company.
- 15.2 5,154.80 lakhs (as at 31 March, 2022 5,154.80 lakhs) i.e. 49% (as at 31 March, 2022 49%) equity shares of ₹ 10/- each with voting rights, are held by Delhi Power Company Limited.
- 15.3 The equity shares of the Company have a par value of ₹ 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.
- 15.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares Lakhs	Amount ₹/Lakhs	No. of Shares Lakhs	Amount ₹/Lakhs
At the beginning of the year	10,520.00	1,05,200.00	10,520.00	1,05,200.00
Add: Bonus share issued during the year	-	-	-	-
Outstanding at the end of the year	10,520.00	1,05,200.00	10,520.00	1,05,200.00

15.5 Shareholding of Promoters

Shares held by promoters at the end of the year				% of Change during the year
Sr. No.	Promoter Name	No. of Shares (In Lakhs)	% of total Shares	
1	The Tata Power Company Limited	5,365.20	51%	Nil
2	Delhi Power Company Limited	5,154.80	49%	Nil
Total		10,520.00	100%	Nil

- 15.6 During the current year, the Company has paid final dividend of ₹ 1.20 per share on fully paid equity shares for FY 2021-22 amounting to ₹ 12,624.00 lakhs upon approval of shareholders in Annual General Meeting dated 4 July, 2022. During the previous year ended 31 March, 2022, the Company had paid final dividend of ₹ 1.20 per share on fully paid equity shares for FY 2020-21 amounting to ₹ 12,624.00 lakhs.
- 15.7 For the year ended 31 March 2023 the Board of Directors at its meeting held on 17 April, 2023 have proposed a final dividend of ₹ 1.50 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been disclosed as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 15,780 Lakhs.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 16		
Other equity		
16.1 General reserve		
(a) Opening balance	9,150.00	9,150.00
(b) Add : Amount transferred from retained earnings (net)	-	-
(c) Closing balance	9,150.00	9,150.00
16.2 Retained earnings		
(a) Opening balance	2,93,939.65	2,62,659.78
(b) Add : Additions during the year	44,020.56	43,903.87
(c) Less : Payment of dividend on equity share capital (refer note 15.6)	12,624.00	12,624.00
(d) Closing balance	3,25,336.21	2,93,939.65
	3,34,486.21	3,03,089.65

Nature and purpose of reserves:

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.



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Note 17

Long-term borrowings

17.1 Secured - at amortised cost

(i) Term loans from banks

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
(a) Axis Bank	31,246.57	6,428.71
(b) Bank of Baroda	-	5,000.00
(c) Canara Bank	8,125.00	15,486.11
(d) Deutsche Bank	15,000.00	-
(e) HDFC Bank	15,833.34	69,979.17
(f) Indian Bank	31,267.71	15,677.08
(g) Punjab National Bank	11,875.00	14,375.00
(h) Punjab & Sind Bank	8,747.00	14,790.00
(i) State Bank of India	46,875.00	56,875.00
Total long-term borrowings	1,68,969.62	1,98,611.07

17.2 Current maturities of long-term borrowings

For the current maturities of long-term borrowings, refer note 23.3(a), Short Term Borrowings. Current maturities of long term borrowings includes repayment to be made before due date of 12 months, due date being a holiday.

17.3 Terms of repayment

17.3.1 Secured - at amortised cost

S. No.	Name of Bank	Refer note for security	As at 31.03.2023	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	₹/Lakhs	
									FY 2028-29 to FY 2034-35	
- Term loans from banks										
(a)	i	Axis Bank	17.6	10,000.00	-	-	1,000.00	1,000.00	1,000.00	7,000.00
	ii	Axis Bank	17.6	16,250.00	-	-	3,611.20	3,611.20	3,611.20	5,416.40
	iii	Axis Bank	17.7	4,996.57	-	-	4,996.57	-	-	-
(b)	i	Canara Bank	17.6	277.78	277.78	-	-	-	-	-
	ii	Canara Bank	17.6	2,500.00	2,500.00	-	-	-	-	-
	iii	Canara Bank	17.6	4,375.00	1,250.00	1,250.00	1,250.00	625.00	-	-
	iv	Canara Bank	17.7	8,333.33	3,333.33	3,333.33	1,666.67	-	-	-
(c)	i	HDFC Bank	17.6	1,875.00	833.32	833.33	208.34	-	-	-
	ii	HDFC Bank	17.6	10,000.00	-	1,250.00	1,250.00	1,250.00	1,250.00	5,000.00
	iii	HDFC Bank	17.7	1,666.68	1,666.68	-	-	-	-	-
	iv	HDFC Bank	17.7	1,075.00	833.33	833.33	208.34	-	-	-
	v	HDFC Bank	17.7	6,250.00	2,500.00	2,500.00	1,250.00	-	-	-
(d)	i	Indian Bank	17.6	5,000.00	1,250.00	1,250.00	1,250.00	1,250.00	-	-
	ii	Indian Bank	17.6	7,187.50	-	1,691.18	1,691.18	1,691.18	1,691.18	422.78
	iii	Indian Bank	17.6	7,187.50	-	449.22	1,796.88	1,796.88	1,796.88	1,347.64
	iv	Indian Bank	17.7	3,333.33	1,666.67	1,666.66	-	-	-	-
	v	Indian Bank	17.7	2,343.75	2,343.75	-	-	-	-	-
	vi	Indian Bank	17.7	5,000.00	1,666.67	1,666.67	1,666.66	-	-	-
	vii	Indian Bank	17.7	7,142.71	-	5,714.16	1,428.55	-	-	-
	viii	Indian Bank	17.7	5,000.00	4,000.00	1,000.00	-	-	-	-
(e)	i	Punjab National Bank	17.6	14,375.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	1,875.00
(f)	i	Punjab & Sind Bank	17.6	3,750.00	1,250.00	1,250.00	1,250.00	-	-	-
	ii	Punjab & Sind Bank	17.7	625.00	625.00	-	-	-	-	-
	iii	Punjab & Sind Bank	17.7	2,500.00	2,500.00	-	-	-	-	-
	iv	Punjab & Sind Bank	17.7	7,915.00	1,668.00	1,668.00	1,668.00	1,668.00	1,243.00	-
(g)	i	State Bank of India	17.6	3,125.00	2,500.00	625.00	-	-	-	-
	ii	State Bank of India	17.6	16,250.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	3,750.00
	iii	State Bank of India	17.6	20,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	7,500.00
	iv	State Bank of India	17.6	17,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	5,000.00
(h)	i	Deutsche Bank	17.7	15,000.00	-	5,625.00	7,500.00	1,875.00	-	-
Total				2,11,634.15	42,664.53	42,605.88	43,692.39	24,767.26	20,592.26	37,311.82

17.4 Installments for all the term loans are on quarterly basis.

17.5 The closing floating rate of interest for term loans from banks ranges from 7.25% to 9.05%. The rate of interest for term loans from banks are subject to reset annually except the term loan from Punjab & Sind Bank (refer note 17.3.1 (f (i to iv))) & Axis Bank (refer note 17.3.1 (a (i to iii))) on quarterly reset, Deutsche Bank (refer note 17.3.1 (h (i))) & Indian Bank (refer note 17.3.1 (d (vii)) & 17.3.1 (d (viii))) on half-yearly reset. The Term loan from HDFC Bank (refer note 17.3.1 (c (ii))) has fixed rate of interest at 6.95% for the entire term of 10 years.

17.6 Secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores & spares and third pari-passu charge on all present and future receivables.

17.7 Secured against fourth pari-passu charge on all present and future receivables including regulatory deferral account balances.



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 18		
Other financial liabilities - non current		
(At amortised cost)		
(a) Security deposits		
(i) Consumers' security deposit	86,562.55	78,178.80
(ii) Others	565.25	698.08
(b) Retention money payable	178.18	246.23
	<u>87,305.98</u>	<u>79,123.11</u>

Note 19
Provisions - non current

Accounting policy

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Provision for employee benefits		
(a) Compensated absences	5,645.45	5,537.35
(b) Other employee benefits	174.60	133.83
	<u>5,820.05</u>	<u>5,671.18</u>

19.1 Other employee benefits represent pension liability to VSS employees.

19.2 Defined contribution plan

(i) Provident fund plan and employees state insurance scheme

The Company makes contribution towards Provident Fund which is a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The Company has no obligation, other than the contribution payable to the respective fund. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company makes contribution towards Employee State Insurance Scheme (ESIS) which is a defined contribution benefit plan for qualifying employees. The Company's contribution to the ESIS is deposited by the Company under the Employees State Insurance Act, 1948.

(ii) Pension and leave salary contribution

The Company makes contributions towards pension and leave salary to a defined contribution retirement plan for erstwhile DVB employees. The Company's contribution is deposited into the DVB Employees Terminal benefit Fund 2002 ('the Trust') as per the transfer scheme on the basis of the Fundamental Rules and Service Rules (FRSR Rules).

On account of Defined Contribution Plans, a sum of ₹ 3,923.77 lakhs (for the year ended 31 March, 2022 ₹ 4,193.05 lakhs) has been charged to the Statement of Profit and Loss during the year.

19.3 Defined benefit plan (Gratuity plan)

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of two years service.

19.4 Policy for recognising actuarial gains and losses

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in other comprehensive Income.



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19.5 Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, demographic risk and salary escalation risk.

(a) **Investment risk:**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(b) **Interest rate risk:**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(c) **Demographic risk:**

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(d) **Salary escalation risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

19.6 The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2023. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 "Employee Benefits" to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

Particulars	₹/Lakhs	
	Gratuity (Funded)	
	As at 31.03.2023	As at 31.03.2022
(i) Net liability arising from defined benefit obligation	665.50	370.73
(ii) Change in benefit obligations:		
(a) Present value of obligations as at 1 April	4,165.75	4,164.90
(b) Current service cost	348.02	364.23
(c) Interest expense or cost	306.35	278.75
(d) Remeasurement (gains)/losses: Actuarial (gains)/losses	36.12	(39.71)
(e) Benefits Paid	494.00	628.12
(f) Transfer in liability (group transfer cases)	135.71	25.70
Present value of defined benefit obligation as at 31 March (a+b+c+d-e+f)	4,497.95	4,165.75
(iii) Change in plan assets		
(a) Fair Value of Plan Assets as at 1 April	3,795.02	4,137.74
(b) Investment income	274.97	267.02
(c) Employer's Contribution	249.03	-
(d) Remeasurement (gains)/losses: - Return on plan assets (excluding amounts included in net interest expense)	7.43	18.38
(e) Benefits Paid	494.00	628.12
Fair value of plan asset as at 31 March (a+b+c+d-e)	3,832.45	3,795.02

(iv) **Expenses recognised in the Statement of Profit and Loss**

Particulars	₹/Lakhs	
	Gratuity (Funded)	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Current service cost	348.02	364.23
(b) Net interest expense/(income)	31.38	11.73
(c) Other adjustments	75.12	11.68
Defined benefit cost recognised in the Statement of Profit and Loss (a+b+c)	454.52	387.64

(v) **Amount recognised in other comprehensive income (remeasurements)**

Particulars	₹/Lakhs	
	Gratuity (Funded)	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Actuarial (gains)/losses arising from: - changes in demographic assumptions - changes in financial assumptions - experience adjustments	(106.99) 143.11	24.39 (186.87) 122.77
(b) Return on plan assets (excluding amounts included in net interest expense)	(7.43)	(18.38)
Components of defined benefit costs recognised in other comprehensive income (a+b)	28.69	(58.09)

(vi) **Principal actuarial assumptions:**

Particulars	Notes	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
Financial assumptions:			
(a) Discount Rate (per annum)	1.	7.45%	7.20%
(b) Salary growth rate (per annum)	2.	8.00%	8.00%

Notes:

- Discount Rate:** The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on government bonds as on the current valuation date.
- Salary growth rate:** The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.



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Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Demographic assumptions:		
(a) Normal retirement age	60 years	60 years
(b) Mortality rate	100% of Indian Assured Lives Mortality (2012-2014)	100% of Indian Assured Lives Mortality (2012-2014)
(c) Withdrawal rate (per annum)	5%	5%

(vii) **Major categories of plan assets as a percentage of total plan assets:**

Particulars	As at 31.03.2023	As at 31.03.2022
Government of India Securities	82.24%	83.73%
Debt instruments	9.62%	10.37%
Equity and preference shares	7.70%	3.94%
Others deposits	0.44%	1.96%
	100.00%	100.00%

The Company's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance Corporation of India and actuarial valuer is provided for in the financial statements of the Company.

The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to the investment pattern for group gratuity fund for investments managed in total for several other companies.

(viii) **Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. Changes in defined benefit obligation due to 1% increase/decrease in discount rate, if all other assumptions remain constant:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Decrease in defined benefit obligation due to 1% increase in discount rate	412.61	401.27
(b) Increase in defined benefit obligation due to 1% decrease in discount rate	481.71	470.96

2. Changes in defined benefit obligation due to 1% increase/decrease in expected salary growth rate, if all other assumptions remain constant:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Decrease in defined benefit obligation due to 1% decrease in expected salary growth rate	414.22	401.96
(b) Increase in defined benefit obligation due to 1% increase in expected salary growth rate	474.31	462.53

Changes in defined benefit obligation due to 1% increase/decrease in mortality rate, if all other assumptions remain constant is insignificant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of the valuation for the prior period. For change in assumptions please refer to table in (vi) above, where assumptions for prior period, if applicable, are given.

(ix) **Effect of plan on Company's future cash flows**

(a) Funding arrangements and funding Policy

The Company has purchased an insurance policy to provide payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company.

(b) The expected maturity analysis of undiscounted defined benefit obligation is as follows

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Upto 1 year	337.54	252.00
1 - 2 year	356.52	282.79
2 - 3 year	301.65	324.45
3 - 4 year	354.17	275.40
4 - 5 year	397.27	359.27
More than 5 years	9,487.17	8,997.26
Total	11,234.32	10,491.17
Weighted average duration of the defined benefit obligation	10 years	11 years

(c) The contribution expected to be made by the Company during the financial year 2023-24 is ₹ 1,023.33 lakhs.

(d) The actual return on plan assets is ₹ 282.40 lakhs (for the year ended 31 March, 2022 ₹ 285.40 lakhs).



19.7 Principal actuarial assumptions for long-term compensated absences

(i) Financial assumptions:

Particulars	Notes	Year ended 31.03.2023	Year ended 31.03.2022
(a) Discount rate (per annum)	1.	7.45%	7.20%
(b) Salary growth rate (per annum)	2.	8.00%	8.00%

Notes:

- Discount rate:** The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- Salary growth rate:** The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(ii) Demographic assumptions:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a) Normal retirement age	60 years	60 years
(b) Mortality rate	100% of Indian Assured Lives Mortality (2012-2014)	100% of Indian Assured Lives Mortality (2012-2014)
(c) Withdrawal rate (per annum)	5%	5%
(d) Rate of leave availment (per annum)	4%	4%
(e) Rate of leave encashment during employment (per annum)	4%	4%

Note 20

Capital grants

Accounting policy

Government grants are recognised if there is reasonable assurance that the assistance will be received and the conditions attached to assistance will be complied. Where the grant relates to a specified asset, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants relating to revenue are recognised in the Statement of Profit and Loss.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at fair value and released to the Statement of Profit and Loss over the expected useful life and pattern of consumption of the benefit of the underlying asset.

	<u>As at 31.03.2023</u> ₹/Lakhs	<u>As at 31.03.2022</u> ₹/Lakhs
(i) Opening balance	363.68	433.68
(ii) Less: Amortisation during the year	57.12	70.00
(iii) Closing balance	<u>306.56</u>	<u>363.68</u>

Note 21

Contributions for capital works and service line charges

Accounting policy

Refer note 29.2 for accounting policy on contributions for capital works and service line charges.

Deferred revenue

21.1 Capital works

(i) Opening balance	62,666.42	62,469.77
(ii) Add : Additions during the year	6,077.15	5,247.29
(iii) Less: Amortisation during the year	5,143.36	5,050.64
(iv) Closing balance	<u>63,600.21</u>	<u>62,666.42</u>

21.2 Service line charges

(i) Opening balance	17,478.72	17,854.89
(ii) Add : Additions during the year	3,281.97	2,880.95
(iii) Less: Amortisation during the year	4,006.78	3,257.12
(iv) Closing balance	<u>16,753.91</u>	<u>17,478.72</u>

Total contribution for capital works and service line charges

<u>80,354.12</u>	<u>80,145.14</u>
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TATA POWER DELHI DISTRIBUTION LIMITED
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	As at <u>31.03.2023</u> ₹/Lakhs	As at <u>31.03.2022</u> ₹/Lakhs
Note 22		
Other non current liabilities		
Consumers' deposits for works and service line charges	67,899.97	39,399.74
Note 23		
Short-term borrowings		
23.1 Secured - at amortised cost		
From Banks		
(a) Cash credit	2,939.36	1,665.82
(b) Working capital demand loan		
(i) HDFC Bank	7.88	-
(ii) Yes Bank	1,305.00	1,600.00
	1,312.88	1,600.00
	4,252.24	3,265.82
23.2 Unsecured - at amortised cost		
From Banks		
(a) Unsecured credit facilities		
(i) Axis Bank	3,282.41	11,220.03
	3,282.41	11,220.03
(b) Short term loan		
(i) Indian Bank	8,000.00	-
(ii) Karnataka Bank Limited	7,000.00	-
	15,000.00	-
(c) Working capital demand loan		
(i) Axis Bank	-	80.05
(ii) HDFC Bank	10,000.00	9,000.00
	10,000.00	9,080.05
	28,282.41	20,300.08
23.3 Current maturities of long-term borrowings (refer note 17)		
Secured - at amortised cost		
(a) Term loans from banks		
(i) Axis Bank	-	7,452.00
(ii) Bank of Baroda	-	1,666.67
(iii) Canara Bank	7,361.11	8,194.44
(iv) HDFC Bank	5,833.34	19,388.89
(v) Indian Bank	10,927.08	7,708.33
(vi) Punjab National Bank	2,500.00	2,500.00
(vii) Punjab & SInd Bank	6,043.00	11,668.00
(viii) State Bank of India	10,000.00	7,500.00
	42,664.53	66,078.33
	75,199.18	89,644.23

23.4 Secured credit facilities

The Company has availed secured cash credit limits of ₹ 35,300.00 lakhs from five banks i.e. State Bank of India, Punjab National Bank, Yes Bank, HDFC Bank & Standard Chartered, presently at an interest rate ranging from 7.50% to 9.65% per annum. 60% of the sanctioned cash credit limit of banks has to be first utilised as working capital demand loan in order to avail cash credit facility. These facilities are secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores and spares and third pari-passu charge on all present and future receivables.

The Company has availed secured Short term facility limits of ₹ 20,000 lakhs in the form of STL (₹ 10,000 lakhs) & Invoice financing (₹ 10,000 lakhs) from Deutsche Bank. STL facility has been availed at an interest rate ranging from 5.30% to 7.58% per annum during the financial year. The STL facility (which is fungible) can be utilised for any amount lower than or equal to ₹ 20,000 lakhs, for a period of minimum 7 days upto maximum 1 year. During the financial year, the tenor for utilization of STL ranges from 7 days to 36 days. The facility is secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores and spares and third pari-passu charge on all present and future receivables.

23.5 Unsecured credit facilities

The Company has unsecured fund based credit facilities of ₹ 25,000 lakhs from Axis Bank, ₹ 15,000 lakhs from Canara Bank, ₹ 10,000 lakhs from HDFC Bank, ₹ 20,000 lakhs from Karnataka and ₹ 10,000 lakhs from Indian Bank presently at an interest rate of 8.45%, 8.60%, 7.50%, 7.00% & 7.70% per annum respectively. 60% of the sanctioned limit of banks has to be first utilised as working capital demand loan in order to avail such facility.

The Company has unsecured overdraft facilities of ₹ 200 lakhs from IDFC First Bank, presently at an interest rate of 8.95%.



TATA POWER DELHI DISTRIBUTION LIMITED
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23.6 Unsecured - Term loans - from other parties

(a) Commercial paper

During the current year, the Company has Issued and repaid commercial paper as follows:

Particulars	Date of issue	Repayment date	Discount rate	Face Value	Amount (₹ Lakhs)
(i) ICICI Prudential Mutual Fund	21.04.2022	20.07.2022	4.65%	20,000	19,773.28
(ii) Yes Bank	08.07.2022	28.09.2022	5.85%	10,000	9,870.28
(iii) Kotak Mahindra Bank	08.07.2022	28.09.2022	5.85%	10,000	9,870.28
(iv) Yes Bank	18.07.2022	26.09.2022	6.20%	5,000	4,967.10
(v) ICICI Prudential Mutual Fund	18.07.2022	26.09.2022	6.20%	5,000	4,967.10
(vi) Yes Bank	11.01.2023	10.02.2023	6.95%	10,000	9,943.20

(b) Short term loan

During the current year, the Company has availed and/or repaid short term loan as follows:

S. no.	Name of the bank	Disbursement taken on	Repayment date	Interest Rate (% p.a.)	Amount (₹ Lakhs)
(i)	Karnataka Bank	20.07.2022	19.09.2022	5.40%	20,000
(ii)	Karnataka Bank	26.09.2022	13.01.2023	6.04%	10,000
(iii)	Karnataka Bank	28.09.2022	24.01.2023	6.04%	10,000
(iv)	Indian Bank	15.10.2022	28.10.2022	6.90%	10,000
(v)	Karnataka Bank	02.02.2023		7.00%	7,000
(vi)	Karnataka Bank	02.02.2023	28.03.2023	7.00%	3,000
(vii)	Karnataka Bank	04.02.2023	24.02.2023	7.10%	7,000
(viii)	Karnataka Bank	04.02.2023	27.02.2023	7.10%	3,000
(ix)	Indian Bank	31.03.2023		7.70%	8,000

23.7 The Information/ statement of current assets filed with banks are in agreement with the books of accounts.

As at	As at
31.03.2023	31.03.2022
₹/Lakhs	₹/Lakhs

Note 24

Trade payables (at amortised cost)

(a) Total outstanding dues of micro enterprises and small enterprises	3,207.86	2,518.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,08,107.84	1,21,346.26
	<u>1,11,315.70</u>	<u>1,23,865.03</u>

24.1 As at 31 March, 2023 trade payables include bill discounting of ₹ 7,437.73 lakhs (as at 31 March, 2022 ₹ 13,371.66 lakhs). To manage the expected liquidity risk, the Company has availed seller's side bill discounting facility for a portion of power purchase and transmission supplies invoices from generating and transmission companies. As per said bill discounting arrangement, bill discounting charges including interest will be borne by the Company and the Company will make payment of these bills payable on due date to the designated bank account on behalf of vendor. In case of any default/non-payment of bills on due date, suppliers are liable towards their bankers and the Company is liable towards suppliers for payment of dues.

24.2 The average credit period on purchases from long-term power purchase arrangement ranges from 30 days to 60 days. Thereafter, interest is charged which generally ranges from 1.25% per month to 1.5% per month on the unpaid amount. In addition, Ministry of Power, Govt. of India vide Gazette Notification dated 3 June, 2022 has notified LPSC rate as marginal cost of funds based lending rate for one year of the State Bank of India, as applicable on the 1st April of the financial year in which the default period lies, plus five percent. Rebate is generally available @ 1.5% if payment is made within 5 days from the presentation of bill as per CERC Regulation and @ 2% if payment is made within 2 days from the presentation of bill as per DERC Regulation or @ 1% if payment is made within 30 days from date of presentation. In some cases day-wise rebate is also available. In case of short-term power purchase arrangement, credit period ranges from 1 day to 30 days.

24.3 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:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Principal amount remaining unpaid as at reporting period	3,207.86	2,518.77
(b) Interest due thereon as at reporting period	-	-
(c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid as at reporting period	-	-
(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 to the small enterprise.	-	-

24.4 Age of payables

Ageing schedule as at 31 March, 2023

Outstanding for following periods from due date of payment #	₹/Lakhs				Total
	Undisputed		Disputed		
	MSME *	Others	MSME *	Others	
(a) Less than 1 year	-	549.18	-	-	549.18
(b) 1-2 year	-	795.70	-	-	795.70
(c) 2-3 year	-	284.39	9.24	-	293.63
(d) More than 3 years	-	287.73	11.82	154.41	453.96
(e) Trade payables which are not due	3,186.80	88,215.75	-	-	91,402.55
(f) Total	3,186.80	90,132.75	21.06	154.41	93,495.02
(g) Unbilled trade payables	-	-	-	-	17,820.68
(h) Total Trade Payable (f+g)	-	-	-	-	1,11,315.70



TATA POWER DELHI DISTRIBUTION LIMITED
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Ageing schedule as at 31 March, 2022

Outstanding for following periods from due date of payment #	₹/Lakhs				Total
	Undisputed		Disputed		
	MSME *	Others	MSME *	Others	
(a) Less than 1 year	-	254.97	-	-	254.97
(b) 1-2 year	-	298.30	9.90	-	308.20
(c) 2-3 year	-	232.68	11.86	34.85	279.39
(d) More than 3 years	-	185.68	-	197.34	383.02
(e) Trade payables which are not due	2,497.01	1,01,416.96	-	4.85	1,03,918.82
(f) Total	2,497.01	1,02,388.59	21.76	237.04	1,05,144.40
(g) Unbilled trade payables					18,720.63
(h) Total Trade Payable (f+g)					1,23,865.03

* Micro & small enterprise

where due date of payment is not available, date of the transaction has been considered.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
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Note 25

Other financial liabilities - current

(At amortised cost)

(a) Security deposits		
(i) Consumers' security deposit	5,949.70	5,514.80
(ii) Others	1,188.55	1,042.33
	7,138.25	6,557.13
(b) Interest accrued but not due on borrowings	154.80	539.64
(c) Retention money payable	3,668.33	3,669.39
(d) Payables on purchase of property, plant and equipment	982.96	643.75
(e) Earnest money deposits	226.96	115.39
(f) Consumers' deposits for works	5,999.42	4,874.73
(g) Others	3,728.72	3,596.74
	21,899.44	19,996.77

Note 26

Provisions - current

(a) Provision for employee benefits		
(i) Compensated absences (refer note 19)	973.88	890.33
(ii) Defined benefit plans (Gratuity) (refer note 19)	665.50	370.73
(iii) Other employee benefits (see note 26.1)	20.95	16.55
	1,660.33	1,277.61
(b) Provision for litigations (see note 26.2)	1,113.88	-
	2,774.21	1,277.61
26.1 Other employee benefits represent pension liability to VSS employees.		
26.2 Movement of provision for litigations		
(i) Opening Balance	-	-
(ii) Add: Additions during the year	1,113.88	-
(iii) Less: Utilised/Reversed during the year	-	-
(iv) Closing Balance	1,113.88	-
26.3 As a matter of prudence, the company has made provision for litigations of ₹ 1,113.88 lakhs during current year (As at 31 March, 2022 Nil) towards legal case(s) filed against the company.		
26.4 Refer note 19 for accounting policy on provisions.		

Note 27

Other current liabilities

(a) Income received in advance	204.08	246.85
(b) Statutory dues	12,800.98	9,894.25
(c) Advance from consumers	11,776.07	10,732.71
(d) Advance government subsidy (to be adjusted upon billing)	-	3,026.46
(e) Payable for Pension Trust Surcharge (including unbilled)	2,599.93	2,012.95
(f) Advance against other contractual works	8,201.94	2,630.30
(g) Others	199.32	251.44
	35,782.32	28,794.96



TATA POWER DELHI DISTRIBUTION LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Note 28

Contingent liabilities and commitments
(to the extent not provided for)

Accounting policy

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Contingent liabilities*		
28.1 Claims against the Company not acknowledged as debts:		
(i) Legal cases filed by consumers, employees and others under litigation	5,260.47	6,663.31
28.2 Liabilities arising out of litigation etc. due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
28.3 Direct taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been reopened and assessments remaining to be completed):		
(i) Matters on which decisions with the CIT(A) and various appellate authorities are pending	1,533.44	1,397.61
(ii) Interest demanded (as per demand order and appeal effect order)	754.48	939.82
(iii) Total demand (I+II)	2,287.92	2,337.43
(iv) Out of the above demand, amount paid under protest/adjusted by Income Tax authorities	2,013.84	2,013.84
The above does not include any amount where the Income Tax department has preferred an appeal against issues already decided in favour of the Company.		
28.4 Indirect taxation matters relating to sales tax, service tax, GST where demand is under contest before judicial/appellate authorities	74.42	72.91
28.5 Claims of power suppliers, not acknowledged as expense and credits	31,795.25	25,179.13
*No provision is considered necessary since the Company expects favourable decisions.		
Commitments		
28.6 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	21,098.33	20,485.74

28.7 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative challenges and considerable uncertainty, including the retrospective applicability of order and determination of liability (principal and any penal consequences thereof). Pending the directions from the EPFO, the impact for past periods, if any, cannot be reliably estimated and consequently no financial effect has been provided for in the financial statements. The Company has complied with the direction on a prospective basis, from the date of the SC order.

28.8 As detailed in note 34.7 on Rithala Power Generation Plant, the Company has challenged the DERC Order dated 11 November, 2019 before APTEL for allowance of balance depreciation along with other associated claims i.e. interest on debt, return on equity (RoE) etc. which is yet to be disposed off. Based on legal opinion and internal analysis, the management is hopeful of favourable judgement.

28.9 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

28.10 The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which initially 1,798 employees were separated. The early retirement of these employees led to a dispute between the Company and the DVB Employees Terminal Benefit Fund, 2002 ('the Trust') with respect to payout of retirement benefits that these employees were eligible for. The Trust is of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death, whichever is earlier.

The Company filed a writ petition with the Hon'ble Delhi High Court which pronounced its judgement on 2 July, 2007 on this issue and provided two options to the Discoms for paying retiral benefits to the Trust. The Company chose the option whereby the Discoms were required to pay to the Trust an 'Additional Contribution' on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries to be appointed within a stipulated period. The matter was further challenged by the Trust before Hon'ble Supreme Court, however, no interim relief has been granted by the Hon'ble Supreme Court. Till date no Arbitral Tribunal of Actuaries has been appointed and therefore, no liability has been recorded based on option chosen by the Company.

While the above referred writ petition was pending, the Company had already advanced ₹ 7,774.35 lakhs to the Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRS Trust) for payment of retiral dues to separated employees. In addition to the payment of retiral benefits/residual pension to the SVRS Trust, in pursuant to the order of the Hon'ble Delhi High Court dated 2 July, 2007 the Company also paid interest @ 8% per annum, ₹ 801.27 lakhs in the financial year 2008-09 thereby increasing the total contribution to the SVRS Trust to ₹ 8,575.62 lakhs recorded as recoverable from SVRS Trust. As the Company was entitled to get reimbursement against advanced retiral benefit amount on superannuation age, the Company had recovered/adjusted ₹ 8,553.77 lakhs as at 31 March, 2023 (as at 31 March, 2022 ₹ 8,549.84 lakhs), leaving a balance recoverable ₹ 21.85 lakhs as at 31 March, 2023 (as at 31 March, 2022 ₹ 25.78 lakhs) from the SVRS Trust which includes current portion of Nil (as at 31 March, 2022 ₹ 3.93 lakhs).

28.11 The liability stated in the opening Balance Sheet of the Company as per the Transfer Scheme as on 1 July, 2002 in respect of consumers' security deposit was ₹ 1,000 lakhs. The Company had engaged an independent agency to validate the sample data in digitized form of consumer security deposit received by the erstwhile DVB from its consumers. As per the validation report submitted by this agency the amount of security deposit received from consumers aggregated to ₹ 6,670.51 lakhs. The Company has been advised that as per the Transfer Scheme, the liability in excess of ₹ 1,000 lakhs towards refund of the opening consumer deposits and interest thereon is not to the account of the Company. Since the GNCTD was of the view that the aforesaid liability is that of the Company, the matter was referred to Delhi Electricity Regulatory Commission (DERC). During the year 2007-08, DERC vide its letter dated 23 April, 2007 conveyed its decision to the GNCTD upholding the Company's view. As GNCTD has refused to accept the DERC decision as binding on it, the Company has filed a writ petition in the Hon'ble Delhi High Court and the matter was made regular on 24 October, 2011. No stay has been granted by the High Court in the matter for refund of consumer security deposits and payment of interest thereon.



Note 29

Revenue recognition

Accounting policy

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.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

29.1 Sale of power

Revenue from the supply of power is recognised net of any trade discounts, cash rebates, etc. when the power is supplied and units of electricity are delivered as it best depicts the value to the customer and complete satisfaction of performance obligation.

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognised net of the applicable taxes which the Company collects from the customer on behalf of the government/state authorities. Revenue from such contracts is recognised over time for each unit of electricity delivered at the pre-determined rate.

