



20th ANNUAL REPORT 2020-21

GAS TURBINE POWER STATION



INDRAPRASTHA POWER GENERATION COMPANY LIMITED
(A Government of NCT of Delhi Undertaking)



Indraprastha Power Generation Company Limited & Pragati Power Corporation Limited

Our Vision

To make Delhi-Power Surplus

Our Mission

To maximize generation from available capacity

To plan & implement new generation capacity in Delhi

Competitive pricing of our own generation

To set ever so high standards of environment protection

**To develop competent human resources from
managing the company with good standards**



Shri Shurbir Singh, IAS
Chairman

Board of Directors

(as on date of Adj. AGM dated 29.12.2023)



Shri Ravi Dhawan, IAS
Managing Director & Director (HR)



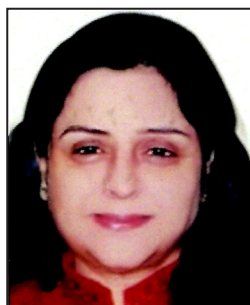
Shri Naveen S.L., IAS
Director (Finance)



Shri Mukesh Kumar Sharma
Director (Technical)



Shri Bhriugu Nath Ojha
Director



Smt. Anjali Rai
Independent Director



Shri Tarun Batra
Independent Director

Power Stations

- (i) Gas Turbine Power Station (GTPS)
Ring Road, I.P. Estate, New Delhi
- (ii) Rajghat Power House (RPH)
I.P. Estate, New Delhi

Bankers

- (i) State Bank of India
- (ii) Allahabad Bank

Registered Office

“Himadri”, Rajghat Power House Complex,
New Delhi-110002
Website : www.ipgcl-ppcl.nic.in
CIN : U74899DL2001SGC109135

Auditors

- (i) *Statutory Auditors :*
M/s AAJV & Associates
Chartered Accountants
- (ii) *Internal Auditors :*
M/s Ravi Rajan & Co. LLP
Chartered Accountants
- (iii) *Cost Auditors :*
M/s Chandra Wadhwa & Co.
Cost Accountants
- (iv) *Secretarial Auditors :*
M/s Swaran Jain & Associates
Practicing Company Secretaries



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**INDRAPRASTHA POWER GENERATION COMPANY LIMITED**

(An undertaking of Govt. of NCT of Delhi)

(Regd. office: Himadri, Rajghat Power House Complex, New Delhi-110 002)

Corporate Identity Number (CIN) – U40103DL2001SGC111530

Tele Fax No. 011-23273565; Website: www.ipgcl-ppcl.gov.in

DIRECTORS' REPORT**Dear Members,**

Your Directors are pleased to present the 20th Annual Report on the business and operations of the Company along with the Consolidated and Standalone Audited Financial Statements for the year ended March 31, 2021 and Auditors' Report thereon on behalf of the Board of Directors.

1. PERFORMANCE:**Financial Performance:**

The Company's financial performance for the year ended 31st March, 2021 is summarized below:

(Figures in Rs. Crore)

Particulars	FY 2020-21	FY 2019-20
Revenue		
Revenue from operations	275.65	570.53
Other income	195.37	136.01
Total revenue	471.02	706.54
Expenses		
Cost of fuel consumed	146.51	239.08
Employee benefits expense	53.95	100.58
Finance costs	48.84	76.10
Depreciation and amortization expense	22.60	19.80
Other expenses	44.49	50.46
Total expenses	316.39	486.02
Profit/(Loss) before tax and regulatory deferral account balances	154.63	220.52
Less : Tax Expense		
Current tax	38.05	22.74
Deferred tax credit	(2.65)	6.85
Earlier years taxes	(7.25)	-
Net Profit for the year after tax	126.48	190.93
Other comprehensive income	(1.26)	(0.22)
Total comprehensive income for the year	125.22	190.71

During the FY 2020-21, revenue from operations of the Company has been Rs.275.65 Crore in comparison to Rs.570.53 Crore during the previous year. The Total Comprehensive Income for the year has been Rs.125.22 Crore in comparison to Rs.190.71 Crore during the previous year. The Dividend of Rs.175 Crores (PY 73.41 Crores) has been received from M/s APCPL.

During the FY 2020-21, the Company having following debtors outstanding as on 31.03.2021 (including LPSC accounted to the extent of TDS deducted by DISCOMS):-



Beneficiary	Rs. (in Crore)
BSES Rajdhani Power Ltd. (BRPL)	868.69
BSES Yamuna Power Ltd. (BYPL)	516.68
TPDDL	-10.74*
NDMC	65.99
Others	38.63
Total	1479.25

*Due to diversion of subsidy which was refunded during the FY 2021-22.

Operational Performance:

The operational details of the GTPS plant during the year is as under:-

Particulars	GTPS
Capacity (MW)	270
Gross Generation (MU)	458.52
Availability (%)	87.21

Gas Turbine Power Station (GTPS)

The Company has only one plant in Operation i.e. 'Gas Turbine Power Station (GTPS)' which consists of 06 Gas Turbines of 30 MW capacity each commissioned by M/s Alstom in 1985-86 and 03 Steam Turbine Generators of 34 MW (de-rated 30 MW) capacity each commissioned by M/s BHEL in 1995-96. The plant outlived its useful life of 25 years on 31.03.2021. Presently, GTPS has a mandate of 90 MW active power generation vide DERC order dated 24.03.2021.

During the FY 2020-21, the availability of the station has been 87.21% in comparison to 86.46% in the previous year. GTPS has achieved the Normative Annual Plant Availability Target during the period under review. However, PLF was lower than availability due to backing down by SLDC on account of low system demand.

Rajghat Power House (RPH)

RPH is not in operation since May, 2015 and the same has been decommissioned Dec., 2015 due to environment constraints. Delhi Pollution Control Committee (DPCC) has issued direction vide its letter dated 22nd March, 2016 that RPH shall remain closed as it is not able to meet standard of particulates matter 50 mg/Nm³. Power department, GNCTD vide its letter dated 25th July, 2019 has now conveyed the approval of Cabinet for closure of RPH and authorized IPGCL to take necessary actions for disposal of the plant. The disposal of the RPH is in process.

2. REPAIR & MAINTENANCE ACTIVITIES:

During the FY 2020-21, the following Repair & Maintenance activities have been carried out in the station in order to sustain the reliable and efficient operation of the station:-

Gas Turbine Power Station (GTPS)

No major repair and maintenance activity was undertaken in the station in view of expiry of the PPA in March' 2021. Further, the extension of PPA of GTPS for next 10 years is in process.

Rajghat Power House (RPH)

No major repair and maintenance activity was undertaken in the station in view of de-commissioning of the Plant since Dec., 2015.

3. FUTURE OUTLOOK:

Gas Turbine Power Station (GTPS)

DERC vide Order dated 24.03.2021 granted 'In-principle' approval for Life Extension of GTPS for 10 years beyond March 2021. DERC has also allowed Renovation & Modernization with following configuration as under.

- One module (2 Gas Turbines-GTs + 1 Steam Turbines Generator-STG) with 90 MW capacity for further 10 years beyond 31.03.2021 on cheaper domestic Gas only (NO RLNG) after certain retrofit to be carried out and to be funded through CAPEX for Rs.90.81 Crore (inclusive of taxes).
- 4 Nos of GTs of 120 MW aggregate capacity will run in synchronous condenser mode with retrofit for synchronous operation. The capital required for such retrofit will be funded from Power System Development Fund (PSDF) for Rs. 120 Crore (inclusive of taxes).

However, as per MOPNG guidelines, GAIL had reduced the domestic gas supply of GTPS to Zero w.e.f. 16.06.2021 and as per DERC order dated 24.03.2021 GTPS could be made operational only on domestic gas. Hence, due to non-availability of domestic gas, GTPS was not operational from 16.06.2021 to 08.10.2021 until DERC issued interim order dated 09.10.2021 to operate on any alternate fuel. The Board of Directors of IPGCL were also apprised in regards to the above DERC order dated 24.03.2021 in the meeting held on 28.08.2021.

DERC issued an order dt 24.03.2021 against IPGCL petition for extension of GTPS for next 10 years after expiry of its present PPA with Delhi Discoms. GTPS apprised the BoD in regards to DERC order dt 24.03.2021., and the Board resolved the following vide resolution no. 102.2.10 in its meeting held on 28.08.2021.

“Proposal be submitted to the Government of NCT of Delhi for consideration of operation of GTPS station in upcoming years, since it involves huge amount of funds”.

A proposal was put up before the Hon'ble Minister of Power GNCTD on 05.10.2021 with different options so that GTPS can be operated & maintained its strategic importance after March 2021.

After long deliberation with various different options, the following was decided as per the minutes of meeting issued by OSD to Minister of Power, GNCTD:

- “To make available half module (one GT and one STG) without incurring any capital expenditure. The machine should remain available and may be run in emergency conditions, if required. Requisite regulatory approvals be taken.
- IPGCL to explore the possibility of installation of 2X25MW or other similar capacity battery energy storage system.”

In the meantime, DERC vide its interim order dt 09.10.2021 allowed GTPS to declare its capacity of 270 MW. Further, while hearing the Review petition on 21.10.2021 DERC issued an interim order to declare availability for 90 MW of GTPS on Administered Pricing Mechanism (APM) gas or any other alternative fuel available, until further Orders. Since then GTPS is operational as per the demand of the system and declaring availability for 90 MW on RLNG.

Rajghat Power House (RPH)

Power department, GNCTD vide its letter dated 25th July, 2019 conveyed the approval of Cabinet for closure of RPH. The necessary actions for disposal of the Plant are underway.

4. NEW PROJECTS:

Renewable Energy Based Projects

IPGCL & PPCL are also promoting and utilizing Renewable Energy Technologies with major thrust on Solar PV Power. The IPGCL has been assigned the responsibility to work as implementing agency / executing agency of Renewable Energy Projects on the behalf of Energy Efficiency & Renewable Energy Management (EE&REM) center of Delhi state.



IPGCL commissioned 55.877 MWp Solar PV projects on roof tops of Government buildings, Residential, Social & Institutional Sector buildings of Delhi from Ist, IInd IIIrd, IVth & Vth sanction from MNRE under Capex & RESCO Model.

5. TARIFF DETERMINATION:

During the FY 2020-21, the Company has filed following petitions before DERC and order issued by DERC thereof:-

DERC has issued the tariff order on 28.08.2020 for GTPS against the petition filed by the IPGCL with DERC on 26.12.2019 wherein DERC true up the tariff for the FY 2018-19 and also determined the ARR of GTPS for FY 2020-21.

Power Purchase Agreement of GTPS was expired in March'21 and Operation of GTPS beyond March 2021 is important because of its strategic importance of radial feeding to VVIP areas, Black start capability, Synchronous capacitor Mode operation with minimum retrofit. Therefore, as per existing Provision of DERC tariff regulation 2017, IPGCL filed Petition in August' 2020 with DERC for retrofit and operation for further 10 years beyond March, 2021 vide petition No. 35 of 2020.

DERC vide Order dated 24.03.2021 granted 'In-principle' approval for Life Extension of GTPS for 10 years beyond March 2021. DERC has also allowed Renovation & Modernization with following configuration as under.

- 1 Module (2 GTS + 1 STG) 90 MW (Base Load Capacity in (CC) on domestic gas only (no RLNG) funded through CAPEX
- 120 MW (4 GTs in Synchronous Mode Operation) to be funded through PSDF subject to provisions of DERC.

However, State Commission has ignored certain facts and in view of that a review petition has been filed with DERC.

Against the IPGCL petition for true up of tariff for FY 2018-19 and determination of Tariff for FY 2020-21 of GTPS filed on 19.01.2021, Tariff Order issued by the DERC on 30.09.2021 wherein true up for FY 2019-20 carried out and tariff determined for FY 2020-21.

6. JOINT VENTURE/ASSOCIATE COMPANIES:

Aravali Power Company Private limited (APCPL)

Aravali Power Company Private Limited (APCPL) is a Joint Venture Company with equity participation by NTPC Ltd, Indraprastha Power Generation Co. Ltd (IPGCL) and Haryana Power Generation Corporation Limited (HPGCL) in the ratio of 50:25:25 respectively. APCPL was registered on 21st Dec., 2006. It has been fully commissioned 1500 MW Indira Gandhi Super Thermal Power Projects (IGSTPP) with 3X500 MW Units at Jhajjar, Haryana in April, 2013. The power generated from the station is to be shared equally between Delhi & Haryana. IPGCL had made equity contribution of Rs.634.75 crore till 31.03.2015. However, APCPL adjusted dividend amount of Rs.81.75 crore from the Financial Year 2015-16 to 2017-18 as against enhanced equity contribution of IPGCL based on RCE. Hence, as on date the total equity contribution of IPGCL in APCPL comes to Rs.716.50 Crore. Further, in addition to above, APCPL has also paid cash dividend of Rs.352.48 Crore to IPGCL till FY 2020-21 (Rs.175 Crore for the FY 2020-21). The plant availability factor and plant load Factor of the station were 98.51% and 27.81% respectively for FY 2020-21.

7. NAMES OF THE COMPANIES WHICH HAVE BECOME / CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

During the FY 2020-21, the Company was not having any subsidiary Company. No new Company has become Joint Venture/Associate Company during the year under review. The Company is having only one Joint Venture/Associates Company namely Aravali Power Company Private Limited (APCPL) with 25% equity participation, at the end of the FY 2020-21.

**8. ENVIRONMENT:**

During the FY 2020-21, the World Environment Day could not be organized in view of the pandemic and Covid protocols.

9. SAFETY:

During the FY 2020-21, the Company celebrated the 50th National Safety Week from 04th to 10th March, 2021 was celebrated virtually. The theme of National Safety Day 2021 was “Learn from Disaster and Prepare for a Safer Future”. Safety & Health pledge was taken by all on this occasion. The awareness material for safety day published by National Safety Council was distributed at all the stations of the Company.

10. HR INITIATIVES:

During the FY 2020-21, industrial relations remained cordial and harmonious. Your Company continued to extend several welfare benefits to the employees and their families by way of comprehensive medical care, housing, social security etc.

The Company has celebrated the Vigilance Awareness Week-2020 from 27th October to 2nd November, 2020.

During the FY 2020-21, 93 nos. of RTI applications were received and all 93 nos. of applications were disposed off.

Major HR initiatives during the year:-

- 17 nos. of employees promoted in Category A.
- 68 nos. of employees promoted in Category B, C & D.
- TBPS granted to 82 employees in Category C & D.
- Conducted training on various topics related to our organizational working through DoT UTCS, GNCTD.
- Conducted summer/winter/industrial training to students of various wings in IPGCL/PPCL (11 nos.)
- Hiring of Consultant-01 no. in Finance deptt. for 3 months.
- Conduct of customized training of First Aid/CPR for the employees of IPGCL/PPCL (70 nos. of employees).
- Attachments of 16 DANICS Probationers (58th batch) with department of Power.
- Circular dt. 22.10.2021 issued for implementation of guidelines of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- Revision of Medical Policy for employees of IPGCL/PPCL and formation of a committee for uniform hospital empanelment for all companies in line with GNCTD/DGEHS.
- Implementation of revised pay structure for IPGCL & PPCL as per the recommendation of WRC duly approved by Govt. of NCT of Delhi vis a vis 7th Central Pay Commission (CPC).
- Revision of Rates of OTA in line with guidelines issued by DoPT, GoI and Holiday Pay has been dispensed with compensatory rest.

11. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has in place a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has already been formed accordingly to redress complaints received regarding sexual harassment. The Presiding Officer and every member of the Committee shall hold office for such period not exceeding 3 years from the date of their nominations as may be specified. The Committee maintained records, compliances and replies etc. related to this Act. Appropriate reporting mechanisms are in place for ensuring prevention against Sexual Harassment.



During the FY 2020-21, no new sexual harassment complaint was received. However, **two nos. complaints were pending** relating to earlier years at the year end and nil no. was disposed off pursuant to the aforesaid Act.

12. RESERVES:

No amount has been proposed to be transferred to Reserves during the FY 2020-21.

13. DIVIDEND:

The Board of Directors of the Company in its meeting held on 20th July, 2022 had recommended the Dividend of Rs.20 Crores (Rupees Twenty Crores Only) for the year ended on 31st March, 2021, subject to the approval the Annual Accounts of the Company for the financial year 2020-21 by the Board & subject to the approval of the members in the 20th adjourned Annual General Meeting for the financial year 2020-21.

14. FIXED DEPOSITS:

The Company has not accepted deposits during the year under review under Chapter V of the Companies Act, 2013.

15. INTERNAL FINANCIAL CONTROLS:

The Company has developed a strong two tier internal control framework comprising entity level controls and process level controls. The entity level controls of the Company include elements such as Vigil Mechanism Policy, rigorous management review, MIS and internal audit mechanism. A comprehensive Delegation of Power Manual exists for smooth and speedier decision making. The process level controls have been ensured by implementing appropriate checks and balances to ensure adherence to Company policies and procedures, efficiency in operations and also reduce the risk of frauds. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by the experienced firm of Chartered Accountants.

The Company has two committees of the Board viz. Audit Committee to keep a close watch on compliance with internal control systems and Operation Performance Committee to supervise the operational efficiency. Actions are taken to further strengthen the internal control system by further standardizing the systems & procedures and implementing the process changes, wherever required, keeping in view the dynamic environment in which your Company is operating. The Audit Committee alongwith the Management oversee the results of the internal audit and review the implementation of Internal Financial Controls on regular basis. Regular management oversight makes the internal controls environment strong in the Company.

Adequacy of internal financial controls with reference to the financial reporting

The Company has in place adequate internal financial controls with reference to financial reporting. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

16. RISK MANAGEMENT POLICY:

The Company has a risk management framework. The processes and practices of risk management of the Company encompass risk identification, classification and evaluation. The Company identifies all strategic, operational and financial risks, both short term and long term that the Company faces, by assessing and analyzing the latest trends on risk information available internally and externally and uses the same to plan for risk mitigation activities. The following are categorized as the major risks for the Company:-

- Inadequate fuel supply as well as its price.
- Risk of not getting adequate schedule.
- Risk of nonpayment of dues by DISCOMs.
- Risk of uncertainties in regulatory tariff norms.
- Compliance of emission and regulatory norms.
- Sustaining efficient plant operations.



The Audit Committee oversees the entire risk management framework in the Company. The Audit Committee reviews the actions taken on the Risk Management Policy and processes; and also the risks faced by the Company and the corresponding risks mitigation plans deployed.

17. STATUTORY AUDITORS:

The Comptroller and Auditor General of India (C&AG) had appointed M/s AAJV & Associates, Chartered Accountants, as the Statutory Auditors of the Company for the FY 2020-21 and for the FY 2021-22, who have audited the accounts for the FY 2020-21.

18. MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT:

The management replies on qualification/observations made by the Statutory Auditors in their audit report, are appended to this report as **Annexure-I**.

19. COMMENTS FROM C & AG:

The comments of Comptroller & Auditor General of India (C&AG) on the Financial Statements of the Company for the FY 2020-21 under section 143(6) (b) of the Companies Act, 2013 and the management replies thereon, are appended to this report as **Annexure-II**.

20. COST AUDIT:

The cost accounts and records as specified by the Central Government u/s 148(1) of the Companies Act, 2013, are prepared and maintained by the Company. M/s Chandra Wadhwa & Co., Cost Accountants, was appointed as Cost Auditors of the Company for the FY 2020-21 for conducting the audit of cost accounting records of the Company. The Cost Records for the said financial year have been audited by the cost auditors.

The Cost Audit Report of the Company in XBRL format for the FY 2019-20 was filed on 22nd Jan., 2021, with the Central Government. The Board of Directors of the Company in its meeting held on 29th March, 2023 has approved the Annexures to the Cost Audit Report of the Company for the FY 2020-21.

21. SECRETARIAL AUDIT:

Pursuant to the provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Swaran Jain & Associates, Practicing Company Secretaries to undertake the secretarial audit of the Company for FY 2020-21. The Audit Report as received from Secretarial Auditor and management replies thereon, are appended to this report as **Annexure-III**.

22. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

The Company has not given any loan or guarantee or made any investment during the year, which would be covered under section 186 of the Companies Act, 2013.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1):

The Board of Directors draws attention of the members to note no. 46 to the financial statement which sets out related party disclosures pursuant to Indian Accounting Standard. The transactions disclosed therein were in the ordinary course of business and on an arm's length. There have been no materially significant related party transactions entered between the Company and the Directors, the management, the associate companies or the relatives, except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC-2 is not required.

24. PERFORMANCE OF SUBSIDIARY/JOINT VENTURES:

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule (5) of the Companies (Accounts) Rules, 2014, the statement containing the salient features of financial statement of Joint Ventures/Associates Companies (i.e. Aravali Power Company Private Limited) is included in the consolidated financial statements as **Annexure-IV** which forms part of this report.

As per the consolidated financial statements, during the financial year 2020-21, the Profit After Tax of the Company has been Rs.141.76 Crores in comparison to Rs.265.86 Crores during the previous financial year.

25. ANNUAL REPORT OF SUBSIDIARY AND CONSOLIDATED FINANCIAL STATEMENT:

The audited consolidated financial statements of the Company and its Joint Ventures/Associates for the year ended 31st March, 2021 form part of the Annual Report in accordance with Section 129 of the Companies Act, 2013 and the Indian Accounting Standard (Ind-AS)-110 on “Consolidated Financial Statements”.

26. NUMBER OF MEETINGS OF THE BOARD:

A detailed report on Corporate Governance is appended to this report as **Annexure-V**. The details of the Board meetings are given in the Corporate Governance Report.

27. POLICY ON DIRECTORS’ APPOINTMENT:

Being a Government Company, the power to appoint Directors on the Board of the Company vests with GNCTD. Further, as per notification dtd. 05th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of section 134(3)(e) of the Companies Act, 2013 regarding Company’s policy on Directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters. Therefore, such particulars have not been included as part of this report.

28. DETAILS OF CHANGES IN COMPOSITION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the financial year 2020-21, the following were the list of Directorship of the Company including changes thereof:-

S. No.	Name of Director	Designation	Date of Appointment	Date of Cessation
1.	Smt. Padmini Singla, Secretary (Power) GNCTD	Chairperson and Managing Director	05/07/2019	31/03/2021
2.	Shri Satya Gopal, Additional Chief Secretary (Power) GNCTD	Chairman and Managing Director	31/03/2021	31/07/2022
3.	Shri D. Varma, Spl. Secretary (Power) GNCTD	Director (HR)	18/07/2019	24/04/2020
4.	Shri Ravi Dadhich, Spl. Secretary (Power) GNCTD	Director (HR)	24/04/2020	09/09/2020
5.	Shri J.K. Jain, Spl. Secretary (Power) GNCTD	Director (HR)	09/09/2020	08/07/2021
6.	Shri S.M. Verma	Director (Technical)	01/05/2019	14/01/2022
7.	Shri Ravindra Kumar Jain	Director (Finance)	05/06/2017	31/05/2021
8.	Shri B.N. Ojha	Part-time Director	01/10/2009	-
9.	Shri Tarun Chaturvedi	Independent Director	08/06/2016	07/06/2022

29. INDEPENDENT DIRECTORS:

The Company is required to have minimum two Independent Directors on the Board of the Company during the FY 2020-21 under review, as per the requirements of section 149 of the Companies Act, 2013. During the year under review, the Company was having only one Independent Director, Shri Tarun Chaturvedi on the Board of the Company since 8th June, 2016, against the requirement of having minimum two Independent Directors on the Board. The Company has taken up the matter with Govt. of NCT of Delhi for recommending the name of one more Independent Director on the Board of the Company.

During the year under review, Shri Tarun Chaturvedi, Independent Director of the Company gave a statement of declaration dtd. 4th June, 2020 stating that he meets the criteria of Independence as per section 149(6) of the Companies Act, 2013 and the same has been noted by the Board in its meeting held on 06th June, 2020. Further, Shri Tarun Chaturvedi ceased office of Directorship of the Company on 07th June, 2022.

The GNCTD vide its order no. CD-014661216/Power/3029 dated 26/08/2021 had nominated Shri Tarun Batra and Smt Anjali Rai as Independent Director on the Board of IPGCL. Further, the Board of Directors of IPGCL in its meeting held on 28/08/2021 had appointed Shri Tarun Batra and Smt Anjali Rai as Independent Director on the Board of IPGCL, and also reconstituted the Audit Committee and Nomination & Remuneration Committee of IPGCL by inclusion of both Independent Director. Now, IPGCL complied with the provisions of section 149, 177 & 178 of the Companies Act, 2013 regarding requirement of having minimum 2 Independent Directors on its Board as well as having minimum 2 Independent Directors on its Audit Committee and Nomination & Remuneration Committee.

30. PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD:

Being a Government Company, the power to appoint Directors with any terms and conditions on the Board of the Company vests with GNCTD. Further, as per notification dtd. 05th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of section 134(3)(p) of the Companies Act, 2013. Therefore, such particulars have not been included as part of this report.

31. AUDIT COMMITTEE:

Pursuant to section 177 of the Companies Act, 2013, your Company has constituted the Audit Committee. The details of the Audit Committee are disclosed in Corporate Governance Report which forms part of this report.

32. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to section 178 of the Companies Act, 2013, your Company has constituted Nomination and Remuneration (N&R) Committee. The details of the N&R Committee are disclosed in Corporate Governance Report which forms part of this report.

33. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Corporate Social Responsibility Committee has been constituted by the Company and entrusted with the responsibility of formulating and recommending to the Board, a CSR Policy indicating the activities to be undertaken by the Company, monitoring the implementation of the CSR Policy and recommending the amount to be spent on CSR activities. The details of the Committee are disclosed in Corporate Governance Report which forms part of this report.

During the financial year 2020-21, IPGCL has transferred eligible CSR funds amounting to Rs.51,41,496/- to PM Care Fund on 27/09/2021. The Annual Report on CSR activities during the FY 2020-21 and other related matters, are appended to this report as **Annexure-VI**.

34. COMMITTEE FOR OPERATIONAL PERFORMANCE:

The details of the Committee are disclosed in Corporate Governance Report which forms part of this report. The Committee meets at regular intervals to review the operational performance of the power stations of the Company and operational performance of power stations of the Company were also discussed in the Board meetings.

**35. STATE OF COMPANY'S AFFAIRS:**

Discussion on state of Company's affairs has been covered in the information provided in this Board's Report under the heads Financial Performance, Operational Performance and Future Outlook of the Company.

36. CHANGE IN THE NATURE OF BUSINESS:

During the year under review, there has been no change in the nature of business of the Company.

37. EXTRACTS OF ANNUAL RETURN:

The Annual Return pursuant to Section 92 (3) of the Companies Act, 2013, read with Section 134(3)(a) and rule 12(1) of the Company (Management & Administration) Rules, 2014 are available on the Company's website under the following weblink:-

<http://ipgcl-ppcl.gov.in/publicnoticeDocs.htm>

38. VIGIL MECHANISM POLICY:

The Board of Directors has adopted the Vigil Mechanism Policy. The policy has provided a mechanism for Directors and employees of the Company to report to the competent authority as mentioned in the Policy to report any instance of improper activity, unethical behavior, actual or suspected fraud, gross misconduct, imprudent act etc. The Policy is hosted on the website of the Company under the following weblink:-

<http://ipgcl-ppcl.gov.in/download.htm>

39. PARTICULARS OF EMPLOYEES:

As per provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose in the Directors' Report the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed. However, as per notification dated 05th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

40. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8 of the Companies (Accounts) Rules, 2014, is appended to this report as **Annexure-VII**.

41. MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING FINANCIAL POSITION OF THE COMPANY:

There are no adverse material changes or commitments occurring after 31st March, 2021 which may affect the financial position of the Company, except of the information already given under the heading 'Future Outlook' in the report.

42. SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS:

To the best of our knowledge, the Company has not received any such order from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

43. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 in respect of Directors' Responsibility Statement, your Directors state that:



- i) in preparation of the Annual Accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- ii) the Directors had selected such accounting policies and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2021, and the profit of the Company for the year ended on that date;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the Directors had prepared the annual accounts on a going concern basis; and
- v) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws were in place and such systems were adequate and operating effectively.

44. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the support and co-operation extended by the Government of NCT of Delhi, Government of India, Central Electricity Authority, Ministry of Power, Ministry of Petroleum and Natural Gas, Central Electricity Regulatory Commission, Delhi Electricity Regulatory Commission, Delhi Transco Limited and SLDC. The Board also expresses its appreciation for the cooperation received from the GAIL, BHEL, Banks, Vendors, Contractors, Consultants and other persons associated with the affairs of the Company.

We wish to place on record our appreciation for the untiring efforts and contribution made by the employees of the Company.

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

**Annexure-I**

REPLY OF THE MANAGEMENT OF THE COMPANY ON THE QUALIFIED OPINION BY THE STATUTORY AUDITORS ON THE AUDITED STANDLONE FINANCIAL STATEMENTS OF INDRAPRASTH POWER GENEATION CO. LTD. FOR THE FINANCIAL YEAR 2020-21:

S. No.	Qualified Opinion of the Statutory Auditors	Management Reply
1	The Company has not assessed and made the provisions for expected credit Losses in respect of trade receivables from Discoms (Refer Note 34 a (i) as prescribed under IND AS 109 - "Financial Instruments" in its Standalone financial statements for the year ended 31 st March 2021 and therefore the monetary impact of the same remains unascertained.	As per the Tariff Regulations read with Power Purchase Agreements (PPAs), the DISCOMs are liable to release the payments against the energy bills raised by Company within the specified period failing which the DISCOMs are liable to pay also Late Payment Surcharge (LPSC) at the rate specified in the aforesaid Regulations read with PPAs. Though BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) have not disputed the release of the outstanding dues including the LPSC to Company but at the same time both the DISCOMs have not released the said outstanding dues in full stating basically the acute deficit of funds being faced by them on account of on-liquidation of their regulatory assets by the DERC. In the writ petitions filed by BRPL and BYPL before the Hon'ble Supreme Court of India has directed the BRPL and BYPL as interim order passed in the year 2016 to release the 70% of current dues/bills raised by the Company. Further, to realize the outstanding dues of Company, the Power Department GNCTD has been diverting in the meantime the consumer subsidies to Company which is otherwise payable by GNCTD to BRPL and BYPL. However, as the BRPL & BYPL have not been releasing the payments to the Company in compliance of the order of the Hon'ble Supreme Court, the Company has filed two contempt petitions against BRPL and BYPL. In any case, there is no likelihood of the Outstanding dues of BRPL and BYPL becoming bad for recovery by Company. Therefore, there is no reason and justification for treating the said dues as bad and to create any provision for the same in the accounts.