The Company, as per the prevalent Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations (referred as 'Tariff Regulations') for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations & maintenance expenses, financing cost, as per the said regulations and an assured return on DERC approved equity with additional incentive on over achievement of distribution loss and collection efficiency targets. As per the said Tariff Regulations, the Company determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance".

In respect of power generation, the Company is entitled to recover fuel cost, operations and maintenance expenses and other cost along with return on equity as stated in Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations subject to the availability factor.

Revenue in respect of the following is recognised as and when recovered because its ultimate collection is uncertain:

- (a) Late Payment Surcharge (LPSC) on electricity billed
- (b) Bills raised for dishonest abstraction of power
- (c) Interest on Unscheduled Interchange (UI).

29.2 Contribution for capital works & service line charges

Consumer's contribution towards cost of capital assets and service line charges is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets and installation of connection respectively. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the Statement of Profit and Loss over the useful life of the assets.

29.3 Rendering of Services

Revenue from a contract to provide consultancy services is recognised based on:

Input method : 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 : Direct measurements of value to the customer based on the survey of performance completed to date.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
29.4 Revenue from operations		
29.4.1 Revenue from sale of power and open access		
(a) Sale of power	9,53,473.28	7,81,783.37
Less: energy tax	37,918.32	30,385.19
	9,15,554.96	7,51,398.18
(b) Income from open access charges	2,220.89	2,428.55
	<u>9,17,775.85</u>	<u>7,53,826.73</u>
29.4.2 Other operating revenue		
(a) Amortisation of service line charges	4,006.78	3,257.12
(b) Commission on		
- DVB arrears collection	3.42	0.41
- Energy tax collection	1,111.86	891.55
(c) Maintenance charges (refer note 29.4.2 (I))	1,000.73	1,250.26
(d) Amortisation of capital grants	57.12	70.00
(e) Amortisation of consumer contribution for capital works	5,143.36	5,050.64
(f) Miscellaneous operating income	569.93	442.56
	<u>11,893.20</u>	<u>10,962.54</u>
	<u>9,29,669.05</u>	<u>7,64,789.27</u>

29.4.2 (I) Includes incentive on street light maintenance of ₹ 73.37 lakhs pertaining to financial year 2022-23 (for the year ended 31 March, 2022 ₹ 115.50 lakhs).

29.5 Other income

Accounting Policy

- 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 a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which 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.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
(a) Late payment surcharge	2,125.14	2,190.86
(b) Interest Income	964.69	698.82
(c) Gain on sale/fair value of mutual fund investment measured at FVTPL	-	0.58
(d) Foreign exchange fluctuation gain (net)	-	0.74
(e) Income other than energy business	5,743.50	6,585.88
(f) Excess provisions write back (refer note 29.5.1)	1,644.43	6,417.35
(g) Other non-operating income	198.44	263.78
	<u>10,676.20</u>	<u>16,158.01</u>

29.5.1 During previous years, the actual pay-out of performance pay and incentive to employees were lower than the provision created in books. Accordingly, the company has reversed excess provision of ₹ 1,593.55 lakhs during the year ended 31 March, 2023 (for the year ended 31 March, 2022 ₹ 6,417.35 lakhs)



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29.6 Disaggregation of revenue

Revenue recognised from contracts with customers mainly comprises of sale of power from distribution and retail supply of electricity in the North & North-west Delhi wherein nature, amount, timing and uncertainty of revenue is in accordance with prevailing DERC regulations and tariff order.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(A) Revenue from contracts with customers		
- Based on nature of goods/services		
(i) Distribution of power		
(a) Sale of power (net of energy tax)	9,15,554.96	7,51,398.18
(b) Income from open access charges	9,15,554.96	7,51,398.18
(c) Late payment surcharge	2,220.89	2,428.55
(d) Amortisation of service line charges	2,125.14	2,190.86
(e) Commission on		
- DVB arrears collection	3.42	0.41
- Energy tax collection	1,111.86	891.55
(f) Maintenance charges	1,000.73	1,250.26
(g) Amortisation of consumer contribution for capital works	5,143.36	5,050.64
(h) Miscellaneous income	616.18	474.52
(ii) Business Development (Project management and other consultancy services)	5,600.99	6,468.64
	9,37,384.31	7,73,410.73
(B) Other revenue		
(i) Distribution/generation of power		
(a) Amortisation of capital grants	57.12	70.00
(b) Interest income	964.69	698.82
(c) Others	152.19	231.82
(ii) Business Development (Project management and other consultancy services)	142.51	117.24
(iii) Others		
(a) Gain on sale/fair value of mutual fund investment measured at FVTPL	-	0.58
(b) Excess provisions write back	1,644.43	6,417.35
(c) Foreign exchange fluctuation gain (net)	-	0.74
	2,960.94	7,536.55
Total revenue	9,40,345.25	7,80,947.28

29.7 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Contract assets		
Unbilled revenue other than passage of time (refer note 14(a))	281.83	713.20
Total contract assets	281.83	713.20
Contract liabilities		
Income received in advance (refer note 27(a))	204.08	246.85
Advance from consumers (refer note 27(c))	11,776.07	10,732.71
Advance against other contractual works (refer note 27(f))*	8,201.94	2,630.30
Deferred revenue from consumers -		
- Consumers' deposits for works and service line charges (refer note 22 & 25 (f))	73,899.39	44,274.47
Total contract liabilities	94,081.48	57,884.33
Receivables		
Trade receivables (gross) (refer note 11)	35,836.44	33,558.82
Unbilled revenue for passage of time (refer note 13(c))	44,816.49	41,501.51
Less: Allowances for doubtful debts (refer note 11)	16,334.17	14,952.37
Net receivables	64,318.76	60,107.96

* The income shall be realised only to the extent of supervision charges on the completion of contractual work as agreed with the customer.

29.7.1 Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including advance received from customer.

Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
- Unbilled revenue other than passage of time		
Opening balance as at 1 April	713.20	1,909.50
Add: Revenue recognised during the year apart from above	1,948.87	3,081.15
Less: Transfer from contract assets to receivables	2,380.24	4,277.45
Closing Balance	281.83	713.20



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Particulars	Contract Liabilities					
	As at 31.03.2023			As at 31.03.2022		
	Income received in advance	Advance from consumers	Deferred Revenue	Income received in advance	Advance from consumers	Deferred Revenue
Opening balance as at 1st April	246.85	10,732.71	44,274.47	1,011.46	8,586.53	32,839.06
Revenue recognised during the year from balance at the beginning of the year	(105.79)	(7,799.18)	-	(764.61)	(5,283.36)	-
Advance received during the year not recognised as revenue	63.02	8,842.54	38,984.04	-	7,429.54	19,563.65
Transfer from contract liabilities upon satisfaction of performance obligation	-	-	(9,359.12)	-	-	(8,128.24)
Closing Balance	204.08	11,776.07	73,899.39	246.85	10,732.71	44,274.47

29.8 Transaction price - remaining performance obligation

The remaining performance obligation represents disclosure of aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revaluations and adjustment for revenue that has not materialised.

The aggregate value of performance obligations for project management and other consultancy projects that are unsatisfied or partially satisfied as at 31 March, 2023 is ₹ 8,931.27 lakhs (as at 31 March, 2022 is ₹ 10,759.33 lakhs). Out of this, the Company expects to recognise revenue of around 51.30% (as at 31 March, 2022 49.53%) within next one year and the remaining thereafter on contract-by-contract basis based on extent of progress of the projects.

Note 30

Power purchase cost

- 30.1 The Company has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Company has sold/under-drawn 1,585.85 million units (for the year ended 31 March, 2022 1,855.62 million units) of power to/in favour of other utilities. The power purchase cost of ₹ 7,46,956.70 lakhs (for the year ended 31 March, 2022 ₹ 5,95,691.96 lakhs) is net of sale of power/UI receivables ₹ 96,697.47 lakhs (for the year ended 31 March, 2022 ₹ 74,723.89 lakhs), rebate on power purchase ₹ 10,714.46 lakhs (for the year ended 31 March, 2022 ₹ 7,879.88 lakhs) and excludes in-house power generation cost.

Considering prevalent power shortage situation during the year due to non availability of domestic coal, the Hon'ble Commission (DERC) has issued interim order relaxing certain measure from 29 April, 2022 upto 31 July, 2022. These measures included UI penalty to be allowed as pass through in power purchase cost, exemption from approval of the power procured above ₹ 5 per unit. Additionally, measure of exemptions from approvals for Banking and Bilateral Contracts, allowance of overlapping in bilateral and banking transactions were extended up to 31 October, 2022.

- 30.2 Power generation companies such as NTPC have been raising power purchase bills from their coal based generating station to beneficiaries based on the coal price as charged by coal companies, however, Gross Calorific Value (GCV) of coal on received basis used for calculation of Energy Charge Rate (ECR) was not in accordance with the price paid for the coal with a grade slippage to the tune of 5-8 bands. In various judgments by Central Electricity Regulatory Commission (CERC) i.e. in petition no. 33/MP/2014 and 283/GT/2014 on this issue, CERC had ordered that there cannot be significant variation in GCV of coal at the loading point and unloading point at site. The matter of excess charges refund by GenCos had been further taken up by the Company through a separate petition 311/MP/2015 at CERC which is currently under adjudication.

In the GCV matter, NTPC has admitted 5 grade slippage in the Gross Calorific Value (GCV) of coal received from CIL used for calculation of Energy Charge Rate (ECR). Also, in compliance with the CERC directives in petition no. 311/MP/2015, NTPC furnished the invoices for coal and transportation which also substantiated the fact that there was grade slippage to the tune of 4-7 grades. Hence, the Company has computed the difference of estimated excess bill charged by NTPC coal based power generating stations including Aravali Jhajjar (NTPC comprises of around 50% of the total coal station allocation to the Company) for the period April, 2014 to August, 2017 (in line with CERC Regulations 14-19) amounting to ₹ 1,48,350 lakhs approx. (unaudited) and the same has been submitted in CERC under affidavit on 24 November, 2017. The Grade slippage matter in Petition No. 311/MP/2015 was listed on 11 April, 2019 which was adjourned and next date of hearing is yet to be notified.

30.3 Bilateral Power Purchase Agreement

The Company has made bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. The Delhi Electricity Regulatory Commission (DERC) has directed to treat the normative cost of power banking transaction at weighted average variable cost of all long term sources of power purchase of relevant year. Details of power banked during the year ended 31 March, 2023 are as follows:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Receivable MU's	Receivable MU's
(a) Opening balance as at 1 April	436.32	147.31
(b) Power banked (Outflow)	-	468.00
(c) Power due against banked	-	473.04
(d) Power receipt against opening	436.32	147.31
(e) Power receipt against current year transactions	-	36.72
(f) Balance receivable {(a)+(c)-(d)-(e)}	-	436.32

Note 31

Employee benefits expense (net)

Accounting policy

Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

31.1 Defined contribution plans

The Company's contribution to provident fund, etc. is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made when services are rendered by the employees. The Company has categorised defined contribution plan for different employees into two categories:

31.1.1 Erstwhile DVB Employees:

The Company's contributions into the DVB Employees Terminal benefit Fund 2002 ('the Trust') for the erstwhile DVB Employees as per the Transfer Scheme are defined contribution plans. Provisions for contributions towards all terminal/retirement benefits including gratuity, pension and leave encashment on separation of erstwhile DVB employees are made on the basis of the Fundamental Rules and Service Rules (FRSR Rules) as determined by the trustees of the Trust. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



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31.1.2 Employees other than from Erstwhile DVB:

The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Company makes contribution towards Employee State Insurance Scheme (ESIS), a defined contribution benefit plan for qualifying employees. The Company's contribution to the ESIS is deposited by the Company under the Employees State Insurance Act, 1948.

31.2 Defined benefit plans

31.2.1 Employees other than from Erstwhile DVB:

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each reporting period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the Balance Sheet date.

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 reporting period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- (a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (b) Net interest expense or income; and
- (c) Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Company has taken the group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

The Company contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Company.

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.

31.3 Short-term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the reporting period in which the related service is rendered. These benefit includes performance incentive, salaries and wages, bonus and leave travel allowance.

31.4 Other long-term employee benefits

31.4.1 Employees other than from Erstwhile DVB employees:

Benefits comprising compensated absences as per the Company policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

31.4.2 Erstwhile DVB Employees:

The liability for retirement pension payable to the VSS optees till their respective dates of normal retirement or death (whichever is earlier) is provided on the basis of an actuarial valuation done by an independent actuary at the year-end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

	Year ended 31.03.2023	Year ended 31.03.2022
	₹/Lakhs	₹/Lakhs
(a) Salaries, allowances and Incentives	49,675.78	47,170.56
(b) Contribution to provident and other funds	5,432.09	5,488.48
(c) Staff welfare expenses	3,496.71	3,225.60
(d) Other personnel cost	754.85	1,120.11
	<u>59,359.43</u>	<u>57,004.75</u>
Less: Transferred to capital work-in-progress	5,787.04	5,445.43
	<u>53,572.39</u>	<u>51,559.32</u>
(e) Pension and other payment to VSS and other retirees (refer note 28.10)	239.83	13.14
	<u>53,812.22</u>	<u>51,572.46</u>



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Note 32

Finance costs

Accounting policy

Borrowing Costs

Borrowing costs incurred for qualifying assets are capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings. If no specific borrowings have been incurred for the asset.

All other borrowing costs are recognised in the Statement of Profit and Loss in the reporting period in which they accrue.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
(a) On borrowings - carried at amortised Cost		
(i) Interest on term loan (gross)	17,067.04	19,854.87
Less: Capitalised (refer note 32.1)	426.36	291.55
Interest on term loans (net)	16,640.68	19,563.32
(ii) Interest on cash credit accounts/short-term borrowings	5,108.15	3,934.11
(b) Interest on lease liability (gross)	627.93	704.52
Less: Capitalised	149.53	187.00
Interest on lease liability (net)	478.40	517.52
(c) Interest on consumer security deposits	6,073.90	5,464.97
(d) Other borrowing costs	85.80	53.56
(e) Other interest	245.88	2,871.70
	28,632.81	32,405.18

32.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 7.39% per annum (for the year ended 31 March, 2022 7.27% per annum).

32.2 Interest on consumer security deposits

As per the provisions of Section 47(4) of the Electricity Act, 2003 Interest on consumer security deposits is payable at the bank rate or more as per the notification by State Commission. During the year 2017, Delhi Electricity Regulatory Commission (DERC) had amended Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 through notification in the Official Gazette and as per Clause 20(3) of the Regulations, Interest is payable on consumer security deposits at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1 April of that financial year.

In view of the fact that the matter of liability on account of opening consumer security deposits in excess of ₹ 1,000 lakhs (as at 31 March, 2022 ₹ 1,000 lakhs) transferred to the Company as per the Transfer Scheme is sub-judice and no stay has been granted on payment of interest on and/or refund of opening consumer security deposits in excess of ₹ 1,000 lakhs (as at 31 March, 2022 ₹ 1,000 lakhs), the Company has provided interest expense aggregating to ₹ 6,073.90 lakhs (for the year ended 31 March, 2022 ₹ 5,464.97 lakhs) during the year on the outstanding consumer security deposits received by the Company since takeover of business in July, 2002 and also on the estimated total consumer security deposits received by the erstwhile DVB as per the Company's records. Out of the above interest expenditure, an amount of ₹ 181.33 lakhs (for the year ended 31 March, 2022 ₹ 188.77 lakhs) would be recoverable from DPCL. If the Company's contention is upheld by the Hon'ble High Court that the Company's liability for interest payment/refund on account of opening consumer security deposits is only to the extent of ₹ 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

32.3 The company receives deposit from the customers for undertaking various capital works as per applicable tariff regulations. DERC has passed an order dated 5 December, 2019 directing the company to refund the unspent amount of deposits. Aggrieved by the said order, the Company has filed a petition with the APTEL where the unspent amount has been offered as means of finance in the tariff. The judgment was pronounced by APTEL on 31 August, 2021. Based on the APTEL judgement, certain information was sought by DERC and the company has submitted the desired information to DERC. Pending implementation of this judgement by DERC, the company has worked out the refund liability which is subject to final reconciliation with customers and created an interest provision of ₹ 2,436.71 lakhs on the unspent amount.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
Note 33		
Other expenses		
Operating and maintenance expenses		
(a) Stores and spares consumed (net of recoveries)	6,929.81	4,809.59
(b) Repairs and maintenance:		
(i) Building	662.70	540.82
(ii) Plant and equipment	10,496.50	9,670.76
(iii) Others	5,459.01	5,461.11
(c) Loss on disposal of property, plant and equipment	834.57	1,817.57
	24,382.59	22,299.85
Administrative and general expenses		
(a) Communication expenses	261.87	237.18
(b) Printing and stationery	296.30	240.43
(c) Legal and professional charges		
- Legal expenses (refer note 33.1)	2,228.43	1,953.48
- Professional charges (refer note 33.2)	819.51	493.08
(d) Travelling and conveyance	783.25	462.48
(e) Insurance	836.43	821.73
(f) Advertisement, publicity and business promotion	212.90	171.20
(g) Corporate social responsibility expenses (excluding 5% administrative expenses) (refer note 33.3)	1,252.77	1,103.99
(h) Rent and hire charges	57.48	90.42
(i) Rates and taxes	634.98	605.80
(j) Freight, handling and packing expenses	34.19	56.11
(k) Bill collection and distribution expenses	775.16	815.47
(l) Postage and courier charges	34.36	19.36
(m) Provision for litigations	1,113.88	-
(n) EDP expenses	1,190.35	1,370.58
(o) Housekeeping expenses	1,088.62	1,064.65
(p) Foreign exchange fluctuation loss (net)	2.79	-
(q) Bad debts written off/(written back)	544.90	422.84
(r) Allowance for doubtful debts	612.61	412.36
(s) Miscellaneous expenses	1,547.03	1,071.03
	14,327.81	11,412.19
Total other expenses	38,710.40	33,712.04



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33.1 Out of total Legal expenses of ₹ 2,228.43 lakhs (for the year ended 31 March, 2022 ₹ 1,953.48 lakhs), an amount of ₹ 630.82 lakhs (for the year ended 31 March, 2022 ₹ 623.94 lakhs) pertains to legal expenses where the Company has challenged DERC's orders/Regulations at various forums.

33.2 Auditors remuneration*

Professional charges include auditor's remuneration as follows:

Particulars	₹/ Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) For statutory audit	45.00	45.00
(b) For tax audit	7.25	-
(c) For company law matters	0.30	-
(d) For other services	8.68	7.00
(e) For reimbursement of expenses	2.76	1.16
Total	63.99	53.16

* Exclusive of Goods & Services Tax.

33.3 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the eligibility criteria, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Tata Power-DDL's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the Company as per the Act.

Particulars	₹/ Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Gross amount required to be spent by the Company during the year	1,230.59	1,095.60
(b) Amount spent during the year on CSR (excluding 5% administrative expenses) (refer 33.3.2)	1,252.77	1,103.99
(c) Shortfall for the year	-	-
(d) Transaction with related party for the year (refer Note 41)	3.54	-
(e) Movement of provision	-	-

Particulars	₹/ Lakhs		
	In Cash	Yet to be paid in cash	Year ended 31.03.2023
(I) Construction/acquisition of any asset	-	-	-
(II) On purposes other than (I) above	1252.77	-	1,252.77

33.3.3 The nature of CSR activities undertaken by the Company

Nature of activities as per Schedule VII of Companies Act, 2013	Particulars	₹/ Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. (Clause (i))	- Consultation & supply of medicine through mobile dispensary - Facilitation of potable water - Health care facility to under nourished women & children - Organising blood donation camp - ABHA Program - Providing connection between TPDDL & community to facilitate the needy people.	368.79	340.13
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. (Clause (ii))	- Community awareness program - Literacy, education & skill development program - Vocational training program - Career counselling program - Scholarship distribution program - Entrepreneurship development program	742.18	627.15
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. (Clause (iv))	- Energy, water and climate conservation and sensitization sessions - Tree Plantation	10.63	3.57
Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports. (Clause (vii))	- Rural development & sports in village area	21.83	15.99
Disaster management, including relief, rehabilitation and reconstruction activities. (Clause (xii))	- Supply of cooked meals & Dry ration - Donation to Covid 19 response fund - Distribution of mask, sanitizers, PPE Kit, gloves, IR thermometer, etc.	109.34	117.15
Total		1,252.77	1,103.99

33.4 Disclosure under Clause 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of statutory levies and taxes

As per the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, Clause no. 87 has defined the requirement for the disclosure of water charges, statutory levies and taxes separately. Management considers applicability of the following expenses as covered under Clause 87 :

Particulars	₹/ Lakhs
	Year ended 31.03.2023
(a) Statutory taxes -	
(i) Impact of GST (unaudited)	4,521.62
(b) Water charges	148.39
(c) Statutory levies -	
(i) Impact of minimum wages (unaudited)	2,951.38
(ii) Differential impact of 7th Pay Commission Vs 6th Pay Commission on leave salary and pension for current financial year (gross)	1,740.10
(iii) Differential impact of 7th Pay Commission Vs 6th Pay Commission for current financial year (gross)	5,559.18
(iv) Impact of 7th Pay Commission against VSS & Separated Employees	204.10
(v) Common effluent treatment plant charges	39.61
(vi) Property tax	207.44
(vii) Licensee fees	373.89
(viii) Land license fees	1,562.48



Note 34

Regulatory deferral account balances

Accounting policy

The Company's operations of power distribution are a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the DERC. Accordingly, the Company recognises regulatory deferral account balance in respect of difference between allowable controllable/ uncontrollable expenses and revenue actually collected from regulated activities. Debit balance in the regulatory deferral account balance represents cumulative shortfall in recovery which is allowable to the Company through tariff revision in future periods whereas credit balance in regulatory deferral account balance represents cumulative excess recovery which is refundable through future tariff reductions. The Company records regulatory deferral account balance as at the reporting date based on prevailing regulatory guidelines, various judgments given by judicial authorities, past practices and opinion of legal experts. Any change in the regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to orders/ judgements of regulator, judicial authorities, etc. are recorded in the period of such change.

- 34.1 As per Ind AS 114 "Regulatory Deferral Accounts", the business of electricity distribution is a rate regulated activity where the Delhi Electricity Regulatory Commission (DERC) determines Retail Supply Tariff (RST) to be charged from consumers based on prevailing regulations in place.
- 34.2 In the latest Tariff Order dated 30 September, 2021 issued on 12 October, 2021, the DERC has true up regulatory deferral account balance up to 31 March, 2020 at ₹ 1,76,281 lakhs as against ₹ 4,91,925.26 lakhs as per financial books of accounts excluding amount recoverable towards deferred tax liabilities of ₹ 30,259.85 lakhs. There is no provision in tariff regulations for one to one allowance of deferred tax but the same is allowed in the form of actual rate of tax as and when deferred tax liability gets converted to actual tax liability. The difference in regulatory deferral account is largely due to provisional true up of capitalisation, disallowance of de-capitalised property, plant and equipment, its corresponding impact on return on capital employed (ROCE), income tax and carrying cost. These disallowances have already been challenged in APTEL for amount disallowed up to FY 19-20. The difference in regulatory deferral account is also due to pending implementation of Rithala tariff order issued by the DERC vide order dated 11 November, 2019 and partial allowance of approved Rithala plant cost which is under challenge with APTEL and delay in execution of other previous review/APTEL appeal orders.

The Company had filed a stay petition seeking stay of tariff order with APTEL due to certain arbitrary disallowances by DERC in its latest tariff order dated 30 September, 2021 and also filed appeal with APTEL against the disallowances. On 24 May, 2022 APTEL pronounced final order on stay application and directed the Commission to reconsider the issue of past allowance of AT&C incentive and O&M disallowance and give effect of the same within a period of two months. On DERC's petition, APTEL further clarified on 22 July, 2022 that it's earlier order to be followed in true light and spirit of the observations made and the directions given in the said judgment. The tariff order is yet to be issued by DERC. Therefore, the final impact shall be recorded in the books of accounts once the same is implemented by the Commission as per APTEL directions in the upcoming tariff order. Accordingly, no adjustment has been made in the Regulatory deferral account balance in the books based on latest tariff order dated 30 September, 2021, till the implementation of the above.

On the issue of provisional true up of capitalisation, DERC has shared preliminary draft report of physical verification of fixed asset for the period FY 2004-05 to FY 2015-16. The Company after analysing the draft report have submitted the response along with necessary documents in support of capitalisation on 29 December, 2020 and further action on the same is awaited from DERC. The true up of capitalisation for FY17-18 has been completed by DERC. For the FY16-17, final report has been shared by DERC on 13 March, 2023 for seeking comments. Further, for FY 18-19 to FY 21-22 the physical verification and true up of capitalisation is in progress.

- 34.3 The DERC Business Plan Regulations, 2019 is applicable for the control period starting FY 2020-21 to FY 2022-23. As part of yearly tariff determination exercise, the company has filed True up petition for FY 2020-21 and Annual Revenue Requirement (ARR) for FY 2022-23 on 30 November, 2021 and its Tariff order is awaited. Further, the Company has filed Business Plan for next control period applicable from FY 2023-24 to FY 2027-28 on 12 September, 2022. Further, the company has filed True up petition for FY 2021-22 on 1 November, 2022.

The DERC on 29 March, 2023 has notified Business Plan Regulations, 2023 for the next control period applicable for FY 2023-24 to FY 2025-26.

- 34.4 The Company on a regular basis evaluates the changes in the DERC regulations and other factors which may trigger the impairment of the regulatory deferral account balances.
- 34.5 There has been accumulation of regulatory deferral account balance mainly due to non-availability of cost reflective tariff year on year. On this issue, the Company had filed a petition with the DERC on 08 March, 2021 seeking for a roadmap to liquidate regulatory deferral account in a time bound manner, which was dismissed by DERC with no relief. Further, the Company has challenged the order of DERC before Supreme Court on 6 September, 2021, which has been admitted and the hearing is in progress.
- 34.6 The movement in regulatory deferral account balance as at 31 March, 2023 is as follows:

Particulars	₹ / Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Opening regulatory deferral account debit balance	5,84,222.83	5,51,170.50
(b) Net movement during the year		
(i) Power purchase cost	7,57,775.36	6,03,701.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	1,99,676.78	1,94,342.00
(iii) Collection available for Annual Revenue Requirement (ARR) as per MYT order	9,36,417.96	7,73,411.00
(iv) Net movement before recovery of deferred tax {(i)+(ii)-(iii)}	21,034.18	24,632.00
(v) Deferred tax recoverable in future tariff	8,670.69	8,420.33
(c) Net movement shown in the Statement of Profit and Loss {(iv)+(v)}	29,704.87	33,052.33
(d) Closing regulatory deferral account debit balance (a+c)	6,13,927.70	5,84,222.83

34.7 Rithala Power Generation Plant

On 31 August, 2017 the DERC issued the Order fixing the operational norms as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at ₹ 19,770 lakhs against ₹ 30,239 lakhs as per financial books of accounts. Further, the DERC has recognised tariff of the plant for 6 years (project life) from the date of commercial operation (COD) in combined cycle mode upto 31 March, 2018 as against 15 years, being the life of the plant. In accordance with the Order, the Company had stopped the billing of Rithala Power Plant from 1 April, 2018, adjusted a sum of ₹ 46,986 lakhs towards Rithala billing (including carrying costs) and recorded an impairment loss of ₹ 5,564.93 lakhs till 31 March, 2019.

Further, DERC has issued Tariff Order dated 11 November, 2019 for Rithala Power Plant and allowed depreciation for 6 years only. Aggrieved by the said order of lower allowance of depreciation, the Company has challenged the order before APTEL for balance depreciation along with other associated claims i.e. Interest on debt, return on equity (RoE) etc.

As required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" the asset has been classified under the head "Assets Held for Sale" and the remaining written down value (WDV) less fair value of plant cost of ₹ 19,770 lakhs has been shown as recoverable from future tariff on the basis of management evaluation supported by legal opinion with the condition that the net sale/scrap proceeds for Rithala Power Plant after recovering the 10% salvage value shall be offered in ARR. The Company is continuing to claim the remaining WDV in the form of annual depreciation, ROCE etc. in annual ARR filing for distribution business pending its petition with respect to allowance of the same in APTEL.



34.7.1 Assets classified as held for sale

Accounting policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each Balance Sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company treats sale/distribution of the asset or disposal group to be highly probable when:

- (a) the appropriate level of management is committed to a plan to sell the asset (or disposal group),
- (b) an active programme to locate a buyer and complete the plan has been initiated (if applicable),
- (c) the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (d) the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (e) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

In financial year ended 31 March, 2019 the property, plant and equipment relating to Rithala Power Generation Plant was classified as "Assets Held for Sale" pursuant to derecognition of Rithala plant as source of power with effect from 1 April, 2018 and management's intention to sell the plant. The management remains committed to the plan to dispose off the plant and therefore, continues to classify it as "Asset Held for Sale".

The assets classified as held for sale have been accounted at lower of carrying amount and fair value less cost to disposal. The fair value of property, plant and equipment classified as assets held for sale as at 31 March, 2023 and 31 March, 2022 has been determined based on a valuation report given by an expert who has used Level 3 valuation techniques.

The carrying value and fair value less cost to disposal of Rithala Power Generation Plant classified as assets held for sale is detailed below:

Particulars	As at 31.03.2023			As at 31.03.2022		
	Carrying value	Impairment Loss	Fair value less costs to disposal	Carrying value	Impairment Loss	Fair value less costs to disposal
	(A)	(B)	(C)=(A)-(B)	(D)	(E)	(F) = (D)-(E)
Property, plant and equipment	2,004.00	-	2,004.00	2,004.00	-	2,004.00

The significant unobservable input used in the non-recurring fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March, 2023 and as at 31 March, 2022 are as shown below:

Particulars	*Level in fair value hierarchy	Valuation techniques	Date of valuation	Significant unobservable inputs
Assets classified as held for sale	3	Valuation at salvage value	31.03.2023 and 31.03.2022	Salvage value discounted by the estimated cost of removable assets.

* Refer Note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

The disposal group does not constitute a separate major line of business of the Company and therefore, has not been classified as discontinued operations.

Note 35

Earnings per equity share (EPS)

Accounting policy

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.

The Company also presents Basic earnings per equity share in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance 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.

35.1 EPS - Continuing operations (excluding regulatory income/expense)

Particulars	Units	Year ended 31.03.2023	Year ended 31.03.2022
Profit for the year from continuing operations	₹/Lakhs	44,039.23	43,866.08
Net movement in regulatory deferral account balance	₹/Lakhs	29,704.87	33,052.33
Income-tax attributable to regulatory expenses	₹/Lakhs	(10,380.07)	(11,549.81)
Net movement in regulatory deferral account balance (net of tax)	₹/Lakhs	19,324.80	21,502.52
Profit for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance	₹/Lakhs	24,714.43	22,363.56
Weighted average number of equity shares	Nos./Lakhs	10,520.00	10,520.00
Basic & Diluted earnings per equity share of ₹ 10 each	₹	2.35	2.13
Face value of equity shares	₹	10.00	10.00

35.2 EPS - Continuing operations (including regulatory income/expense)

Particulars	Units	Year ended 31.03.2023	Year ended 31.03.2022
Profit for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹/Lakhs	44,039.23	43,866.08
Weighted average number of equity shares	Nos./Lakhs	10,520.00	10,520.00
Basic & Diluted earnings per equity share of ₹ 10 each	₹	4.19	4.17
Face value of equity shares	₹	10.00	10.00

35.3 The Company does not have any potential dilutive equity share.



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Note 36

Disclosure pursuant to DERC directive 6.10(j) specified in Tariff Order, 2021.