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)



REPLY OF THE MANAGEMENT OF THE COMPANY ON THE QUALIFIED OPINION BY THE STATUTORY AUDITORS ON THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF INDRAPRASTH POWER GENEATION CO. LTD. FOR THE FINANCIAL YEAR 2020-21:

S. No.	Qualified Opinion of the Statutory Auditors	Management Reply
1	The Company has not assessed and made the provisions for expected credit Losses in respect of trade receivables from Discoms (Refer Note 34 a (i) as prescribed under IND AS 109 - "Financial Instruments" in its Standalone financial statements for the year ended 31st March 2021 and therefore the monetary impact of the same remains unascertained.	As per the Tariff Regulations read with Power Purchase Agreements (PPAs), the DISCOMs are liable to release the payments against the energy bills raised by Company within the specified period failing which the DISCOMs are liable to pay also Late Payment Surcharge (LPSC) at the rate specified in the aforesaid Regulations read with PPAs. Though BSES Rajdhani Power Limited (BRPL) and BSES Yamuna Power Limited (BYPL) have not disputed the release of the outstanding dues including the LPSC to Company but at the same time both the DISCOMs have not released the said outstanding dues in full stating basically the acute deficit of funds being faced by them on account of on-liquidation of their regulatory assets by the DERC. In the writ petitions filed by BRPL and BYPL before the Hon'ble Supreme Court of India has directed the BRPL and BYPL as interim order passed in the year 2016 to release the 70% of current dues / bills raised by the Company. Further, to realize the outstanding dues of Company, the Power Department GNCTD has been diverting in the meantime the consumer subsidies to Company which is otherwise payable by GNCTD to BRPL and BYPL. However, as the BRPL & BYPL have not been releasing the payments to the Company in compliance of the order of the Hon'ble Supreme Court, the Company has filed two contempt petitions against BRPL and BYPL. In any case, there is no likelihood of the outstanding dues of BRPL and BYPL becoming bad for recovery by Company. Therefore, there is no reason and justification for treating the said dues as bad and to create any provision for the same in the accounts.

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

Annexure-II**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF INDRAPRASTHA POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of Indraprastha Power Generation Company Limited (Company) for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 14.01.2023.

I, on behalf of the Comptroller and Auditor General of India (CAG), have conducted a supplementary audit of the financial statements of Indraprastha Power Generation Company Limited for the year ended 31 March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective-examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:

A. Comments on Financial Position**Balance Sheet****Current Liabilities****Other Current Liabilities (Note 25):****Rs. 5.04 crore**

1. The above does not include Rs.14.89 crore being property tax for the period 2004-05 to 2020-21 payable to South Delhi Municipal Corporation (SDMC), consequent upon meeting held (October 2021) between Special Secretary (Power) and Commissioner, SDMC on the issue of disputed property tax of Rs. 88.29 crores demanded by SDMC. However, Notes to Accounts disclosed Contingent Liability (property tax demand) of Rs.88.29 crore instead of firm liability of Rs.14.89 crore which was accepted in October 2021 and paid by the Company in March 2022 as required by IndAs10(Events after the reporting period).

This resulted in understatement of Current Liabilities (Other Current Liabilities) and Other Expenses by Rs.14.89 crore, each. Consequently, Profit for the year has been overstated to the same extent. Further, this has also resulted in overstatement of Contingent Liabilities by Rs.88.29 crore.

Assets**Current Assets****Cash and Cash Equivalents (Note-9):****Rs. 155.34 crore.****Bank balance other than Cash & Cash Equivalents (Note - 10) - Rs.34.34 crore.**

2. As per the Significant Accounting Policy No. 9 "Cash and Cash equivalents in the balance sheet comprise cash at banks and on hand, liquid mutual funds and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value".



Further, as per Ind AS 7 (Statement of Cash Flows) 'cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

However, in violation of Accounting Policy and requirement of Ind-AS 7, the Cash and Cash equivalents includes two Fixed Deposits amounting to Rs.12.70 crore, which had maturity of more than three months from the date of deposit.

This resulted in overstatement of Cash and Cash Equivalents and understatement of Bank balances other than cash and cash equivalents by Rs.12.70 crore, each.

B. Comments on Cash Flow Statement

- Reference is invited to Comment No. 2, wherein it has been commented that two Term Deposit of Rs.12.70 crores having maturity of more than three months wrongly included under Cash and Cash equivalents instead of Bank balances other than cash and cash equivalents. This resulted in overstatement of Cash and Cash equivalents and Net Cash flow from Investing Activities by Rs.12.70 crore, each.

Cash Flow from Investing Activities-Rs.154.91 crore

- The above includes interest received of Rs. 16 crore, which also includes interest of Rs.12.34 crore of refund received from Income Tax Department.

Interest received on income tax refund however not treated at par with the income tax refund, as cash flow from operating activity instead shown as cash flow from investing activities. This resulted in overstatement of Cash Flow from Investing Activities and understatement of Cash Flow from Operating Activities by Rs. 12.34 crore, each.

C. Comments on Disclosure

Notes to Accounts

- The Company has booked Deferred Tax Deducted at Source (TDS) of Rs.32.53 crore under Current Tax assets in accounts as per the decision of the Board of Directors (110th meeting held on 21.12.2022) that to take the TDS credit against the income recognized on account of Late Payment Surcharge Charges (LPSC) to the extent of 10 *per cent* of the said amount. As a result of this decision, 90 *per cent* of the TDS credit against the income recognized on account of LPSC has been deferred for claiming against the tax liability of the financial year in which said income will be realized by the Company from Discoms.

The Company has recognized the TDS on LPSC to the extent of 10 *per cent* during the current year accounts (2020-21), but financial impact on accounts due to change of treatment of TDS on LPSC has not been disclosed in Notes to Financial Statements.

- As per Para No 13 of Ind AS 10- Events after the Reporting Period - "If dividends are declared after the reporting period but before the financial statements are approved for issue, such dividends are disclosed in the notes in accordance with Ind AS 1 -Presentation of Financial Statements."

The Board of Directors of the Company in its 107th meeting held on 20th July 2022 had declared the dividend of Rs. 20.00 crore for the financial year 2020-21 and the accounts of the Company were approved in December 2022. However, the relevant disclosure regarding dividend, in compliance of Ind AS 10 and Ind AS 1, were not made in the Notes to Accounts.

- As per Section 203 of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Manager personnel) Rules, 2014, 'Every listed company and every other public company having a paid-up share



capital of ten crore rupees or more shall have a whole time Key Managerial Personnel viz., (i) Managing Director (ii) Company Secretary and (iii) Chief Financial Officer.

The paid up share capital of the Company is Rs. 736.54 crore, however, the Company has not appointed a whole time / regular Company Secretary. In case of default in compliance of this section, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every Director and Key Managerial Personnel of the Company who is in default shall be punishable with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues. The above facts has neither been disclosed in Notes accompanying the financial statements nor commented by the Statutory Auditor in their Report.

**For and on behalf of
the Comptroller and Auditor General of India**

**Sd/-
(Aman Deep Chatha)
Principal Accountant General (Audit), Delhi**

**Place: New Delhi
Date: 21.06.2023**

REPLY ON THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA U/S 143(6) (B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENT OF INDRAPRASTHA POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2021.

1.	B. Comments on Financial Position Balance Sheet Current Liabilities Other Current Liabilities (Note 25): Rs. 5.04 crore The above does not include Rs.14.89 crore being property tax for the period 2004-05 to 2020-21 payable to South Delhi Municipal Corporation (SDMC), consequent upon meeting held (October 2021) between Special Secretary (Power) and Commissioner, SDMC on the issue of disputed property tax of Rs. 88.29 crores demanded by SDMC. However, Notes to Accounts disclosed Contingent Liability (property tax demand) of Rs.88.29 crore instead of firm liability of Rs.14.89 crore which was accepted in October 2021 and paid by the Company in March 2022 as required by IndAs10(Events after the reporting period). This resulted in understatement of Current Liabilities (Other Current Liabilities) and Other Expenses by Rs.14.89 crore, each. Consequently, Profit for the year has been overstated to the same extent. Further, this has also resulted in overstatement of Contingent Liabilities by Rs.88.29 crore.	It is submitted that the demand for property tax raised by SDMC against the Company had not crystallized during Financial Year 2020-21 as the Company had disputed / contested the demand before SDMC. Since the matter of property tax continued under dispute/contest till March 2022, liability which was under dispute and was not crystallized as on 31.3.2021 could not have been provided for as outstanding liability in the accounts ending on 31.3.2021 as per the accounting principles. However, being demand under dispute, the Company has shown the same as contingent liability in the accounts for the Financial Year 2020-21.
2.	Assets Current Assets Cash and Cash Equivalents (Note-9): Rs. 155.34 crore. Bank balance other than Cash & Cash Equivalents (Note - 10) - Rs.34.34 crore. As per the Significant Accounting Policy No. 9 “Cash and Cash equivalents in the balance sheet comprise cash at banks and on hand, liquid mutual funds and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value”. Further, as per Ind AS 7 (Statement of Cash Flows) ‘cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash	As per Ind AS 7 - “Cash & Cash Equivalent” the investments which are readily convertible to the known amount of cash shall qualify for the investments to be presented as Cash & Cash equivalent. Accordingly the Short Term Deposits with banks which were maturing within three months on the date of the Balance Sheet are shown as Cash & Cash equivalent in the annual accounts for the Financial Year 2020-21. However, it is further submitted that the Ind AS-7 as referred in the audit para, the principle in deciding the investments as cash & cash equivalent is to be followed “generally”. Since the two Short Term Deposits amounting to a sum of Rs. 12.70 Crores were maturing only within a period of thirty days after the end of Financial Year 2020-21, these deposits were also treated as Short Term Investments in the Balance Sheet as on 31.3.2021.



	equivalent only when it has a short maturity of three months or less from the date of acquisition. However, in violation of Accounting Policy and requirement of Ind-AS 7, the Cash and Cash equivalents includes two Fixed Deposits amounting to Rs.12.70 crore, which had maturity of more than three months from the date of deposit. This resulted in overstatement of Cash and Cash Equivalents and understatement of Bank balances other than cash and cash equivalents by Rs.12.70 crore, each.	
3	B. Comments on Cash Flow Statement Reference is invited to Comment No. 2, wherein it has been commented that two Term Deposit of Rs.12.70 crores having maturity of more than three months wrongly included under Cash and Cash equivalents instead of Bank balances other than cash and cash equivalents. This resulted in overstatement of Cash and Cash equivalents and Net Cash flow from Investing Activities by Rs.12.70 crore, each.	As per Ind AS 7 - “Cash & Cash Equivalent” the investments which are readily convertible to the known amount of cash shall qualify for the investments to be presented as cash & cash equivalent. Accordingly, the short term deposits with banks which were maturing within three months on the date of the Balance Sheet were shown as cash & cash equivalents in the Cash Flow Statement for the Financial Year 2020-21. However, it is further submitted that the Ind AS-7 as referred in the audit para, the principle in deciding the investments as cash & cash equivalent is to be followed “generally”. Since the two Short Term Deposits amounting to a sum of Rs. 12.70 Crores were maturing only within a period of thirty days after the end of Financial Year 2020-21, these Deposits were also treated as Short Term Investments in the Cash Flow Statement for the Financial Year 2020-21.
4.	Cash Flow from Investing Activities-Rs.154.91 crore The above includes interest received of Rs. 16 crore, which also includes interest of Rs.12.34 crore of refund received from Income Tax Department. Interest received on income tax refund however not treated at par with the income tax refund, as cash flow from operating activity instead shown as cash flow from investing activities. This resulted in overstatement of Cash Flow from Investing Activities and understatement of Cash Flow from Operating Activities by Rs. 12.34 crore, each.	IPGCL has invested a sum of Rs. 736.54 crores as Equity with Aravali Power Company Pvt. Ltd. (APCPL), which is a joint venture of the Company. From time to time against this equity the Company is receiving dividend on year to year basis, which is shown as income of the Company for the Financial Year concerned. It is submitted that the company is earning profit due to the dividends received from the above stated joint venture company as without the said dividend, the company is otherwise in loss. Therefore, whatever profit is being earned is attributable to the receipt of dividend from the aforesaid joint venture company which is the income from Investment and shown as such in Cash Flow Statement.



		Similarly if any refund is received from the Income Tax Department that is also on account of the income tax paid in excess against the income attributable to dividend received from the above stated joint venture company. Therefore, in view of the specific clause of Ind As 7 “Statement of Cash Flows”, the company has shown the interest on refund of Income Tax amounting to Rs. 12.34 crores as cash flows from the Investment Activities.
5	C. Comments on Disclosure Notes to Accounts The Company has booked Deferred Tax Deducted at Source (TDS) of Rs.32.53 crore under Current Tax assets in accounts as per the decision of the Board of Directors (110th meeting held on 21.12.2022) that to take the TDS credit against the income recognized on account of Late Payment Surcharge Charges (LPSC) to the extent of 10 <i>per cent</i> of the said amount. As a result of this decision, 90 <i>per cent</i> of the TDS credit against the income recognized on account of LPSC has been deferred for claiming against the tax liability of the financial year in which said income will be realized by the Company from Discoms. The Company has recognized the TDS on LPSC to the extent of 10 <i>per cent</i> during the current year accounts (2020-21), but financial impact on accounts due to change of treatment of TDS on LPSC has not been disclosed in Notes to Financial Statements.	It is submitted that under the Income Tax Act every assessment year is treated separately and distinctly and therefore the computation of the taxable income or the self assessment tax (including credit of TDS) can be different for different years based on the interpretation of the provisions of the Income Tax Act and based on the expert opinion as per the facts arising during the each assessment year. Based on expert opinion, the Company reviewed its treatment of TDS credit on Late Payment Surcharge (LPSC) by claiming only 10% of the TDS credit for the Financial Year 2020-21 (A.Y.2021-22) and deferred the 90% of TDS credit for setting off with the income against LPSC which would realize in future. However it was not change of Accounting Policy and therefore there was no need for showing the impact of the same separately in the Accounts.
6.	As per Para No 13 of Ind AS 10- Events after the Reporting Period - “If dividends are declared after the reporting period but before the financial statements are approved for issue, such dividends are disclosed in the notes in accordance with Ind AS 1 -Presentation of Financial Statements.” The Board of Directors of the Company in its 107th meeting held on 20th July 2022 had declared the dividend of Rs. 20.00 crore for the financial year 2020-21 and the accounts of the Company were approved in December 2022. However, the relevant disclosure regarding dividend, in compliance of Ind AS 10 and Ind AS 1, were not made in the Notes to Accounts.	Though the dividend for the Financial Year 2020-21 has been recommended by the Board of Directors but the same need to be approved by the shareholders of the Company in AGM before the same becomes payable to the Shareholder. Therefore the disclosure about the same was not made in the Accounts for the financial year 2020-21.
7.	As per Section 203 of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Manager personnel) Rules, 2014, ‘Every listed company and every other public company having a paid-up share capital of ten	It is submitted that merely that there is a legal provision for levying a penalty on the non-compliance (if any) of any legal formalities does not ipso-facto make the company liable to



crore rupees or more shall have a whole time Key Managerial Personnel viz., (i) Managing Director (ii) Company Secretary and (iii) Chief Financial Officer. The paid up share capital of the Company is Rs. 736.54 crore, however, the Company has not appointed a whole time / regular Company Secretary. In case of default in compliance of this section, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every Director and Key Managerial Personnel of the Company who is in default shall be punishable with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues. The above facts has neither been disclosed in Notes accompanying the financial statements nor commented by the Statutory Auditor in their Report.	pay the penalty unless the said penalty has been imposed by the Concerned Govt. Departments/ Authorities. Since neither the Company has received any notice nor any proceedings have been initiated against the Company for the default, if any by the Company, no disclosure in this regard was required in the Accounts for the Financial Year 202021.
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For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDRAPRASTHA POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED 31 MARCH 2021

The preparation of consolidated financial statements of Indraprastha Power Generation Company Limited (Company) for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their revised Audit Report dated 23.03.2023, which supersedes their earlier Audit Report dated 14.01.2023.