Category-wise billing, collection & subsidy information

36.1 Billing

₹/ Lakhs

S.No.	Category	Year ended 31.03.2023						
		Revenue	Deficit revenue recovery surcharge	PPAC	Electricity duty	Pension trust surcharge	TOD surcharge	TOD rebate
1	Domestic	3,18,231.32	18,199.35	44,200.79	13,039.16	15,355.25	0.26	(0.23)
2	Non-Domestic	3,24,345.38	18,514.66	47,051.12	11,386.05	15,671.31	2,932.50	(1,874.16)
3	Industrial	2,88,539.84	16,521.09	40,662.46	11,013.16	13,710.18	4,297.26	(3,084.18)
4	Agriculture	1,190.13	69.04	173.51	19.36	58.07	1.42	(1.24)
5	Public Utilities	61,624.51	3,898.18	8,928.84	2,045.76	3,273.93	583.86	(527.63)
6	Advertisement & Hoardings	79.32	4.57	11.46	2.40	3.82	-	-
7	Staff	581.07	33.34	79.69	23.00	28.23	-	-
8	E-Rickshaw/E-Vehicle	2,804.48	158.44	404.40	127.08	134.20	49.52	(18.16)
9	Enforcement	1,701.24	101.19	154.06	63.04	68.53	-	-
Grand Total		9,99,097.28	57,499.86	1,41,666.33	37,719.01	48,303.52	7,864.83	(5,505.60)

36.2 Collection

₹/ Lakhs

S.No.	Category	Year ended 31.03.2023				
		Revenue	Deficit revenue recovery surcharge	PPAC	Electricity duty	Pension trust surcharge
1	Domestic	3,18,114.93	18,204.66	43,854.34	13,028.76	15,314.33
2	Non-Domestic	3,21,853.08	18,399.52	46,603.66	11,290.80	15,520.04
3	Industrial	2,92,239.31	16,738.70	41,728.34	11,171.28	13,871.38
4	Agriculture	1,191.08	70.69	169.89	20.01	58.23
5	Public Utilities	60,584.15	3,876.36	8,825.38	1,335.06	3,250.23
6	Advertisement & Hoardings	80.54	4.65	11.47	2.41	3.83
7	Staff	585.20	33.65	79.71	23.15	28.40
8	E-Rickshaw/E-Vehicle	2,817.91	159.32	403.91	127.62	134.16
9	Enforcement	1,701.23	101.19	154.06	63.04	68.53
Grand Total		9,99,167.44	57,588.75	1,41,830.77	37,062.13	48,249.14

36.3 Subsidy Disbursed (Including amnesty scheme)

₹/ Lakhs

S.No.	Category	Year ended 31.03.2023
1	Agriculture	322.49
2	Domestic	83,272.48
3	Non-Domestic (Lawyer Chambers)	258.40
4	Solar Generation Based Incentive	-
Grand Total		83,853.37

36.4 Billing & Collection against temporary connection & Misuse is included in respective tariff category.

36.5 The above figures exclude open access billing & collection.

36.6 Revenue billed & collected include energy charges, fixed charges, Etax, surcharge, PPAC, TOD surcharge, pension trust surcharge, TOD rebate etc.

36.7 Revenue collected includes deemed collection on account of subsidy, CD interest etc.

36.8 "Other Adjustments" is included in respective tariff category.

36.9 No Generation Based Incentive disbursed in FY 2022-23.



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Note 37
Segment reporting

The Company is engaged in the business of distribution and generation of power in North and North-west of Delhi and other ancillary activities. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and accordingly the Company has single reportable segment in terms of Ind AS 108 "Operating Segments". However, as per the directives issued by the Delhi Electricity Regulatory Commission (DERC), the Company is required to disclose separate information about its distribution, generation and business development activities.

37.1 Set out below is the disclosure pursuant to Clause 4 of Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and DERC directive 6.10(j)(ix) specified in Tariff Order, 2021

Based on the regulations of the DERC, the Company has identified following 3 segments/divisions:

- (a) **Distribution**
Comprises of sale of power to retail customers through distribution network and related ancillary services.
- (b) **Generation**
Comprises of generation of power from Rithala Power Generation Plant owned by the Company and generation of power from renewable energy sources i.e. solar.
- (c) **Business Development**
Comprises of project management consultancy, project management agency, project implementation contracts, IT and SCADA implementation contracts, management and other technical services assistance.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

37.2 Segment revenue, segment results, segment assets and liabilities are detailed below:

₹/Lakhs

S.No.	Particulars	As at 31.03.2023				
		Distribution	Generation	Business Development	Inter Segment	Total
(i)	Segment revenue					
	Revenue from operations	9,29,658.46	114.79	-	(104.20)	9,29,669.05
	Other Income	4,932.60	0.10	5,743.50	-	10,676.20
	Movement in regulatory deferral account balance (net)	29,704.87	-	-	-	29,704.87
(a)	Total segment revenue	9,64,295.93	114.89	5,743.50	(104.20)	9,70,050.12
	Less: Segment expenses (refer note 37.4)					
	Cost of power purchased (net)	7,47,060.90	-	-	(104.20)	7,46,956.70
	Employee benefits expense (net)	52,428.81	56.47	1,326.94	-	53,812.22
	Finance costs	27,864.74	768.07	-	-	28,632.81
	Depreciation and amortisation expense	37,652.57	61.64	-	-	37,714.21
	Other expenses	36,728.66	152.27	1,829.47	-	38,710.40
(b)	Total segment expenses	9,01,735.68	1,038.45	3,156.41	(104.20)	9,05,826.34
(ii)	Total segment results (a-b)	62,560.25	(923.56)	2,587.09	-	64,223.78
(c)	Add/(Less): Unallocable income/(expense)					
(c)	Gain on sale/fair value of mutual fund investment measured at FVTPL					-
(d)	Foreign exchange fluctuation gain (net)					-
(e)	Profit before tax (II+c+d)					64,223.78
(f)	Less: Tax expense					20,184.55
	Profit after tax (e-f)					44,039.23
(iii)	Segment assets (refer note 37.3)					
(a)	Property, plant and equipment	4,14,019.74	958.35	-	-	4,14,978.09
(b)	Capital work-in-progress	15,524.87	48.75	-	-	15,573.62
(c)	Right-of-use assets	6,568.86	-	-	-	6,568.86
(d)	Intangible assets	4,855.62	-	-	-	4,855.62
(e)	Non-current financial assets	90.07	-	-	-	90.07
(f)	Other non-current assets	1,307.11	-	-	-	1,307.11
(g)	Inventories	1,553.30	-	-	-	1,553.30
(h)	Current financial assets					
	- Trade receivables	14,217.15	-	5,285.12	-	19,502.27
	- Unbilled revenue	44,668.17	-	148.32	-	44,816.49
	- Others	10,453.11	-	-	-	10,453.11
(i)	Other current assets					
	- Unbilled revenue (contract asset)	-	-	281.83	-	281.83
	- Others	17,318.50	1,203.39	-	-	18,521.89
(j)	Assets classified as held for sale	-	2,004.00	-	-	2,004.00
(k)	Regulatory deferral account debit balances	6,04,309.70	9,618.00	-	-	6,13,927.70
	Total segment assets	11,34,886.20	13,832.49	5,715.27	-	11,54,433.96
(l)	Unallocable assets					
	- Income tax assets (net)					300.21
	- Income tax paid under protest against demand					2,321.84
	Total assets					11,57,056.01



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		₹/ Lakhs				
S.No.	Particulars	As at 31.03.2023				
		Distribution	Generation	Business Development	Inter Segment	Total
(iv)	Segment liabilities (refer note 37.3)					
(a)	Non-current financial liabilities	2,61,228.30	117.27	-	-	2,61,345.57
(b)	Capital grants	152.49	154.07	-	-	306.56
(c)	Contributions for capital works and service line charges	80,354.12	-	-	-	80,354.12
(d)	Other non-current liabilities	67,899.97	-	-	-	67,899.97
(e)	Current financial liabilities	2,10,436.65	558.09	-	-	2,10,994.74
(f)	Other current liabilities					
	- Income received in advance	-	-	204.08	-	204.08
	- Others	27,684.20	1.91	7,892.13	-	35,578.24
	Total segment liabilities	6,47,755.73	831.34	8,096.21	-	6,56,683.28
(g)	Unallocable liabilities					
	- Provisions - non current					5,820.05
	- Deferred tax liabilities (net)					52,092.26
	- Provisions - current					2,774.21
	Total liabilities					7,17,369.80

		₹/ Lakhs				
S.No.	Particulars	As at 31.03.2022				
		Distribution	Generation	Business Development	Inter Segment	Total
(i)	Segment revenue					
	Revenue from operations	7,64,767.35	151.26	-	(129.34)	7,64,789.27
	Other income	9,432.97	137.84	6,585.88	-	16,156.69
	Movement in regulatory deferral account balance (net)	33,052.33	-	-	-	33,052.33
(a)	Total segment revenue	8,07,252.65	289.10	6,585.88	(129.34)	8,13,998.29
	Less: Segment expenses (refer note 37.4)					
	Cost of power purchased (net)	5,95,821.30	-	-	(129.34)	5,95,691.96
	Employee benefits expense (net)	49,214.81	71.76	2,285.89	-	51,572.46
	Finance costs	31,745.44	659.02	0.72	-	32,405.18
	Depreciation and amortisation expense	37,026.88	86.70	-	-	37,113.58
	Other expenses	31,408.02	288.57	2,015.45	-	33,712.04
(b)	Total segment expenses	7,45,216.45	1,106.05	4,302.06	(129.34)	7,50,495.22
(ii)	Total segment results (a-b)	62,036.20	(816.95)	2,283.82	-	63,503.07
	Add/(Less): Unallocable income/(expense)					
(c)	Gain on sale/fair value of mutual fund investment measured at FVTPL					0.58
(d)	Foreign exchange fluctuation gain (net)					0.74
(e)	Profit before tax (ii+c+d)					63,504.39
(f)	Less: Tax expense					19,638.31
	Profit after tax (e-f)					43,866.08
(iii)	Segment assets (refer note 37.3)					
(a)	Property, plant and equipment	4,06,578.80	1,018.12	-	-	4,07,596.92
(b)	Capital work-in-progress	17,624.12	48.75	-	-	17,672.87
(c)	Right-of-use assets	7,661.88	-	-	-	7,661.88
(d)	Intangible assets	6,223.06	-	-	-	6,223.06
(e)	Non-current financial assets	83.78	-	-	-	83.78
(f)	Other non-current assets	797.78	-	-	-	797.78
(g)	Inventories	1,411.12	-	-	-	1,411.12
(h)	Current financial assets					
	- Trade receivables	12,856.05	-	5,750.40	-	18,606.45
	- Unbilled revenue	41,495.83	-	5.68	-	41,501.51
	- Others	11,149.91	-	-	-	11,149.91
(i)	Other current assets					
	- Unbilled revenue (contract asset)	2.34	-	710.86	-	713.20
	- Others	22,098.46	1,203.84	-	-	23,302.30
(j)	Assets classified as held for sale	-	2,004.00	-	-	2,004.00
(k)	Regulatory deferral account debit balances	5,74,604.83	9,618.00	-	-	5,84,222.83
	Total segment assets	11,02,587.96	13,892.71	6,466.94	-	11,22,947.61
(l)	Unallocable assets					
	- Income tax assets (net)					355.03
	- Income tax paid under protest against demand					2,321.84
	Total assets					11,25,624.48
(iv)	Segment liabilities (refer note 37.3)					
(a)	Non-current financial liabilities	2,83,234.54	585.94	-	-	2,83,820.48
(b)	Capital grants	199.03	164.65	-	-	363.68
(c)	Contributions for capital works and service line charges	80,145.14	-	-	-	80,145.14
(d)	Other non-current liabilities	39,399.74	-	-	-	39,399.74
(e)	Current financial liabilities	2,33,848.49	591.98	-	-	2,34,440.47
(f)	Other current liabilities					
	- Income received in advance	-	-	246.85	-	246.85
	- Others	26,036.43	4.76	2,506.92	-	28,548.11
	Total segment liabilities	6,62,863.37	1,347.33	2,753.77	-	6,66,964.47
(g)	Unallocable liabilities					
	- Provisions - non current					5,671.18
	- Deferred tax liabilities (net)					43,421.57
	- Provisions - current					1,277.61
	Total liabilities					7,17,334.83

37.3 Distribution segment also includes assets and liabilities of Business Development (except trade receivables, unbilled revenue and income received in advance) since it constitutes only insignificant portion of the closing balance and are not readily identifiable.

37.4 Total expenses of Business Development segment of ₹ 3,156.41 lakhs (for the year ended 31 March, 2022 ₹ 4,302.06 lakhs) includes allocated expenses of ₹ 137.05 lakhs (for the year ended 31 March, 2022 ₹ 370.70 lakhs). Balance expenses of ₹ 3,019.36 lakhs (for the year ended 31 March, 2022 ₹ 3,931.36 lakhs) are directly identifiable to this reporting segment.



TATA POWER DELHI DISTRIBUTION LIMITED
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Note 38
Income tax

Accounting policy

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

38.1 Current tax

The current tax payable is based on taxable profit for the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

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 treated differently according to Income Tax Act, 1961. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive Income or directly in equity, in which case, the current tax is also recognised in Other Comprehensive Income or directly in Equity respectively.

38.2 Income tax expense recognised in the Statement of Profit and Loss consists of:

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
Income tax expense recognised in the Statement of Profit and Loss :		
(a) Current tax (refer note 38.4)	18,338.65	17,822.40
Less: MAT credit adjusted during the year	6,829.80	6,594.27
Current tax expense (net)	11,508.85	11,228.13
(b) Deferred tax expense (net) (refer note 38.4)	8,675.70	8,410.18
Total	20,184.55	19,638.31
Income tax expense recognised in other comprehensive income :		
Income tax relating to items that will not be reclassified to profit or loss:		
(c) Current tax		
Remeasurement of defined benefit obligation (refer note 38.4)	(5.01)	10.15
(d) Deferred tax		
Remeasurement of defined benefit obligation (refer note 38.4)	(5.01)	10.15
Total	(10.02)	20.30
Total income tax expense recognised during the year (a+b+c+d)	20,174.53	19,658.61

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

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
Profit before tax	64,223.78	63,504.39
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	22,442.36	22,190.97
Add/(Less): Tax effect on account of:		
Tax effect due to non taxable income pertaining to deferred tax recoverable	(3,029.88)	(2,942.40)
Expenses not considered in determining taxable profit	266.81	236.70
Adjustments for prior periods	(47.18)	-
Reversal during tax holiday period	42.89	82.82
Deduction under chapter VI-A	(19.14)	(21.61)
Others	528.69	91.83
Income tax expense recognised in the Statement of Profit and Loss	20,184.55	19,638.31

38.4 The Company has made provision for income tax at the rate of 34.94% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2023 and 31 March, 2022.

The Company has to pay taxes based on the higher of income-tax profit of the Company or minimum alternate tax (MAT) at 17.47% (FY 2021-22 17.47%) of book profit for the financial year 2022-23 and 2021-22.

The provision for deferred tax has been worked upon at the rate of 34.94% (substantially enacted tax rate at Balance Sheet date) for the year ended 31 March, 2023 and 31 March, 2022.



38.5 Deferred tax

Accounting policy

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.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

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 reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in Other comprehensive income or directly in equity, in which case, deferred tax is also recognised in Other Comprehensive Income or directly in equity respectively.

38.6 Deferred tax liabilities/assets (net) as at 31 March, 2023, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2023.

Particulars (2022-23)	₹ / Lakhs			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment (refer note 38.8)	72,072.86	2,673.07	-	74,745.93
Provision for doubtful debts	(2,938.67)	(214.07)	-	(3,152.74)
Provision for employee benefits	(2,428.19)	(180.74)	(5.01)	(2,613.94)
MAT credit	(22,756.04)	6,829.80	-	(15,926.24)
Others	(528.39)	(432.36)	-	(960.75)
Deferred tax liabilities/(asset) [net]	43,421.57	8,675.70	(5.01)	52,092.26

Deferred tax liabilities/assets (net) as at 31 March, 2022, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2022.

Particulars (2021-22)	₹ / Lakhs			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment	69,919.61	2,153.25	-	72,072.86
Provision for doubtful debts	(2,794.58)	(144.09)	-	(2,938.67)
Provision for employee benefits	(2,358.68)	(79.66)	10.15	(2,428.19)
MAT credit	(29,350.31)	6,594.27	-	(22,756.04)
Others	(414.80)	(113.59)	-	(528.39)
Deferred tax liabilities/(asset) [net]	35,001.24	8,410.18	10.15	43,421.57

38.7 As per MYT regulations for determination of tariff, tax expense shall be considered in tariff determination as and when and to the extent of income tax actually paid. Accordingly, the Company has made provision only for the amount of income tax that is actually payable and the deferred tax liability (net) as at 31 March, 2023 of ₹ 52,092.26 lakhs (as at 31 March, 2022 ₹ 43,421.57 lakhs) and deferred tax charge of ₹ 8,670.69 lakhs for the year ended 31 March, 2023 (for the year ended 31 March, 2022 ₹ 8,420.33 lakhs) has been shown as recoverable in regulatory deferral account balances.

38.8 As at 31 March, 2023 deferred tax liability of ₹ 74,745.93 lakhs (as at 31 March, 2022 ₹ 72,072.86 lakhs) on account of property, plant and equipment is net of deferred tax asset of ₹ 840.54 lakhs (as at 31 March, 2022 ₹ 1,080.57 lakhs) arising on assets classified as held for sale.

38.9 During the current year, the management has reassessed the recoverability of unavailed MAT credit and accordingly recognised MAT credit amounting to ₹ 15,926.24 lakhs as at 31 March, 2023 (as at 31 March, 2022 ₹ 22,756.04 lakhs).

38.10 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 reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period. The Taxation Laws (Amendment) Act, 2019 provides the Company with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company presently. The Company has reviewed the implications of the Act on its tax liability for the year and has chosen to continue to apply tax rate of 34.94% which allows the Company to set off carry forward balance of MAT credit and avail other tax concessions.

The Company also evaluated impact of the Act for future period and is of the view that current tax rate of 34.94% will continue to remain favourable for foreseeable future. Therefore, the Company continues to measure deferred tax liability (net) at current applicable income tax rate.



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Note 39

Financial instruments

39.1 Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return of capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The Company's capital structure consists of net debt and total equity. The Company includes within net debt, interest bearing borrowings, less cash and bank balances as detailed below. The position on reporting date is summarised in the following table:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Long-term borrowings	1,68,969.62	1,98,611.07
Short-term borrowings (Includes Current maturities of long-term borrowings)	75,199.18	89,644.23
Total debt (a)	2,44,168.80	2,88,255.30
Less: Cash and bank balances (b)	5,787.18	9,941.83
Net debt {(c)=(a-b)}	2,38,381.62	2,78,313.47
Total equity (d)	4,39,686.21	4,08,289.65
Total equity and net debt {(e)=(c+d)}	6,78,067.83	6,86,603.12
Net debt to total equity plus net debt ratio (%) {(f)=(c)/(e)}	35.16%	40.53%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2023 and 31 March, 2022.

39.2 Categories of financial instruments

Particulars	₹/Lakhs			
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Fair Value		Carrying Value	
Financial assets				
(I) Measured at cost				
(a) Investments in equity instruments of wholly owned subsidiary company (unquoted)	5.00	5.00	5.00	5.00
(II) Measured at amortised cost				
(a) Trade receivables	19,502.27	18,606.45	19,502.27	18,606.45
(b) Cash and cash equivalents	327.28	2,521.59	327.28	2,521.59
(c) Bank balances other than cash and cash equivalent above	5,459.90	7,420.24	5,459.90	7,420.24
(d) Security deposits	640.70	902.63	640.70	902.63
(e) Unbilled revenue	44,816.49	41,501.51	44,816.49	41,501.51
(f) Others	4,110.30	384.23	4,110.30	384.23
Total	74,861.94	71,341.65	74,861.94	71,341.65
Financial liabilities				
(I) Measured at amortised cost				
(a) Borrowings (including current maturities)	2,44,168.80	2,88,255.30	2,44,168.80	2,88,255.30
(b) Interest accrued but not due on borrowings	154.80	539.64	154.80	539.64
(c) Lease liabilities (including current maturities)	7,650.39	7,020.74	7,650.39	7,020.74
(d) Trade and other payables	1,11,315.70	1,23,865.03	1,11,315.70	1,23,865.03
(e) Consumers' security deposit	92,512.25	83,693.60	92,512.25	83,693.60
(f) Retention money payable	3,846.51	3,915.62	3,846.51	3,915.62
(g) Consumers' deposits for works	5,999.42	4,874.73	5,999.42	4,874.73
(h) Others	6,692.44	6,096.29	6,692.44	6,096.29
Total	4,72,340.31	5,18,260.95	4,72,340.31	5,18,260.95

39.2.1 Fair values of financial assets and financial liabilities

- (a) The management assessed that the carrying value of cash and cash equivalents, other balances with bank, trade receivables, loans, unbilled revenue, borrowings and interest accrued thereon, consumers' security deposit, retention money payable, trade payables, other financial assets and liabilities approximate their fair value largely due to the short term maturities of these instruments/ buying subject to floating-rate. Fair value measurement of lease liabilities is not required.
- (b) Investments in subsidiaries accounted at cost in accordance with Ind AS 27 "Separate Financial Statements".



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39.3 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, lease liabilities, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks, unbilled revenue and other financial assets that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Corporate Level Risk Management Committee (CLRMC) oversees the management of these risks and appropriate risk governance framework for the Company. The Company's CLRMC is supported by a Finance Risk Management Sub-Committee that reviews the financial risks. The Company's financial risk activities are governed by appropriate policies and procedures (in accordance with ISO 31000:2018 guidelines) and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risk management policy is approved by the Board of Directors.

The Company's focus is to ensure liquidity which is sufficient to meet Company's operational requirements, the management also monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The management reviews and manages these risks, which are summarised below:

39.3.1 Market risk

Market risk is the risk that changes in market prices 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. Financial instruments affected by market risk primarily comprises of term borrowings and current investments.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

(A) Foreign currency exchange risk management

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company does not have significant foreign currency denominated transactions, hence the Company is not exposed to significant foreign currency exchange risk.

(B) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for long term borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the borrowing outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for analysis which represents management's assessment of the reasonably possible change in interest rates.

The sensitivity analysis in the following section relates to the position as at 31 March, 2023 and 31 March, 2022. If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

Particulars	₹/Lakhs			
	As at 31.03.2023		As at 31.03.2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on term borrowings	1,058.17	(1,058.17)	1,323.45	(1,323.45)
Effect on profit before tax	(1,058.17)	1,058.17	(1,323.45)	1,323.45

In Company's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(C) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net asset value (NAV) of the financial instruments held. As at year end, the Company does not have any investment measured at fair value through profit or loss, hence the Company is not exposed to significant price risk.

39.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Trade receivables	19,502.27	18,606.45
(b) Unbilled revenue	44,816.49	41,501.51
(c) Security deposits	640.70	902.63
(d) Other financial assets	4,110.30	384.23
	69,069.76	61,394.82

Refer note 11 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

Bank balances are held with reputed and creditworthy banking institutions.

As per its investment policy, the Company deploy its short term surplus funds in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits with such companies of the Tata Group as may be approved. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose Assets Under Management (AUM) are in excess of ₹ 1,00,00,000 lakhs and ranks in the first three of CRISIL's latest available Composite Performance Ranking (CPR) at the time of investment. As per policy, the aggregate amounts invested in debt based mutual funds and/or liquid funds with no exposure to equities, fixed term deposit with schedule banks and in inter-corporate deposits being in nature of investments shall not exceed ₹ 35,000 lakhs at any point of time.



TATA POWER DELHI DISTRIBUTION LIMITED
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39.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Company. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Expected contractual maturity for financial liabilities:

Particulars	₹/Lakhs			
	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2023				
(a) Trade payables	1,11,315.70	-	-	1,11,315.70
(b) Short term borrowings	32,534.65	-	-	32,534.65
(c) Long term borrowings (Including current maturities)	42,664.53	1,31,657.79	37,311.82	2,11,634.14
(d) Interest accrued but not due on borrowings	154.80	-	-	154.80
(e) Future Interest on above long term borrowings	15,234.25	27,408.72	4,736.56	47,379.53
(f) Consumers' security deposit (see note 39.3.3a)	5,949.70	-	86,562.55	92,512.25
(g) Future interest on consumers' security deposit (refer note 39.3.3a)	7,357.82	29,431.26	36,789.08	73,578.16
(h) Lease liabilities (including current maturities)	2,580.42	5,068.87	1.10	7,650.39
(i) Future Interest on above lease liabilities	544.31	1,181.05	0.15	1,725.51
(j) Retention money payable	3,668.33	178.18	-	3,846.51
(k) Consumers' deposits for works	5,999.42	-	-	5,999.42
(l) Other financial liabilities	6,127.19	424.18	141.07	6,692.44
	2,34,131.12	1,95,350.05	1,65,542.33	5,95,023.50
As at 31 March, 2022				
(a) Trade payables	1,23,865.03	-	-	1,23,865.03
(b) Short term borrowings	23,565.90	-	-	23,565.90
(c) Long term borrowings (Including current maturities)	66,078.33	1,52,680.57	45,930.50	2,64,689.40
(d) Interest accrued but not due on above borrowings	539.64	-	-	539.64
(e) Future Interest on above long term borrowings	16,703.50	30,761.68	5,001.84	52,467.02
(f) Consumers' security deposit (see note 39.3.3a)	5,514.80	-	78,178.80	83,693.60
(g) Future interest on consumers' security deposit (refer note 39.3.3a)	5,472.52	21,890.06	27,362.58	54,725.16
(h) Lease liabilities (including current maturities)	934.44	4,652.03	1,434.27	7,020.74
(i) Future Interest on above lease liabilities	627.79	1,596.88	127.95	2,352.62
(j) Retention money payable	3,669.39	237.71	8.52	3,915.62
(k) Consumers' deposits for works	4,874.73	-	-	4,874.73
(l) Other financial liabilities	5,398.21	483.84	214.24	6,096.29
	2,57,244.28	2,12,302.77	1,58,258.70	6,27,805.75

39.3.3a Consumers' security deposit classified under more than 5 years maturity pertains to permanent connection which are refundable on surrender of connection subject to clearance of outstanding dues.

Future interest on consumers' security deposit has been considered at 8.5% per annum (as at 31 March, 2022 7.00% per annum) which is the prevailing SBI 1 year MCLR rate as at 1 April, 2023. For the purpose of computation of interest, the tenure of consumer security deposit has been taken as 10 years.

The Company has access to financing facilities as described in note 39.3.4 below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

39.3.4 Financing facilities (short term)

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Unsecured credit facilities, reviewed annually and payable at call		
Amount used and outstanding	28,282.41	20,300.08
Amount unused	51,917.59	34,899.92
Secured bank loan facilities with various maturity dates through to 31 March, 2023 and which may be extended by mutual agreement		
Amount used and outstanding	4,252.24	3,265.82
Amount unused	51,047.76	39,534.18



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Note 40
Financial Ratios

Particulars	Numerator (₹ Lakhs)		Denominator (₹ Lakhs)		Unit	As at	As at	Variance
	31.03.2023	31.03.2022	31.03.2023	31.03.2022		31.03.2023	31.03.2022	
(a) Current ratio*	2,75,361.30	2,16,120.73	2,49,551.27	2,64,513.04	Times	1.10	0.82	35.05%
(b) Debt equity ratio	2,51,973.99	2,95,815.68	4,39,686.21	4,08,289.65	Times	0.57	0.72	-20.90%
(c) Debt service coverage ratio	95,939.66	1,01,359.68	85,132.35	93,161.44	Times	1.13	1.09	3.58%
(d) Return on Equity	44,039.23	43,866.08	4,23,987.93	3,92,649.72	%	10.39%	11.17%	-7.03%
(e) Trade receivables turnover ratio	9,62,438.40	7,92,048.06	78,354.15	77,821.42	Days	30	36	-17.14%
(f) Trade payables turnover ratio	7,82,419.46	6,25,647.24	1,04,144.13	1,01,223.64	Days	49	59	-17.73%
(g) Net capital turnover ratio [#]	9,59,373.92	7,97,841.60	71,209.78	19,160.10	Times	13.47	41.64	-67.65%
(h) Net profit ratio	44,039.23	43,866.08	9,59,373.92	7,97,841.60	%	4.59%	5.50%	-16.51%
(i) Return on capital employed	86,782.69	90,444.60	7,45,639.68	7,51,220.32	%	11.64%	12.04%	-3.33%
(j) Return on investment	291.69	172.27	19,77,620.02	13,46,275.80	%	5.38%	4.67%	15.27%

*There is increase in current ratio mainly on account of higher levy of PPAC

[#] There is change in net capital turnover ratio mainly on account of higher working capital

40.1 Formulas used to compute ratios

Particulars	Formulas
(a) Current ratio	Current asset (refer note 40.2(a)) Current liability
(b) Debt equity ratio	Total debt (refer note 40.2(b)) Shareholder's equity
(c) Debt service coverage ratio	Earnings available for debt service (refer note 40.2(c)) Debt Service (refer note 40.2(d))
(d) Return on Equity	Net Profits after taxes Average shareholder's equity
(e) Trade receivables turnover ratio	Gross credit sales (refer note 40.2(e)) Average accounts receivable (refer note 40.2(f))
(f) Trade payables turnover ratio	Gross credit purchases (refer note 40.2(g)) Average trade payables (refer note 40.2(h))
(g) Net capital turnover ratio	Net sales (refer note 40.2(i)) Working capital (refer note 40.2(j))
(h) Net profit ratio	Net Profit Net sales (refer note 40.2(i))
(i) Return on capital employed	Earning before interest and taxes (refer note 40.2(k)) Average Capital Employed (refer note 40.2(l))
(j) Return on Investment	Investment Income (refer note 40.2(m)) Time weighted average investment (refer note 40.2(n))

40.2 Notes

- (a) Current asset also includes current portion of regulatory asset + asset classified as held for sale
- (b) Total debt includes long term borrowings + short term borrowings + interest accrued on borrowings + lease liabilities
- (c) Earnings available for debt service includes Net Profit after taxes + Non-cash operating expenses/(income) (depreciation, amortisation of SLD, CCCW or capital grants, amortizations(ROU)) + interest (excluding interest on consumer security deposits) - loss on sale of fixed assets
- (d) Debt service = Interest (excluding interest on consumer security deposits) + lease payments + principal repayments of long term borrowing (except refinanced loans)
- (e) Gross credit sales includes sale of power + open access charges + maintenance charges + income other than energy business
- (f) Average Accounts Receivable includes unbilled revenue
- (g) Gross credit purchases includes power purchase + D&M expenses (excluding foreign exchange fluctuation loss (net), bad debts written off/(written back), allowance for doubtful debts, loss on disposal of property, plant and equipment, corporate social responsibility expenses, etc.)
- (h) Total trade payables excludes employee benefit expense related balances
- (i) Net sales includes revenue from operations + movement in regulatory deferral account balance
- (j) Working capital = current assets - current liabilities
Current liabilities excludes current maturities of long-term borrowings, current portion of leases & interest accrued but not due on borrowings
Current asset includes current portion of regulatory asset & asset classified as held for sale
- (k) Earning before interest and taxes = Profit before tax + interest (excluding interest on consumer security deposits)
- (l) Average Capital employed = tangible net worth + total debt (refer note 40.2(b)) + deferred tax liability
- (m) Investment income includes interest on bank deposits + gain on mutual fund (including unrealised (if any))
- (n) Time weighted average investment includes bank deposits + mutual funds
- (o) The Company is engaged in the business of sale of power which doesnot involve any inventory therefore, Inventory Turnover ratio is not applicable for the Company



Note 41
Related party disclosures

41.1 List of related parties and description of relationship

- A. Holding company**
Tata Power Company Limited (TPCL)
- B. Promoters holding together with its Subsidiary more than 20% in Holding Company**
Tata Sons Private Limited (Tata Sons)
- C. Company exercising significant influence**
Delhi Power Company Limited (DPCL) (Government related entity)
- D. Subsidiaries (wholly-owned)**
NDPL Infra Limited (NDPLIL)
- E. Fellow Subsidiaries (with whom the Company has transactions)**
(i) TP Ajmer Distribution Limited (TPADL)
(ii) TP Central Odisha Distribution Limited (TPCODL)
(iii) Tata Power International Pte. Limited (TPIPL)
(iv) TP Renewable Microgrid Limited (TPRML)
(v) Tata Power Solar Systems Limited (TPSSL)
(vi) Tata Power Southern Odisha Distribution Limited (TPSODL)
(vii) Tata Power Northern Odisha Distribution Limited (TPNODL)
(viii) Tata Power Trading Company Limited (TPPTCL)
(ix) Tata Power Solapur Limited (TP Solapur)
(x) Tata Power Western Odisha Distribution Limited (TPWODL)
- F. Joint Ventures of holding company (with whom the Company has transactions)**
(i) Prayagraj Power Generation Co. Ltd. (PPGCL)
(ii) PowerLinks Transmission Ltd. (PTL)
- G. Associates of holding company (with whom the Company has transactions)**
(i) Tata Projects Limited (TPL)
- H. Subsidiaries and Jointly Controlled Entities of Promoters of Holding Company - Promoter Group (with whom the Company has transactions)**
(i) Infiniti Retail Limited (IRL) (ceased w.e.f 12 November, 2021)
(ii) Tata AIG General Insurance Company Limited (Tata AIG)
(iii) Tata Advanced Systems Limited (TASL)
(iv) Tata Autocomo Systems Limited (TACSL)
(v) Tata Capital Financial Services Ltd. (TCFSL)
(vi) Tata Communications Limited (TCL)
(vii) Tata Consulting Engineers Ltd. (TCES)
(viii) Tata AIA Life Insurance Company Limited (Tata AIA)
(ix) Tata Teleservices Limited (TTSL)
(x) Tata Consultancy Services Limited (TCS)
(xi) Tata Play Broadband Private Limited (TPBPL)
- I. Post retirement employee benefit trust**
(i) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
(ii) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)
- J. Key management personnel**
Chief Executive Officer (CEO)
(i) Mr. Ganesh Srinivasan
- Non-executive directors**
(i) Dr. Praveer Sinha
(ii) Mr. Arup Ghosh
(iii) Dr. Amar Jit Chopra (ceased w.e.f. 22nd March 2023)
(iv) Mr. Ajay Shankar (ceased w.e.f. 22nd March 2023)
(v) Ms. Satya Gupta
(vi) Mr. Kesava Menon Chandrasekhar (ceased w.e.f. 23rd March 2023)
(vii) Mr. Sanjay Kumar Banga
(viii) Mr. Jasmine Shah (ceased w.e.f. 14th February 2023)
(ix) Mr. Ajit Kumar Singh (ceased w.e.f. 14th February 2023)
(x) Ms. Rashmi Krishnan (ceased w.e.f. 14th February 2023)
(xi) Mr. Naveen ND Gupta (ceased w.e.f. 14th February 2023)
(xii) Mr. Ajay Kapoor (appointed w.e.f. 21st January 2022)
(xiii) Mr. Shurbir Singh (appointed w.e.f. 17th March 2023)
(xiv) Dr. Ashish Chandra Verma (appointed w.e.f. 17th March 2023)
(xv) Mr. Manish Kumar Gupta (appointed w.e.f. 17th March 2023)
(xvi) Mr. K. N. Shrivastava (appointed w.e.f. 23rd March 2023)
(xvii) Mr. Narendra Nath Misra (appointed w.e.f. 23rd March 2023)
(xviii) Mr. Ashok Sinha (appointed w.e.f. 24th March 2023)

41.2 Transactions with related parties

Name of related party	Nature of transactions	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
A. Purchase of goods			
(i) TPCL	Purchase of soares	10.24	35.82
(ii) TPTCL	Purchase of power	1,73,219.09	1,40,940.02
	Rebate on power purchase	3,495.05	2,582.48
(iii) IRL	Purchase of gifts & gift vouchers	0.72	34.23
B. Purchase of property, plant and equipment			
(i) TPTCL	Purchase of IT asset & Vehicles	1.36	0.58
(iv) PTL	Purchase of IT asset	-	0.14
(v) TACSL	Purchase of consumables	-	2.48
(ii) TPSODL	Purchase of IT asset & Vehicles	6.43	-
(iii) IRL	Purchase of office equipment	0.52	0.34



TATA POWER DELHI DISTRIBUTION LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Transactions with related parties contd.