I, on behalf of the Comptroller and Auditor General of India (CAG), have conducted a supplementary audit of the consolidated financial statements of Indraprastha Power Generation Company Limited (IPGCL) for the year ended 31 March 2021 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Indraprastha Power Generation Company Limited and Aravali Power Company Private Limited¹ (Associate Company) for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective-examination of some of the accounting records. The Audit report has been revised by the Statutory Auditor to give effect to some of my Audit observations raised during supplementary audit.

In addition, I would like to highlight, I would like to highlight the following significant matters under section 143(6)(b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the consolidated financial statements and the related audit report:

A. Comments on Financial Position

Balance Sheet

Current Liabilities

Other Current Liabilities (Note-25)

Rs. 5.04 crore

1. The above does not include Rs.14.89 crore being property tax for the period 2004-05 to 2020-21 payable to South Delhi Municipal Corporation (SDMC), consequent upon meeting held (October 2021) between Special Secretary (Power) and Commissioner, SDMC on the issue of disputed property tax of Rs. 88.29 crore demanded by SDMC. However, Notes to Accounts disclosed Contingent Liability (property tax demand) of Rs.88.29 crore instead of firm liability of Rs.14.89 crore which was accepted in October 2021 and paid by the Company in March 2022 as required by Ind As10 (Events after the reporting period).

This resulted in understatement of Current Liabilities (Other Current Liabilities) and Other Expenses by Rs.14.89 crore, each. Consequently, Profit for the year has been overstated to the same extent. Further, this has also resulted in overstatement of Contingent Liabilities by Rs.88.29 crore.

¹ Supplementary audit of financial statements of Aravali Power Company Limited was conducted by O/o the Director General of Audit (Energy), Delhi.

**Assets****Current Assets****Cash and Cash Equivalents (Note-9)-****Rs. 155.34 crore****Bank balance other than cash & cash equivalents (Note - 10) - Rs.34.34 crore**

2. As per the Significant Accounting Policy No. 9 “Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, liquid mutual funds and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value”.

Further, as per Ind AS 7 (Statement of Cash Flows) ‘Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity to say, three months or less from the date of acquisition.

However, in violation of Accounting Policy and requirement of Ind-AS 7, the Cash and Cash equivalents includes two Fixed Deposits amounting to Rs.12.70 crore, which had maturity of more than three months from the date of deposit.

This resulted in overstatement of Cash and Cash Equivalents and understatement of Bank balances other than cash and cash equivalents by Rs.12.70 crore, each.

B. Comments on Cash Flow Statement

3. Reference is invited to Comment No. 2, wherein it has been commented that two Term Deposit of Rs.12.70 crore having maturity of more than three months wrongly included under Cash and Cash equivalents instead of Bank balances other than cash and cash equivalents. This resulted in overstatement of Cash and Cash equivalents and Net Cash flow from Investing Activities by Rs.12.70 crore, each.

Cash Flow from Investing Activities-Rs.154.91 crore

4. The above includes interest received of Rs. 16 crore, which also includes interest of Rs.12.34 crore on refund received from Income Tax Department.

Interest received on income tax refund however not treated at par with the income tax refund, as cash flow from operating activity, instead it has been depicted as cash flow from investing activities. This resulted in overstatement of Cash Flow from Investing Activities and understatement of Cash Flow from Operating Activities by Rs. 12.34 crore, each.

C. Comments on Disclosure**Notes to Accounts**

5. The Company has booked Deferred Tax Deducted at Source (TDS) of Rs.32.53 crore under Current Tax Assets in accounts as per the decision of the Board of Directors (110th meeting held on 21.12.2022) that to take the TDS credit against the income recognized on account of Late Payment Surcharge Charges (LPSC) to the extent of 10 per cent of the said amount. As a result of this decision, 90 per cent of the TDS credit against the income recognized on account of LPSC has been deferred for claiming against the tax liability of the financial year in which said income will be realized by the Company from Discoms.

The Company has recognized the TDS on LPSC to the extent of 10 per cent during the current year accounts-2020-21, but financial impact on accounts due to change of treatment of TDS on LPSC of earlier years has not been disclosed in the Notes to Financial Statements.



6. As per Para No 13 of Ind AS 10 - Events after the Reporting Period - “If dividends are declared after the reporting period but before the financial statements are approved for issue, such dividends are disclosed in the notes in accordance with Ind AS 1-Presentation of Financial Statements.”

The Board of Directors of the Company in its 107th meeting held on 20 July 2022 had declared the dividend of Rs.20.00 crore for the financial year 2020-21 and accounts of the Company were approved in December 2022. However, the relevant disclosure regarding dividend, in compliance of Ind AS 10 and Ind AS 1, were not made in the Notes to Accounts.

7. As per Section 203 of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Manager personnel) Rules, 2014, ‘Every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have a whole time Key Managerial Personnel viz., (i) Managing Director (ii) Company Secretary and (iii) Chief Financial Officer.

The paid up share capital of the Company is Rs. 736.54 crore, however, the Company has not appointed a whole time / regular Company Secretary. In case of default in compliance of this section, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every Director and Key Managerial Personnel of the Company who is in default shall be punishable with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues. The above facts has neither been disclosed in Notes accompanying the financial statements nor commented by the Statutory Auditor in their Report

**For and on behalf of
the Comptroller and Auditor General of India**

**Sd/-
(Aman Deep Chatha)
Principal Accountant General (Audit), Delhi**

**Place: New Delhi
Date: 21.06.2023**



REPLY ON THE COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA U/S 143(6) (B) READ WITH SECTION 129 (4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENT OF INDRAPRASTHA POWER GENERATION COMPANY LIMITED FOR THE YEAR ENDED 31ST MARCH 2021.

1.	B. Comments on Financial Position Balance Sheet Current Liabilities Other Current Liabilities (Note-25) Rs. 5.04 crore The above does not include Rs.14.89 crore being property tax for the period 2004-05 to 2020-21 payable to South Delhi Municipal Corporation (SDMC), consequent upon meeting held (October 2021) between Special Secretary (Power) and Commissioner, SDMC on the issue of disputed property tax of Rs. 88.29 crore demanded by SDMC. However, Notes to Accounts disclosed Contingent Liability (property tax demand) of Rs.88.29 crore instead of firm liability of Rs.14.89 crore which was accepted in October 2021 and paid by the Company in March 2022 as required by Ind As10 (Events after the reporting period). This resulted in understatement of Current Liabilities (Other Current Liabilities) and Other Expenses by Rs.14.89 crore, each. Consequently, Profit for the year has been overstated to the same extent. Further, this has also resulted in overstatement of Contingent Liabilities by Rs.88.29 crore.	It is submitted that the demand for property tax raised by SDMC against the Company had not crystallized during Financial Year 2020-21 as the Company had disputed/contested the demand before SDMC. Since the matter of property tax continued under dispute/contest till March 2022, liability which was under dispute and was not crystallized as on 31.3.2021 could not have been provided for as outstanding liability in the accounts ending on 31.3.2021 as per the accounting principles. However, being demand under dispute, the Company has shown the same as contingent liability in the accounts for the Financial Year 2020-21.
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2. Assets Current Assets Cash and Cash Equivalents (Note-9)- Rs. 155.34 crore Bank balance other than cash & cash equivalents (Note - 10) - Rs.34.34 crore As per the Significant Accounting Policy No. 9 “Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, liquid mutual funds and short term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value”. Further, as per Ind AS 7 (Statement of Cash Flows) ‘Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity to say, three months or less from the date of acquisition. However, in violation of Accounting Policy and requirement of Ind-AS 7, the Cash and Cash equivalents includes two Fixed Deposits amounting to Rs.12.70 crore, which had maturity of more than three months from the date of deposit. This resulted in overstatement of Cash and Cash Equivalents and understatement of Bank balances other than cash and cash equivalents by Rs.12.70 crore, each.		As per Ind AS 7 - “Cash & Cash Equivalent” the investments which are readily convertible to the known amount of cash shall qualify for the investments to be presented as Cash & Cash equivalent. Accordingly the Short Term Deposits with banks which were maturing within three months on the date of the Balance Sheet are shown as Cash & Cash equivalent in the annual accounts for the Financial Year 2020-21. However, it is further submitted that as per the Ind AS-7 referred in the audit para, the principle in deciding the investments as Cash & Cash equivalent is to be followed “generally”. Since the two Short Term Deposits amounting to a sum of Rs.12.70Crores were maturing on different dates only within a period of thirty days after the end of Financial Year 2020-21, these deposits were also treated as Short Term Investments in the Balance Sheet as on 31.03.2021.
3. B. Comments on Cash Flow Statement Reference is invited to Comment No. 2, wherein it has been commented that two Term Deposit of Rs.12.70 crore having maturity of more than three months wrongly included under Cash and Cash equivalents instead of Bank balances other than cash and cash equivalents. This resulted in overstatement of Cash and Cash equivalents and Net Cash flow from Investing Activities by Rs.12.70 crore, each.		As per Ind AS 7 - “Cash & Cash Equivalent” the investments which are readily convertible to the known amount of cash shall qualify for the investments to be presented as Cash & Cash equivalent. Accordingly, the Short Term Deposits with banks which were maturing within three months on the date of the Balance Sheet were shown as Cash & Cash equivalent in the Cash Flow Statement for the Financial Year 2020-21. However, it is further submitted that as per the Ind AS-7 referred in the audit para, the principle in deciding the investments as Cash & Cash equivalent is to be followed “generally”. Since the two Short Term Deposits amounting to a sum of Rs. 12.70 Crores were maturing



		only within a period of thirty days after the end of Financial Year 2020-21, these Deposits were also treated as Short Term Investments in the Cash Flow Statement for the Financial Year 2020-21.
4	Cash Flow from Investing Activities-Rs.154.91 crore The above includes interest received of Rs. 16 crore, which also includes interest of Rs.12.34 crore on refund received from Income Tax Department. Interest received on income tax refund however not treated at par with the income tax refund, as cash flow from operating activity, instead it has been depicted as cash flow from investing activities. This resulted in overstatement of Cash Flow from Investing Activities and understatement of Cash Flow from Operating Activities by Rs. 12.34 crore, each.	IPGCL has invested a sum of Rs. 736.54 crores as Equity with Aravali Power Company Pvt. Ltd. (APCPL), which is a joint venture of the Company. From time to time against this equity the Company is receiving dividend on year to year basis, which is shown as income of the Company for the Financial Year concerned. It is submitted that the company is earning profit due to the dividends received from the above stated joint venture company as without the said dividend, the company is otherwise in loss. Therefore, whatever profit is being earned is attributable to the receipt of dividend from the aforesaid joint venture company which is the income from Investment and shown as such in Cash Flow Statement. Similarly if any refund is received from the Income Tax Department that is also on account of the income tax paid in excess against the income attributable to dividend received from the above stated joint venture company. Therefore, in view of the specific clause of Ind As 7 “Statement of Cash Flows”, the company has shown the interest on refund of Income Tax amounting to Rs. 12.34 crores as cash flows from the Investment Activities.
5.	C. Comments on Disclosure Notes to Accounts The Company has booked Deferred Tax Deducted at Source (TDS) of Rs.32.53 crore under Current Tax Assets in accounts as per the decision of the Board of Directors (110th meeting held on 21.12.2022) that to take the TDS credit against the income recognized on account of Late Payment Surcharge Charges (LPSC) to the extent of 10 <i>per cent</i> of the said amount. As a result of this decision, 90 <i>per cent</i> of the TDS credit against the income recognized on account of LPSC has been deferred for claiming against the tax liability of the financial year in which said income will be realized by the Company from Discoms.	It is submitted that under the Income Tax Act every assessment year is treated separately and distinctly and therefore the computation of the taxable income and the self assessment tax including credit of TDS) can be different for different years based on the interpretation of the provisions of the Income Tax Act and based on the expert opinion as per the facts arising during the each assessment year. Based on expert opinion, the Company reviewed its treatment of TDS credit on Late Payment Surcharge (LPSC) by claiming only 10% of the TDS credit for the Financial Year 2020-21 (A.Y.2021-22) and deferred the 90%



	The Company has recognized the TDS on LPSC to the extent of 10 <i>per cent</i> during the current year accounts- 2020-21, but financial impact on accounts due to change of treatment of TDS on LPSC of earlier years has not been disclosed in the Notes to Financial Statements.	of TDS credit for setting off with the income against LPSC which would realize in future. However it was not change of Accounting Policy and therefore there was no need for showing the impact of the same separately in the Accounts.
6.	As per Para No 13 of Ind AS 10 - Events after the Reporting Period - "If dividends are declared after the reporting period but before the financial statements are approved for issue, such dividends are disclosed in the notes in accordance with Ind AS 1-Presentation of Financial Statements." The Board of Directors of the Company in its 107th meeting held on 20 July 2022 had declared the dividend of Rs.20.00 crore for the financial year 2020-21 and accounts of the Company were approved in December 2022. However, the relevant disclosure regarding dividend, in compliance of Ind AS 10 and Ind AS 1, were not made in the Notes to Accounts.	Though the dividend for the Financial Year 2020-21 has been recommended by the Board of Directors but the same need to be approved by the shareholders of the Company in AGM before the same becomes payable to the Shareholder. Therefore the disclosure about the same was not made in the Accounts for the financial year 2020-21.
7.	As per Section 203 of Companies Act, 2013 and Rule 8 of Companies (Appointment and Remuneration of Manager personnel) Rules, 2014, 'Every listed company and every other public company having a paid-up share capital of ten crore rupees of more shall have a whole time Key Managerial Personnel viz., (i) Managing Director (ii) Company Secretary and (iii) Chief Financial Officer. The paid up share capital of the Company is Rs. 736.54 crore, however, the Company has not appointed a whole time / regular Company Secretary. In case of default in compliance of this section, the Company shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees and every Director and Key Managerial Personnel of the Company who is in default shall be punishable with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may extend to one thousand rupees for every day after the first during which the contravention continues. The above facts has neither been disclosed in Notes accompanying the financial statements nor commented by the Statutory Auditor in their Report.	It is submitted that merely that there is a legal provision for levying a penalty on the non-compliance (if any) of any legal formalities does not <i>ispo-facto</i> make the company liable to pay the penalty unless the said penalty has been imposed by the Concerned Govt. Departments/ Authorities. Since neither the Company has received any notice nor any proceedings have been initiated against the Company for the default, if any by the Company, no disclosure in this regard was required in the Accounts for the Financial Year 2020-21.