		₹/Lakhs	
Name of related party	Nature of transactions	Year ended 31.03.2023	Year ended 31.03.2022
C. Sale of property, plant and equipment			
(i) TPCL	Sale of vehicles & IT Assets	72.50	36.94
(ii) TPCODL	Sale of IT Assets	0.26	30.93
(iii) TPNODL	Sale of vehicles & IT Assets	8.60	42.25
(iv) TPADL	Sale of IT Assets	0.49	-
(v) TPTCL	Sale of IT Assets	16.24	0.74
(vi) TPWODL	Sale of vehicles & IT Assets	2.83	29.38
(vii) TPSODL	Sale of vehicles & IT Assets	-	8.88
(viii) TPSSL	Sale of IT asset	7.75	-
(ix) PTL	Sale of vehicles & IT Assets	5.05	6.27
(x) TP Solapur	Sale of IT asset	0.37	-
(xi) TPRML	Sale of vehicles & IT Assets	0.20	-
D. Rendering of services			
(i) TPCL	Management contract for consultancy services	260.86	323.80
	Revenue from training	2.48	-
(ii) DPCL	Commission earned	3.42	0.41
(iii) NDPLIL	Management contract for consultancy services	9.70	12.77
(iv) TPADL	Management contract for consultancy services	10.05	7.00
(v) TPCODL	Management contract for consultancy services	66.80	97.29
(vi) TPWODL	Management contract for consultancy services	57.85	40.93
	Revenue from training	4.54	2.50
(vii) TPSODL	Management contract for consultancy services	227.19	148.38
(viii) TPNODL	Management contract for consultancy services	174.72	144.86
	Revenue from training	5.84	-
(ix) TPIPL	Management contract for consultancy services	-	24.19
(x) TFTCL	Management contract for consultancy services	4.75	1.39
(xi) TPRML	Management contract for consultancy services	2.27	1.71
(xii) TP Solapur	Management contract for consultancy services	2.73	-
(xiii) PPGCL	Management contract for deputation of employees	-	6.38
(xiv) TP8PL	Revenue from use of assets	74.40	50.41
(xv) TCFSL	Sponsorship fees	0.25	-
E. Receiving of services			
(i) TPCL	Management contract for deputation of key management personnel (KMP)	227.74	211.22
	Training	1.65	-
(ii) Tata Sons	Training	0.35	3.78
(iii) Tata Sons	Professional Charges	8.26	-
(iv) TPSSL	Annual maintenance contract of solar plants	10.76	10.76
(v) Tata AIG	Insurance expense	268.63	271.17
(vi) TCL	Communication expenses	17.24	23.52
(vii) TTSL	Automatic meter reading expenses, call center charges etc.	172.49	168.83
	Communication expenses	5.91	6.70
(viii) Tata AIA	Insurance expense	-	219.36
(viii) TCES	Consultancy services	13.18	17.11
(ix) TASL	Repair & maintenance services and communication expenses	11.06	3.21
	Communication expenses	1.06	-
(x) TCS	License fees (Microsoft office & BI)	104.41	-
(xi) Tata Sons	CSR expense	3.54	-
F. Reimbursement of expenses (paid)/received [net]			
(i) TPCL	Travelling, training, Legal expense and conveyance etc.	137.42	84.03
(ii) NDPLIL	Miscellaneous expenses etc.	-	1.05
(iii) TPTCL	Miscellaneous expenses etc.	(15.60)	(12.72)
(iv) TPIPL	Travelling and conveyance, insurance etc.	-	2.63
(v) TPNODL	Travelling and conveyance, insurance etc.	0.70	7.68
(vi) TPWODL	Travelling and conveyance, insurance etc.	0.48	2.17
(vii) TPSODL	Travelling and conveyance, insurance etc.	1.10	3.47
(viii) TP Solapur	Travelling and conveyance etc.	0.06	-
(ix) TPCODL	Travelling and conveyance, insurance etc.	6.29	13.32
(x) TASL	Misc Recovery of expense	(0.09)	-
G. Equity dividend paid			
(i) TPCL	Dividend on equity shares	6,438.24	6,438.24
(ii) DPCL	Dividend on equity shares	6,185.76	6,185.76
H. Transaction with Trust			
(i) Gratuity Fund	Contribution to trust	262.56	-
(ii) SVRS RTBF - 2004	Contribution to trust	164.83	-

41.3 Compensation of key managerial personnel

		₹/Lakhs	
Name of related party	Nature of transaction	Year ended 31.03.2023	Year ended 31.03.2022
A. CEO	Deputation pay and other benefits a. Mr. Ganesh Srinivasan	222.10	210.65
B. Non-executive directors	(i) Sitting fees*	47.89	57.23
	(ii) Reimbursement of expenses received	1.86	-

* Exclusive of Goods & Services Tax



TATA POWER DELHI DISTRIBUTION LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

41.4 Balance outstanding with related parties

Name of related party	Nature of balances	₹/Lakhs	
		As at 31.03.2023	As at 31.03.2022
A. Investment in equity shares			
(i) NDPLIL		5.00	5.00
B. Receivables			
(i) TPCL	Trade receivables net of payables	314.41	45.76
(ii) NDPLIL	Trade receivables	-	-
(iii) TPADL	Trade receivables	7.51	1.54
(iv) TPCODL	Trade receivables	22.45	4.68
(v) TPRML	Trade receivables	0.21	-
(vi) TPWODL	Trade receivables	-	27.86
(vii) TPSODL	Trade receivables	83.57	71.88
(viii) TPNODL	Trade receivables	27.37	19.84
(ix) PTL	Trade receivables	-	-
(x) TCES	Trade receivables including advances	-	1.45
(xi) TCFSL	Trade receivables	-	-
(xii) TPBPL	Trade receivables	2.15	-
(xiii) TP Solapur	Trade receivables	3.72	-
(xiv) SVRS RTBF-2004	Other financial assets	21.85	25.78
C. Payables			
(i) DPCL	Trade payables	119.93	197.71
(ii) TPTCL	Trade payables net of receivables	709.18	8,107.43
(iii) TPSSL	Trade payables net of receivables including retention money and earnest money	20.55	24.70
(iv) TASL	Trade payables including retention money	216.93	280.47
(v) PTL	Trade payables net of receivables	6.71	-
(vi) TCL	Trade payables including security deposit, earnest money deposit net of	10.50	12.10
(vii) TTSL	Trade payables including retention money and security deposit	0.42	2.95
(viii) TCS	Trade payables	480.59	-
D. Unbilled revenues			
(i) TPCL	Management contract for consultancy services/Reimbursement of expenses	-	4.42
(ii) NDPLIL	Management contract for consultancy services	2.90	2.48
(iii) TPCODL	Management contract for consultancy services/Reimbursement of expenses	0.07	-
(iv) TPWODL	Management contract for consultancy services/Reimbursement of expenses	0.36	-
(v) TPTCL	Management contract for deputation of employees	4.75	-
E. Accrued expenses			
(i) TPCL	Management contract for deputation of key management personnel (KMP)	-	11.84
(ii) Tata Sons	Training	-	3.46
(iii) TPSSL	Annual maintenance contract of solar plants	5.29	2.64
(iv) TPTCL	Purchase of power	172.01	-
(v) TCES	Consultancy services	-	16.40
(vi) TCL	Communication expenses	76.06	69.62
(vii) TTSL	Communication expenses	23.30	51.86
(viii) TCS	License fees	0.76	-
(ix) TASL	Repair & maintenance services and communication expenses	0.79	-
F. Prepaid expenses			
(i) TPTCL	Charges for letter of credit & open access	181.87	4.23
(ii) TCS	License fees (Microsoft office & BI)	421.51	-
(iii) Tata AIG	Prepaid insurance	116.06	112.12
G. Advance to suppliers			
(i) IRL	Advance to vendors	0.60	-
(ii) Tata AIG	Advance to vendors	6.93	8.48
(iii) TCES	Advance to vendors	-	3.42
H. Other liabilities (Current & Non Current)			
(i) TPCL	Advance from consumers	-	1.75
(ii) TP Solapur	Advance from consumers	12.43	-
I. Commitments made			
(i) TCES	Consultancy services	-	219.66
(ii) TTSL	Call center charges	0.12	0.12

J. Commitments made with TPTCL

Significant commitments of the Company includes commitment for trading margin with TPTCL.

The Company has entered into a long term power purchase agreement with TPTCL on 10 September, 2009 to draw power from Malithon Power Ltd. (MPL) for 30 years from the date of commissioning (COD) and on 20 January, 2009 to draw power from Jhajjar Power Ltd. (JPL) for 25 years from COD. A trading margin of 4 paise per kWh for the energy scheduled by MPL is payable by Tata Power-DDL to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by Tata Power-DDL to TPTCL.

Note 42

Relationship with Struck off Companies

Details of transactions entered with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

S. No.	Name of struck off Companies	Nature of transactions with struck off Companies	Relationship with the struck off Companies	Transaction during the year ended 31.03.2023	₹/Lakhs	
					As at 31.03.2023	As at 31.03.2022
(i)	BIOREX PHARMACEUTICALS PVT LTD	Sale of Power	Customer	56.90	0.20	-
(ii)	GENEXT ENERGY CONVERSION PVT LTD	Sale of Power	Customer	10.80	0.54	-

S. No.	Name of struck off Companies	Nature of transactions with struck off Companies	Relationship with the struck off Companies	Transaction during the year ended 31.03.2022	₹/Lakhs	
					As at 31.03.2022	As at 31.03.2021
(i)	Sharun Engineering Company (P) Ltd.	Balance written off	Customer	0.31	-	0.31
(ii)	Anand Vehicles India (P) Limited	Refund of Security Deposit	Vendor	0.06	-	-



Note 43

Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 44

Transfer pricing

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Company is not required to get transfer pricing study conducted for FY 22-23 as no international transaction has been entered with the related parties during the year.

Note 45

Approval of financial statements

These financial statements were approved for issue by the board of directors on 17 April, 2023.

In terms of our report attached of even date

For T. R. Chadha & Co. LLP
Chartered Accountants
Firm's Registration No.: 006711N/N500028


Hitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors


Satya Gupta
Director
DIN: 08172427


Ajay Kapoor
Director
DIN: 00466631


Ganesh Srinivasan
Chief Executive Officer


Monica Mehra
Company Secretary


Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023



Independent Auditor's Report
To the Members of Tata Power Delhi Distribution Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of **Tata Power Delhi Distribution Limited ('the Holding Company')** and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31st March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2023, their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS Financial Statements in accordance with the Standards on Auditing 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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

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

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

T R Chadha & Co., a partnership firm converted into T R Chadha & Co LLP
(A limited liability partnership with LLP Identification No. AAF-3926) with effect from 28th December, 2015

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In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the 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. The Annual Report is not made available to us at the date of this Auditor's Report. We have nothing to report in this regard.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Standards on Auditing 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

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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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated 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 Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary company have adequate internal financial controls with reference to these financial statements 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 Group'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 consolidated 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 Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the companies within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such companies included in the consolidated financial statements of which we are the independent auditors.

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We communicate with those charged with governance of the Holding Company and Subsidiary Company included in the Consolidated Financial Statements of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the aforesaid Consolidated Financial Statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books;
 - c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements;
 - d) in our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company taken on record by the respective Board of Directors of these companies, none of the directors of the Group's companies is disqualified as on 31st March 2023 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these Consolidated financial statements of the Holding Company, and its subsidiary company, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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In our opinion and to the best of our information and according to the explanations given to us, the Holding company and its subsidiary company have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under Section 197 (16) of the Act is 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

- i. the Group, as detailed in Note 28 and 30.2 to the consolidated financial statements, has disclosed the impact of pending litigations on the consolidated financial position of the Group as at 31st March 2023;
- ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2023;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group during the year ended 31st March 2023; and
- iv. (a) The respective managements of the company and its subsidiary company have represented that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its subsidiary to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the company and its subsidiary company have represented, that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or its subsidiary from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the company and its subsidiary, nothing has come to our notice that has caused us to believe that the

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representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The dividend declared or paid by the Holding Company during the year is in accordance with Section 123 of the Companies Act, 2013.
 - vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable with effect from April 1, 2023 to the Company and its subsidiary company and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143 (11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiary company included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For T R Chadha & Co LLP

Chartered Accountants

Firm's Registration No. 006711N/N500028

Hitesh Garg

Partner

Membership No. 502955



Place: Noida

Date: 17th April 2023

UDIN: 23502955BGQPWQ8468

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“Annexure A” as referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to consolidated financial statements of Tata Power Delhi Distribution Limited (“the Company”) and its subsidiary company as of 31st March 2023 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The respective management of the company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the company and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 internal financial controls with reference to consolidated financial statements of the company and its subsidiary company.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- b) 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
- c) 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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

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and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary company have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For T R Chadha & Co LLP

Chartered Accountants

Firm Regn No. 006711N / N500028

Hitesh Garg

Partner

Membership No. 502955



Place: Noida

Date: 17th April 2023

UDIN: 23502955BGQPWQ8468

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TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2023

	Notes	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	4,14,978.09	4,07,596.92
(b) Capital work-in-progress	4	15,573.62	17,672.87
(c) Right-of-use assets	5	6,568.86	7,661.88
(d) Intangible assets	4	4,855.62	6,223.06
(e) Financial assets			
(i) Other financial assets	6	290.37	458.55
(f) Income tax assets (net)	7	302.13	357.75
(g) Other non-current assets	8	3,669.08	3,157.16
Total non-current assets		4,46,237.77	4,43,128.19
(2) Current assets			
(a) Inventories	9	1,553.30	1,411.12
(b) Financial assets			
(i) Investments	10	30.40	23.67
(ii) Trade receivables	11	19,502.27	18,606.45
(iii) Cash and cash equivalents	12	328.39	2,522.10
(iv) Bank balances other than (iii) above	12	5,459.90	7,420.24
(v) Other financial assets	13	51,883.90	44,845.88
(c) Other current assets	14	18,803.72	24,015.50
Total current assets		97,561.88	98,844.96
Assets classified as held for sale	34.7.1	2,004.00	2,004.00
Total assets before regulatory deferral account balance		5,45,803.65	5,43,977.15
(3) Regulatory deferral account debit balances	34	6,13,927.70	5,84,222.83
Total assets		11,59,731.35	11,28,199.98
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	15	1,05,200.00	1,05,200.00
(b) Other equity	16	3,37,157.34	3,05,661.07
Total equity attributable to equity holders of the Company		4,42,357.34	4,10,861.07
(c) Non-controlling interest		-	-
Total equity		4,42,357.34	4,10,861.07
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	17	1,68,969.62	1,98,611.07
(ii) Lease liabilities	5	5,069.97	6,086.30
(iii) Other financial liabilities	18	87,305.98	79,123.11
(b) Provisions	19	5,820.05	5,671.18
(c) Deferred tax liabilities (net)	37	52,092.40	43,421.60
(d) Capital grants	20	306.56	363.68
(e) Contributions for capital works and service line charges	21	80,354.12	80,145.14
(f) Other non-current liabilities	22	67,899.97	39,399.74
Total non-current liabilities		4,67,818.67	4,52,821.82
(2) Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	23	75,199.18	89,644.23
(ii) Lease liabilities	5	2,580.42	934.44
(iii) Trade payables	24		
- total outstanding dues of micro enterprises and small enterprises		3,207.86	2,518.77
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,08,111.18	1,21,349.35
(iv) Other financial liabilities	25	21,899.44	19,996.77
(b) Provisions	26	2,774.21	1,277.61
(c) Other current liabilities	27	35,783.00	28,795.58
(d) Current tax liabilities (Net)		0.05	0.34
Total current liabilities		2,49,555.34	2,64,517.09
Total equity and liabilities		11,59,731.35	11,28,199.98

See accompanying notes forming part of consolidated financial statements (1-45)

In terms of our report attached of even date

For T. R. Chadha & Co. LLP
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Hitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors

Satya Gupta
Director
DIN: 08172427

Ajay Kapoor
Director
DIN: 00466631

Ganesh Srinivasan
Chief Executive Officer

Monica Mehra

Monica Mehra
Company Secretary
New Delhi

Surajit Mishra

Surajit Mishra
Chief Financial Officer

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2023

	Notes	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
I Revenue from operations	29	9,29,669.05	7,64,789.27
II Other income	29	10,823.81	16,295.89
III Total income		9,40,492.86	7,81,085.16
IV Expenses			
Cost of power purchased (net) (excludes own generation)	30	7,46,956.70	5,95,691.96
Employee benefits expense (net)	31	53,819.57	51,582.92
Finance costs	32	28,632.81	32,405.23
Depreciation and amortisation expense	4,5	37,714.21	37,113.58
Other expenses	33	38,717.42	33,726.88
Total expenses		9,05,840.71	7,50,520.57
V Profit/(Loss) before movement in regulatory deferral account balance and tax		34,652.15	30,564.59
Movement in regulatory deferral account balance (net)	34	29,704.87	33,052.33
VI Profit/(Loss) before tax		64,357.02	63,616.92
VII Tax expense			
(i) Current tax	37	11,542.28	11,258.60
(ii) Deferred tax	37	8,675.80	8,410.17
VIII Profit/(Loss) for the year		44,138.94	43,948.15
IX Other comprehensive income/(expense)			
(i) Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss) of defined benefit plans		(28.69)	58.09
(ii) Income tax credit/(charge) relating to items that will not be reclassified to profit or loss			
(a) Current tax	37	5.01	(10.15)
(b) Deferred tax	37	5.01	(10.15)
Other comprehensive income/(expense) for the year		(18.67)	37.79
X Total comprehensive income for the year		44,120.27	43,985.94
Profit for the year attributable to:			
Owners of the Company		44,138.94	43,948.15
Non-controlling interests		-	-
		44,138.94	43,948.15
Other comprehensive income/(expense) attributable to:			
Owners of the Company		(18.67)	37.79
Non-controlling interests		-	-
		(18.67)	37.79
Total comprehensive income for the year attributable to:			
Owners of the Company		44,120.27	43,985.94
Non-controlling interests		-	-
		44,120.27	43,985.94
Earnings per equity share (face value ₹ 10/- each)	35		
(i) Basic and Diluted earnings per equity share before net movement in regulatory deferral account balance (₹)		2.36	2.13
(ii) Basic and Diluted earnings per equity share after net movement in regulatory deferral account balance (₹)		4.20	4.18

See accompanying notes forming part of consolidated financial statements (1-45)

In terms of our report attached of even date

For T. R. Chadha & Co. LLP
Chartered Accountants
Firm's Registration No.: 006711N/N500028

Hitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors

Satya Gupta
Director
DIN: 08172427

Ajay Kapoor
Director
DIN: 00466631

Ganesh Srinivasan
Chief Executive Officer

Monica Mehra
Company Secretary

Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2023

A. Equity share capital

Particulars	Amount (₹/Lakhs)
(i) Balance as at 1 April, 2021	1,05,200.00
(ii) Changes in equity share capital during the year	-
(iii) Balance as at 31 March, 2022	1,05,200.00
(i) Balance as at 1 April, 2022	1,05,200.00
(ii) Changes in equity share capital during the year	-
(iii) Balance as at 31 March, 2023	1,05,200.00

B. Other equity

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
(i) Balance as at 1 April, 2021	9,150.00	2,65,149.13	2,74,299.13
(ii) Profit for the year	-	43,948.15	43,948.15
(iii) Other comprehensive income/(expense) for the year (net of tax)	-	37.79	37.79
(iv) Total comprehensive income {(ii)+(iii)}	-	43,985.94	43,985.94
(v) Dividend paid	-	(12,624.00)	(12,624.00)
(vi) Balance as at 31 March, 2022 {(i)+(iv)+(v)}	9,150.00	2,96,511.07	3,05,661.07
(i) Balance as at 1 April, 2022	9,150.00	2,96,511.07	3,05,661.07
(ii) Profit for the year	-	44,138.94	44,138.94
(iii) Other comprehensive income/(expense) for the year (net of tax)	-	(18.67)	(18.67)
(iv) Total comprehensive income {(ii)+(iii)}	-	44,120.27	44,120.27
(v) Dividend paid	-	(12,624.00)	(12,624.00)
(vi) Balance as at 31 March, 2023 {(i)+(iv)+(v)}	9,150.00	3,28,007.34	3,37,157.34
Other equity attributable to:			
Owners of the Company	9,150.00	3,28,007.34	3,37,157.34
Non-controlling interest	-	-	-
	9,150.00	3,28,007.34	3,37,157.34

See accompanying notes forming part of consolidated financial statements (1-45)

In terms of our report attached of even date

For **T. R. Chadha & Co. LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028



Hitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors



Satya Gupta
Director
DIN: 08172427



Ajay Kapoor
Director
DIN: 00466631



Ganesh Srinivasan
Chief Executive Officer



Monica Mehra
Company Secretary



Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2023

	Year ended 31.03.2023	Year ended 31.03.2022
	₹/Lakhs	₹/Lakhs
A. Cash flow from operating activities		
Profit for the year	44,138.94	43,948.15
Adjustments to reconcile profit for the year to net cash flows:		
Income tax recognised as expense in Statement of Profit and Loss	20,218.08	19,668.77
Depreciation and amortisation expense	37,714.21	37,113.58
Finance costs (net of capitalisation)	28,632.81	32,405.23
Interest income	(1,109.66)	(836.67)
Gain on sale/fair value of mutual fund investment measured at FVTPL	(3.37)	(2.91)
Loss on disposal of property, plant and equipment	834.57	1,817.57
Amortisation of capital grants	(57.12)	(70.00)
Amortisation of contribution for capital works and service line charges	(9,150.14)	(8,307.76)
Obsolete inventory written off/allowance for obsolete inventory	76.14	201.40
Bad debts written off/(written back)	544.90	422.84
Provision for litigation	1,113.88	-
Late payment surcharge	(2,125.14)	(2,190.86)
Allowance for doubtful debts	612.61	412.36
Net unrealised foreign exchange (gain) / loss	0.80	(7.04)
Operating profit before working capital changes	<u>1,21,441.51</u>	<u>1,24,574.66</u>
Working capital adjustments:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(218.32)	70.24
Trade receivables	(2,841.46)	7,448.74
Other financial assets - current	(6,708.93)	(5,439.22)
Other financial assets - non current	(6.29)	6.78
Other non-current assets	(409.13)	(10.24)
Other current assets	5,211.78	(8,724.30)
Regulatory deferral account debit balances	(29,704.87)	(33,052.33)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(12,549.08)	5,527.88
Other financial liabilities - current	2,300.73	2,723.23
Other financial liabilities - non current	(200.88)	234.58
Other current liabilities	6,987.43	7,822.58
Other non-current liabilities	28,390.95	13,029.14
Provision for employee benefits - current	354.03	269.00
Provision for employee benefits - non current	148.87	(12.00)
Cash generated from operations	<u>1,12,196.34</u>	<u>1,14,468.74</u>
Taxes paid (including tax deducted at source net of refund)	<u>(11,481.94)</u>	<u>(8,333.73)</u>
Net cash from/(used in) operating activities	(A) <u>1,00,714.40</u>	<u>1,06,135.01</u>
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital advances)	(41,591.55)	(39,854.99)
Proceeds from sale of property, plant and equipment	1,035.33	1,216.41
Proceeds from bank deposits (net)	1,891.90	2,316.28
Interest received	1,132.77	1,032.44
Late payment surcharge received	2,125.14	2,190.86
Purchase of current investments	(389.50)	(16,478.60)
Proceeds from sale of current investments	386.14	16,491.09
Net cash from/(used in) investing activities	(B) <u>(35,409.77)</u>	<u>(33,086.51)</u>
C. Cash flow from financing activities		
Finance cost paid	(28,965.61)	(33,941.18)
Payment of lease liabilities	-	(1,644.96)
Proceeds from short-term borrowings and working capital demand loans	8,49,440.04	5,86,585.07
Repayment of short-term borrowings and working capital demand loans	(8,33,807.21)	(6,06,690.82)
Net (repayment)/proceeds from cash credit and other credit facilities	(6,664.08)	4,335.37
Proceeds from long-term borrowings	72,764.30	55,000.00
Repayment of long-term borrowings	(1,25,819.55)	(83,614.30)
Net (refund)/proceeds from contribution for capital works	6,077.15	5,247.29
Proceeds from service line charges	3,281.97	2,880.95
Net (repayment)/proceeds from consumers' security deposits	8,818.65	9,326.98
Dividend paid to equity shareholders	(12,624.00)	(12,624.00)
Net cash from/(used in) financing activities	(C) <u>(67,498.34)</u>	<u>(75,139.60)</u>
Net increase/(decrease) in cash and cash equivalents	(A+B+C) <u>(2,193.71)</u>	<u>(2,091.10)</u>
Cash and cash equivalents at the beginning of the year	<u>2,522.10</u>	<u>4,613.20</u>
Cash and cash equivalents at the end of the year (refer note 12)	<u>328.39</u>	<u>2,522.10</u>

See accompanying notes forming part of consolidated financial statements (1-45)

In terms of our report attached of even date

For **T. R. Chadha & Co. LLP**
Chartered Accountants
Firm's Registration No.: 006711N/N500028


Hitesh Garg
Partner
Membership No.: 502955



For and on behalf of the Board of Directors


Satya Gupta
Director
DIN: 08172427


Ajay Kapoor
Director
DIN: 00466631


Ganesh Srinivasan
Chief Executive Officer


Monica Mehra
Company Secretary


Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

TATA POWER DELHI DISTRIBUTION LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1

General Information

Tata Power Delhi Distribution Limited (Tata Power-DDL) or (the Company) is a public limited company incorporated and domiciled in India and is primarily engaged in the business of distribution of electricity in North and North-West Delhi. The Company was set up in terms of Delhi Electricity Reforms (Transfer Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi along with the personnel employed therein were transferred to the Company with effect from 1 July, 2002 which also marked the commencement of commercial operations for the Company.

The address of its registered office and principal place of business is NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110009. The Company has been granted a license under Section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The license is valid for a period of twenty-five years. During the period from 1 July, 2002 to the date of grant of license, Tata Power-DDL was a deemed licensee.

The Company is subsidiary of Tata Power Company Limited (TPCL) which holds 51% equity shares and controlling stake and 49% equity shares is held by Delhi Power Company Limited.

The Company formed NDPL Infra Limited ('the Subsidiary') as wholly owned subsidiary (jointly referred as 'the Group'). The Subsidiary is a public limited company incorporated on 23 August, 2011 and domiciled in India. The Subsidiary is primarily engaged in the business of providing consultancy and other services in the infrastructure and power sector.

Note 2

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 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. As the Company is governed by Electricity Act, 2003 and the saved provisions of Electricity (Supply) Act, 1948, the provisions of the said Acts prevail wherever these are inconsistent with the provisions of the Companies Act, 2013.

2.2 Basis of preparation and presentation

The financial statements have been prepared on accrual basis and on historical cost convention 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. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for leasing transactions that are within the scope of Ind AS 116/Ind AS 17 (as applicable), and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- (ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (iii) Level 3 inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.3 Basis of consolidation

These consolidated financial statements relate to Tata Power Delhi Distribution Limited and its subsidiary. The financial statements of the Subsidiary used in the consolidation are drawn for the same reporting period as that of the Company i.e. year ended 31 March, 2023.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Subsidiary is consolidated from the date control commences until the date control ceases.

The financial statements of the Subsidiary are consolidated on a line-by-line basis and intra-group balances and transactions including un-realized gain/loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform policies in use at the Group.

Additional information as required by Schedule III of the Companies Act, 2013 is given below:

Name of the entity in the Group	Net assets i.e., total assets-total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹/ Lakhs)	As % of consolidated profit or (loss)	Amount (₹/ Lakhs)	As % of consolidated other comprehensive income	Amount (₹/ Lakhs)	As % of total comprehensive income	Amount (₹/ Lakhs)
Parent:	99.40%	4,39,686.21	99.77%	44,039.23	100.00%	(18.67)	99.77%	44,020.56
Subsidiaries (Indian):								
1. NDPL Infra Limited	0.60%	2,676.13	0.23%	99.71	-	-	0.23%	99.71
Sub Total	100.00%	4,42,362.34	100.00%	44,138.94	100.00%	(18.67)	100.00%	44,120.27
Adjustment arising out of consolidation		(5.00)		-		-		-
Total		4,42,357.34		44,138.94		(18.67)		44,120.27



Note 3
Other significant accounting policies

Accounting policies are set out along with respective explanatory notes where it specifically relates to such transactions or balances. Other significant accounting policies are set out below:

3.1 Foreign currencies

These financial statements are presented in Indian rupees, which is the functional currency of the Company. The functional currency represents the currency of the primary economic environment in which the Group operates.

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 the Statement of Profit and 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, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 Current versus non-current classification

The Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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

3.3 Financial instruments

Financial assets and financial liabilities are recognised when the Group 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.

3.3.1 Offsetting of financial instruments

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

3.4 Financial assets

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.

3.4.1 Amortised cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

- (i) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) 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.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

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

On initial recognition, the Group can make 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. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. 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 the Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:

- (i) it has been acquired principally for the purpose of selling it in the near term; or
- (ii) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the Statement of Profit and Loss are included in the 'Other income' line item.

3.4.4 Impairment of financial asset

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 "Revenue from Contracts with Customers", the Group always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109 "Financial Instruments".

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.



Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

3.4.5 Derecognition of financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.5 Financial liabilities and equity instruments

3.5.1 Classification as debt or equity

Debt and equity instruments issued by the 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.

3.5.2 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. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.5.3 Financial liability

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

3.5.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.5.3.2 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

3.6 Reclassification of financial assets & liabilities

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

3.7 Dividend

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3.8 Changes in accounting policies and disclosures

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements.

3.9 Deferred tax recoverable/payable

In the regulated operations of the Company where tariff recovered from consumers is determined on cost plus return on equity, the Income tax cost is passed through cost and accordingly the Company recognises deferred tax recoverable/ payable against any Deferred tax expense/ income. As per the opinion pronounced by the Expert Advisory Committee of The Institute of Chartered Accountants of India, the Group has recognised Deferred tax recoverable/ payable under regulatory deferral account debit/ credit balance.