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

Annexure-III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]*

The Members,

Indraprastha Power Generation Company Ltd.,

Himadri, Rajghat Power House Complex,

New Delhi 110002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Indraprastha Power Generation Company Ltd (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

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 the audit period covering the **financial year ended on 31st March, 2021**, 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 financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under :
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **Not applicable**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **No event took place during the year.**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') **are not applicable to the company as being an unlisted entity:-**
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Compliances/systems under following specifically applicable laws to the company were verified on the basis of periodic certificate submitted to the Board of Directors of the Company by the concerned department of the Company.
 - a) The Electricity Act, 2003
 - b) Explosives Act, 1884

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges- **Not Applicable since company is an unlisted entity.**

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has complied with the provisions of the Companies Act, 2013, during the financial year, except with regard to the requirement of minimum number of Independent Directors on the Board. During the year under review, the Company was having only one Independent Director on the Board of the Company against the requirement of having minimum two Independent Directors on the Board.
2. The Company has complied with the provisions of section 177 and 178 of the Companies Act, 2013, during the financial year, except with regard to the requirement of minimum number of Independent Directors on the Audit Committee and Nomination & Remuneration Committee respectively. During the year under review, the Company was having only one Independent Director on the Audit Committee and Nomination & Remuneration Committee of the Company against the requirement of having minimum two Independent Directors.
3. As per the explanation furnished to us, amount required to be spent on account of Corporate Social Responsibility under section 135 of the Companies Act, 2013 has been unspent during the year under review.
4. During the period under review, Annual Accounts of the company for the financial year 2019-20 were not laid before the members at Annual general Meeting and the said meeting was adjourned but such adjourned Annual general meeting was not held with in the statutory time limits as given under section 96(1) of the companies Act 2013.
5. During the year under review, company had filed various forms and returns to Ministry of Corporate Affairs with in due prescribed time except that annual filing for the year ending on 31.3.2020 consisting of form AOC 4 XBRL and Annual return in form MGT7 had not been filed by the company to Registrar of Companies New Delhi.

We further report that

The Board of Directors of the Company is not constituted in accordance with section 149(4) of the Companies Act, 2013, due to non fulfillment of the requirement to have minimum two Independent directors on the Board of the company as the company was only one independent director during the year. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications



on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views, if any, were captured and recorded as part of the minutes.

We further report that as per the records placed before us, there exist 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. However, systems for ensuring compliances need to be further strengthened to be effective. We further report that:

- a) As per the information given to us, Rajghat Power Station of the Company was not in operation during the year as per the directions of Delhi Pollution Control Committee and the plant remained closed. Hence, it has not taken action in respect of compliances of the provisions of renewal of licenses under Petroleum Act, Factories Act, Boilers Act, Explosives Act, consent letter under Air and Water (Prevention and Control of Pollution) Act and registration of fire safety certificate/NOC from fire safety department.
- b) During the period under review, applicable provisions of Sexual Harassment of Women at Workplace Act, 2013, regarding organizing workshops and awareness programmes at regular intervals for sensitizing the employees with the provisions of the Act and orientation programmes for the members of the Internal Committee, had not been complied with.
- c) During the year under review company had neither applied for registration or nor sought exemptions with respect to the applicability of provisions of Employees State Insurance Act 1948 for employees of the company which may result into financial and legal issue for the company.
- d) During the year under review, as per the explanation given to us, provisions of Delhi Labour Welfare Fund Rules, 1997 has not been complied by the company as company is examining its applicability to itself.

We further report that this report is to be read with my letter of even date which is annexed as **Annexure I** and forms an integral part of this report.

for Swaran Jain & Associates
Company Secretaries

Date: 24.02.2022
Place: New Delhi

sd/-
(Swaran Kumar Jain)
Proprietor
C.P.: 4906
FCS: 3236
UDIN: F003236C002705716



Annexure to the Secretarial Auditors Report
Which forms an integral part of the report.

Annexure I

The Members,
Indraprastha Power Generation Company Ltd
Himadri, Rajghat Power House Complex
New Delhi 110002

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial record and Books of Accounts of the company, since the same have been subject to review by Statutory Auditor and for observations, qualification remarks on financial accounts, auditors report may be referred with.
4. Regarding details of frauds committed during the year, Audited financial accounts of the company may be referred to.
5. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

for Swaran Jain & Associates
Company Secretaries

Date: 24.02.2022
Place: New Delhi

sd/-
(Swaran Kumar Jain)
Proprietor
C.P.: 4906
FCS: 3236
UDIN: F003236C002705716



MANAGEMENT REPLY ON THE OBSERVATIONS OF THE SECRETARIAL AUDITORS OF INDRAPRASTHA POWER GENERATION COMPANY LIMITED IN THEIR REPORT FOR THE FY 2020-21:

S. No.	Observations of Secretarial Auditors of the Company for the FY 2020-21	Management comments
1.	The Company has complied with the provisions of the Companies Act, 2013, during the financial year, except with regard to the requirement of minimum number of Independent Directors on the Board. During the year under review, the Company was having only one Independent Director on the Board of the Company against the requirement of having minimum two Independent Directors on the Board.	(para 1 & 2) Matter of fact. Being a Government Company, the power to appoint the Directors on the Board of the Company vests with the GNCTD and accordingly, the Company had requested GNCTD to appoint requisite number of Independent Directors on its Board from time to time. GNCTD vide its order no. CD-014661216/Power/3029 dated 26/08/2021 had nominated Shri Tarun Batra and Smt Anjali Rai as Independent Director on the Board of IPGCL.
2.	The Company has complied with the provisions of section 177 and 178 of the Companies Act, 2013, during the financial year, except with regard to the requirement of minimum number of Independent Directors on the Audit Committee and Nomination & Remuneration Committee respectively. During the year under review, the Company was having only one Independent Director on the Audit Committee and Nomination & Remuneration Committee of the Company against the requirement of having minimum two Independent Directors.	Further, the Board of Directors of IPGCL in its meeting held on 28/08/2021 has appointed Shri Tarun Batra and Smt Anjali Rai as Independent Director on the Board of IPGCL, and also reconstituted the Audit Committee and Nomination & Remuneration Committee of IPGCL by inclusion of both Independent Director. Now, IPGCL complied with the provisions of section 149, 177 & 178 of the Companies Act, 2013 regarding requirement of having minimum 2 Independent Directors on its Board as well as having minimum 2 Independent Directors on its Audit Committee and Nomination & Remuneration Committee.
3.	As per the explanation furnished to us, amount required to be spent on account of Corporate Social Responsibility under section 135 of the Companies Act, 2013 has been unspent during the year under review.	As per the provisions of section 135 of the Companies Act, 2013 and approval of the Board of Directors of IPGCL in its meeting held on 28/08/2021, the unspent CSR amount of Rs.51,41,496/- for the FY 2020-21 has been transferred to PM Cares Fund on 27/09/2021.
4.	During the period under review, Annual Accounts of the company for the financial year 2019-20 were not laid before the members at Annual general Meeting and the said meeting was adjourned but such adjourned Annual general meeting was not held within the statutory time limits as given under section 96(1) of the companies Act 2013.	(para 4 & 5) (i) As per the provisions of section 96 of the Companies Act, 2013, AGM of the Company for the FY 2019-20 was required to be held latest by 30/09/2020. (ii) Due to the difficulties faced in view of the Covid 19 pandemic, the Registrar of Companies, NCT of Delhi & Haryana, vide its order no. ROC/Delhi/AGM Ext./2020/11538 dated 08/09/2020 accorded its approval for extension of time for holding the AGM upto 3 months i.e. latest by 31/12/2020.
5.	During the year under review, company had filed various forms and returns to Ministry of Corporate Affairs within due prescribed time except that	



	annual filing for the year ending on 31.3.2020 consisting of form AOC 4 XBRL and Annual return in form MGT7 had not been filed by the company to Registrar of Companies New Delhi.	(iii) IPGCL is the main Generation Company for supply of power within Delhi and extensively borne the brunt of Corona Pandemic. During the FY 2020-21 almost entire staff was affected by Covid-19 and as per the DDMA's quarantine policy they could not attend the office from time-to-time. Due to the stagnation of the various processes on this account, the accounts of the Company got delayed as inputs from almost all units of the company wings were required. (iv) The 19th AGM of the Company for the FY 2019-20 was held on 30/12/2020 but was deferred as the comments from the CAG on the accounts for the financial year 2019-20 could not be received. In this regard the discussions held during the AGM as recorded in Minutes are quoted as under: <i>"The Chairperson informed that due to the precarious situation created because of the spread of Novel Corona Virus and nationwide lockdown, the finalization of Accounts for the FY 2019-20 as well as the Audit process were impacted. She further apprised that the Financial Statements for the FY 2019-20 has been approved by the Board of Directors in its meeting held on 28.12.2020 and these Financial Statements have now been submitted to Comptroller & Auditor General of India (CAG) for conducting supplementary audit as required under Section 143(6) of the Companies Act, 2013. The comments from CAG under section 143(6) are expected to take some time. She further informed that the Audited Financial Statements along with comments from CAG cannot be placed before this AGM, in the present circumstances.</i> <i>The Chairperson proposed to defer the Agenda item no. 1 of AGM for Adoption of Audited Financial Statements, Directors' and Auditors' Reports. The members agreed for deferment of Agenda item no. 1 and placing the same before the adjourned AGM, as and when the Audited Financial Statements along with comments from CAG are ready."</i> (v) Thereafter the CAG comment on Audited Financial Statement of the Company for the FY 2019-20 has been received vide its letter dated 31.03.2021.
		(vi) After Shri Tarun Chaturvedi, Independent Director and Chairman of Audit Committee of IPGCL ceased to be Independent Director w.e.f. 07/06/2021, the Audit Committee of IPGCL could not be constituted until 28/08/2021. Thereafter two new Independent Directors were nominated by GNCTD and appointed by the Board w.e.f. 28/08/2021.



		(vii) After Shri Tarun Chaturvedi, Independent Director and Chairman of Audit Committee of IPGCL ceased to be Independent Director w.e.f. 07/06/2021, the Audit Committee of IPGCL could not be constituted until 28/08/2021. Thereafter two new Independent Directors were nominated by GNCTD and appointed by the Board w.e.f. 28/08/2021. (viii) The Board of Directors of the Company in its meeting held on 28/08/2021, approved the Director's Report for the FY 2019-20 along with comments of Statutory Auditors and CAG. Thereafter, Audit Committee and Board Meeting was held on 28/12/2021. Further, the adjourned AGM of the Company was held on 29/12/2021, wherein the audited Financial Statements of the Company for the FY 2019-20 were laid. Thereafter, the Company had filed its Annual Accounts & Annual Return with the Registrar of Companies.
6.	We further report that as per the records placed before us, there exist 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. However, systems for ensuring compliances need to be further strengthened to be effective. We further report that: (a) As per the information given to us, Rajghat Power Station of the Company was not in operation during the year as per the directions of Delhi Pollution Control Committee and the plant remained closed. Hence, it has not taken action in respect of compliances of the provisions of renewal of licenses under Petroleum Act, Factories Act, Boilers Act, Explosives Act, consent letter under Air and Water (Prevention and Control of Pollution) Act and registration of fire safety certificate/NOC from fire safety department. (b) During the period under review, applicable provisions of Sexual Harassment of Women at Workplace Act, 2013, regarding organizing workshops and awareness programmes at regular intervals for sensitizing the employees with the provisions of the Act and orientation programmes for the members of the Internal Committee, had not been complied with.	RPH has been closed in the light of section -25 (O) (3) of the Industrial Disputes Act, 1947. Hence, applicable laws is not applicable for RPH. Training programme was conducted during the Covid 19 pandemic situation with covid precautions. The office order no.DM(HR)Trg./IPGCL/21-22/03 dated 18/10/2021 for training conducted in 2021 was issued. Moreover, the observation of auditor is noted to conduct more programmes in future.



(c) During the year under review company had neither applied for registration or nor sought exemptions with respect to the applicability of provisions of Employees State Insurance Act 1948 for employees of the company which may result into financial and legal issue for the company.	The reply was given to Regional Director, ESIC, Regional Office, Rajendra Bhawan, New Delhi vide letter dt. 12/01/2022 with the submission that IPGCL-PPCL being a State Government PSU/Establishment, whose employees are in receipt of substantial superior benefits than ESI etc. Hence, is not required to be registered under the ESI Act.
(d) During the year under review, as per the explanation given to us, provisions of Delhi Labour Welfare Fund Rules, 1997 has not been complied by the company as company is examining its applicability to itself.	The matter was examined by panel advocates and the summary of the opinion is given below: <i>“The Acts and rules are applicable to the IPGCL & PPCL as they fall within the ambit of establishment as defined under the Acts and Rules. The Delhi Labour Welfare Fund Rules 1997 are applicable only to employees of IPGCL & PPCL who are covered under section 2(2) of the Bombay Labour Welfare Fund Act, 1954 read with the office order dt. 23.05.2022 meaning thereby the employees of IPGCL & PPCL who are drawing wages from IPGCL & PPCL as notified in the said office order; not to employees who are not covered under section 2(2) of the Act read with the office order dt. 23.05.2022.”</i>

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

**Annexure-IV****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/associate companies/joint ventures**

Part “A”: Subsidiaries – (Not applicable)

(Information in respect of each subsidiary to be presented with amounts in Rs)

1. Sl. No.
2. Name of the subsidiary
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.
5. Share capital
6. Reserves & surplus
7. Total assets
8. Total Liabilities
9. Investments
10. Turnover
11. Profit before taxation
12. Provision for taxation
13. Profit after taxation
14. Proposed Dividend
15. % of shareholding

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

Part “B”: Associates and Joint Ventures

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures**

Name of Associates/Joint Ventures	Aravali Power Company Private Limited (APCPL)
1. Latest audited Balance Sheet Date	31.03.2021
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	71,65,04,100
Amount of Investment in Associates/Joint Venture	7,16,50,41,000
Extend of Holding %	25%



3. Description of how there is significant influence	Company having 25% equity share holding with equal voting rights in shareholders meeting and 1 nominee director on the Board of APCPL
4. Reason why the associate /joint venture is not consolidated	NA
5. Networth attributable to Shareholding as per latest audited Balance Sheet	Rs.1558.58 Cr
6. Profit / Loss for the year	Rs.726.77 Cr
Considered in Consolidation	Rs.181.69 Cr
Not Considered in Consolidation	Rs.545.08 Cr

Notes: The following information shall be furnished at the end of the statement:

- Names of associates or joint ventures which are yet to commence operations – **Not Applicable**
- Names of associates or joint ventures which have been liquidated or sold during the year – **Nil.**

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

Annexure-VREPORT ON CORPORATE GOVERNANCE

IPGCL believes that good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. Thus, IPGCL's philosophy on corporate governance is aimed at the attainment of highest level of transparency, accountability and compliance of laws in all facets of its operations, leading to best standards of Corporate Governance.