3.10 Critical accounting estimates and judgements

In the application of the Company's accounting policies, management of the Company is 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.

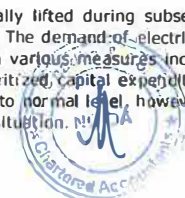
The areas involving critical estimates or judgements are:

1. Estimates used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 4
2. Estimated fair value of unquoted securities and impairment of investments - Note 10
3. Estimation of defined benefit obligation - Note 19, 26 and 31
4. Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) - Note 37
5. Estimation of regulatory deferral account balances - Note 34
6. Estimation of provision and contingent liability - Note 19, 26 and 28
7. Estimation of impairment of financial assets - Note 11
8. Estimation of unbilled revenue - Note 13(d) and 14(a)

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 Group and that are believed to be reasonable under the circumstances.

3.11 Impact of COVID-19

Spread of second wave of Coronavirus disease (COVID-19) led to lockdown in Delhi from 19 April, 2021 which was gradually lifted during subsequent months. Due to the lockdown, economic activity in general was significantly impacted and remained much below normal level. The demand of electricity in the distribution area was subdued compared to the normal year. To manage the expected liquidity risk, the Group has taken various measures including availing of seller's side bill discounting for a portion of power purchase supplies invoices from generating companies, reprioritized capital expenditure in immediate future and extended credit period from vendors. Gradually the demand of electricity and collection is returning back to normal level, however the Group continues to closely monitor the cash flow situation and is actively working to minimize the impact of this unprecedented situation.



Note 4

Property, plant and equipment and intangible assets

Accounting policy

4.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable in bringing the assets to their working condition for their intended use.

Asset transferred from erstwhile DVB are stated at the transaction value notified by the Government of National Capital Territory of Dehli (GNCTD) under the Transfer Scheme. Values are assigned to different heads of individual property, plant and equipment as on the date of the transfer i.e. 1 July, 2002 as per an independent technical valuer's estimation.

With effect from 1 April, 2014, Schedule II of the Companies Act, 2013 has been notified and in accordance with Part B of Schedule II, the rate or useful life and residual value given in DERC regulations are applied for computing depreciation on assets. However, in case of assets where no useful life is prescribed in DERC regulations, the useful life and residual value as given in Part C of Schedule II of the Companies Act, 2013 is followed. Further, in case of any class of asset where useful life as estimated by management and/or certified by independent valuer is lower than DERC or Part C of Schedule II of the Companies Act, 2013 then such lower useful life is followed for computing depreciation on such asset.

As per DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 notified on 31 January, 2017 applicable from financial year (FY) 2017-18 onwards, DERC has changed rate of depreciation @ 5.83% up to 12 years of useful life on plant and equipment (comprising of transformers including fixed apparatus, switch gears, lighting arresters, overhead/underground cables) and balance WDV up to 90% over remaining period of useful life of assets instead of equal rate of depreciation applicable in previous regulations. The new regulations have also changed useful life of other class of property, plant and equipment. Accordingly w.e.f. 1 April, 2017 the Group has started charging the depreciation @ 5.83% p.a. on plant and equipment whose useful life has not yet been over up to 12 years, changed useful life of other class of property plant and equipment as per new regulations.

Depreciation for the reporting period in respect of property, plant and equipment has been provided on the straight line method so as to write off the cost of the assets over the useful lives as per DERC regulations/Schedule II of the Companies Act 2013, as applicable.

Residual value is taken at the rate of 10% for assets where rate or useful life is prescribed in DERC regulations and 5% where useful life as per Part C of Schedule II of the Companies Act, 2013 is considered.

Assets (other than project assets) costing less than ₹ 5,000 where useful life is considered as per Part C of schedule II to the Companies Act, 2013 are depreciated fully in the year of first use.

Depreciation for the reporting period in respect of property, plant and equipment used for electricity generation has been provided on straight line method as per rates/ useful life prescribed in regulations notified by DERC on 31 January, 2017. The depreciation has been calculated in a manner which has the effect of depreciating 90% of the capitalized cost of each such depreciable asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. Similarly, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied.

All other repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation on subsequent expenditure on property, plant and equipment arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life, which is not more than the life specified in DERC regulations/Schedule II to the Companies Act, 2013, as applicable.

Based on the above, the useful life used for various class of assets are:

Description/Class of Assets	Useful life (years)
Office buildings, housing colonies	50
Temporary structures	0
Meters (including smart meters)	10
General plant & machinery, SCADA (excluding IT software/hardware), street lightening	15
SCADA IT software/hardware	6
Office furniture & related equipments (excluding communication equipment)	10
Communication Equipment	15
Batteries	5
IT equipment including software	6
Overhead lines, solar PV	25
Electrical plant & machinery (not covered in above classes)	25
Underground cables	35
Motor vehicles	10

Projects under which tangible property, plant and equipment are not yet ready for their intended use are carried at cost, comprising direct costs, other directly attributable costs of construction and attributable interest.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.



4.2 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4.3 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.



TATA POWER DELHI DISTRIBUTION LIMITED
NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4.4

Particulars	Cost					Accumulated depreciation and amortisation				Net carrying amount	
	As at	Additions	Borrowing costs capitalised	Disposals/ Adjustment	As at	As at	Eliminated on disposals	As at	As at	As at	
	01.04.2022				31.03.2023	01.04.2022		31.03.2023	31.03.2023	31.03.2022	
4.4.1 Property, plant and equipment											
(a) Buildings - Plant	33,324.59	283.31	4.07	-	33,611.97	11,011.55	504.92	-	11,516.47	22,095.50	22,313.04
(b) Building - Others	5,180.10	246.58	1.12	-	5,427.80	3,770.77	292.36	-	4,063.13	1,364.67	1,409.33
(c) Plant and equipment	3,43,748.95	25,899.67	202.38	3,933.56	3,65,917.44	1,60,049.19	19,166.63	2,765.32	1,76,450.50	1,89,466.94	1,83,699.76
(d) Transmission lines and cable network	3,40,577.07	16,780.99	137.20	496.28	3,56,998.98	1,45,783.48	14,445.75	276.01	1,59,953.22	1,97,045.76	1,94,793.59
(e) Furniture and fixtures	1,277.66	29.54	-	3.53	1,303.67	813.20	67.57	3.14	877.63	426.04	464.46
(f) Vehicles	3,799.34	608.31	-	616.51	3,791.14	933.52	328.52	227.98	1,034.06	2,757.08	2,865.82
(g) Office equipment	4,622.88	121.86	-	444.59	4,300.15	2,571.96	258.21	352.12	2,478.05	1,822.10	2,050.92
Total	7,32,530.59	43,970.26	344.77	5,494.47	7,71,351.15	3,24,933.67	35,063.96	3,624.57	3,56,373.06	4,14,978.09	4,07,596.92
As at 31.03.2022	(6,99,232.96)	(41,072.55)	(192.73)	(7,967.65)	(7,32,530.59)	(2,95,536.61)	(34,330.73)	(4,933.67)	(3,24,933.67)	(4,07,596.92)	
4.4.2 Intangible assets											
Computer software	17,293.17	449.49	-	-	17,742.66	11,070.11	1,816.93	-	12,887.04	4,855.62	6,223.06
Total	17,293.17	449.49	-	-	17,742.66	11,070.11	1,816.93	-	12,887.04	4,855.62	6,223.06
As at 31.03.2022	(16,982.41)	(310.76)	-	-	(17,293.17)	(9,091.28)	(1,978.83)	-	(11,070.11)	(6,223.06)	
Grand total	7,49,823.76	44,419.75	344.77	5,494.47	7,89,093.81	3,36,003.78	36,880.89	3,624.57	3,69,260.10	4,19,833.71	4,13,819.98
As at 31.03.2022	(7,16,215.37)	(41,383.31)	(192.73)	(7,967.65)	(7,49,823.76)	(3,04,627.89)	(36,309.56)	(4,933.67)	(3,36,003.78)	(4,13,819.98)	
4.4.3 Capital work-in-progress (CWIP)	17,672.87	41,477.50	231.12	43,807.87	15,573.62	-	-	-	-	15,573.62	17,672.87
As at 31.03.2022	(19,711.18)	(38,295.93)	(285.82)	(40,620.06)	(17,672.87)	(-)	(-)	(-)	(-)	(17,672.87)	

4.4.4 Property plant & equipment and intangible assets (movable and immovable) are hypothecated against secured borrowings of ₹ 1,94,952.78 lakhs (as at 31 March, 2022 ₹ 1,95,334.80 lakhs) (refer note 17.1(i), 23.1, 23.3).

4.4.5 CWIP is stated at cost, net of accumulated impairment loss, if any. CWIP includes closing capital inventory of ₹ 5,581.08 lakhs (as at 31 March, 2022 ₹ 6,664.99 lakhs).

4.4.6 Carrying amount of capital inventory hypothecated as security for borrowings is ₹ 5,581.08 lakhs (net of provision of ₹ 330.23 lakhs) (as at 31 March, 2022 ₹ 6,664.99 lakhs) (refer note 17.1(i), 23.1, 23.3).

4.4.7 During the year ended 31 March, 2023 the borrowing cost of ₹ 231.12 lakhs (for the year ended 31 March, 2022 ₹ 285.82 lakhs) relating to capital work-in-progress includes ₹ 149.53 lakhs (for the year ended 31 March, 2022 ₹ 187.00 lakhs) on account of capitalisation of interest expense on lease liability.

4.4.8 Depreciation and amortisation charge to Statement of Profit and Loss :

Particulars	₹/ Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation on tangible assets	35,063.96	34,330.73
Add: Depreciation on right of use assets (refer note 5)	833.32	804.02
Add: Amortisation on intangible assets	1,816.93	1,978.83
Total	37,714.21	37,113.58

4.4.9 During the year ended 31 March, 2019 the property, plant and equipment relating to Rithala Power Generation Plant had been classified as assets held for sale (refer note 34.7.1).

4.4.10 The Company does not own any land in its name. The Company retain operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC).

4.4.11 Figures in bracket represents previous year figures.



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4.4.12 There are no proceedings which have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

4.4.13 Details of immovable property included in Property, plant and equipment not held in the name of the Group.

As at 31 March, 2023

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property Plant & Equipment	Land	Nil	Government of National Capital Territory of Delhi (GNCTD) {Land and buildings were transferred to company in terms of the DERA, transfer Scheme Rules 2001 on as is where is basis to be occupied and utilised for distribution business}	No	July 2002 to March 2023	The Company does not own any land in its name. The Company retain operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC). Post acquisition of licence, the Company has made additions on the said land & building and the same is being classified under Property, plant and equipment.
	Buildings - Plant	33,611.97				
	Building - Others	5,427.80				

As at 31 March, 2022

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Group
Property Plant & Equipment	Land	Nil	Government of National Capital Territory of Delhi (GNCTD) {Land and buildings were transferred to company in terms of the DERA, transfer Scheme Rules 2001 on as is where is basis to be occupied and utilised for distribution business}	No	July 2002 to March 2022	The Company does not own any land in its name. The Company retain operational rights over the land and buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission (DERC). Post acquisition of licence, the Company has made additions on the said land & building and the same is being classified under Property, plant and equipment.
	Buildings - Plant	33,324.59				
	Building - Others	5,180.10				

4.4.14 Age of capital work-in-progress (CWIP)

Ageing schedule as at 31 March, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	9,105.74	403.51	75.72	59.36	9,644.33
Projects temporarily suspended	93.72	96.20	46.57	111.71	348.20
Capital inventory	3,537.05	661.31	205.69	1,177.04	5,581.09
Total	12,736.51	1,161.02	327.98	1,348.11	15,573.62

Ageing schedule as at 31 March, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	6,896.76	1,420.50	665.93	1,774.85	10,758.04
Projects temporarily suspended	12.01	93.45	43.92	100.46	249.84
Capital inventory	4,052.23	910.09	379.73	1,322.94	6,664.99
Total	10,961.00	2,424.04	1,089.58	3,198.25	17,672.87

4.4.15 There is no significant amount which is lying in capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan.



Note 5
Leases

Accounting Policy

At inception of contract, the Group 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. To assess whether a contract conveys the right to control the use of an identified asset, the Group assessed whether:

- the contract involves the use of identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset.

At inception or on reassessment of a contract that contains a lease component, the Group 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 Group 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, as follows:

Description/Class of Assets	Lease term (years)
Land	10 (Period of license)

The Group has disclosed right-to-use assets that do not meet the definition of investment property separately in the Balance Sheet.

(ii) Lease liabilities

At the commencement date of the lease, the Group 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 Group 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 Group has disclosed right-to-use assets that do not meet the definition of investment property separately in the Balance Sheet.

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

The Group 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.

(iv) Disclosures under Ind AS 116

The Group has entered into lease contracts for land used in its operations. Leases of land has been considered for a lease term of 10 years however, the Group's future lease payments in respect of land leases are dependent upon extension of its distribution licence. The Group may assign and sub-lease the leased assets.

Particulars	₹ / Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Right-of-use assets		
Cost		
Opening balance	10,945.54	10,945.54
Add: Additions during the year	1.71	-
Closing balance	10,947.25	10,945.54
Accumulated depreciation and amortisation		
Opening balance	3,283.66	2,189.11
Add: Depreciation for the year	1,094.73	1,094.55
Closing balance	4,378.39	3,283.66
Net carrying amount		
Closing balance	6,568.86	7,661.88
(b) Lease liabilities		
Opening balance	7,020.74	9,440.67
Add: Additions during the year	1.72	-
Add: Interest expense accrued on lease liabilities (refer note 32)	627.93	704.52
Less: Lease liabilities paid	-	3,124.45
Closing balance	7,650.39	7,020.74
Non-current lease liabilities	5,069.97	6,086.30
Current lease liabilities	2,580.42	934.44



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Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Amount recognised in Statement of Profit & Loss		
(i) Depreciation on Right-of-use assets (classified under Depreciation and amortisation expense)	833.32	804.02
(ii) Interest on lease liabilities (classified under Finance costs)	478.40	517.52
(iii) Expenses related to short term leases (classified under Other expenses)	272.46	400.91
(b) Amount transferred to capital work-in-progress		
(i) Depreciation on Right-of-use assets	261.41	290.53
(ii) Interest on lease liabilities	149.53	187.00
(c) Amount recognised in Statement of Cash Flows		
(i) Total cash outflow of leases	269.51	3,476.27

(i) The incremental rate of borrowing as at 1 April, 2019 has been considered at 8.60% p.a.

(ii) Refer note 38.3.3 for maturity analysis of lease liabilities.

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 Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other income.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

The Group has entered into operating sub-lease arrangement for its certain land. These typically have lease terms of between 1 to 3 years. The Group has recognised an amount of ₹ 142.51 lakhs as rental income for operating lease during the year ended March 31, 2023 (for the year ended 31 March, 2022 ₹ 117.24 lakhs).

Future minimum rentals receivable under operating leases as at 31 March, 2023 are as follows:

Particulars	As at	
	31.03.2023	31.03.2022
(i) Upto 1 year	140.04	126.67
(ii) 1 to 2 years	30.77	129.22
(iii) 2 to 3 years	4.13	22.65



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 6		
Other financial assets - non current		
(Unsecured and considered good, at amortised cost)		
(a) Security deposits	63.22	56.93
(b) In deposit accounts (with remaining maturity more than 12 months) (refer note 6.1)	205.00	379.31
(c) Accrued interest on deposit accounts	0.30	0.46
(b) Recoverable from SVRS Trust (refer note 28.10)	21.85	21.85
	<u>290.37</u>	<u>458.55</u>

6.1 Demand deposits maintained by the Group with banks comprise time deposits, which can be withdrawn at any point of time without prior notice with premature penalty as per bank norms.

Note 7		
Income tax assets (net)		
Income tax	302.13	357.75
Net of provision of income tax of ₹ 1,32,372.49 lakhs (as at 31 March, 2022 net of provision of income tax ₹ 1,20,771.17 lakhs)		

Note 8		
Other non-current assets		
(Unsecured and considered good)		
(a) Capital advances	775.95	673.16
(b) Income tax paid under protest against demand	2,321.84	2,321.84
(c) Prepaid expenses	271.43	26.66
(d) Goods and services tax input credit receivable	40.13	37.54
(e) Others	259.73	97.96
	<u>3,669.08</u>	<u>3,157.16</u>

Note 9		
Inventories		
Accounting policy		

9.1 Inventories of stores and spares and loose tools are valued at lower of cost net of provision for diminution in value or net realisable value. Costs of inventories are determined on "Weighted Average" basis.

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

Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
(a) Stores and spares	1,756.48	1,598.97
(b) Loose tools	83.35	99.90
	<u>1,839.83</u>	<u>1,698.87</u>
(c) Less: Allowance for non-moving inventories	286.53	287.75
	<u>1,553.30</u>	<u>1,411.12</u>

9.2 Stores and spares includes traded inventory amounting to ₹ 23.37 Lakhs (as at 31 March, 2022 ₹ 28.32 Lakhs)

9.3 Inventories are hypothecated as security for borrowings (refer note 17.1(i), 23.1, 23.3).

Note 10		
Investments - current		
(At fair value through profit or loss)		
(a) Investments in mutual funds (unquoted)		
(a) DSP Liquidity Fund-Direct Plan-Growth (0.01 lakhs units (as at 31 March, 2022 - 0.01 lakhs units) at face value of ₹ 1000 each)	29.74	23.67
(a) DSP Overnight Fund (0.001 lakhs units (as at 31 March, 2022 - NIL) at face value of ₹ 1,000 each)	0.66	-
	<u>30.40</u>	<u>23.67</u>
10.1 Aggregate purchase price of unquoted investments	29.85	23.53
10.2 Aggregate carrying value of unquoted investments	30.40	23.67



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 11		
Trade receivables		
(At amortised cost)		
(a) Debtors for sale of power in licensed area (refer note 11.1 below)		
(i) Considered good - secured	5,717.03	6,263.63
(ii) Considered good - unsecured	7,601.84	6,278.59
(iii) Credit impaired	14,846.98	14,362.83
	<u>28,165.85</u>	<u>26,905.05</u>
Less: Allowance for doubtful trade receivables	14,846.98	14,362.83
	<u>13,318.87</u>	<u>12,542.22</u>
(b) Debtors for sale of power other than Tata Power-DDL licensed area		
(i) Considered good - unsecured	107.50	
(c) Other debtors		
(i) Considered good - unsecured	6,075.90	6,064.23
(ii) Credit impaired	1,487.19	589.54
	<u>7,563.09</u>	<u>6,653.77</u>
Less: Allowance for doubtful trade receivables	1,487.19	589.54
	<u>6,075.90</u>	<u>6,064.23</u>
	<u>19,502.27</u>	<u>18,606.45</u>
11.1 Government subsidy included in note 11(a)	1,981.45	113.53

11.2 The Group considers non-payment of trade receivables within credit period as increase in credit risk. Further, some part of these receivables is secured by security deposits made by the customers. The status of ageing of trade receivable is given in note 11.4.1.

11.3 The average credit period for the trade receivable in note 11 (a) for distribution of power in license area is 15 clear days.

Late payment surcharge (LPSC) is charged at 1.5% per month on principal component for number of days of delay in receiving payment as per DERC regulations.

11.4 The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables (excluding government receivables in case of energy debtors) are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

11.4.1 Ageing of receivables

Expected credit loss provision matrix

(i) Debtors for sale of power in licensed area

Particulars	Expected Credit loss (%)	
	As at 31.03.2023	As at 31.03.2022
(a) Within the credit period	0.55%	0.48%
(b) 1-90 days past due	0.90%	0.85%
(c) 91-182 days past due	4.00%	3.62%
(d) 183 days-1 year past due	9.38%	9.74%
(e) 1-2 year past due	19.73%	21.26%
(f) 2-3 year past due	28.80%	30.77%
(g) >3 years past due	100.00%	100.00%

(ii) Other debtors

Particulars	Expected Credit loss (%)	
	As at 31.03.2023	As at 31.03.2022
(a) Within the credit period	1.50%	0.75%
(b) 1-90 days past due	3.09%	0.74%
(c) 91-182 days past due	3.09%	0.81%
(d) 183 days-1 year past due	4.62%	2.31%
(e) 1-2 year past due	14.04%	7.27%
(f) 2-3 year past due	28.49%	14.67%
(g) >3 years past due	100.00%	50.00%

Age of receivables

Ageing schedule as at 31 March, 2023

Outstanding for following periods from due date of payment #	Undisputed		Disputed		₹/Lakhs Total
	Considered Good	credit impaired	Considered Good	credit impaired	
(a) Less than 6 months	9,384.77	128.95	-	576.86	10,040.58
(b) 6 months - 1 year	3,302.24	204.45	-	387.86	3,894.55
(c) 1-2 year	2,137.26	397.12	-	602.90	3,137.28
(d) 2-3 year	780.57	295.46	-	387.82	1,463.85
(e) More than 3 years	220.74	4,724.43	-	8,652.76	13,597.93
(f) Total overdue	<u>15,825.58</u>	<u>5,750.41</u>	-	<u>10,558.20</u>	<u>32,134.19</u>
(g) Not due	3,676.69	25.56	-	-	3,702.25
(h) Total Trade Receivables (f+g)	<u>19,502.27</u>	<u>5,775.97</u>	-	<u>10,558.20</u>	<u>35,836.44</u>



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Ageing schedule as at 31 March, 2022

Outstanding for following periods from due date of payment #	Undisputed		Disputed		₹/Lakhs Total
	Considered Good	credit impaired	Considered Good	credit impaired	
(a) Less than 6 months	7,016.19	89.27	-	435.48	7,540.94
(b) 6 months - 1 year	2,260.93	131.45	-	282.94	2,675.32
(c) 1-2 year	1,913.02	323.77	-	316.08	2,552.87
(d) 2-3 year	1,387.00	490.51	-	852.74	2,730.25
(e) More than 3 years	387.15	4,316.65	-	7,682.59	12,386.39
(f) Total overdue	12,964.29	5,351.65	-	9,569.83	27,885.77
(g) Not due	5,642.16	30.83	-	0.06	5,673.05
(h) Total Trade Receivables (f+g)	18,606.45	5,382.48	-	9,569.89	33,558.82

where due date of payment is not available, date of the transaction has been considered.

11.4.2 Movement in the allowance for doubtful trade receivables based on expected credit loss:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Debtors for billed revenue		
Balance at beginning of the year	14,952.37	13,981.65
Additions/(reversal) in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	140.20	224.84
Specific allowance/ (reversal) on trade receivables for the year	1,241.60	745.88
Balance at end of the year	16,334.17	14,952.37

11.5 The concentration of credit risk is limited due to the fact that the customer base is large and unrelated. There is no consumer who represents more than 5% of the total balance of trade receivables other than mentioned below:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Delhi Metro Rail Corporation (DMRC)	6,993.30	6,248.43
Havells India Limited	3,599.11	2,637.78
REC Power Distribution Company Ltd (RECPDCL)	2,421.29	2,586.56

Note 12

Cash and bank balances

Accounting policy

12.1 Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

	As at 31.03.2023	As at 31.03.2022
	₹/Lakhs	₹/Lakhs
12.2 Cash and cash equivalents		
(a) Balances with banks - in current accounts	137.62	1,675.86
(b) Cheques, drafts on hand*	190.77	840.43
(c) Cash on hand	-	5.81
	328.39	2,522.10

* Includes balances held with payment aggregator

12.2.1 Reconciliation of liabilities from financing activities:

Particulars	As at 31.03.2022	Cash flows		Non-cash transactions		As at 31.03.2023
		Proceeds	Repayment	Additions	Amortisation	
(a) Long-term borrowings (including current maturities)	2,64,689.40	72,764.30	(1,25,819.55)	-	-	2,11,634.15
(b) Lease liabilities (including current maturities)	7,020.74	-	-	629.65	-	7,650.39
(c) Short-term borrowings and working capital demand loans	10,680.05	8,49,440.04	(8,33,807.21)	-	-	26,312.88
(d) Cash credit and other credit facilities(net)	12,885.85	-	(6,664.08)	-	-	6,221.77
(e) Consumer contribution for:						
- capital works	62,666.42	6,077.15	-	-	(5,143.36)	63,600.21
- service line	17,478.72	3,281.97	-	-	(4,006.78)	16,753.91
(f) Consumer security deposits (net)	83,693.60	8,818.65	-	-	-	92,512.25
Total	4,59,114.78	9,40,382.11	(9,66,290.84)	629.65	(9,150.14)	4,24,685.56



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
12.3 Other balances with banks		
(a) Deposits with banks with original maturity more than 3 months upto 12 months	88.91	84.80
(b) Restricted bank deposits (Earmarked pursuant to court order or contractual obligations)	5,370.99	7,335.44
	<u>5,459.90</u>	<u>7,420.24</u>
Note 13		
Other financial assets - current (Unsecured and considered good, unless otherwise stated, at amortised cost)		
(a) Security deposits	577.48	845.70
(b) In deposit accounts (with remaining maturity less than 12 months) (refer note 6.1)	2,355.91	2,113.16
(c) Accruals		
Interest accrued on fixed deposits	184.78	98.45
(d) Unbilled revenue	44,813.88	41,499.28
(e) Others		
(i) Recoverable from SVRS Trust (refer note 28.10)	-	3.93
(ii) Recoverable from DDA	3,331.24	-
(iii) Other receivables (including recoverable against street light)	799.98	464.73
Less: Allowance for doubtful assets against street light	179.37	179.37
	<u>620.61</u>	<u>285.36</u>
	<u>51,883.90</u>	<u>44,845.88</u>
Note 14		
Other current assets (Unsecured and considered good)		
(a) Unbilled revenue (contract asset)	281.83	713.20
(b) Prepaid insurance	756.20	801.75
(c) Prepaid expenses	1,441.15	903.03
(d) Power banking	-	11,318.40
(e) Advance to vendors	5,047.28	4,640.52
(f) Others	11,277.26	5,638.60
	<u>18,803.72</u>	<u>24,015.50</u>



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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 15		
Share capital		
Authorised		
12,500 lakhs (as at 31 March, 2022 12,500 lakhs) equity shares of ₹ 10/- each with voting rights.	1,25,000.00	1,25,000.00
500 lakhs (as at 31 March, 2022 500 lakhs) 12% cumulative redeemable preference shares of ₹ 100/- each without voting rights.	50,000.00	50,000.00
	1,75,000.00	1,75,000.00
Issued, subscribed and paid up		
10,520 lakhs (as at 31 March, 2022 10,520 lakhs) equity shares of ₹ 10/- each fully paid up with voting rights.	1,05,200.00	1,05,200.00

Of the above:

- 15.1 5,365.20 lakhs (as at 31 March, 2022 5,365.20 lakhs) i.e. 51% (as at 31 March, 2022 51%) equity shares of ₹ 10/- each with voting rights, are held by Tata Power Company Limited, the holding company.
- 15.2 5,154.80 lakhs (as at 31 March, 2022 5,154.80 lakhs) i.e. 49% (as at 31 March, 2022 49%) equity shares of ₹ 10/- each with voting rights, are held by Delhi Power Company Limited.
- 15.3 The equity shares of the Company have a par value of ₹ 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.
- 15.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31.03.2023		As at 31.03.2022	
	No. of Shares Lakhs	Amount ₹/Lakhs	No. of Shares Lakhs	Amount ₹/Lakhs
At the beginning of the year	10,520.00	1,05,200.00	10,520.00	1,05,200.00
Add: Bonus share issued during the year	-	-	-	-
Outstanding at the end of the year	10,520.00	1,05,200.00	10,520.00	1,05,200.00

15.5 Shareholding of Promoters

Shares held by promoters at the end of the year				% of Change during the year
Sr. No.	Promoter Name	No. of Shares (In Lakhs)	% of total Shares	
1	The Tata Power Company Limited	5,365.20	51%	Nil
2	Delhi Power Company Limited	5,154.80	49%	Nil
Total		10,520.00	100%	Nil

- 15.6 During the current year, the Company has paid final dividend of ₹ 1.20 per share on fully paid equity shares for FY 2021-22 amounting to ₹ 12,624.00 lakhs upon approval of shareholders in Annual General Meeting dated 4 July, 2022. During the previous year ended 31 March, 2022, the Company had paid final dividend of ₹ 1.20 per share on fully paid equity shares for FY 2020-21 amounting to ₹ 12,624.00 lakhs.
- 15.7 For the year ended 31 March 2023 the Board of Directors at its meeting held on 17 April, 2023 have proposed a final dividend of ₹ 1.50 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been disclosed as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 15,780 Lakhs.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 16		
Other equity		
16.1 General reserve		
(a) Opening balance	9,150.00	9,150.00
(b) Add : Amount transferred from retained earnings (net)	-	-
(c) Closing balance	9,150.00	9,150.00
16.2 Retained earnings		
(a) Opening balance	2,96,511.07	2,65,149.13
(b) Add : Additions during the year	44,120.27	43,985.94
(c) Less : Payment of dividend on equity share capital (refer note 15.6)	12,624.00	12,624.00
(d) Closing balance	3,28,007.34	2,96,511.07
	3,37,157.34	3,05,661.07

Nature and purpose of reserves:

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to Statement of Profit and Loss.

Retained earnings

Retained earnings are the profits of the Company earned till date net of appropriations.



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	As at 31.03.2023	As at 31.03.2022
	₹/ Lakhs	₹/ Lakhs
Note 17		
Long-term borrowings		
17.1 Secured - at amortised cost		
(i) Term loans from banks		
(a) Axis Bank	31,246.57	6,428.71
(b) Bank of Baroda	-	5,000.00
(c) Canara Bank	8,125.00	15,486.11
(d) Deutsche Bank	15,000.00	-
(e) HDFC Bank	15,833.34	69,979.17
(f) Indian Bank	31,267.71	15,677.08
(g) Punjab National Bank	11,875.00	14,375.00
(h) Punjab & Sind Bank	8,747.00	14,790.00
(i) State Bank of India	46,875.00	56,875.00
Total long-term borrowings	1,68,969.62	1,98,611.07

17.2 Current maturities of long-term borrowings

For the current maturities of long-term borrowings, refer note 23.3(a), Short Term Borrowings. Current maturities of long term borrowings includes repayment to be made before due date of 12 months, due date being a holiday.

17.3 Terms of repayment

17.3.1 Secured - at amortised cost

S. No.	Name of Bank	Refer note for security	As at 31.03.2023	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	₹/ Lakhs FY 2028-29 to FY 2034-35	
- Term loans from banks										
(a)	i	Axis Bank	17.6	10,000.00	-	-	1,000.00	1,000.00	1,000.00	7,000.00
	ii	Axis Bank	17.6	16,250.00	-	-	3,611.20	3,611.20	3,611.20	5,416.40
	iii	Axis Bank	17.7	4,996.57	-	-	4,996.57	-	-	-
(b)	i	Canara Bank	17.6	277.78	277.78	-	-	-	-	-
	ii	Canara Bank	17.6	2,500.00	2,500.00	-	-	-	-	-
	iii	Canara Bank	17.6	4,375.00	1,250.00	1,250.00	1,250.00	625.00	-	-
	iv	Canara Bank	17.7	8,333.33	3,333.33	3,333.33	1,666.67	-	-	-
(c)	i	HDFC Bank	17.6	1,875.00	833.32	833.33	208.34	-	-	-
	ii	HDFC Bank	17.6	10,000.00	-	1,250.00	1,250.00	1,250.00	1,250.00	5,000.00
	iii	HDFC Bank	17.7	1,666.68	1,666.68	-	-	-	-	-
	iv	HDFC Bank	17.7	1,875.00	833.33	833.33	208.34	-	-	-
	v	HDFC Bank	17.7	6,250.00	2,500.00	2,500.00	1,250.00	-	-	-
(d)	i	Indian Bank	17.6	5,000.00	1,250.00	1,250.00	1,250.00	1,250.00	-	-
	ii	Indian Bank	17.6	7,187.50	-	1,691.18	1,691.18	1,691.18	1,691.18	422.78
	iii	Indian Bank	17.6	7,187.50	-	449.22	1,796.88	1,796.88	1,796.88	1,347.64
	iv	Indian Bank	17.7	3,333.33	1,666.67	1,666.66	-	-	-	-
	v	Indian Bank	17.7	2,343.75	2,343.75	-	-	-	-	-
	vi	Indian Bank	17.7	5,000.00	1,666.67	1,666.67	1,666.66	-	-	-
	vii	Indian Bank	17.7	7,142.71	-	5,714.16	1,428.55	-	-	-
	viii	Indian Bank	17.7	5,000.00	4,000.00	1,000.00	-	-	-	-
(e)	i	Punjab National Bank	17.6	14,375.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	1,875.00
(f)	i	Punjab & Sind Bank	17.6	3,750.00	1,250.00	1,250.00	1,250.00	-	-	-
	ii	Punjab & Sind Bank	17.7	625.00	625.00	-	-	-	-	-
	iii	Punjab & Sind Bank	17.7	2,500.00	2,500.00	-	-	-	-	-
	iv	Punjab & Sind Bank	17.7	7,915.00	1,668.00	1,668.00	1,668.00	1,668.00	1,243.00	-
(g)	i	State Bank of India	17.6	3,125.00	2,500.00	625.00	-	-	-	-
	ii	State Bank of India	17.6	16,250.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	3,750.00
	iii	State Bank of India	17.6	20,000.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	7,500.00
	iv	State Bank of India	17.6	17,500.00	2,500.00	2,500.00	2,500.00	2,500.00	2,500.00	5,000.00
(h)	i	Deutsche Bank	17.7	15,000.00	-	5,625.00	7,500.00	1,875.00	-	-
	Total		2,11,634.15	42,664.53	42,605.88	43,692.39	24,767.26	20,592.26	37,311.82	

17.4 Installments for all the term loans are on quarterly basis.

17.5 The closing floating rate of interest for term loans from banks ranges from 7.25% to 9.05%. The rate of interest for term loans from banks are subject to reset annually except the term loan from Punjab & Sind Bank (refer note 17.3.1 (f (i to iv))) & Axis Bank (refer note 17.3.1 (a (i to iii))) on quarterly reset, Deutsche Bank (refer note 17.3.1 (h (i))) & Indian Bank (refer note 17.3.1 (d (vii)) & 17.3.1 (d (viii))) on half-yearly reset. The Term loan from HDFC Bank (refer note 17.3.1 (c (ii))) has fixed rate of interest at 6.95% for the entire term of 10 years.