1. Board Meetings:

The meetings of the Board of Directors are held at New Delhi. The Board generally meets as per the work requirement and minimum four meetings of the Board is held in each year with a maximum interval of 120 days between any two consecutive meetings. Agenda and Notes on Agenda are circulated to the Directors in advance, in the defined Agenda format. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where, it is not practical to attach any document to the Agenda, the same is tabled before the meeting with special reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted.

Composition of Board

As on 31st March, 2021, the Board comprised seven Directors out of which four were functional Directors including the Managing Director, one Independent director and one other director nominated by the Govt. of NCT of Delhi.

Meetings of Board

During the financial year 2020-21, the Board met four times on 6th June, 3rd September, 28th December 2020 and 1st March, 2021. The attendance at the Board Meetings and the Annual General Meeting held during the financial year under review are as under:-

S. No.	Directors	Board Meetings	Last AGM dtd. 30.12.2020
	Shri Satya Gopal, Addl. Chief Secretary (Power), GNCTD-Chairman & Managing Director (From 31.03.2021 to 31.07.2022)	0/0	N.A.
	Smt Padmini Singla, Secretary (Power), GNCTD Chairperson & Managing Director (From 05.07.2019 to 31.03.2021)	4/4	Yes
	Shri D. Varma, Director (HR) (From 18.07.2019 to 24.04.2020)	0/0	N.A.
	Shri Ravi Dadhich, Director (HR) (From 24.04.2020 to 09.09.2020)	2/2	N.A.
	Shri J.K. Jain, Director (HR) (From 09.09.2020 to 08/07/2021)	2/2	Yes
	Shri S. M. Verma, Director (Technical) (From 01.05.19 to 14/01/2022)	4/4	Yes
	Shri Ravindra Kumar Jain, Director (Finance) (From 05.06.2017 to 31/05/2021)	4/4	Yes
	Shri B. N. Ojha, Director (From 01.10.2009 onwards)	4/4	No
	Shri Tarun Chaturvedi, Independent Director (From 08.06.2016 to 07/06/2022)	4/4	Yes

**2. Audit Committee:****Composition of Audit Committee**

The Audit Committee comprised of the following Directors as on 31st March, 2021:-

1. Shri Tarun Chaturvedi : Chairman
2. Shri B. N. Ojha : Member
3. Director(Technical) : Member

Meetings of Audit Committee

The Audit Committee met three times during the financial year on 3rd September, 28th December 2020 and 26th February, 2021. The attendance at the Audit Committee Meetings held during the financial year under review is as under:-

S.No.	Name	Attendance at Meetings
1.	Shri Tarun Chaturvedi, Independent Director	3/3
2.	Shri B. N. Ojha, Director	3/3
3.	Shri S. M. Verma, Director(Technical)	3/3

The Director (Finance) and concerned Auditor(s) are also invited in the Audit Committee meetings.

3. Corporate Social Responsibility (CSR) Committee:**Composition of CSR Committee**

The Corporate Social Responsibility Committee comprised of the following Directors as on 31st March, 2021:

1. Shri Tarun Chaturvedi : Chairman
2. Director (HR) : Member
3. Director (Finance) : Member

Meetings of CSR Committee

The Committee met during the financial year on 3rd September 2020. The attendance at the Committee meetings held during the financial year under review was as under:-

S.No.	Name	Attendance at Meetings
1.	Shri Tarun Chaturvedi, Independent Director	1/1
2.	Shri Ravi Dadhich, Director (HR)	1/1
3.	Shri Ravindra Kumar Jain, Director(Finance)	1/1

4. Nomination & Remuneration (N&R) Committee:**Composition of N&R Committee**

The Nomination & Remuneration Committee comprised of the following Directors as on 31st March, 2021:

1. Shri Tarun Chaturvedi : Chairman
2. Chairman of the Company : Member
3. Shri B.N. Ojha : Member

**Meetings of N&R Committee**

The Committee met during the financial year on 3rd September 2020. The attendance at the Committee meetings held during the financial year under review was as under:-

S.No.	Name	Attendance at Meetings
1.	Shri Tarun Chaturvedi, Independent Director	1/1
2.	Smt. Padmini Singla, CMD	1/1
3.	Shri B. N. Ojha, Director	1/1

5. Operational Performance Committee (OPC):**Composition of OPC**

The Operational Performance Committee comprised of the following Directors as on 31st March, 2020:

1. Shri B. N. Ojha : Chairman
2. Shri Tarun Chaturvedi : Member
3. Director (Technical) : Member
4. Director (Finance) : Member

Meetings of OPC

The Committee met two times during the financial year on 3rd September, 2020 and 26th February, 2021. The attendance at the Committee meetings held during the financial year under review was as under:

S.No.	Name	Attendance at Meetings
1.	Shri B. N. Ojha, Director	2/2
2.	Shri Tarun Chaturvedi, Independent Director	2/2
3.	Shri S.M. Verma, Director (Technical)	2/2
4.	Shri Ravindra Kumar Jain, Director (Finance)	2/2

6. Annual General Meeting:**Date, time and location of the last two Annual General Meetings:**

Date	30 th December, 2020	23 rd December, 2019
Time	03:45 P.M.	03:15 P.M.
Venue	Conference Room, Delhi Transco Ltd., Shakti Sadan, Kotla Road, New Delhi-110002	Himadri, Rajghat Power House Complex, New Delhi-110002

For and on behalf of the Board of Directors

Date: 07.12.2023

Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

Annexure-VI**Annual Report on CSR activities for the FY 2020-21****1. Brief outline on CSR Policy of the Company:**

The aim of the Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company remains a responsible corporate entity contributing towards improving the quality of life of the society at large. IPGCL through its CSR initiatives, will be able to generate community goodwill for itself and help reinforce a positive and socially responsible image as a corporate entity.

THRUST AREAS

The one of the major thrust area shall be related to power sector and the endeavour shall be to identify suitable projects relating to:-

- i) Eradicating extreme hunger and poverty;
- ii) Promotion of education;
- iii) Promoting gender equality and empowering women;
- iv) Reducing child mortality and improving maternal health;
- v) Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi) Ensuring environmental sustainability;
- vii) Employment enhancing vocational skills;
- viii) Social business projects;
- ix) Contribution to the Prime Minister's National Relief Fund or any other funds set up by the Central Government or the State Government for social economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- x) Such other matters as may be prescribed under the Companies Act, 2013.

2. The Composition of CSR Committee:

S. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Tarun Chaturvedi, Independent Director	Chairman of CSR Committee	1 (CSR committee meeting dated 03.09.2020)	1
2.	Shri Ravi Dadich, Director (HR)	Member of CSR Committee	1	1
3.	Shri Ravindra Kumar Jain, Director (Fin.)	Member of CSR Committee	1	1

3. The following is 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:-

<http://www.ipgcl-ppcl.gov.in/CSRactivitiesIPGCLPPCL.htm>



4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable.

5. The details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:-

S. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1.	2017-18	NIL	NIL
2.	2018-19	NIL	NIL
3.	2019-20	NIL	NIL
	TOTAL	NIL	NIL

6. Average net profit of the Company as per section 135(5):-

Average Net Profit Before Taxes of the Company during the last three financial years:

FY 2017-18	(Rs. 8,81,27,292/-)
FY 2018-19	(Rs. 61,16,64,376/-)
FY 2019-20	Rs. 1,47,10,16,001/-
Average Net Profit	Rs. 25,70,74,777/-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs.51,41,496/-
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NA
- (c) Amount required to be set off for the financial year, if any NA
- (d) Total CSR obligation for the financial year 2020-21 (7a+7b-7c). Rs. 51,41,496/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
Rs. 51,41,496/-	NIL	NA	PM Care Fund	Rs. 51,41,496/-	27.09.2021

**(b) Details of CSR amount spent against ongoing projects for the financial year: (NIL)**

(1)	(2)	(3)	(4)	(5)	
S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	
				State.	District.

(6)	(7)	(8)	(9)	(10)	(11)	
Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
					Name	CSR Registration number.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: (NIL)

(1)	(2)	(3)	(4)	(5)	
S. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.	
				State.	District.

(6)	(7)	(8)	
Amount spent for the project (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
		Name	CSR Registration number.

- (d) Amount spent in Administrative Overheads NIL
- (e) Amount spent on Impact Assessment, if applicable NIL
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e) NIL



(g) Excess amount for set off, if any:-

S. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs.17,85,18,257/-
(ii)	Total amount spent for the Financial Year	Rs.17,85,18,257/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(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

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

S. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-18	NIL	NIL	NA	NIL	NA	NIL
2.	2018-19	NIL	NIL	NA	NIL	NA	NIL
3.	2019-20	NIL	NIL	NA	NIL	NA	NIL
	TOTAL	NIL	NIL	NA	NIL	NA	NIL

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): (NIL)

(1)	(2)	(3)	(4)	(5)
S. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.

(6)	(7)	(8)	(9)
Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project – Completed /Ongoing.



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- | | |
|--|----|
| (a) Date of creation or acquisition of the capital asset(s). | NA |
| (b) Amount of CSR spent for creation or acquisition of capital asset. | NA |
| (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | NA |
| (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). | NA |

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

(Not Applicable)

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

Sd/-
(Anjali Rai)
Chairperson
CSR Committee

Annexure-VII**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNING & OUTGO**

(Pursuant to section 134(3)(m) of the Companies Act, read with Rule 8(3)
of the Companies (Accounts) Rules, 2014

A) CONSERVATION OF ENERGY**(i) Energy conservation measures taken:**

Gas Turbine Power Station (GTPS) of the Company is a designated consumer as per notification dated 30th March 2012 of Ministry of Power, GoI. It is required to comply with the rules and regulations under PAT (Perform, Achieve and Trade) Scheme. PAT cycle 1 for the Station was applicable for the period from FY 2012-13 to FY 2014-15. GTPS achieved the Net Station Heat Rate of 2587.52 Kcal/Kwh against the target of 2649 Kcal/Kwh, on the basis of monitoring & verification conducted by National Productivity Council (NPC).

At present PAT cycle –VIIth is running, however GTPS is not a part of the present PAT cycle because of the low station PLF (less than 40%) during the FY 2019-20 & FY 2020-21, hence no PAT cycle target was assigned to GTPS. Although GTPS was not a part of current PAT cycle but several measures has been taken for conservation of energy were taken in GTPS during the FY 2019-20 & FY 2020-21 like regular compressor washing of all GTs, anti-resistance coating on Column pipe, bell mouth and impeller of two Circulating Water pumps i.e. pump no. 3 & pump no. 5.

(ii) Additional investments and proposals, if any being implemented for reduction of consumption of energy:

The following schemes of energy conservation at GTPS was planned:

- Replacement of diverted damper seals of Heat Recovery Steam Generation (HRSG) # 5 & HRSG # 6.
- Condense cleaning of STG #3.
- Replacement of super heater tubes of module # 3.
- Replacement of balance conventional lights with LED.
- Replacement of present steam based Vacuum Injector with Vacuum pump.

However, the above energy saving schemes couldn't implement because no R&M Budget was allowed during FY 2019-20 & FY 2020-21.

(iii) Impact of above measures resulted in reduction of Energy Consumption.

The impact of the measures taken described at Sr. no. (i) & (ii) in relation to energy consumption of energy. After verification of performance done by BEE, 8480 EScerts issued to the GTPS in February 2017 on behalf of Ministry of Power.

In addition to above, Mandatory Energy Audit was conducted by M/s PCRA for GTPS in December 2018 and The Monitoring and Verification Audit (M&V) for GTPS has been conducted by a BEE certified firm M/s Bhagwat Technologies & Energy Conservation Pvt. Ltd. in August 2019. As per recent monitoring and verification audit of GTPS, the achieved specific energy consumption is 1955.26 (normalized) Kcal/Kwh against target specific consumption of 2439.21 Kcal/Kwh and the same will make the Company eligible for total energy saving certificates is 43837 Nos.

**B) TECHNOLOGY ABSORPTION****i) Technology absorption****a) Efforts, in brief made towards technology absorption,**

The plants of the Company are old. There are limitations in respect of introduction of new technologies at this stage. Hence, there are no cases of technology absorption.

b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.

Not Applicable

c) In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished.**(i) Technology imported**

No new technology has been imported.

(ii) Year of Import

Not applicable

(iii) Has technology been fully absorbed?

Not applicable

(iv) If not fully absorbed, areas where this has not taken place, reasons therefore

Not applicable

d) Expenditure on Research and Development

There was no expenditure by the Company on research and development activities during the year under review.

C) FOREIGN EXCHANGE EARNING & OUTGO

There was no foreign exchange earnings during the year. The foreign exchange outgo during the year was Rs.9 Lakhs (Previous Year Rs.45.36 Lakhs).

For and on behalf of the Board of Directors

Date: 07.12.2023
Place: New Delhi

Sd/-
(Ravi Dhawan)
Managing Director

Sd/-
(Mukesh Kr. Sharma)
Director (Tech.)

**INDEPENDENT AUDITOR'S REPORT****TO THE MEMBERS OF
INDRAPRASTHA POWER GENERATION COMPANY LIMITED****Report on the Audit of the Standalone Ind AS Financial Statements****Qualified Opinion**

We have audited the accompanying Standalone Ind AS financial statements of **Indraprastha Power Generation Company Limited** (the "Company"), and its associates (collectively referred to as "the Group") which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the *Basis for Qualified Opinion* section** of our report, the aforesaid Standalone Ind AS financial statements give the information required by companies act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Standalone state of affairs of the Group (Company and its associates) as at 31 March, 2021 and their Standalone profit or loss (financial performance including other comprehensive income), their Standalone changes in equity and their Standalone cash flows for the year ended on that date.