17.6 Secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores & spares and third pari-passu charge on all present and future receivables.

17.7 Secured against fourth pari-passu charge on all present and future receivables including regulatory deferral account balances.



	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 18		
Other financial liabilities - non current		
(At amortised cost)		
(a) Security deposits		
(i) Consumers' security deposit	86,562.55	78,178.80
(ii) Others	565.25	698.08
(b) Retention money payable	178.18	246.23
	<u>87,305.98</u>	<u>79,123.11</u>

Note 19
Provisions - non current

Accounting policy

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle 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).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Provision for employee benefits		
(a) Compensated absences	5,645.45	5,537.35
(b) Other employee benefits	174.60	133.83
	<u>5,820.05</u>	<u>5,671.18</u>

19.1 Other employee benefits represent pension liability to VSS employees.

19.2 Defined contribution plan

(i) Provident fund plan and employees state insurance scheme

The Group makes contribution towards Provident Fund which is a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employees Provident Fund is deposited by the Group under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. The Group has no obligation, other than the contribution payable to the respective fund. The contributions payable to these plans by the Group are at rates specified in the rules of the schemes.

The Group makes contribution towards Employee State Insurance Scheme (ESIS) which is a defined contribution benefit plan for qualifying employees. The Group's contribution to the ESIS is deposited by the Group under the Employees State Insurance Act, 1948.

(ii) Pension and leave salary contribution

The Group makes contributions towards pension and leave salary to a defined contribution retirement plan for erstwhile DVB employees. The Group's contribution is deposited into the DVB Employees Terminal benefit Fund 2002 ('the Trust') as per the transfer scheme on the basis of the Fundamental Rules and Service Rules (FRSR Rules).

On account of Defined Contribution Plans, a sum of ₹ 3,923.77 lakhs (for the year ended 31 March, 2022 ₹ 4,193.05 lakhs) has been charged to the Statement of Profit and Loss during the year.

19.3 Defined benefit plan (Gratuity plan)

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of two years service.

19.4 Policy for recognising actuarial gains and losses

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognised in other comprehensive income.



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19.5 Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, demographic risk and salary escalation risk.

(a) **Investment risk:**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

(b) **Interest rate risk:**

The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

(c) **Demographic risk:**

The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(d) **Salary escalation risk:**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

19.6 The following tables set out the funded status of the gratuity plan and amounts recognised in the Group's financial statements as at 31 March, 2023. The valuation has been carried out using the Project Unit Credit Method as per Ind AS 19 "Employee Benefits" to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

Particulars	₹/Lakhs	
	Gratuity (Funded)	
	As at 31.03.2023	As at 31.03.2022
(i) Net liability arising from defined benefit obligation	665.50	370.73
(ii) Change in benefit obligations:		
(a) Present value of obligations as at 1 April	4,165.75	4,164.90
(b) Current service cost	348.02	364.23
(c) Interest expense or cost	306.35	278.75
(d) Remeasurement (gains)/losses: Actuarial (gains)/losses	36.12	(39.71)
(e) Benefits Paid	494.00	628.12
(f) Transfer in liability (group transfer cases)	135.71	25.70
Present value of defined benefit obligation as at 31 March (a+b+c+d-e+f)	4,497.95	4,165.75
(iii) Change in plan assets		
(a) Fair Value of Plan Assets as at 1 April	3,795.02	4,137.74
(b) Investment income	274.97	267.02
(c) Employer's Contribution	249.03	-
(d) Remeasurement (gains)/losses: - Return on plan assets (excluding amounts included in net interest expense)	7.43	18.38
(e) Benefits Paid	494.00	628.12
Fair value of plan asset as at 31 March (a+b+c+d-e)	3,832.45	3,795.02

(iv) **Expenses recognised in the Statement of Profit and Loss**

Particulars	₹/Lakhs	
	Gratuity (Funded)	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Current service cost	348.02	364.23
(b) Net interest expense/(income)	31.38	11.73
(c) Other adjustments	75.12	11.68
Defined benefit cost recognised in the Statement of Profit and Loss (a+b+c)	454.52	387.64

(v) **Amount recognised in other comprehensive income (remeasurements)**

Particulars	₹/Lakhs	
	Gratuity (Funded)	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Actuarial (gains)/losses arising from: - changes in demographic assumptions - changes in financial assumptions - experience adjustments	-	24.39
	(106.99)	(186.87)
	143.11	122.77
(b) Return on plan assets (excluding amounts included in net interest expense)	(7.43)	(18.38)
Components of defined benefit costs recognised in other comprehensive income (a+b)	28.69	(58.09)

(vi) **Principal actuarial assumptions:**

Particulars	Notes	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
Financial assumptions:			
(a) Discount Rate (per annum)	1.	7.45%	7.20%
(b) Salary growth rate (per annum)	2.	8.00%	8.00%

Notes:

1. **Discount Rate:** The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields/rates available on government bonds as on the current valuation date.

2. **Salary growth rate:** The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.



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Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Demographic assumptions:		
(a) Normal retirement age	60 years	60 years
(b) Mortality rate	100% of Indian Assured Lives Mortality (2012-2014)	100% of Indian Assured Lives Mortality (2012-2014)
(c) Withdrawal rate (per annum)	5%	5%

(vii) **Major categories of plan assets as a percentage of total plan assets:**

Particulars	As at 31.03.2023	As at 31.03.2022
Government of India Securities	82.24%	83.73%
Debt instruments	9.62%	10.37%
Equity and preference shares	7.70%	3.94%
Others deposits	0.44%	1.96%
	100.00%	100.00%

The Group's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Group are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance Corporation of India and actuarial valuer is provided for in the financial statements of the Group.

The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

(viii) **Sensitivity Analysis**

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

1. Changes in defined benefit obligation due to 1% increase/decrease in discount rate, if all other assumptions remain constant:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Decrease in defined benefit obligation due to 1% increase in discount rate	412.61	401.27
(b) Increase in defined benefit obligation due to 1% decrease in discount rate	481.71	470.96

2. Changes in defined benefit obligation due to 1% increase/decrease in expected salary growth rate, if all other assumptions remain constant:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Decrease in defined benefit obligation due to 1% decrease in expected salary growth rate	414.22	401.96
(b) Increase in defined benefit obligation due to 1% increase in expected salary growth rate	474.31	462.53

Changes in defined benefit obligation due to 1% increase/decrease in mortality rate, if all other assumptions remain constant is insignificant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

There is no change in the method of the valuation for the prior period. For change in assumptions please refer to table in (vi) above, where assumptions for prior period, if applicable, are given.

(ix) **Effect of plan on Group's future cash flows**

(a) Funding arrangements and funding Policy

The Group has purchased an insurance policy to provide payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuation is funded by the Group.

(b) The expected maturity analysis of undiscounted defined benefit obligation is as follows

Particulars	(₹/Lakhs)	
	As at 31.03.2023	As at 31.03.2022
Upto 1 year	337.54	252.00
1 - 2 year	356.52	282.79
2 - 3 year	301.65	324.45
3 - 4 year	354.17	275.40
4 - 5 year	397.27	359.27
More than 5 years	9,487.17	8,997.26
Total	11,234.32	10,491.17
Weighted average duration of the defined benefit obligation	10 years	11 years

(c) The contribution expected to be made by the Group during the financial year 2023-24 is ₹ 1,023.33 lakhs.

(d) The actual return on plan assets is ₹ 282.40 lakhs (for the year ended 31 March, 2022 ₹ 285.40 lakhs).



19.7 Principal actuarial assumptions for long-term compensated absences

(i) Financial assumptions:

Particulars	Notes	Year ended 31.03.2023	Year ended 31.03.2022
(a) Discount rate (per annum)	1.	7.45%	7.20%
(b) Salary growth rate (per annum)	2.	8.00%	8.00%

Notes:

- Discount rate:** The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.
- Salary growth rate:** The salary growth rate indicated above is the Group's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(ii) Demographic assumptions:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a) Normal retirement age	60 years	60 years
(b) Mortality rate	100% of Indian Assured Lives Mortality (2012-2014)	100% of Indian Assured Lives Mortality (2012-2014)
(c) Withdrawal rate (per annum)	5%	5%
(d) Rate of leave availment (per annum)	4%	4%
(e) Rate of leave encashment during employment (per annum)	4%	4%

Note 20

Capital grants

Accounting policy

Government grants are recognised if there is reasonable assurance that the assistance will be received and the conditions attached to assistance will be complied. Where the grant relates to a specified asset, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants relating to revenue are recognised in the Statement of Profit and Loss.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at fair value and released to the Statement of Profit and Loss over the expected useful life and pattern of consumption of the benefit of the underlying asset.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
(i) Opening balance	363.68	433.68
(ii) Less: Amortisation during the year	57.12	70.00
(iii) Closing balance	306.56	363.68

Note 21

Contributions for capital works and service line charges

Accounting policy

Refer note 29.2 for accounting policy on contributions for capital works and service line charges.

Deferred revenue

21.1 Capital works

(i) Opening balance	62,666.42	62,469.77
(ii) Add : Additions during the year	6,077.15	5,247.29
(iii) Less: Amortisation during the year	5,143.36	5,050.64
(iv) Closing balance	63,600.21	62,666.42

21.2 Service line charges

(i) Opening balance	17,478.72	17,854.89
(ii) Add : Additions during the year	3,281.97	2,880.95
(iii) Less: Amortisation during the year	4,006.78	3,257.12
(iv) Closing balance	16,753.91	17,478.72

Total contribution for capital works and service line charges

80,354.12	80,145.14
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	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
Note 22		
Other non current liabilities		
Consumers' deposits for works and service line charges	67,899.97	39,399.74
Note 23		
Short-term borrowings		
23.1 Secured - at amortised cost		
From Banks		
(a) Cash credit	2,939.36	1,665.82
(b) Working capital demand loan		
(i) HDFC Bank	7.88	-
(ii) Yes Bank	1,305.00	1,600.00
	1,312.88	1,600.00
	4,252.24	3,265.82
23.2 Unsecured - at amortised cost		
From Banks		
(a) Unsecured credit facilities		
(i) Axis Bank	3,282.41	11,220.03
	3,282.41	11,220.03
(b) Short term loan		
(i) Indian Bank	8,000.00	-
(ii) Karnataka Bank Limited	7,000.00	-
	15,000.00	-
(c) Working capital demand loan		
(i) Axis Bank	-	80.05
(ii) HDFC Bank	10,000.00	9,000.00
	10,000.00	9,080.05
	28,282.41	20,300.08
23.3 Current maturities of long-term borrowings (refer note 17)		
Secured - at amortised cost		
(a) Term loans from banks		
(i) Axis Bank	-	7,452.00
(ii) Bank of Baroda	-	1,666.67
(iii) Canara Bank	7,361.11	8,194.44
(iv) HDFC Bank	5,833.34	19,388.89
(v) Indian Bank	10,927.08	7,708.33
(vi) Punjab National Bank	2,500.00	2,500.00
(vii) Punjab & Sind Bank	6,043.00	11,668.00
(viii) State Bank of India	10,000.00	7,500.00
	42,664.53	66,078.33
	75,199.18	89,644.23
Total short-term borrowings		
23.4 Secured credit facilities		

The Company has availed secured cash credit limits of ₹ 35,300.00 lakhs from five banks i.e. State Bank of India, Punjab National Bank, Yes Bank, HDFC Bank & Standard Chartered, presently at an interest rate ranging from 7.50% to 9.65% per annum. 60% of the sanctioned cash credit limit of banks has to be first utilised as working capital demand loan in order to avail cash credit facility. These facilities are secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores and spares and third pari-passu charge on all present and future receivables.

The Company has availed secured Short term facility limits of ₹ 20,000 lakhs in the form of STL (₹ 10,000 lakhs) & Invoice financing (₹ 10,000 lakhs) from Deutsche Bank. STL facility has been availed at an interest rate ranging from 5.30% to 7.58% per annum during the financial year. The STL facility (which is fungible) can be utilised for any amount lower than or equal to ₹ 20,000 lakhs, for a period of minimum 7 days upto maximum 1 year. During the financial year, the tenor for utilization of STL ranges from 7 days to 36 days. The facility is secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores and spares and third pari-passu charge on all present and future receivables.

23.5 Unsecured credit facilities

The Company has unsecured fund based credit facilities of ₹ 25,000 lakhs from Axis Bank, ₹ 15,000 lakhs from Canara Bank, ₹ 10,000 lakhs from HDFC Bank, ₹ 20,000 lakhs from Karnataka and ₹ 10,000 lakhs from Indian Bank presently at an interest rate of 8.45%, 8.60%, 7.50%, 7.00% & 7.70% per annum respectively. 60% of the sanctioned limit of banks has to be first utilised as working capital demand loan in order to avail such facility.

The Company has unsecured overdraft facilities of ₹ 200 lakhs from IDFC First Bank, presently at an interest rate of 8.95%.



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23.6 Unsecured - Term loans - from other parties

(a) Commercial paper

During the current year, the Company has issued and repaid commercial paper as follows:

Particulars	Date of issue	Repayment date	Discount rate	Face Value	Amount (₹ Lakhs)
(i) ICICI Prudential Mutual Fund	21.04.2022	20.07.2022	4.65%	20,000	19,773.28
(ii) Yes Bank	08.07.2022	28.09.2022	5.85%	10,000	9,870.28
(iii) Kotak Mahindra Bank	08.07.2022	28.09.2022	5.85%	10,000	9,870.28
(iv) Yes Bank	18.07.2022	26.09.2022	6.20%	5,000	4,967.10
(v) ICICI Prudential Mutual Fund	18.07.2022	26.09.2022	6.20%	5,000	4,967.10
(vi) Yes Bank	11.01.2023	10.02.2023	6.95%	10,000	9,943.20

(b) Short term loan

During the current year, the Company has availed and/or repaid short term loan as follows:

S. no.	Name of the bank	Disbursement taken on	Repayment date	Interest Rate (% p.a.)	Amount (₹ Lakhs)
(i)	Karnataka Bank	20.07.2022	19.09.2022	5.40%	20,000
(ii)	Karnataka Bank	26.09.2022	13.01.2023	6.04%	10,000
(iii)	Karnataka Bank	28.09.2022	24.01.2023	6.04%	10,000
(iv)	Indian Bank	15.10.2022	28.10.2022	6.90%	10,000
(v)	Karnataka Bank	02.02.2023		7.00%	7,000
(vi)	Karnataka Bank	02.02.2023	28.03.2023	7.00%	3,000
(vii)	Karnataka Bank	04.02.2023	24.02.2023	7.10%	7,000
(viii)	Karnataka Bank	04.02.2023	27.02.2023	7.10%	3,000
(ix)	Indian Bank	31.03.2023		7.70%	8,000

23.7 The information/ statement of current assets filed with banks are in agreement with the books of accounts.

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
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Note 24

Trade payables (at amortised cost)

(a) Total outstanding dues of micro enterprises and small enterprises	3,207.86	2,518.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,08,111.18	1,21,349.35
	<u>1,11,319.04</u>	<u>1,23,868.12</u>

24.1 As at 31 March, 2023 trade payables include bill discounting of ₹ 7,437.73 lakhs (as at 31 March, 2022 ₹ 13,371.66 lakhs). To manage the expected liquidity risk, the Group has availed seller's side bill discounting facility for a portion of power purchase and transmission supplies invoices from generating and transmission companies. As per said bill discounting arrangement, bill discounting charges including interest will be borne by the Group and the Group will make payment of these bills payable on due date to the designated bank account on behalf of vendor. In case of any default/non-payment of bills on due date, suppliers are liable towards their bankers and the Group is liable towards suppliers for payment of dues.

24.2 The average credit period on purchases from long-term power purchase arrangement ranges from 30 days to 60 days. Thereafter, interest is charged which generally ranges from 1.25% per month to 1.5% per month on the unpaid amount. In addition, Ministry of Power, Govt. of India vide Gazette Notification dated 3 June, 2022 has notified LPSC rate as marginal cost of funds based lending rate for one year of the State Bank of India, as applicable on the 1st April of the financial year in which the default period lies, plus five percent. Rebate is generally available @ 1.5% if payment is made within 5 days from the presentation of bill as per CERC Regulation and @ 2% if payment is made within 2 days from the presentation of bill as per DERC Regulation or @ 1% if payment is made within 30 days from date of presentation. In some cases day-wise rebate is also available. In case of short-term power purchase arrangement, credit period ranges from 1 day to 30 days.

24.3 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:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
(a) Principal amount remaining unpaid as at reporting period	3,207.86	2,518.77
(b) Interest due thereon as at reporting period	-	-
(c) The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid as at reporting period	-	-
(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 to the small enterprise.	-	-

24.4 Age of payables

Ageing schedule as at 31 March, 2023

Outstanding for following periods from due date of payment #	₹/Lakhs				Total
	Undisputed		Disputed		
	MSME *	Others	MSME *	Others	
(a) Less than 1 year	-	549.29	-	-	549.29
(b) 1-2 year	-	795.70	-	-	795.70
(c) 2-3 year	-	284.39	9.24	-	293.63
(d) More than 3 years	-	287.73	11.82	154.41	453.96
(e) Trade payables which are not due	3,186.80	88,215.75	-	-	91,402.55
(f) Total	3,186.80	90,132.86	21.06	154.41	93,495.13
(g) Unbilled trade payables	-	-	-	-	17,823.91
(h) Total Trade Payable (f+g)	-	-	-	-	1,11,319.04



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Ageing schedule as at 31 March, 2022

Outstanding for following periods from due date of payment #	Undisputed		Disputed		₹/Lakhs
	MSME #	Others	MSME #	Others	Total
(a) Less than 1 year	-	255.05	-	-	255.05
(b) 1-2 year	-	298.30	9.90	-	308.20
(c) 2-3 year	-	232.68	11.86	34.85	279.39
(d) More than 3 years	-	185.68	-	197.34	383.02
(e) Trade payables which are not due	2,497.01	1,01,416.96	-	4.85	1,03,918.82
(f) Total	2,497.01	1,02,388.67	21.76	237.04	1,05,144.48
(g) Unbilled trade payables					18,723.64
(h) Total Trade Payable (f+g)					1,23,868.12

* Micro & small enterprise

where due date of payment is not available, date of the transaction has been considered.

Note 25

Other financial liabilities - current

(At amortised cost)

	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs
(a) Security deposits		
(i) Consumers' security deposit	5,949.70	5,514.80
(ii) Others	1,188.55	1,042.33
	7,138.25	6,557.13
(b) Interest accrued but not due on borrowings	154.80	539.64
(c) Retention money payable	3,668.33	3,669.39
(d) Payables on purchase of property, plant and equipment	982.96	643.75
(e) Earnest money deposits	226.96	115.39
(f) Consumers' deposits for works	5,999.42	4,874.73
(g) Others	3,728.72	3,596.74
	21,899.44	19,996.77

Note 26

Provisions - current

(a) Provision for employee benefits		
(i) Compensated absences (refer note 19)	973.88	890.33
(ii) Defined benefit plans (Gratuity) (refer note 19)	665.50	370.73
(iii) Other employee benefits (see note 26.1)	20.95	16.55
	1,660.33	1,277.61
(b) Provision for litigations (see note 26.2)	1,113.88	-
	2,774.21	1,277.61
26.1 Other employee benefits represent pension liability to VSS employees.		
26.2 Movement of provision for litigations		
(i) Opening Balance	-	-
(ii) Add: Additions during the year	1,113.88	-
(iii) Less: Utilised/Reversed during the year	-	-
(iv) Closing Balance	1,113.88	-
26.3 As a matter of prudence, the company has made provision for litigations of ₹ 1,113.88 lakhs during current year (As at 31 March, 2022 Nil) towards legal case(s) filed against the company.		
26.4 Refer note 19 for accounting policy on provisions.		

Note 27

Other current liabilities

(a) Income received in advance	204.08	246.85
(b) Statutory dues	12,801.66	9,894.87
(c) Advance from consumers	11,776.07	10,732.71
(d) Advance government subsidy (to be adjusted upon billing)	-	3,026.46
(e) Payable for Pension Trust Surcharge (Including unbilled)	2,599.93	2,012.95
(f) Advance against other contractual works	8,201.94	2,630.30
(g) Others	199.32	251.44
	35,783.00	28,795.58



Note 28

Contingent liabilities and commitments
(to the extent not provided for)

Accounting policy

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise are disclosed as contingent liability and not provided for. Such liability is not disclosed if the possibility of outflow of resources is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

Particulars	₹ / Lakhs	
	As at 31.03.2023	As at 31.03.2022
Contingent liabilities*		
28.1 Claims against the Group not acknowledged as debts:		
(i) Legal cases filed by consumers, employees and others under litigation	5,260.47	6,663.31
28.2 Liabilities arising out of litigation etc. due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
28.3 Direct taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Group and provision is not made (computed on the basis of assessments which have been reopened and assessments remaining to be completed):		
(i) Matters on which decisions with the CIT(A) and various appellate authorities are pending	1,533.44	1,397.61
(ii) Interest demanded (as per demand order and appeal effect order)	754.48	939.82
(iii) Total demand (i+ii)	2,287.92	2,337.43
(iv) Out of the above demand, amount paid under protest/adjusted by Income Tax authorities	2,013.84	2,013.84
The above does not include any amount where the Income Tax department has preferred an appeal against issues already decided in favour of the Group.		
28.4 Indirect taxation matters relating to sales tax, service tax, GST where demand is under contest before judicial/appellate authorities	74.42	72.91
28.5 Claims of power suppliers, not acknowledged as expense and credits	31,795.25	25,179.13
*No provision is considered necessary since the Group expects favourable decisions.		
Commitments		
28.6 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	21,098.33	20,485.74

28.7 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. There are interpretative challenges and considerable uncertainty, including the retrospective applicability of order and determination of liability (principal and any penal consequences thereof). Pending the directions from the EPFO, the impact for past periods, if any, cannot be reliably estimated and consequently no financial effect has been provided for in the financial statements. The Company has complied with the direction on a prospective basis, from the date of the SC order.

28.8 As detailed in note 34.7 on Rithala Power Generation Plant, the Company has challenged the DERC Order dated 11 November, 2019 before APTEL for allowance of balance depreciation along with other associated claims i.e. Interest on debt, return on equity (RoE) etc. which is yet to be disposed off. Based on legal opinion and internal analysis, the management is hopeful of favourable judgement.

28.9 The Code on Social Security 2020 has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact if any of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

28.10 The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which initially 1,798 employees were separated. The early retirement of these employees led to a dispute between the Company and the DVB Employees Terminal Benefit Fund, 2002 ('the Trust') with respect to payout of retirement benefits that these employees were eligible for. The Trust is of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death, whichever is earlier.

The Company filed a writ petition with the Hon'ble Delhi High Court which pronounced its judgement on 2 July, 2007 on this issue and provided two options to the Discoms for paying retiral benefits to the Trust. The Company chose the option whereby the Discoms were required to pay to the Trust an 'Additional Contribution' on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries to be appointed within a stipulated period. The matter was further challenged by the Trust before Hon'ble Supreme Court, however, no interim relief has been granted by the Hon'ble Supreme Court. Till date no Arbitral Tribunal of Actuaries has been appointed and therefore, no liability has been recorded based on option chosen by the Company.

While the above referred writ petition was pending, the Company had already advanced ₹ 7,774.35 lakhs to the Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRS Trust) for payment of retiral dues to separated employees. In addition to the payment of retiral benefits/residual pension to the SVRS Trust, in pursuant to the order of the Hon'ble Delhi High Court dated 2 July, 2007 the Company also paid interest @ 8% per annum, ₹ 801.27 lakhs in the financial year 2008-09 thereby increasing the total contribution to the SVRS Trust to ₹ 8,575.62 lakhs recorded as recoverable from SVRS Trust. As the Company was entitled to get reimbursement against advanced retiral benefit amount on superannuation age, the Company had recovered/adjusted ₹ 8,553.77 lakhs as at 31 March, 2023 (as at 31 March, 2022 ₹ 8,549.84 lakhs), leaving a balance recoverable ₹ 21.85 lakhs as at 31 March, 2023 (as at 31 March, 2022 ₹ 25.78 lakhs) from the SVRS Trust which includes current portion of Nil (as at 31 March, 2022 ₹ 3.93 lakhs).

28.11 The liability stated in the opening Balance Sheet of the Company as per the Transfer Scheme as on 1 July, 2002 in respect of consumers' security deposit was ₹ 1,000 lakhs. The Company had engaged an independent agency to validate the sample data in digitized form of consumer security deposit received by the erstwhile DVB from its consumers. As per the validation report submitted by this agency the amount of security deposit received from consumers aggregated to ₹ 6,670.51 lakhs. The Company has been advised that as per the Transfer Scheme, the liability in excess of ₹ 1,000 lakhs towards refund of the opening consumer deposits and interest thereon is not to the account of the Company. Since the GNCTD was of the view that the aforesaid liability is that of the Company, the matter was referred to Delhi Electricity Regulatory Commission (DERC). During the year 2007-08, DERC vide its letter dated 23 April, 2007 conveyed its decision to the GNCTD upholding the Company's view. As GNCTD has refused to accept the DERC decision as binding on it, the Company has filed a writ petition in the Hon'ble Delhi High Court and the matter was made regular on 24 October, 2011. No stay has been granted by the High Court in the matter for refund of consumer security deposits and payment of interest thereon.



Note 29

Revenue recognition

Accounting policy

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 Group expects to be entitled in exchange for those goods or services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

29.1 Sale of power

Revenue from the supply of power is recognised net of any trade discounts, cash rebates, etc. when the power is supplied and units of electricity are delivered as it best depicts the value to the customer and complete satisfaction of performance obligation.

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognised net of the applicable taxes which the Group collects from the customer on behalf of the government/state authorities. Revenue from such contracts is recognised over time for each unit of electricity delivered at the pre-determined rate.

The Group, as per the prevalent Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations (referred as "Tariff Regulations") for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations & maintenance expenses, financing cost, as per the said regulations and an assured return on DERC approved equity with additional incentive on over achievement of distribution loss and collection efficiency targets. As per the said Tariff Regulations, the Group determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance".

In respect of power generation, the Group is entitled to recover fuel cost, operations and maintenance expenses and other cost along with return on equity as stated in Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations subject to the availability factor.

Revenue in respect of the following is recognised as and when recovered because its ultimate collection is uncertain:

- (a) Late Payment Surcharge (LPSC) on electricity billed
- (b) Bills raised for dishonest abstraction of power
- (c) Interest on Unscheduled Interchange (UI).

29.2 Contribution for capital works & service line charges

Consumer's contribution towards cost of capital assets and service line charges is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets and installation of connection respectively. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the Statement of Profit and Loss over the useful life of the assets.

29.3 Rendering of Services

Revenue from a contract to provide consultancy services is recognised based on:

Input method : 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 : Direct measurements of value to the customer based on the survey of performance completed to date.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
29.4 Revenue from operations		
29.4.1 Revenue from sale of power and open access		
(a) Sale of power	9,53,473.28	7,81,783.37
Less: energy tax	37,918.32	30,385.19
	9,15,554.96	7,51,398.18
(b) Income from open access charges	2,220.89	2,428.55
	9,17,775.85	7,53,826.73
29.4.2 Other operating revenue		
(a) Amortisation of service line charges	4,006.78	3,257.12
(b) Commission on		
- DVB arrears collection	3.42	0.41
- Energy tax collection	1,111.86	891.55
(c) Maintenance charges (refer note 29.4.2 (i))	1,000.73	1,250.26
(d) Amortisation of capital grants	57.12	70.00
(e) Amortisation of consumer contribution for capital works	5,143.36	5,050.64
(f) Miscellaneous operating income	569.93	442.56
	11,893.20	10,962.54
	9,29,669.05	7,64,789.27

29.4.2 (i) Includes incentive on street light maintenance of ₹ 73.37 lakhs pertaining to financial year 2022-23 (for the year ended 31 March, 2022 ₹ 115.50 lakhs).

29.5 Other income

Accounting Policy

- Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which 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.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
(a) Late payment surcharge	2,125.14	2,190.86
(b) Interest Income	1,109.66	836.67
(c) Gain on sale/fair value of mutual fund investment measured at FVTPL	3.37	2.91
(d) Foreign exchange fluctuation gain (net)	-	0.74
(e) Income other than energy business	5,742.77	6,583.58
(f) Excess provisions write back (refer note 29.5.1)	1,644.43	6,417.35
(g) Other non-operating income	198.44	263.78
	10,823.81	16,295.89

29.5.1 During previous years, the actual pay-out of performance pay and incentive to employees were lower than the provision created in books. Accordingly, the company has reversed excess provision of ₹ 1,593.55 lakhs during the year ended 31 March, 2023 (for the year ended 31 March, 2022 ₹ 6,417.35 lakhs)



29.6 Disaggregation of revenue

Revenue recognised from contracts with customers mainly comprises of sale of power from distribution and retail supply of electricity in the North & North-west Delhi wherein nature, amount, timing and uncertainty of revenue is in accordance with prevailing DERC regulations and tariff order.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(A) Revenue from contracts with customers		
- Based on nature of goods/services		
(i) Distribution of power		
(a) Sale of power (net of energy tax)	9,15,554.96	7,51,398.18
(b) Income from open access charges	9,15,554.96	7,51,398.18
(c) Late payment surcharge	2,220.89	2,428.55
(d) Amortisation of service line charges	2,125.14	2,190.86
(e) Commission on		
- DVB arrears collection	3.42	0.41
- Energy tax collection	1,111.86	891.55
(f) Maintenance charges	1,000.73	1,250.26
(g) Amortisation of consumer contribution for capital works	5,143.36	5,050.64
(h) Miscellaneous income	616.18	474.52
(ii) Business Development (Project management and other consultancy services)	5,600.26	6,466.34
	9,37,383.58	7,73,408.43
(B) Other revenue		
(i) Distribution/generation of power		
(a) Amortisation of capital grants	57.12	70.00
(b) Interest income	1,109.66	836.67
(c) Others	152.19	231.82
(ii) Business Development (Project management and other consultancy services)	142.51	117.24
(iii) Others		
(a) Gain on sale/fair value of mutual fund investment measured at FVTPL	3.37	2.91
(b) Excess provisions write back	1,644.43	6,417.35
(c) Foreign exchange fluctuation gain (net)	-	0.74
	3,109.28	7,676.73
Total revenue	9,40,492.86	7,81,085.16

29.7 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Contract assets		
Unbilled revenue other than passage of time (refer note 14(a))	281.83	713.20
Total contract assets	281.83	713.20
Contract liabilities		
Income received in advance (refer note 27(a))	204.08	246.85
Advance from consumers (refer note 27(c))	11,776.07	10,732.71
Advance against other contractual works (refer note 27(f))*	8,201.94	2,630.30
Deferred revenue from consumers -		
-Consumers' deposits for works and service line charges (refer note 22 & 25 (f))	73,899.39	44,274.47
Total contract liabilities	94,081.48	57,884.33
Receivables		
Trade receivables (gross) (refer note 11)	35,836.44	33,558.82
Unbilled revenue for passage of time (refer note 13(d))	44,813.88	41,499.28
Less : Allowances for doubtful debts (refer note 11)	16,334.17	14,952.37
Net receivables	64,316.15	60,105.73

* The income shall be realised only to the extent of supervision charges on the completion of contractual work as agreed with the customer.