Basis of Qualified Opinion

The company has not assessed and made the provisions for expected credit Losses in respect of trade receivables from Discoms (Refer Note 34 a (i) as prescribed under IND AS 109 – "Financial Instruments "in its Standalone financial statements for the year ended 31st March 2021 and therefore the monetary impact of the same remains unascertained.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Standalone Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Going Concern Section**Going Concern Basis of Accounting**

The Company's financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing [in the financial statements] a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

As part of our audit, we conclude regarding the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or



conditions that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

Information Other than the Standalone Ind AS financial Statements and Auditor's Report thereon

The respective company's Board of directors is responsible for the preparations of the other information. The other information comprises the information included in Board's Report and annexures to Board Report but does not include the Standalone Ind AS financial statements and our auditor's report thereon. The Board's Report and annexures to Board's Report is expected to be made available to us after the date of audit of this auditor's report.

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

In connection with our audit of the Standalone Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other Information so far as it relates to the associates is traced from their financial statements audited by other auditors.

When we read the board's report and annexure to the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance and take appropriate action if required.

Management's Responsibility for the Standalone Ind AS 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 and presentation of these Standalone Ind AS financial statements that give a true and fair view of the Standalone state of affairs (financial position), Standalone profit or loss (financial performance including other comprehensive income), Standalone cash flows and Standalone changes in equity of the Company including its associates in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Associates 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 Ind AS financial statements, the Board of Directors of the company and its associates are responsible for assessing their 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 or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of company and its associates are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes



our opinion. Reasonable assurance is a high level of assurance, but is *not a guarantee* that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Ind AS 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 auditors' report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Standalone Ind AS financial statements:

- Note 50: Delays in realization of trade receivables of Rs.1, 35,643.34 Lakhs from BSES Yamuna Power Limited, BSES Rajdhani Power Limited for sale of power leading to strain on the financial resources and the consequent



heavy borrowings and the resultant interest expense thereon. However, the accounts have been drawn by the management on a 'going concern' basis for the reasons stated in the said note. Our opinion is not modified in respect of this matter.

- ii. Note 8(a): non-renewal of letter of credit, non-opening of escrow accounts and non-entering into the agreement to hypothecate receivables of the Discoms as stipulated in Power Purchase Agreement. Our opinion is not modified in respect of this matter.
- iii. Note 11(c): Non-recovery and non-provisioning of Rs.225.66 Lakh recoverable on account of penalty and interest on late payment for dues on sale of IP station which is pending before High Court. Our opinion is not modified in respect of this matter.
- iv. Note 18 (e) and 22(b): Default of Rs. 85,802.74 Lakhs in repayment of Interest and penal interest to Govt. of NCT of Delhi (GNCTD). Our opinion is not modified in respect of this matter.
- v. Pursuant to the provisions of Section 149(4) of the Act and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to have at least two directors as independent directors on its Board. However, only one independent director was appointed in the financial year 2016-17. Our opinion is not modified in respect of this matter.
- vi. Pursuant to the provisions of Section 177(2) of the Act, the Company is required to appoint minimum of three directors with independent directors forming majority on its Audit Committee during the year. However, only one independent director has been appointed on the Audit Committee during the year. Our opinion is not modified in respect of this matter and company may attract penalties as per Companies Act 2013.
- vii. Pursuant to the provisions of Section 137(1) of the Act, the Company is required to file unadopted Financials Statements and Audit report thereon with the Registrar of Companies within 30 days from the date of the AGM but the same has not been filed due to deferment of adoption of financial statements in AGM. Our opinion is not modified in respect of this matter and company may attract penalties as per Companies Act 2013.
- viii. Note 52: The company has transferred a sum of Rs.2398.91 lakhs from non-current assets (property, plant and equipment) to non-current assets held for sale at WDV as per books of accounts in respect of Rajghat Power House (R.P.H) pursuant to the decision of the cabinet of ministers of GNCTD to shutdown RPH in their meeting held on 25th July 2019 and disposal of RPH plant in the coming years. These assets have not been valued at fair value and are valued at Gross Value; hence we cannot comment on the estimated realizable value of the assets held for sale in the absence of fair valuation report. Our opinion is not modified in respect of this matter.
- ix. Balances with DISCOMS are subject to reconciliation, as per the joint reconciliation statements received from DISCOMS, the major difference between the balance as per IPGCL books and books of various Discoms are only in relation to non-settlement of LPSC amount. Our opinion is not modified in respect of this matter.
- x. Note 27 (b) : The surcharge on late payment of energy bills recoverable from Discoms has been accounted only to the extent of tax deducted at source (TDS) deposited by Discoms with the tax authorities, in view of continuous default in payment of dues by the Discoms and its uncertainty of collection as per past practice. This has resulted in non-recognition of revenue of Rs. 43,573.80 Lakhs (31 March 2020, Rs. 37,852.35 Lakhs) with corresponding impact on receivables. Our opinion is not modified in respect of this matter.
- xi. We draw attention to the Note -55 in the Financial Statement which explains COVID-19 that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and auditing challenges. As per this note the Company has considered the possible effects that may result from



the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company assets in future may differ from that estimated as at the date of approval of these financial results. Our opinion is not modified in respect of this matter.

- xii) Note 13 :In current financial year, the Board has decided in its 110th meeting held on 21.12.2022 to take the TDS credit proportionate to the income from LPSC realised by the company during the current financial year as per the opinions taken by the company from the senior tax consultant & senior advocate and 90% of the TDS credit against the income recognized on account of LPSC is being deferred for claiming against the tax liability of the financial year in which said income will be realized by the company from DISCOMS. Therefore Deferred Tax Credit, to be adjusted upon LPSC realisation, amounts Rs. 3252.83 whereas Provsion for tax has been adjusted by Rs. 361.42 lacs.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(5) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Standalone Ind AS Financial Statements.
 - b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account, as required by law relating to preparation of the aforesaid Standalone Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the report of other auditor
 - c. The Standalone Balance Sheet, Standalone Statement of Profit and Loss , Standalone Cash Flow Statement and Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation for Standalone Ind AS Financial Statements.
 - d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules.
 - e. Being a Government Company, pursuant to notification no. GSR 463 (E) dated 5th June, 2015 of the Government of India, provisions of sub section (2) of section 164 of the Act is not applicable to the Company & its associates, incorporated in India.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company, Its associates 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone IND AS financial statements. (Refer Note 48 & 50 to the Standalone Ind AS financial statements.)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by section 143 (5) of the Act, We give in “**Annexure C**”, a statement on the directions issued by Comptroller and Auditor General of India.

For AAJV & Associates

Chartered Accountants

FRN 007739N

Sd/-

(Jitender Jindal), F.C.A

Partner

Membership No.093642

UDIN: 23093642BGXWSM1032

Place: New Delhi

Date: 14.01.2023

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT AS ON 31ST MARCH 2021**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

1. In respect of Fixed Assets

The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

As explained to us, the fixed assets have been physically verified by a firm of Chartered Accountants after the end of the current year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification. However, the process of physical verification needs to be further strengthened by ensuring coverage of all class of fixed assets.

According to information and explanations given to us and on the basis of our examination of the records of the company, the immovable properties of the company have been transferred from Delhi Vidyut Board (DVB) vide Delhi Electricity Transfer Rules, after unbundling of DVB. On the date of transfer, all the immovable properties transferred from DVB formed part of the company. However, as per the said rule, the land does not form part of the assets transferred under these rules. The company is entitled to use such land as a licensee of the government during the period the company has the sanction or license or authorization to undertake the power generation business.

As explained to us, the inventories were physically verified by the management on dates other than the date of financial statement owing to locked down conditions imposed by the Indian Government on account of the COVID-19 pandemic but prior to the date of the board meeting to be held for the purpose of adopting the financial results. In our opinion, the frequency of physical verification is reasonable and no material discrepancies were noticed on such physical verification.

According to the information and explanations given to us and based on such tests, which we considered necessary, we report that the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph (iii) (a), (b) and (c) of the above order are not applicable to the Company.

According to the information and explanations given to us, the Company has not advanced any loans or given any guarantee or provided any security to any of its directors or to any person in whom the director is interested. Further being a Government Company, other than a listed company, the company has obtained approval of the Govt. of NCT of Delhi for making investment. Therefore, section 186 of the Companies Act, 2013 is not applicable to the company pursuant to notification no.GSR 463(E) dated 5th June 2015. Further, we have been informed that the company has not given any loan, guarantee or provided any security in connection with any loan to any other person or body corporate under section 186 of the Companies Act. Therefore, the provision of the paragraph 3 (iv) of the order are not applicable to the company.

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit. Therefore, directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company.

We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it, except in some few cases where there is a delay in deposit. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it were outstanding, as at 31 March, 2021 for a period of more than six months from the date they became payable.
- (b) According to records of the company, the disputed statutory dues which have not been deposited and the matter is being contested before the Appellate Authorities. The status of the pending matters is stated below:

Nature of Statute	Nature of the Statutory Dues	Amount (Rs. in Lakh)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 68.67	2006-07	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	Rs.12.55	2013-14	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Income Tax	Rs.683.25	2017-18	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Income Tax	Rs.708.10	2018-19	Commissioner of Income Tax (Appeal), New Delhi

3. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank. The Company does not have any debenture holders. The company has defaulted in repayment of loans from Government of NCT of Delhi. The cumulative default in repayment of principal and interest is Rs.85,802.74 lakhs as on 31st March, 2021. The details are given below:

Lender	Amount of default for Principal as at balance sheet date (Rs.in lakhs)	Period of Default	Amount of default for interest as at balance sheet date (Rs. in lakhs)	Period of Default
Government of NCT of Delhi	NIL	NA	Rs.85,802.74	From 2005-06 onwards

4. The Company has not raised money by way of Initial Public Offer (IPO) or further public offer (including debt instruments) during the year. According to information and explanations given to us, term loans were broadly applied for the purposes for which those are raised.
5. According to the information and explanations given by the management and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the year.
6. As per the Notification number G.S.R. 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Section 197 of the Companies Act, 2013 related to managerial remuneration is not applicable to the Company, since it is a Government Company.
7. The Company is not a Nidhi Company and therefore the provisions of Clause 3(xii) of the order are not applicable to the company.



8. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements etc., as required by the applicable accounting standards
9. According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or convertible debentures during the year under review. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Therefore, the provisions of paragraph 3(xiv) of the Order are not applicable.
10. According to information and explanations given to us by the management, the Company has not entered into any non-cash transactions specified under Section 192 of the Companies Act 2013 with directors or persons connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
11. The Company is not required to be registered with RBI under Section 45-IA of Reserve Bank of India Act, 1934.

For AAJV & Associates

Chartered Accountants

FRN 007739N

Sd/-

(Jitender Jindal), F.C.A

Partner

Membership No.093642

UDIN: 23093642BGXWSO2351

Place: New Delhi

Date: 14.01.2023

**ANNEXURE – B TO THE STANDALONE INDEPENDENT AUDITORS’ REPORT****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the Standalone Ind AS Financial Statements of the Company as of and for the year ended 31st March, 2021, We have audited the internal financial controls over financial reporting of Indraprastha Power Generation Company Limited (hereinafter referred to as “the Company”) and its associate, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate, which are companies incorporated in India, are 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 the 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”) and the Standards on Auditing as specified under section 143(10) of the Act, 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.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**ANNEXURE – C TO THE STANDALONE INDEPENDENT AUDITORS' REPORT**

**(Referred to In Paragraph 3 under 'Report on Other Legal and Regulatory Requirements'
Section of Our Report of Even Date)**

Direction for the Year 2020-2021

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<i>Yes, the company has a system in place i.e. SAP Accounting Software to process all the accounting transactions through IT system.</i>
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<i>There are no such cases.</i>
3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	<i>Yes, the company has accounted for/utilised the fund properly as per term and conditions.</i>

For AAJV & Associates

Chartered Accountants

FRN 007739N

Sd/-

(Jitender Jindal), F.C.A

Partner

Membership No.093642

UDIN: 23093642BGXWSO2351

Place: New Delhi

Date: 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED
CIN: U40103DL2001SGC111530

Standalone Balance Sheet as at 31 March 2021

₹ Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property plant and equipment	2	5,328.90	7,322.09
Intangible Assets	3	-	-
Financial assets			
Investment in joint venture and associate	4	71,650.41	71,650.41
Other financial assets	5	13.40	13.86
Other non-current assets	6	86.13	191.00
Total non-current assets		77,078.84	79,177.36
Current assets			
Inventories	7	3,048.23	3,074.51
Financial Assets			
Trade receivables	8	147,925.46	166,725.34
Cash and cash equivalents	9	15,533.69	7,857.19
Bank balances other than cash and cash equivalents	10	3,433.96	34.55
Other financial assets	11	3,892.25	1,459.76
Other current assets	12	337.22	6,336.45
Current tax assets (net)	13	1,448.67	13,866.46
Total current assets		175,619.48	199,354.26
Regulatory deferral account debit balances	14	-	-
Non-current assets held for sale	15	2,412.65	2,412.65
TOTAL ASSETS		255,110.97	280,944.27
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	73,654.00	73,654.00
Other equity	17	72,438.48	59,916.08
Total equity		146,092.48	133,570.08
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	(0.00)	2,472.00
Provisions	19	4,688.60	3,971.16
Deferred tax liabilities (net)	20	364.71	672.80
Other non current liabilities	21	35.51	34.90
Total non-current liabilities		5,088.82	7,150.86

**Current liabilities**

Financial liabilities

Borrowings	22	2.59	26,276.48
Trade payables	23		
- Total outstanding dues of Micro Enterprises and Small Enterprises		164.00	144.14
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		12,727.05	19,016.58
Other financial liabilities	24	90,164.27	89,914.63
Other current liabilities	25	503.82	3,183.18
Provisions	19	322.90	1,639.62
Total current liabilities		103,884.63	140,174.63
Deferred Revenue	26	45.04	48.70
TOTAL EQUITY AND LIABILITIES		255,110.97	280,944.27
Significant accounting policies	1		

The accompanying notes 1 to 56 form an integral part of these financial statements.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-

Jitender Jindal

Partner

Membership No. : 093642

Firm Reg. No.: 007739N

UDIN : 23093642BGXWSM1032

Sd/-

Prashant Vyas

Sr. Manager (Finance)
& Chief Financial Officer

Sd/-

Mukesh Kumar Sharma

Director (Technical)

DIN- 08572379

Sd/-

Azimul Haque

Managing Director

DIN- 03578730

Place : New Delhi

Dated : 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED

CIN: U40103DL2001SGC111530

Standalone Statement of Profit and Loss for the year ended 31 March 2021

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	27	27,565.50	57,053.23
Other income	28	19,536.72	13,600.97
Total income		47,102.22	70,654.20
Expenses			
Cost of fuel consumed	29	14,651.39	23,908.51
Employee benefits expense	30	5,395.47	10,058.42
Finance costs	31	4,883.64	7,609.79
Depreciation expense	2	2,259.85	1,980.03
Other expenses	32	4,449.02	5,045.96
Total expenses		31,639.37	48,602.71
Profit/(Loss) before tax and regulatory deferral account balances		15,462.85	22,051.49
Tax expense			
Current tax		3,805.28	2,273.88
Deferred tax credit		(265.55)	684.78
Earlier year taxes		(725.78)	-
Total tax expense		2,813.95	2,958.66
Profit/(Loss) for the year before regulatory deferral account balances		12,648.90	19,092.83
Movements in regulatory deferral account balances			
-Deferred Tax	53	-	-
Net movements in regulatory deferral account balances (net of tax)			-
Profit/(Loss) for the year		12,648.90	19,092.83
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss (Net of Tax)			
- Net actuarial gains/(losses) on defined benefit plans		(169.04)	(34.27)
- Income tax relating to above item		(42.54)	(11.98)
Other comprehensive income/(expense)		(126.50)	(22.29)
Total comprehensive income/(expense) for the year		12,522.40	19,070.54