29.7.1 Contract assets and contract liabilities

Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract including advance received from customer.

Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Contract Assets		
- Unbilled revenue other than passage of time		
Opening balance as at 1 April	713.20	1,909.50
Add: Revenue recognised during the year apart from above	1,948.87	3,081.15
Less: Transfer from contract assets to receivables	2,380.24	4,277.45
Closing Balance	281.83	713.20



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₹/Lakhs

Particulars	Contract Liabilities					
	As at 31.03.2023			As at 31.03.2022		
	Income received in advance	Advance from consumers	Deferred Revenue	Income received in advance	Advance from consumers	Deferred Revenue
Opening balance as at 1st April	246.85	10,732.71	44,274.47	1,011.46	8,586.53	32,839.06
Revenue recognised during the year from balance at the beginning of the year	(105.79)	(7,799.18)	-	(764.61)	(5,283.36)	-
Advance received during the year not recognised as revenue	63.02	8,842.54	38,984.04	-	7,429.54	19,563.65
Transfer from contract liabilities upon satisfaction of performance obligation	-	-	(9,359.12)	-	-	(8,128.24)
Closing Balance	204.08	11,776.07	73,899.39	246.85	10,732.71	44,274.47

29.8 Transaction price - remaining performance obligation

The remaining performance obligation represents disclosure of aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialised.

The aggregate value of performance obligations for project management and other consultancy projects that are unsatisfied or partially satisfied as at 31 March, 2023 is ₹ 8,931.27 lakhs (as at 31 March, 2022 is ₹ 10,759.33 lakhs). Out of this, the Group expects to recognise revenue of around 51.30% (as at 31 March, 2022 49.53%) within next one year and the remaining thereafter on contract-by-contract basis based on extent of progress of the projects.

Note 30

Power purchase cost

30.1 The Company has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Company has sold/under-drawn 1,585.85 million units (for the year ended 31 March, 2022 1,855.62 million units) of power to/in favour of other utilities. The power purchase cost of ₹ 7,46,956.70 lakhs (for the year ended 31 March, 2022 ₹ 5,95,691.96 lakhs) is net of sale of power/UI receivables ₹ 96,697.47 lakhs (for the year ended 31 March, 2022 ₹ 74,723.89 lakhs), rebate on power purchase ₹ 10,714.46 lakhs (for the year ended 31 March, 2022 ₹ 7,879.88 lakhs) and excludes in-house power generation cost.

Considering prevalent power shortage situation during the year due to non availability of domestic Coal, the Hon'ble Commission (DERC) has issued interim order relaxing certain measure from 29 April, 2022 upto 31 July, 2022. These measures included UI penalty to be allowed as pass through in power purchase cost, exemption from approval of the power procured above ₹ 5 per unit. Additionally, measure of exemptions from approvals for Banking and Bilateral Contracts, allowance of overlapping in bilateral and banking transactions were extended up to 31 October, 2022.

30.2 Power generation companies such as NTPC have been raising power purchase bills from their coal based generating station to beneficiaries based on the coal price as charged by coal companies, however, Gross Calorific Value (GCV) of coal on received basis used for calculation of Energy Charge Rate (ECR) was not in accordance with the price paid for the coal with a grade slippage to the tune of 5-8 bands. In various judgments by Central Electricity Regulatory Commission (CERC) i.e. in petition no. 33/MP/2014 and 283/GT/2014 on this issue, CERC had ordered that there cannot be significant variation in GCV of coal at the loading point and unloading point at site. The matter of excess charges refund by Gencos had been further taken up by the Company through a separate petition 311/MP/2015 at CERC which is currently under adjudication.

In the GCV matter, NTPC has admitted 5 grade slippage in the Gross Calorific Value (GCV) of coal received from CIL used for calculation of Energy Charge Rate (ECR). Also, in compliance with the CERC directives in petition no. 311/MP/2015, NTPC furnished the invoices for coal and transportation which also substantiated the fact that there was grade slippage to the tune of 4-7 grades. Hence, the Company has computed the difference of estimated excess bill charged by NTPC coal based power generating stations including Aravali Jhajjar (NTPC comprises of around 50% of the total coal station allocation to the Company) for the period April, 2014 to August, 2017 (in line with CERC Regulations 14-19) amounting to ₹ 1,48,350 lakhs approx. (unaudited) and the same has been submitted in CERC under affidavit on 24 November, 2017. The Grade slippage matter in Petition No. 311/MP/2015 was listed on 11 April, 2019 which was adjourned and next date of hearing is yet to be notified.

30.3 Bilateral Power Purchase Agreement

The Company has made bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. The Delhi Electricity Regulatory Commission (DERC) has directed to treat the normative cost of power banking transaction at weighted average variable cost of all long term sources of power purchase of relevant year. Details of power banked during the year ended 31 March, 2023 are as follows:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Receivable MU's	Receivable MU's
(a) Opening balance as at 1 April	436.32	147.31
(b) Power banked (Outflow)	-	468.00
(c) Power due against banked	-	473.04
(d) Power receipt against opening	436.32	147.31
(e) Power receipt against current year transactions	-	36.72
(f) Balance receivable ((a)+(c)-(d)-(e))	-	436.32

Note 31

Employee benefits expense (net)

Accounting policy

Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

31.1 Defined contribution plans

The Group's contribution to provident fund, etc. is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made when services are rendered by the employees. The Group has categorised defined contribution plan for different employees into two categories:

31.1.1 Erstwhile DVB Employees:

The Group's contributions into the DVB Employees Terminal benefit Fund 2002 ('the Trust') for the erstwhile DVB Employees as per the Transfer Scheme are defined contribution plans. Provisions for contributions towards all terminal/retirement benefits including gratuity, pension and leave encashment on separation of erstwhile DVB employees are made on the basis of the Fundamental Rules and Service Rules (FRSR Rules) as determined by the trustees of the Trust. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.



31.1.2 Employees other than from Erstwhile DVB:

The Group makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employees Provident Fund is deposited by the Group under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

The Group makes contribution towards Employee State Insurance Scheme (ESIS), a defined contribution benefit plan for qualifying employees. The Company's contribution to the ESIS is deposited by the Group under the Employees State Insurance Act, 1948.

31.2 Defined benefit plans

31.2.1 Employees other than from Erstwhile DVB:

The Group's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each reporting period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the Balance Sheet date.

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 reporting period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- (a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (b) Net interest expense or income; and
- (c) Remeasurement

The Group presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Group has taken the group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

The Group contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Group.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group'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.

31.3 Short-term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the reporting period in which the related service is rendered. These benefit includes performance incentive, salaries and wages, bonus and leave travel allowance.

31.4 Other long-term employee benefits

31.4.1 Employees other than from Erstwhile DVB employees:

Benefits comprising compensated absences as per the Group policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

31.4.2 Erstwhile DVB Employees:

The liability for retirement pension payable to the VSS optees till their respective dates of normal retirement or death (whichever is earlier) is provided on the basis of an actuarial valuation done by an independent actuary at the year-end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
(a) Salaries, allowances and Incentives	49,683.13	47,181.02
(b) Contribution to provident and other funds	5,432.09	5,488.48
(c) Staff welfare expenses	3,496.71	3,225.60
(d) Other personnel cost	754.85	1,120.11
	<u>59,366.78</u>	<u>57,015.21</u>
Less: Transferred to capital work-in-progress	5,787.04	5,445.43
	<u>53,579.74</u>	<u>51,569.78</u>
(e) Pension and other payment to VSS and other retirees (refer note 28.10)	239.83	13.14
	<u><u>53,819.57</u></u>	<u><u>51,582.92</u></u>



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Note 32

Finance costs

Accounting policy

Borrowing Costs

Borrowing costs incurred for qualifying assets are capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

All other borrowing costs are recognised in the Statement of Profit and Loss in the reporting period in which they accrue.

	Year ended 31.03.2023	Year ended 31.03.2022
	₹/Lakhs	₹/Lakhs
(a) On borrowings - carried at amortised Cost		
(i) Interest on term loan (gross)	17,067.04	19,854.87
Less: Capitalised (refer note 32.1)	426.36	291.55
Interest on term loans (net)	16,640.68	19,563.32
(ii) Interest on cash credit accounts/short-term borrowings	5,108.15	3,934.11
(b) Interest on lease liability (gross)	627.93	704.52
Less: Capitalised	149.53	187.00
Interest on lease liability (net)	478.40	517.52
(c) Interest on consumer security deposits	6,073.90	5,464.97
(d) Other borrowing costs	85.80	53.56
(e) Other interest	245.88	2,871.75
	<u>28,632.81</u>	<u>32,405.23</u>

32.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 7.39% per annum (for the year ended 31 March, 2022 7.27% per annum).

32.2 Interest on consumer security deposits

As per the provisions of Section 47(4) of the Electricity Act, 2003 interest on consumer security deposits is payable at the bank rate or more as per the notification by State Commission. During the year 2017, Delhi Electricity Regulatory Commission (DERC) had amended Delhi Electricity Regulatory Commission (Supply Code and Performance Standards) Regulations, 2017 through notification In the Official Gazette and as per Clause 20(3) of the Regulations, interest is payable on consumer security deposits at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1 April of that financial year.

In view of the fact that the matter of liability on account of opening consumer security deposits in excess of ₹ 1,000 lakhs (as at 31 March, 2022 ₹ 1,000 lakhs) transferred to the Company as per the Transfer Scheme is sub-judice and no stay has been granted on payment of interest on and/or refund of opening consumer security deposits in excess of ₹ 1,000 lakhs (as at 31 March, 2022 ₹ 1,000 lakhs), the Company has provided interest expense aggregating to ₹ 6,073.90 lakhs (for the year ended 31 March, 2022 ₹ 5,464.97 lakhs) during the year on the outstanding consumer security deposits received by the Company since takeover of business in July, 2002 and also on the estimated total consumer security deposits received by the erstwhile DVB as per the Company's records. Out of the above interest expenditure, an amount of ₹ 181.33 lakhs (for the year ended 31 March, 2022 ₹ 188.77 lakhs) would be recoverable from DPCL if the Company's contention is upheld by the Hon'ble High Court that the Company's liability for interest payment/refund on account of opening consumer security deposits is only to the extent of ₹ 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

32.3 The company receives deposit from the customers for undertaking various capital works as per applicable tariff regulations. DERC has passed an order dated 5 December, 2019 directing the company to refund the unspent amount of deposits. Aggrieved by the said order, the Company has filed a petition with the APTEL where the unspent amount has been offered as means of finance in the tariff. The judgment was pronounced by APTEL on 31 August, 2021. Based on the APTEL judgement, certain information was sought by DERC and the company has submitted the desired information to DERC. Pending implementation of this judgement by DERC, the company has worked out the refund liability which is subject to final reconciliation with customers and created an interest provision of ₹ 2,436.71 lakhs on the unspent amount.

	Year ended 31.03.2023	Year ended 31.03.2022
	₹/Lakhs	₹/Lakhs
Note 33		
Other expenses		
Operating and maintenance expenses		
(a) Stores and spares consumed (net of recoveries)	6,929.81	4,809.59
(b) Repairs and maintenance:		
(i) Building	662.70	540.82
(ii) Plant and equipment	10,496.50	9,670.76
(iii) Others	5,459.01	5,461.11
(c) Loss on disposal of property, plant and equipment	834.57	1,817.57
	<u>24,382.59</u>	<u>22,299.85</u>
Administrative and general expenses		
(a) Communication expenses	261.87	237.18
(b) Printing and stationery	296.30	240.43
(c) Legal and professional charges		
- Legal expenses (refer note 33.1)	2,228.43	1,953.48
- Professional charges (refer note 33.2)	824.87	498.46
(d) Travelling and conveyance	783.25	462.48
(e) Insurance	836.43	821.73
(f) Advertisement, publicity and business promotion	212.90	171.20
(g) Corporate social responsibility expenses (excluding 5% administrative expenses) (refer note 33.3)	1,252.77	1,112.34
(h) Rent and hire charges	57.48	90.42
(i) Rates and taxes	635.01	605.85
(j) Freight, handling and packing expenses	34.19	56.11
(k) Bill collection and distribution expenses	775.16	815.47
(l) Postage and courier charges	34.36	19.36
(m) Provision for litigations	1,113.88	-
(n) EDP expenses	1,190.35	1,370.58
(o) Housekeeping expenses	1,088.62	1,064.65
(p) Foreign exchange fluctuation loss (net)	2.79	-
(q) Bad debts written off/(written back)	544.90	422.84
(r) Allowance for doubtful debts	612.61	412.36
(s) Miscellaneous expenses	1,548.66	1,072.09
	<u>14,334.83</u>	<u>11,427.03</u>
Total other expenses	<u>38,717.42</u>	<u>33,726.88</u>



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33.1 Out of total Legal expenses of ₹ 2,228.43 lakhs (for the year ended 31 March, 2022 ₹ 1,953.48 lakhs), an amount of ₹ 630.82 lakhs (for the year ended 31 March, 2022 ₹ 623.94 lakhs) pertains to legal expenses where the Company has challenged DERC's orders/Regulations at various forums.

33.2 Auditors remuneration*

Professional charges include auditor's remuneration as follows:

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) For statutory audit	48.50	48.25
(b) For tax audit	7.25	-
(c) For company law matters	0.30	-
(d) For other services	8.68	7.00
(e) For reimbursement of expenses	2.84	1.16
Total	67.57	56.41

* Exclusive of Goods & Services Tax.

33.3 Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the eligibility criteria, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Tata Power-DDL's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the Company as per the Act.

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Gross amount required to be spent by the Company during the year	1,230.59	1,103.95
(b) Amount spent during the year on CSR (excluding 5% administrative expenses) (refer 33.3.2)	1,252.77	1,112.34
(c) Shortfall for the year	-	-
(d) Transaction with related party for the year (refer Note 40)	3.54	-
(e) Movement of provision	-	-

Particulars	₹/Lakhs		
	In Cash	Yet to be paid in cash	Year ended 31.03.2023
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	1252.77	1,252.77	1,252.77

33.3.3 The nature of CSR activities undertaken by the Company

Nature of activities as per Schedule VII of Companies Act, 2013	Particulars	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. (Clause (i))	- Consultation & supply of medicine through mobile dispensary - Facilitation of potable water - Health care facility to under nourished women & children - Organising blood donation camp - ABHA Program - Providing connection between TPDDL & community to facilitate the needy people.	368.79	346.48
Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. (Clause (ii))	- Community awareness program - Literacy, education & skill development program - Vocational training program - Career counselling program - Scholarship distribution program - Entrepreneurship development program	742.18	627.15
Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga. (Clause (iv))	- Energy, water and climate conservation and sensitization sessions - Tree Plantation	10.63	5.57
Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports. (Clause (vii))	- Rural development & sports in village area	21.83	15.99
Disaster management, including relief, rehabilitation and reconstruction activities. (Clause (xii))	- Supply of cooked meals & Dry ration - Donation to Covid 19 response fund - Distribution of mask, sanitizers, PPE Kit, gloves, IR thermometer etc	109.34	117.15
Total		1,252.77	1,112.34

33.4 Disclosure under Clause 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of statutory levies and taxes

As per the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017, Clause no. 87 has defined the requirement for the disclosure of water charges, statutory levies and taxes separately. Management considers applicability of the following expenses as covered under Clause 87 :

Particulars	₹/Lakhs
	Year ended 31.03.2023
(a) Statutory taxes -	
(i) Impact of GST (unaudited)	4,521.62
(b) Water charges	148.39
(c) Statutory levies -	
(i) Impact of minimum wages (unaudited)	2,951.38
(ii) Differential impact of 7th Pay Commission Vs 6th Pay Commission on leave salary and pension for current financial year (gross)	1,740.10
(iii) Differential impact of 7th Pay Commission Vs 6th Pay Commission for current financial year (gross)	5,559.18
(iv) Impact of 7th Pay Commission against VSS & Separated Employees	204.10
(v) Common effluent treatment plant charges	39.61
(vi) Property tax	207.44
(vii) Licensee fees	373.89
(viii) Land license fees	1,562.48



Note 34

Regulatory deferral account balances

Accounting policy

The Group's operations of power distribution are a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the DERC. Accordingly, the Group recognises regulatory deferral account balance in respect of difference between allowable controllable/uncontrollable expenses and revenue actually collected from regulated activities. Debit balance in the regulatory deferral account balance represents cumulative shortfall in recovery which is allowable to the Group through tariff revision in future periods whereas credit balance in regulatory deferral account balance represents cumulative excess recovery which is refundable through future tariff reductions. The Group records regulatory deferral account balance as at the reporting date based on prevailing regulatory guidelines, various judgments given by judicial authorities, past practices and opinion of legal experts. Any change in the regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to orders/ judgements of regulator, judicial authorities, etc. are recorded in the period of such change.

34.1 As per Ind AS 114 "Regulatory Deferral Accounts", the business of electricity distribution is a rate regulated activity where the Delhi Electricity Regulatory Commission (DERC) determines Retail Supply Tariff (RST) to be charged from consumers based on prevailing regulations in place.

34.2 In the latest Tariff Order dated 30 September, 2021 issued on 12 October, 2021, the DERC has true up regulatory deferral account balance up to 31 March, 2020 at ₹ 1,76,281 lakhs as against ₹ 4,91,925.26 lakhs as per financial books of accounts excluding amount recoverable towards deferred tax liabilities of ₹ 30,259.85 lakhs. There is no provision in tariff regulations for one to one allowance of deferred tax but the same is allowed in the form of actual rate of tax as and when deferred tax liability gets converted to actual tax liability. The difference in regulatory deferral account is largely due to provisional true up of capitalisation, disallowance of de-capitalised property, plant and equipment, its corresponding impact on return on capital employed (ROCE), income tax and carrying cost. These disallowances have already been challenged in APTEL for amount disallowed up to FY 19-20. The difference in regulatory deferral account is also due to pending implementation of Rithala tariff order issued by the DERC vide order dated 11 November, 2019 and partial allowance of approved Rithala plant cost which is under challenge with APTEL and delay in execution of other previous review/APTEL appeal orders.

The Company had filed a stay petition seeking stay of tariff order with APTEL due to certain arbitrary disallowances by DERC in its latest tariff order dated 30 September, 2021 and also filed appeal with APTEL against the disallowances. On 24 May, 2022 APTEL pronounced final order on stay application and directed the Commission to reconsider the issue of past allowance of AT&C incentive and O&M disallowance and give effect of the same within a period of two months. On DERC's petition, APTEL further clarified on 22 July, 2022 that it's earlier order to be followed in true light and spirit of the observations made and the directions given in the said judgment. The tariff order is yet to be issued by DERC. Therefore, the final impact shall be recorded in the books of accounts once the same is implemented by the Commission as per APTEL directions in the upcoming tariff order. Accordingly, no adjustment has been made in the Regulatory deferral account balance in the books based on latest tariff order dated 30 September, 2021, till the implementation of the above.

On the issue of provisional true up of capitalisation, DERC has shared preliminary draft report of physical verification of fixed asset for the period FY 2004-05 to FY 2015-16. The Company after analysing the draft report have submitted the response along with necessary documents in support of capitalisation on 29 December, 2020 and further action on the same is awaited from DERC. The true up of capitalisation for FY17-18 has been completed by DERC. For the FY16-17, final report has been shared by DERC on 13 March, 2023 for seeking comments. Further, for FY 18-19 to FY 21-22 the physical verification and true up of capitalisation is in progress.

34.3 The DERC Business Plan Regulations, 2019 is applicable for the control period starting FY 2020-21 to FY 2022-23. As part of yearly tariff determination exercise, the company has filed True up petition for FY 2020-21 and Annual Revenue Requirement (ARR) for FY 2022-23 on 30 November, 2021 and its Tariff order is awaited. Further, the Company has filed Business Plan for next control period applicable from FY 2023-24 to FY 2027-28 on 12 September, 2022. Further, the company has filed True up petition for FY 2021-22 on 1 November, 2022.

The DERC on 29 March, 2023 has notified Business Plan Regulations, 2023 for the next control period applicable for FY 2023-24 to FY 2025-26.

34.4 The Company on a regular basis evaluates the changes in the DERC regulations and other factors which may trigger the impairment of the regulatory deferral account balances.

34.5 There has been accumulation of regulatory deferral account balance mainly due to non-availability of cost reflective tariff year on year. On this issue, the Company had filed a petition with the DERC on 08 March, 2021 seeking for a roadmap to liquidate regulatory deferral account in a time bound manner, which was dismissed by DERC with no relief. Further, the Company has challenged the order of DERC before Supreme Court on 6 September, 2021, which has been admitted and the hearing is in progress.

34.6 The movement in regulatory deferral account balance as at 31 March, 2023 is as follows:

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
(a) Opening regulatory deferral account debit balance	5,84,222.83	5,51,170.50
(b) Net movement during the year		
(i) Power purchase cost	7,57,775.36	6,03,701.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	1,99,676.77	1,94,342.00
(iii) Collection available for Annual Revenue Requirement (ARR) as per MYT order	9,36,417.96	7,73,411.00
(iv) Net movement before recovery of deferred tax {(i)+(ii)-(iii)}	21,034.18	24,632.00
(v) Deferred tax recoverable in future tariff	8,670.69	8,420.33
(c) Net movement shown in the Statement of Profit and Loss {(iv)+(v)}	29,704.87	33,052.33
(d) Closing regulatory deferral account debit balance (a+c)	6,13,927.70	5,84,222.83

34.7 Rithala Power Generation Plant

On 31 August, 2017 the DERC issued the Order fixing the operational norms as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at ₹ 19,770 lakhs against ₹ 30,239 lakhs as per financial books of accounts. Further, the DERC has recognised tariff of the plant for 6 years (project life) from the date of commercial operation (COD) in combined cycle mode upto 31 March, 2018 as against 15 years, being the life of the plant. In accordance with the Order, the Company had stopped the billing of Rithala Power Plant from 1 April, 2018, adjusted a sum of ₹ 46,986 lakhs towards Rithala billing (including carrying costs) and recorded an impairment loss of ₹ 5,564.93 lakhs till 31 March, 2019.

Further, DERC has issued Tariff Order dated 11 November, 2019 for Rithala Power Plant and allowed depreciation for 6 years only. Aggrieved by the said order of lower allowance of depreciation, the Company has challenged the order before APTEL for balance depreciation along with other associated claims i.e. interest on debt, return on equity (RoE) etc.

As required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" the asset has been classified under the head "Assets Held for Sale" and the remaining written down value (WDV) less fair value of plant cost of ₹ 19,770 lakhs has been shown as recoverable from future tariff on the basis of management evaluation supported by legal opinion with the condition that the net sale/scrap proceeds for Rithala Power Plant after recovering the 10% salvage value shall be offered in ARR. The Company is continuing to claim the remaining WDV in the form of annual depreciation, ROCE etc. in annual ARR filing for distribution business pending its petition with respect to allowance of the same in APTEL.



34.7.1 Assets classified as held for sale

Accounting policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each Balance Sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Group treats sale/distribution of the asset or disposal group to be highly probable when:

- (a) the appropriate level of management is committed to a plan to sell the asset (or disposal group),
- (b) an active programme to locate a buyer and complete the plan has been initiated (if applicable),
- (c) the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- (d) the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- (e) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

In financial year ended 31 March, 2019 the property, plant and equipment relating to Rithala Power Generation Plant was classified as "Assets Held for Sale" pursuant to derecognition of Rithala plant as source of power with effect from 1 April, 2018 and management's intention to sell the plant. The management remains committed to the plan to dispose off the plant and therefore, continues to classify it as "Asset held for Sale".

The assets classified as held for sale have been accounted at lower of carrying amount and fair value less cost to disposal. The fair value of property, plant and equipment classified as assets held for sale as at 31 March, 2023 and 31 March, 2022 has been determined based on a valuation report given by an expert who has used Level 3 valuation techniques.

The carrying value and fair value less cost to disposal of Rithala Power Generation Plant classified as assets held for sale is detailed below:

Particulars	As at 31.03.2023			As at 31.03.2022		
	Carrying value	Impairment Loss	Fair value less costs to disposal	Carrying value	Impairment Loss	Fair value less costs to disposal
	(A)	(B)	(C)=(A)-(B)	(D)	(E)	(F) = (D)-(E)
Property, plant and equipment	2,004.00	-	2,004.00	2,004.00	-	2,004.00

The significant unobservable input used in the non-recurring fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March, 2023 and as at 31 March, 2022 are as shown below:

Particulars	*Level in fair value hierarchy	Valuation techniques	Date of valuation	Significant unobservable inputs
Assets classified as held for sale	3	Valuation at salvage value	31.03.2023 and 31.03.2022	Salvage value discounted by the estimated cost of removable assets.

* Refer Note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

The disposal group does not constitute a separate major line of business of the Company and therefore, has not been classified as discontinued operations.

Note 35

Earnings per equity share (EPS)

Accounting policy

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.

The Group also presents Basic earnings per equity share in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance 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.

35.1 EPS - Continuing operations (excluding regulatory income/expense)

Particulars	Units	Year ended 31.03.2023	Year ended 31.03.2022
Profit for the year from continuing operations	₹/Lakhs	44,138.94	43,948.15
Net movement in regulatory deferral account balance	₹/Lakhs	29,704.87	33,052.33
Income-tax attributable to regulatory expenses	₹/Lakhs	(10,380.07)	(11,549.81)
Net movement in regulatory deferral account balance (net of tax)	₹/Lakhs	19,324.80	21,502.52
Profit for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance	₹/Lakhs	24,814.14	22,445.63
Weighted average number of equity shares	Nos./Lakhs	10,520.00	10,520.00
Basic & Diluted earnings per equity share of ₹ 10 each	₹	2.36	2.13
Face value of equity shares	₹	10.00	10.00

35.2 EPS - Continuing operations (including regulatory income/expense)

Particulars	Units	Year ended 31.03.2023	Year ended 31.03.2022
Profit for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹/Lakhs	44,138.94	43,948.15
Weighted average number of equity shares	Nos./Lakhs	10,520.00	10,520.00
Basic & Diluted earnings per equity share of ₹ 10 each	₹	4.20	4.18
Face value of equity shares	₹	10.00	10.00

35.3 The Group does not have any potential dilutive equity share.

Note 36

Segment reporting

The Group is primarily engaged in the business of distribution and generation of power in North and North-west of Delhi and other ancillary activities. Chief Operating Decision Maker (CODM) reviews the financial information of the Group as a whole for decision making and accordingly the Group has single reportable segment in terms of Ind AS 108 "Operating Segments". However, the Group has disclosed the segment information about its distribution, generation and business development activities in the standalone financial statements in order to comply with the directions of Delhi Electricity Regulatory Commission (DERC) pursuant to Clause 4 of DERC (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and DERC directive 6.10(i)(ix) specified in Tariff Order, 2019.

No consumer individually accounted for more than 10% of the billed revenue for the year ended 31 March, 2023 and 31 March, 2022.



Note 37
Income tax

Accounting policy

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

37.1 Current tax

The current tax payable is based on taxable profit for the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

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 treated differently according to Income Tax Act, 1961. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in Other Comprehensive Income or directly in Equity respectively.

37.2 Income tax expense recognised in the Statement of Profit and Loss consists of:

	Year ended 31.03.2023 ₹/Lakhs	Year ended 31.03.2022 ₹/Lakhs
Income tax expense recognised in the Statement of Profit and Loss :		
(a) Current tax (refer note 37.4)	18,372.08	17,852.87
Less: MAT credit adjusted during the year	6,829.80	6,594.27
Current tax expense (net)	11,542.28	11,258.60
(b) Deferred tax expense (net) (refer note 37.4)	8,675.80	8,410.17
Total	20,218.08	19,668.77
Income tax expense recognised in other comprehensive income :		
Income tax relating to items that will not be reclassified to profit or loss:		
(c) Current tax		
Remeasurement of defined benefit obligation (refer note 37.4)	(5.01)	10.15
(d) Deferred tax		
Remeasurement of defined benefit obligation (refer note 37.4)	(5.01)	10.15
Total	(10.02)	20.30
Total income tax expense recognised during the year (a+b+c+d)	20,208.06	19,689.07

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

Particulars	₹/Lakhs	
	Year ended 31.03.2023	Year ended 31.03.2022
Profit before tax	64,357.02	63,616.92
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	22,488.92	22,230.30
Add/(Less): Tax effect on account of:		
Tax effect due to non taxable income pertaining to deferred tax recoverable	(3,029.92)	(2,942.40)
Expenses not considered in determining taxable profit	266.81	238.81
Adjustments for prior periods	(47.19)	0.02
Reversal during tax holiday period	42.89	82.82
Deduction under chapter VI-A	(19.14)	(21.61)
Effect of tax on income at different rates (refer note 37.6)	(13.03)	(11.00)
Others	528.74	91.83
Income tax expense recognised in the Statement of Profit and Loss	20,218.08	19,668.77

37.4 The Company has made provision for income tax at the rate of 34.94% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2023 and 31 March, 2022.

The Company has to pay taxes based on the higher of Income-tax profit of the Company or minimum alternate tax (MAT) at 17.47% (FY 2021-22 17.47%) of book profit for the financial year 2022-23 and 2021-22.

The provision for deferred tax has been worked upon at the rate of 34.94% (substantially enacted tax rate at Balance Sheet date) for the year ended 31 March, 2023 and 31 March, 2022.

37.5 The Subsidiary company has made provision for current tax at the rate of 25.17% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2023 and 31 March, 2022. The provision for deferred tax has been worked upon at the rate of 25.17% (substantially enacted tax rate at balance sheet date) for the year ended 31 March, 2023 and 31 March, 2022.

37.6 The Taxation Laws (Amendment) Act, 2019 has inserted the new section 115 BAA in Income Tax Act applicable from FY 2019-20, which allows the company with an option to pay income tax at the lower tax rate of 22% plus 10% surcharge and 4% cess (i.e. 25.17%) without claiming any tax exemption & incentives. After evaluating the option, the Company had chosen to opt for new tax regime.

After evaluating the option, the Company continues to calculate tax expense as per old tax rate of 34.94% while the Subsidiary has opted for new tax rate of 25.17%.



37.7 Deferred tax

Accounting policy

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.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

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 reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period.

In the situations where one or more units of the Group are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in Other comprehensive income or directly in equity, in which case, deferred tax is also recognised in Other Comprehensive Income or directly in equity respectively.

37.8 Deferred tax liabilities/assets (net) as at 31 March, 2023, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2023.

Particulars (2022-23)	₹/Lakhs			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment (refer note 37.10)	72,072.86	2,673.07	-	74,745.93
Provision for doubtful debts	(2,938.67)	(214.07)	-	(3,152.74)
Provision for employee benefits	(2,428.19)	(180.74)	(5.01)	(2,613.94)
MAT credit	(22,756.04)	6,829.80	-	(15,926.24)
Others	(528.36)	(432.25)	-	(960.61)
Deferred tax liabilities/(asset) [net]	43,421.60	8,675.81	(5.01)	52,092.40

Deferred tax liabilities/assets (net) as at 31 March, 2022, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2022.

Particulars (2021-22)	₹/Lakhs			
	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment	69,919.61	2,153.25	-	72,072.86
Provision for doubtful debts	(2,794.58)	(144.09)	-	(2,938.67)
Provision for employee benefits	(2,358.68)	(79.66)	10.15	(2,428.19)
MAT credit	(29,350.31)	6,594.27	-	(22,756.04)
Others	(414.76)	(113.60)	-	(528.36)
Deferred tax liabilities/(asset) [net]	35,001.28	8,410.17	10.15	43,421.60

37.9 As per MYT regulations for determination of tariff, tax expense shall be considered in tariff determination as and when and to the extent of income tax actually paid. Accordingly, the Company has made provision only for the amount of income tax that is actually payable and the deferred tax liability (net) as at 31 March, 2023 of ₹ 52,092.40 lakhs (as at 31 March, 2022 ₹ 43,421.60 lakhs) and deferred tax charge of ₹ 8,670.80 lakhs for the year ended 31 March, 2023 (for the year ended 31 March, 2022 ₹ 8,420.32 lakhs) has been shown as recoverable in regulatory deferral account balances.

37.10 As at 31 March, 2023 deferred tax liability of ₹ 74,745.93 lakhs (as at 31 March, 2022 ₹ 72,072.86 lakhs) on account of property, plant and equipment is net of deferred tax asset of ₹ 840.54 lakhs (as at 31 March, 2022 ₹ 1,080.57 lakhs) arising on assets classified as held for sale.

37.11 During the current year, the Group has reassessed the recoverability of unavailed MAT credit and accordingly recognised MAT credit amounting to ₹ 15,926.24 lakhs as at 31 March, 2023 (as at 31 March, 2022 ₹ 22,756.04 lakhs).

37.12 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 reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period. The Taxation Laws (Amendment) Act, 2019 provides the Company with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company presently. The Company has reviewed the implications of the Act on its tax liability for the year and has chosen to continue to apply tax rate of 34.94% which allows the Company to set off carry forward balance of MAT credit and avail other tax concessions except the subsidiary company which has chosen to continue to apply lower tax rate of 25.17% (including surcharge & cess) basis section 115BAA of the Income Tax Act 1961 without claiming any tax exemption & incentives.

The Company also evaluated impact of the Act for future period and is of the view that current tax rate of 34.94% will continue to remain favourable for foreseeable future. Therefore, the Company continues to measure deferred tax liability (net) at current applicable income tax rate. The subsidiary company has measured its deferred tax liability (net) at current tax rate of 25.17%.



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Note 38
Financial instruments

38.1 Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return of capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The Company's capital structure consists of net debt and total equity. The Company includes within net debt, interest bearing borrowings, less cash and bank balances as detailed below. The position on reporting date is summarised in the following table:

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Long-term borrowings	1,68,969.62	1,98,611.07
Short-term borrowings (includes Current maturities of long-term borrowings)	75,199.18	89,644.23
Total debt (a)	2,44,168.80	2,88,255.30
Less: Cash and bank balances (b)	5,788.29	9,942.34
Net debt {(c)=(a-b)}	2,38,380.51	2,78,312.96
Total equity (d)	4,42,357.34	4,10,861.07
Total equity and net debt {(e)=(c+d)}	6,80,737.85	6,89,174.03
Net debt to total equity plus net debt ratio (%) {(f)=(c)/(e)}	35.02%	40.38%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2023 and 31 March, 2022.

38.2 Categories of financial instruments

Particulars	₹/Lakhs			
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
	Fair Value		Carrying Value	
Financial assets				
(i) Measured at fair value through profit or loss (FVTPL)				
(a) Investment in mutual fund (unquoted)	30.40	23.67	30.40	23.67
(ii) Measured at amortised cost				
(a) Trade receivables	19,502.27	18,606.45	19,502.27	18,606.45
(b) Cash and cash equivalents	328.39	2,522.10	328.39	2,522.10
(c) Bank balances other than cash and cash equivalent above	5,459.90	7,420.24	5,459.90	7,420.24
(d) Security deposits	640.70	902.63	640.70	902.63
(e) Unbilled revenue	44,813.88	41,499.28	44,813.88	41,499.28
(f) Others	6,719.69	2,902.52	6,719.69	2,902.52
Total	77,495.23	73,876.89	77,495.23	73,876.89
Financial liabilities				
(i) Measured at amortised cost				
(a) Borrowings (including current maturities)	2,44,168.80	2,88,255.30	2,44,168.80	2,88,255.30
(b) Interest accrued but not due on borrowings	154.80	539.64	154.80	539.64
(c) Lease liabilities (including current maturities)	7,650.39	7,020.74	7,650.39	7,020.74
(d) Trade and other payables	1,11,319.04	1,23,868.12	1,11,319.04	1,23,868.12
(e) Consumers' security deposit	92,512.25	83,693.60	92,512.25	83,693.60
(f) Retention money payable	3,846.51	3,915.62	3,846.51	3,915.62
(g) Consumers' deposits for works	5,999.42	4,874.73	5,999.42	4,874.73
(h) Others	6,692.44	6,096.29	6,692.44	6,096.29
Total	4,72,343.65	5,18,264.04	4,72,343.65	5,18,264.04

38.2.1 Fair values of financial assets and financial liabilities

- (a) The management assessed that the carrying value of cash and cash equivalents, other balances with bank, trade receivables, loans, unbilled revenue, borrowings and interest accrued thereon, consumers' security deposit, retention money payable, trade payables, other financial assets and liabilities approximate their fair value largely due to the short term maturities of these instruments/ buying subject to floating-rate. Fair value measurement of lease liabilities is not required.
- (b) The Group assessed that the carrying value of investments in mutual funds (unquoted) approximate their fair value. Fair value of the liquid mutual fund units are based on the price quotations on the reporting date. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Particulars	As at 31.03.2023 ₹/Lakhs	As at 31.03.2022 ₹/Lakhs	Fair value hierarchy	Valuation technique and key inputs	Date of valuation
Investments in mutual funds measured at fair value through profit or loss (FVTPL)	30.40	23.67	Level 1	Net asset value (NAV) of mutual funds	31.03.2023 and 31.03.2022 (as applicable)

Refer Note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.



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38.3 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, lease liabilities, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks, unbilled revenue and other financial assets that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Corporate Level Risk Management Committee (CLRMC) oversees the management of these risks and appropriate risk governance framework for the Company. The Company's CLRMC is supported by a Finance Risk Management Sub-Committee that reviews the financial risks. The Company's financial risk activities are governed by appropriate policies and procedures (in accordance with ISO 31000:2018 guidelines) and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risk management policy is approved by the Board of Directors.

The Company's focus is to ensure liquidity which is sufficient to meet Company's operational requirements, the management also monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The management reviews and manages these risks, which are summarised below:

38.3.1 Market risk

Market risk is the risk that changes in market prices 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. Financial instruments affected by market risk primarily comprises of term borrowings and current investments.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

(A) Foreign currency exchange risk management

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company does not have significant foreign currency denominated transactions, hence the Company is not exposed to significant foreign currency exchange risk.

(B) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for long term borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the borrowing outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for analysis which represents management's assessment of the reasonably possible change in interest rates.

The sensitivity analysis in the following section relates to the position as at 31 March, 2023 and 31 March, 2022. If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

Particulars	₹/Lakhs			
	As at 31.03.2023		As at 31.03.2022	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on term borrowings	1,058.17	(1,058.17)	1,323.45	(1,323.45)
Effect on profit before tax	(1,058.17)	1,058.17	(1,323.45)	1,323.45

In Company's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(C) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net asset value (NAV) of the financial instruments held. As at year end, the Company does not have any investment measured at fair value through profit or loss, hence the Company is not exposed to significant price risk.

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
	Investments in mutual funds	30.40

Price risk sensitivity analysis

The sensitivity analysis in the following section relates to the position as at 31 March, 2023 and 31 March, 2022. If the NAV of investments had been higher or lower by ₹ 0.50 and all the other variables were held constant, the effect on gain/(loss) on fair value of current investments for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

Particulars	₹/Lakhs			
	As at 31.03.2023		As at 31.03.2022	
	NAV appreciate by ₹ 0.50	NAV depreciate by ₹ 0.50	NAV appreciate by ₹ 0.50	NAV depreciate by ₹ 0.50
Gain on investments in liquid mutual funds	(0.49)	0.49	(0.39)	0.39
Effect on profit before tax	(0.49)	0.49	(0.39)	0.39

In Group's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk and price risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

38.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
	(a) Trade receivables	19,502.27
(b) Unbilled revenue	44,813.88	41,499.28
(c) Security deposits	640.70	902.63
(d) Other financial assets	6,719.69	2,902.52
Total	71,676.54	63,910.88

Refer note 11 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

Bank balances are held with reputed and creditworthy banking institutions.



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As per its investment policy, the Company deploy its short term surplus funds in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits with such companies of the Tata Group as may be approved. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose Assets Under Management (AUM) are in excess of ₹ 1,00,00,000 lakhs and ranks in the first three of CRISIL's latest available Composite Performance Ranking (CPR) at the time of investment. As per policy, the aggregate amounts invested in debt based mutual funds and/or liquid funds with no exposure to equities, fixed term deposit with schedule banks and in inter-corporate deposits being in nature of investments shall not exceed ₹ 35,000 lakhs at any point of time.

38.3.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Company. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Expected contractual maturity for financial liabilities:

Particulars	₹/Lakhs			
	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2023				
(a) Trade payables	1,11,319.04	-	-	1,11,319.04
(b) Short term borrowings	32,534.65	-	-	32,534.65
(c) Long term borrowings (including current maturities)	42,664.53	1,31,657.79	37,311.82	2,11,634.14
(d) Interest accrued but not due on borrowings	154.80	-	-	154.80
(e) Future interest on above long term borrowings	15,234.25	27,408.72	4,736.56	47,379.53
(f) Consumers' security deposit (see note 38.3.3a)	5,949.70	-	86,562.55	92,512.25
(g) Future interest on consumers' security deposit (refer note 38.3.3a)	7,357.82	29,431.26	36,789.08	73,578.16
(h) Lease liabilities (including current maturities)	2,580.42	5,068.87	1.10	7,650.39
(i) Future interest on above lease liabilities	544.31	1,181.05	0.15	1,725.51
(j) Retention money payable	3,668.33	178.18	-	3,846.51
(k) Consumers' deposits for works	5,999.42	-	-	5,999.42
(l) Other financial liabilities	6,127.19	424.18	141.07	6,692.44
	2,34,134.46	1,95,350.05	1,65,542.33	5,95,026.84
As at 31 March, 2022				
(a) Trade payables	1,23,868.12	-	-	1,23,868.12
(b) Short term borrowings	23,565.90	-	-	23,565.90
(c) Long term borrowings (including current maturities)	66,078.33	1,52,680.57	45,930.50	2,64,689.40
(d) Interest accrued but not due on above borrowings	539.64	-	-	539.64
(e) Future Interest on above long term borrowings	16,703.50	30,761.68	5,001.84	52,467.02
(f) Consumers' security deposit (see note 38.3.3a)	5,514.80	-	78,178.80	83,693.60
(g) Future interest on consumers' security deposit (refer note 38.3.3a)	5,472.52	21,890.06	27,362.58	54,725.16
(h) Lease liabilities (including current maturities)	934.44	4,652.03	1,434.27	7,020.74
(i) Future interest on above lease liabilities	627.79	1,596.88	127.95	2,352.62
(j) Retention money payable	3,669.39	237.71	8.52	3,915.62
(k) Consumers' deposits for works	4,874.73	-	-	4,874.73
(l) Other financial liabilities	5,398.21	483.84	214.24	6,096.29
	2,57,247.37	2,12,302.77	1,58,258.70	6,27,808.84

38.3.3a Consumers' security deposit classified under more than 5 years maturity pertains to permanent connection which are refundable on surrender of connection subject to clearance of outstanding dues.

Future interest on consumers' security deposit has been considered at 8.5% per annum (as at 31 March, 2022 7.00% per annum) which is the prevailing SB1 1 year MCLR rate as at 1 April, 2023. For the purpose of computation of interest, the tenure of consumer security deposit has been taken as 10 years.

The Company has access to financing facilities as described in note 38.3.4 below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

38.3.4 Financing facilities (short term)

Particulars	₹/Lakhs	
	As at 31.03.2023	As at 31.03.2022
Unsecured credit facilities, reviewed annually and payable at call		
Amount used and outstanding	28,282.41	20,300.08
Amount unused	51,917.59	34,899.92
Secured bank loan facilities with various maturity dates through to 31 March, 2023 and which may be extended by mutual agreement		
Amount used and outstanding	4,252.24	3,265.82
Amount unused	51,047.76	39,534.18



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Note 39
Financial Ratios

Particulars	Numerator (₹ Lakhs)		Denominator (₹ Lakhs)		Unit	As at 31.03.2023	As at 31.03.2022	Variance
	31.03.2023	31.03.2022	31.03.2023	31.03.2022				
(a) Current ratio ⁴	2,77,794.29	2,18,281.20	2,49,555.34	2,64,517.09	Times	1.11	0.83	34.89%
(b) Debt equity ratio	2,51,973.99	2,95,815.68	4,42,357.34	4,10,861.07	Times	0.57	0.72	-20.89%
(c) Debt service coverage ratio	96,039.37	1,01,441.80	85,132.35	93,161.49	Times	1.13	1.09	3.60%
(d) Return on Equity	44,138.94	43,948.15	4,26,609.21	3,95,180.10	%	10.35%	11.12%	-6.97%
(e) Trade receivables turnover ratio	9,62,437.67	7,92,045.76	78,351.73	77,817.28	Days	30	36	-17.14%
(f) Trade payables turnover ratio	7,82,426.48	6,25,653.73	1,04,147.34	1,01,229.09	Days	49	59	-17.73%
(g) Net capital turnover ratio ⁵	9,59,373.92	7,97,841.60	73,638.70	21,316.52	Times	13.03	37.43	-65.19%
(h) Net profit ratio	44,138.94	43,948.15	9,59,373.92	7,97,841.60	%	4.60%	5.51%	-16.48%
(i) Return on capital employed	86,915.93	90,557.18	7,48,261.04	7,53,750.74	%	11.62%	12.01%	-3.32%
(j) Return on investment	440.03	307.39	28,98,777.94	22,38,642.31	%	5.54%	5.01%	10.55%

⁴There is increase in current ratio mainly on account of higher levy of PPAC

⁵There is change in net capital turnover ratio mainly on account of higher working capital

39.1 Formulas used to compute ratios

Particulars	Formulas
(a) Current ratio	Current asset (refer note 39.2(a)) Current liability
(b) Debt equity ratio	Total debt (refer note 39.2(b)) Shareholder's equity
(c) Debt service coverage ratio	Earnings available for debt service (refer note 39.2(c)) Debt Service (refer note 39.2(d))
(d) Return on Equity	Net Profits after taxes Average shareholder's equity
(e) Trade receivables turnover ratio	Gross credit sales (refer note 39.2(e)) Average accounts receivable (refer note 39.2(f))
(f) Trade payables turnover ratio	Gross credit purchases (refer note 39.2(g)) Average trade payables (refer note 39.2(h))
(g) Net capital turnover ratio	Net sales (refer note 39.2(i)) Working capital (refer note 39.2(j))
(h) Net profit ratio	Net Profit Net sales (refer note 39.2(i))
(i) Return on capital employed	Earning before interest and taxes (refer note 39.2(k)) Average Capital Employed (refer note 39.2(l))
(j) Return on Investment	Investment income (refer note 39.2(m)) Time weighted average investment (refer note 39.2(n))

39.2 Notes

- Current asset also includes current portion of regulatory asset + asset classified as held for sale
- Total debt includes long term borrowings + short term borrowings + interest accrued on borrowings + lease liabilities
- Earnings available for debt service includes Net Profit after taxes + Non-cash operating expenses/(income) (depreciation, amortisation of SLD, CCCW or capital grants, amortizations(ROU)) + Interest (excluding interest on consumer security deposits) - loss on sale of fixed assets
- Debt service = Interest (excluding interest on consumer security deposits) + lease payments + principal repayments of long term borrowing (except refinanced loans)
- Gross credit sales includes sale of power + open access charges + maintenance charges + income other than energy business
- Average Accounts Receivable includes unbilled revenue
- Gross credit purchases includes power purchase + O&M expenses (excluding foreign exchange fluctuation loss (net), bad debts written off/(written back), allowance for doubtful debts, loss on disposal of property, plant and equipment, corporate social responsibility expenses, etc.)
- Total trade payables excludes employee benefit expense related balances
- Net sales includes revenue from operations + movement in regulatory deferral account balance
- Working capital = current assets - current liabilities
Current liabilities excludes current maturities of long-term borrowings, current portion of leases & interest accrued but not due on borrowings
Current asset includes current portion of regulatory asset & asset classified as held for sale
- Earning before interest and taxes = Profit before tax + interest (excluding interest on consumer security deposits)
- Average Capital employed = tangible net worth + total debt (refer note 39.2(b)) + deferred tax liability
- Investment income includes interest on bank deposits + gain on mutual fund (including unrealised (if any))
- Time weighted average investment includes bank deposits + mutual funds
- The Company is engaged in the business of sale of power which doesnot involve any inventory therefore, Inventory Turnover ratio is not applicable for the Company



Note 40

Related party disclosures

40.1 List of related parties and description of relationship

- A. Holding company**
Tata Power Company Limited (TPCL)
- B. Promoters holding together with its Subsidiary more than 20% in Holding Company**
Tata Sons Private Limited (Tata Sons)
- C. Company exercising significant influence**
Delhi Power Company Limited (DPCL) (Government related entity)
- D. Fellow Subsidiaries (with whom the Company has transactions)**
(i) TP Ajmer Distribution Limited (TPADL)
(ii) TP Central Odisha Distribution Limited (TPCODL)
(iii) Tata Power International Pte. Limited (TPIPL)
(iv) TP Renewable Microgrid Limited (TPRML)
(v) Tata Power Solar Systems Limited (TPSSL)
(vi) Tata Power Southern Odisha Distribution Limited (TPSODL)
(vii) Tata Power Northern Odisha Distribution Limited (TPNODL)
(viii) Tata Power Trading Company Limited (TPTCL)
(ix) Tata Power Solapur Limited (TP Solapur)
(x) Tata Power Western Odisha Distribution Limited (TPWODL)
- E. Joint Ventures of holding company (with whom the Company has transactions)**
(i) Prayagraj Power Generation Co. Ltd. (PPGCL)
(ii) Powerlinks Transmission Ltd. (PTL)
- F. Associates of holding company (with whom the Company has transactions)**
(i) Tata Projects Limited (TPL)
- G. Subsidiaries and Jointly Controlled Entities of Promoters of Holding Company - Promoter Group (with whom the Company has transactions)**
(i) Infinit Retail Limited (IRL) (ceased w.e.f. 12 November, 2021)
(ii) Tata AIG General Insurance Company Limited (Tata AIG)
(iii) Tata Advanced Systems Limited (TASL)
(iv) Tata Autocomo Systems Limited (TACSL)
(v) Tata Capital Financial Services Ltd. (TCFSL)
(vi) Tata Communications Limited (TCL)
(vii) Tata Consulting Engineers Ltd. (TCES)
(viii) Tata AIA Life Insurance Company Limited (Tata AIA)
(ix) Tata Teleservices Limited (TTSL)
(x) Tata Consultancy Services Limited (TCS)
(xi) Tata Play Broadband Private Limited (TPBPL)
- H. Post retirement employee benefit trust**
(i) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
(ii) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)
- I. Key management personnel**
Chief Executive Officer (CEO)
(i) Mr. Ganesh Srinivasan
- Non-executive directors**
(i) Dr. Praveer Sinha
(ii) Mr. Arup Ghosh
(iii) Dr. Amar Jit Chopra (ceased w.e.f. 22nd March 2023)
(iv) Mr. Ajay Shankar (ceased w.e.f. 22nd March 2023)
(v) Ms. Satya Gupta
(vi) Mr. Kesava Menon Chandrasekhar (ceased w.e.f. 23rd March 2023)
(vii) Mr. Sanjay Kumar Banga
(viii) Mr. Jasmine Shah (ceased w.e.f. 14th February 2023)
(ix) Mr. Ajit Kumar Singh (ceased w.e.f. 14th February 2023)
(x) Ms. Rashmi Krishnan (ceased w.e.f. 14th February 2023)
(xi) Mr. Naveen N D Gupta (ceased w.e.f. 14th February 2023)
(xii) Mr. Ajay Kapoor (appointed w.e.f. 21st January 2022)
(xiii) Mr. Shurbir Singh (appointed w.e.f. 17th March 2023)
(xiv) Dr. Ashish Chandra Verma (appointed w.e.f. 17th March 2023)
(xv) Mr. Manish Kumar Gupta (appointed w.e.f. 17th March 2023)
(xvi) Mr. K. N. Shrivastava (appointed w.e.f. 23rd March 2023)
(xvii) Mr. Narendra Nath Misra (appointed w.e.f. 23rd March 2023)
(xviii) Mr. Ashok Sinha (appointed w.e.f. 24th March 2023)

40.2 Transactions with related parties

Name of related party	Nature of transactions	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
A. Purchase of goods			
(i) TPCL	Purchase of soares	10.24	35.82
(ii) TPTCL	Purchase of power	1,73,219.09	1,40,940.02
	Rebate on power purchase	3,495.05	2,582.48
(iii) IRL	Purchase of gifts & gift vouchers	0.72	34.23
B. Purchase of property, plant and equipment			
(i) TPTCL	Purchase of IT asset & Vehicles	1.36	0.58
(iv) PTL	Purchase of IT asset	-	0.14
(v) TACSL	Purchase of consumables	-	2.48
(ii) TPSODL	Purchase of IT asset & Vehicles	6.43	-
(iii) IRL	Purchase of office equipment	0.52	0.34



Transactions with related parties contd.

Name of related party	Nature of transactions	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
C. Sale of property, plant and equipment			
(i) TPCL	Sale of vehicles & IT Assets	72.50	36.94
(ii) TPCODL	Sale of IT Assets	0.26	30.93
(iii) TPNODL	Sale of vehicles & IT Assets	8.60	42.25
(iv) TPADL	Sale of IT Assets	0.49	-
(v) TPTCL	Sale of IT Assets	16.24	0.74
(vi) TPWODL	Sale of vehicles & IT Assets	2.83	29.38
(vii) TPSODL	Sale of vehicles & IT Assets	-	8.88
(viii) TPSSL	Sale of IT asset	7.75	-
(ix) PTL	Sale of vehicles & IT Assets	5.05	6.27
(x) TP Solapur	Sale of IT asset	0.37	-
(xi) TPRML	Sale of vehicles & IT Assets	0.20	-
D. Rendering of services			
(i) TPCL	Management contract for consultancy services	260.86	323.80
	Revenue from training	2.48	-
(ii) DPCL	Commission earned	3.42	0.41
(iii) TPADL	Management contract for consultancy services	10.05	7.00
(iv) TPCODL	Management contract for consultancy services	66.80	97.29
(v) TPWODL	Management contract for consultancy services	57.85	40.93
	Revenue from training	4.54	2.50
(vi) TPSODL	Management contract for consultancy services	227.19	148.38
(vii) TPNODL	Management contract for consultancy services	174.72	144.86
	Revenue from training	5.84	-
(viii) TPIPL	Management contract for consultancy services	-	24.19
(ix) TPTCL	Management contract for consultancy services	4.75	1.39
(x) TPRML	Management contract for consultancy services	2.27	1.71
(xi) TP Solapur	Management contract for consultancy services	2.73	-
(xii) PPGCL	Management contract for deputation of employees	-	6.38
(xiii) TPBPL	Revenue from use of assets	74.40	50.41
(xiv) TCFSL	Sponsorship fees	0.25	-
E. Receiving of services			
(i) TPCL	Management contract for deputation of key management personnel (KMP)	227.74	211.22
	Training	1.65	-
(ii) Tata Sons	Training	0.35	3.78
(iii) Tata Sons	Professional Charges	8.26	-
(iv) TPSSL	Annual maintenance contract of solar plants	10.76	10.76
(v) Tata AIG	Insurance expense	268.63	271.17
(vi) TCL	Communication expenses	17.24	23.52
(vii) TTSL	Automatic meter reading expenses, call center charges etc.	172.49	168.83
	Communication expenses	5.91	6.70
(viii) Tata AIA	Insurance expense	-	219.36
(viii) TCES	Consultancy services	13.18	17.11
(ix) TASL	Repair & maintenance services and communication expenses	11.06	3.21
	Communication expenses	1.06	-
(x) TCS	License fees (Microsoft office & BI)	104.41	-
(xi) Tata Sons	CSR expense	3.54	-
F. Reimbursement of expenses (paid)/received [net]			
(i) TPCL	Travelling, training, Legal expense and conveyance etc.	137.42	84.03
(ii) TPTCL	Miscellaneous expenses etc.	(15.60)	(12.72)
(iii) TPIPL	Travelling and conveyance, insurance etc.	-	2.63
(iv) TPNODL	Travelling and conveyance, insurance etc.	0.70	7.68
(v) TPWODL	Travelling and conveyance, insurance etc.	0.48	2.17
(vi) TPSODL	Travelling and conveyance, insurance etc.	1.10	3.47
(vii) TP Solapur	Travelling and conveyance etc.	0.06	-
(viii) TPCODL	Travelling and conveyance, insurance etc.	6.29	13.32
(ix) TASL	Misc Recovery of expense	(0.05)	-
G. Equity dividend paid			
(i) TPCL	Dividend on equity shares	6,438.24	6,438.24
(ii) DPCL	Dividend on equity shares	6,185.76	6,185.76
H. Transaction with Trust			
(i) Gratuity Fund	Contribution to trust	262.56	-
(ii) SVRS RTBF - 2004	Contribution to trust	164.83	-

40.3 Compensation of key managerial personnel

Name of related party	Nature of transaction	₹/Lakhs	
		Year ended 31.03.2023	Year ended 31.03.2022
A. CEO	Deputation pay and other benefits a. Mr. Ganesh Srinivasan	222.10	210.65
B. Non-executive directors	(i) Sitting fees*	47.89	57.23
	(ii) Reimbursement of expenses received	1.86	-

* Exclusive of Goods & Services Tax



40.4 Balance outstanding with related parties

Name of related party	Nature of balances	₹/Lakhs	
		As at 31.03.2023	As at 31.03.2022
A. Receivables			
(i) TPCL	Trade receivables net of payables	314.41	45.76
(ii) TPADL	Trade receivables	7.51	1.54
(iii) TPCODL	Trade receivables	22.45	4.68
(iv) TPRML	Trade receivables	0.21	-
(v) TPWODL	Trade receivables	-	27.86
(vi) TPSODL	Trade receivables	83.57	71.88
(vii) TPNODL	Trade receivables	27.37	19.84
(viii) ICES	Trade receivables including advances	-	1.45
(ix) TPBPL	Trade receivables	2.15	-
(x) TP Solapur	Trade receivables	3.72	-
(xi) SVRS RTBF-2004	Other financial assets	21.85	25.78
B. Payables			
(i) DPCL	Trade payables	119.93	197.71
(ii) TPTCL	Trade payables net of receivables	709.18	8,107.43
(iii) TPSSL	Trade payables net of receivables including retention money and earnest money deposit	20.55	24.70
(iv) TASL	Trade payables including retention money	216.93	280.47
(v) PTL	Trade payables net of receivables	6.71	-
(vi) TCL	Trade payables including security deposit, earnest money deposit net of advances	10.50	12.10
(vii) TTSL	Trade payables including retention money and security deposit	0.42	2.95
(viii) TCS	Trade payables	480.59	-
C. Unbilled revenues			
(i) TPCL	Management contract for consultancy services/Reimbursement of expenses	-	4.42
(ii) TPCODL	Management contract for consultancy services/Reimbursement of expenses	0.07	-
(iii) TPWODL	Management contract for consultancy services/Reimbursement of expenses	0.36	-
(iv) TPTCL	Management contract for deputation of employees	4.75	-
D. Accrued expenses			
(i) TPCL	Management contract for deputation of key management personnel (KMP) or Training expenses	-	11.84
(ii) Tata Sons	Training	-	3.46
(iii) TPSSL	Annual maintenance contract of solar plants	5.29	2.64
(iv) TPTCL	Purchase of power	172.01	-
(v) TCES	Consultancy services	-	16.40
(vi) TCL	Communication expenses	76.06	69.62
(vii) TTSL	Communication expenses	23.30	51.86
(viii) TCS	License fees	0.76	-
(ix) TASL	Repair & maintenance services and communication expenses	0.79	-
E. Prepaid expenses			
(i) TPTCL	Charges for letter of credit & open access	181.87	4.23
(ii) TCS	License fees (Microsoft office & BI)	421.51	-
(iii) Tata AIG	Prepaid insurance	116.06	112.12
F. Advance to suppliers			
(i) IRL	Advance to vendors	0.60	-
(ii) Tata AIG	Advance to vendors	6.93	8.48
(iii) TCES	Advance to vendors	-	3.42
G. Other liabilities (Current & Non Current)			
(i) TPCL	Advance from consumers	-	1.75
(ii) TP Solapur	Advance from consumers	12.43	-
H. Commitments made			
(i) TCES	Consultancy services	-	219.66
(ii) TTSL	Call center charges	0.12	0.12

I. Commitments made with TPTCL

Significant commitments of the Company includes commitment for trading margin with TPTCL.

The Company has entered into a long term power purchase agreement with TPTCL on 10 September, 2009 to draw power from Maithon Power Ltd. (MPL) for 30 years from the date of commissioning (COD) and on 20 January, 2009 to draw power from Jhajjar Power Ltd. (JPL) for 25 years from COD. A trading margin of 4 paise per kWh for the energy scheduled by MPL is payable by Tata Power-DDL to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by Tata Power-DDL to TPTCL.

Note 41

Relationship with Struck off Companies

Details of transactions entered with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

S. No.	Name of struck off Companies	Nature of transactions with struck off Companies	Relationship with the struck off Companies	Transaction during the year ended 31.03.2023	₹/Lakhs	
					As at 31.03.2023	As at 31.03.2022
(i)	BIOREX PHARMACEUTICALS PVT LTD	Sale of Power	Customer	56.90	0.20	-
(ii)	GENEXT ENERGY CONVERSION PVT LTD	Sale of Power	Customer	10.80	0.54	-

S. No.	Name of struck off Companies	Nature of transactions with struck off Companies	Relationship with the struck off Companies	Transaction during the year ended 31.03.2022	₹/Lakhs	
					As at 31.03.2022	As at 31.03.2021
(i)	Sharun Engineering Company (P) Ltd.	Balance written off	Customer	0.31	-	0.31
(ii)	Anand Vehicles India (P) Limited	Refund of Security Deposit	Vendor	0.06	-	-



Note 42

Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 43

Transfer pricing

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Company is not required to get transfer pricing study conducted for FY 22-23 as no international transaction has been entered with the related parties during the year.

Note 44

Transfer pricing

The subsidiary company has not generated any operating revenue during the year ended 31 March 2023 & 31 March 2022 and further the management has proposed to merge NDPL Infra Ltd with Tata Power Delhi Distribution Limited, the holding company.

The Board of Directors of NDPL Infra Limited in their meeting held on 21 April, 2021 had granted in principle approval for merger of NDPL Infra Limited with Tata Power Delhi Distribution Limited. The merger process shall be initiated once the requisite approval is provided by Delhi Power Company Limited (DPCL) as per the terms of license agreement as it holds 49% equity share capital in Tata Power Delhi Distribution Limited.

Note 45

Approval of financial statements

These financial statements were approved for issue by the board of directors on 17 April, 2023.

In terms of our report attached of even date

For **T. R. Chadha & Co. LLP**

Chartered Accountants

Firm's Registration No.: 006711N/NS00028



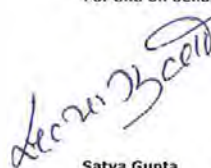
Hitesh Garg

Partner

Membership No.: 502955



For and on behalf of the Board of Directors



Satya Gupta

Director

DIN: 08172427



Ajay Kapoor

Director

DIN: 00466631



Ganesh Srinivasan

Chief Executive Officer



Monica Mehra
Company Secretary



Suranjit Mishra
Chief Financial Officer

New Delhi
17 April, 2023

New Delhi
17 April, 2023

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

- | | | |
|----|--|---------------------------------|
| 1. | Name of the subsidiary | NDPL Infra Limited |
| 2. | The date since when subsidiary was acquired | 23 August, 2011 |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 1 April, 2022 to 31 March, 2023 |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | INR |

Figures (in lakhs)

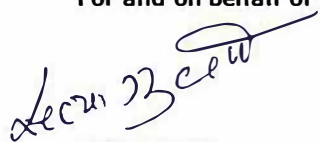
5.	Share capital	5.00
6.	Reserves and surplus	2,671.13
7.	Total assets	2,682.95
8.	Total Liabilities	6.82
9.	Investments	30.40
10.	Turnover	0.00
11.	Profit before taxation	133.24
12.	Provision for taxation	33.53
13.	Profit after taxation	99.71
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

Notes:

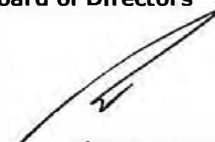
- There is no subsidiary which is yet to commence operations.
- There is no subsidiary which has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors



Satya Gupta
 Director
 DIN: 08172427



Ajay Kapoor
 Director
 DIN: 00466631



Ganesh Srinivasan
 Chief Executive Officer



Monica Mehra
 Company Secretary



Suranjit Mishra
 Chief Financial Officer

New Delhi
 17 April, 2023

Shareholder Information

To,
Company Secretary,
Tata Power Delhi Distribution Limited
NDPL House, Hudson Lines,
Kingsway Camp, Delhi - 110009

Updation of Shareholder Information

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

General Information:

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

*Self attested copy of the document(s) enclosed

Bank Details:

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

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

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

Place:
 Date:

 Signature of Sole/ First holder

TATA POWER DELHI DISTRIBUTION LIMITED

A Tata Power and Delhi Government Joint Venture

Regd. Office: NDPL House, Hudson Lines,
Kingsway Camp, Delhi-110 009

Tel: +91 1166112222, Fax: +91 1127468042

Toll free No: 19124 / 1800-208-9124

Website: www.tatapower-ddl.com

CIN NO.: U40109DL2001PLC111526



Roshni
Tata Power-DDL's Corporate Mascot