Earnings per equity share (Par value ₹ 10/- each)	38		
Basic and Diluted Earning Per Share (₹) (from operations including regulatory deferral account balances)		1.72	2.59
Basic and Diluted Earning Per Share (₹) (from operations excluding regulatory deferral account balances)		1.72	2.59
Significant accounting policies	1		

The accompanying notes 1 to 56 form an integral part of these financial statements.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-
Jitender Jindal
Partner
Membership No. : 093642
Firm Reg. No.: 007739N
UDIN : 23093642BGXWSM1032

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

Place : New Delhi
Dated : 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED

CIN: U40103DL2001SGC111530

Standalone Statement of Cash Flows for the year ended 31 March 2021

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash Flow From Operating Activities		
Net profit/(loss) as per Statement of Profit & Loss	15,462.85	22,051.49
Adjustment for		
Depreciation	2,259.85	1,980.03
Interest cost	4,883.64	7,609.79
Interest income received	(1,599.80)	(3,329.51)
Interest waived off	-	(621.09)
Interest income accrued on deposits	(1.80)	24.67
Dividend income	(17,500.00)	(7,341.32)
Grant Income	(3.66)	(3.66)
Liabilities/Provisions written back	-	-
(Profit)/Loss on derecognition of property plant & equipment (net)	9.87	545.32
Unrealised gain on fair value measurement of mutual funds	-	-
Recoverable written off during the year	-	-
Loss on revaluation of inventory	(32.75)	18.00
Provisions for inventory created (written back) during the year	(6.43)	(4.37)
Impairment loss (gain) on financial assets during the year	3.57	(1,754.12)
Provisions for property plant & equipment created during the year	8.69	13.51
Operating profit before working capital changes	3,484.03	19,188.74
Adjustment for -		
(Increase)/Decrease in inventory	65.46	0.72
(Increase)/Decrease in trade receivable	18,799.88	(893.44)
(Increase)/Decrease in other financial assets	(2,436.06)	10,665.42
(Increase)/Decrease in other current assets	5,999.23	3,034.42
(Increase)/Decrease in non financial assets	0.46	(0.65)
(Increase)/Decrease in other non current assets	39.92	17.38
Increase/(Decrease) in trade payables	(6,269.67)	(2,276.34)
Increase/(Decrease) in other financial liabilities	156.90	(617.78)
Increase/(Decrease) in other current liabilities	(2,679.36)	2,907.48
Increase/(Decrease) in provisions	(777.01)	1,997.15
Increase/(Decrease) in other non-current liabilities	0.61	13.54
Cash generated from operations	16,384.39	34,036.64
Less: Income Taxes paid/(refund)	(9,338.28)	2,892.57
Net cash inflow/(outflow) from operating activities [A]	25,722.67	31,144.07
B. Cash Flow From Investment Activities		
Purchase of property, plant and equipment	(214.19)	(1,198.47)
Proceeds from sale of property, plant and equipment	2.60	125.10
Dividend received	17,500.00	7,341.32
Net investment / (redemption) of bank deposits	(3,397.61)	503.34
Interest received	1,599.80	3,329.51
Net cash inflow/(outflow) from investing activities [B]	15,490.60	10,100.80
C. Cash Flow From Financing Activities		
Proceeds from non-current borrowings	-	-
Repayment from non-current borrowings	(6,744.00)	(4,794.52)
Net(payments)/Proceeds of short term borrowings	(26,273.89)	(25,481.33)
Interest paid	(518.89)	(3,193.66)
Net cash inflow/(outflow) from financing activities [C]	(33,536.78)	(33,469.51)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	7,676.50	7,775.37
Cash and Cash equivalents at the beginning of the year	7,857.19	81.82
Cash and Cash equivalents at the end of the year	15,533.69	7,857.19



Notes to statement of cash flows

a. Components of Cash and cash equivalents

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balances with banks		
Current accounts	53.17	171.73
Deposits with banks	15,480.00	7,685.01
Cheques on hand	-	-
Cash on hand	-	-
Stamps on hand	0.52	0.45
	<u>15,533.69</u>	<u>7,857.19</u>

b. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings	Current borrowings
For the year ended 31 March 2021		
Balance as at 1 April 2020	36,560.99	77,897.48
Loan draws	-	-
Loan repayments	(6,744.00)	(26,273.89)
Interest accrued during the year	1,163.93	3,200.82
Interest waived	-	-
Interest payment during the year	(0.00)	-
Balance as at 31 March 2021	<u>30,980.92</u>	<u>54,824.41</u>
For the year ended 31 March 2020		
Balance as at 1 April 2019	43,370.47	97,568.81
Loan draws	-	-
Loan repayments	(4,794.52)	(25,481.33)
Interest accrued during the year	1,629.45	5,810.00
Interest waived	(621.09)	-
Interest payment during the year	(3,023.32)	-
Balance as at 31 March 2020	<u>36,560.99</u>	<u>77,897.48</u>

- c. Aravali Power Company Private Limited (associate of the Company) declared dividend of ₹ 17,500 Lakhs during the F.Y 20-21 (₹ 7,341.32 Lakhs in the F.Y 19-20).
- d. The undrawn borrowing facilities as on 31 March 2020 are amounting ₹ 8,997.41 Lakhs (31 March 2020 ₹ 12,723.52 Lakhs).
- e. Comparative figures have been adjusted to conform to the current year's presentation to enhance comparability with the current year's financial statements.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES
Chartered Accountants

Sd/-
Jitender Jindal
Partner
Membership No. : 093642
Firm Reg. No.: 007739N
UDIN : 23093642BGXWSM1032

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

Place : New Delhi
Dated : 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED
CIN: U40103DL2001SGC111530

Standalone Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity share capital

For the year ended 31 March 2021

₹ Lakhs

Particulars	No. of Shares	Amount
Balance as at 1 April 2020	7,365.40	73,654.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	7,365.40	73,654.00

For the year ended 31 March 2020

₹ Lakhs

Particulars	No. of Shares	Amount
Balance as at 1 April 2019	7,365.40	73,654.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	7,365.40	73,654.00

(B) Other Equity

For the year ended 31 March 2021

₹ Lakhs

Particulars	Other Equity		Total
	General Reserve	Retained Earnings	
Balance as at 1 April 2020	5,000.00	54,916.08	59,916.08
Profit for the year	-	12,648.90	12,648.90
Other comprehensive income/(expense)	-	(126.50)	(126.50)
Transfer to Grant*	-	-	-
Balance as at 31 March 2021	5,000.00	67,438.48	72,438.48

*Refer Note 17 for detail.

For the year ended 31 March 2020

₹ Lakhs

Particulars	Other Equity		Total
	General Reserve	Retained Earnings	
Balance as at 1 April 2019	5,000.00	35,845.54	40,845.54
Profit for the year	-	19,092.83	19,092.83
Other comprehensive income/(expense)	-	(22.29)	(22.29)
Transfer to Grant*	-	-	-
Balance as at 31 March 2020	5,000.00	54,916.08	59,916.08

(C) Analysis of accumulated OCI, net of tax

Remeasurement of defined benefit liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	(153.06)	(130.77)
Remeasurement of defined benefit liability	(126.50)	(22.29)
Closing balance	(279.56)	(153.06)

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-

Jitender Jindal

Partner

Membership No. : 093642

Firm Reg. No.: 007739N

UDIN : 23093642BGXWSM1032

Place : New Delhi

Dated : 14.01.2023

Sd/-

Prashant Vyas

Sr. Manager (Finance)
& Chief Financial Officer

Sd/-

Mukesh Kumar Sharma

Director (Technical)
DIN- 08572379

Sd/-

Azimul Haque

Managing Director
DIN- 03578730



INDRAPRASTHA POWER GENERATION COMPANY LIMITED

Notes to the standalone financial statements for the year ended 31 March 2021

1. Company Information and Significant Accounting Policies

A. Reporting entity

Indraprastha Power Generation Company Limited (the “Company”) is a company limited by shares, incorporated and domiciled in India. The company is a Public Sector Enterprise of Government of National Capital Territory of Delhi (GNCTD) promoted by GNCTD, and Delhi Power Company Limited (DPCL), which is 100% owned by GNCTD limited by shares (CIN: U40103DL2001SGC111530). The Company has its registered office at Himadri, Rajghat Power House, New Delhi - 110002. The Company is in the business of generation of ‘Power’ and supplying the power to number of DISCOMs in the State of Delhi. The Company has two power stations namely Rajghat Power House (RPH), a coal based power plant commissioned during 1989-90 with generating capacity of 135 MW and Gas Turbine Power Station (GTPS), gas based power plant commissioned during 1985-86 (Gas Turbine) and 1995-96 (Steam Turbine) with generating capacity of 270 MW. RPH plant was not in operation since May 2015 as per the directions of DPCL. The Cabinet of Ministers of GNCTD has decided to shut down the RPH in their cabinet meeting dated 11th July, 2019.

B. Basis of preparation

1. Statement of Compliance

These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements have been authorized for issue by the Board of Directors on 28 December 2020. In terms of Section 131 of Companies Act 2013, the Board of Directors may prepare revised financial statement in respect of any of the three preceding financial years after obtaining approval of the Tribunal.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities that are measured at fair value (refer accounting policy regarding financial instruments);
- Plan assets in the case of employees defined benefit plans that are measured at fair value; and
- Assets held for sale recognised at lower of their carrying amount and fair value less cost to sell.

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company’s functional currency. All financial information presented in ₹ has been rounded to the nearest lakh (upto two decimals), except as stated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet, based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;



- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Current liabilities include current portion of non-current financial liabilities.

Assets and liabilities are classified between current and non current considering 12 months period as normal operating cycle.

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

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as the deemed cost under Ind AS at the transition date i.e. 1 April 2015. Therefore, the carrying amounts of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e.; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1 Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if 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.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes purchase price including import duties and non-refundable taxes after deducting trade discounts and rebates and includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized if it is unrepairable. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

1.3 Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition/disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

1.4 Depreciation

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation on the tangible assets is charged on straight line method at the rates and methodology notified by Delhi Electricity Regulatory Commission (DERC) from time to time in accordance with Schedule II to the Companies Act, 2013.

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.



Capital spares are depreciated considering the useful life ranging between 2 to 5 years based on technical assessment.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset. Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted are treated as work-in-progress. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets

3.1 Recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Intangible assets that are acquired by way of government grant at free of charge or for nominal consideration are measured and recognized at nominal amount.

3.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition/disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4 Amortization

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

4. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS-109- 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116 - Leases (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. (d) other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized.

When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition



or construction/erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

5. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6. Investment in associates and joint ventures

Equity investments in associates and joint ventures are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

7. Inventories

Inventories, other than scrap, are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Scrap inventory (generally immaterial) is carried at nil value which is its estimated realisable value.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

8. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Where the government grants are related to assets, the cost of the assets are presented at gross value and their grant is recognised as income in the statement of profit and loss over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses. Government grant received in the form of a transfer of as non monetary assets, free of charge or of nominal consideration are recognised at a nominal amount.

9. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, liquid mutual funds and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

10. Provisions and contingent liabilities and contingent assets

A provision is recognized 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market



assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. The timing of cash flow can not be ascertained.

Contingent assets are possible assets that arise 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 Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

11. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized upto 31 March 2015 are adjusted to the carrying cost of property, plant and equipment and capital work in progress.

Non-monetary items which are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

12. Revenue

Company's revenues arise from sale of energy and surcharge receive from customers for delayed payment. Revenue from other income comprises Interest from banks and others, gain on mutual fund measured at FVTPL, Dividend from non-current investment in associate, Income from solar consultancy, Insurance claims, Grant income, rental income, sale of scrap and other non operating income.

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018.

12.1 Revenue from Sale of Energy

Company's operations are regulated and governed under the Electricity Act, 2003 and DERC Tariff Regulations. Accordingly, the DERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, return on equity, interest on working capital, operating and maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of energy is accounted for based on tariff rates approved by the DERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal/Statutory Authorities for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the DERC in their orders, provisional rates are adopted considering the applicable DERC Tariff Regulations. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue. Adjustments arising out of finalization of Energy accounts by State Load Dispatch Centre (SLDC) are effected in the year of finalization. The impact of any order of the regulatory, appellate or statutory authority is accounted as and when the orders are issued.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists in accordance with Ind AS 115 'Revenue from Contracts with Customers'.



12.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and applicable interest rate, using the effective interest rate method (EIR).

Income from solar consultancy is recognised over the period of time of service on satisfaction of the performance obligation.

Revenue from rentals are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognized in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably. Insurance claims are recognised as income on certainty of realisation. Sale of scrap and wastage is accounted on disposal. Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/ acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

13. Leases as lessee

Effective 1 April 2019, the Company adopted Ind AS 116- 'Leases' and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17- 'Leases'. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

The Company assesses whether a contract contains a lease, at inception of a contract. 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 assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating , and accounted as follows:

Determination whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other considerations required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

**Accounting for operating leases as a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

Accounting for operating leases as a lessor

Rental income from operating leases is recognized on a straight line basis over the term of the arrangement unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

14. Employee Benefits**14.1 Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are measured on an undiscounted basis and recognized in the Statement of Profit and Loss in the period in which the employee renders the related services. A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

14.2 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company has a defined contribution provident fund for employees employed after unbundling which are administered and managed by Government of India. Both the employee and the Company make monthly contribution equal to a specified percentage of the employee's salary. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

Post-employment benefits for employees employed before unbundling (DVB employees) are administered through a separate trust; DVB Employee Terminal Benefit Fund (Pension Trust), which is a multi employer plan. The liability of the company towards trust is a defined percentage of basic pay of employee for leave encashment and pension contribution as per rates notified by central government. The contributions to the trust for the year are recognized as an expense and charged to the statement of profit and loss.

14.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity and post-retirement medical facility for employees employed post unbundling are in the nature of defined benefit plans. The gratuity is funded by the Company and is managed by separate trust.

Every employee employed after unbundling of the erstwhile DVB who has rendered continuous service of five years or more is entitled for gratuity at 15 days salary (Basic salary plus dearness allowance) for each completed year of service subject to a prescribed maximum limit of ₹ 20 Lakhs. The liability towards gratuity arises on superannuation, resignation, termination, disablement or death. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company hospitals/empanelled hospitals subject to the limits prescribed.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

Past service costs are recognized in statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

**14.4 Other long-term employee benefits**

Benefits under the Company's leave encashment and leave travel concession constitute other long term employee benefits. The Company's net obligation is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

14.5 Termination Benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognizes costs for restructuring. If benefits are not expected to be settled within 12 months of the reporting date, then they are measured on the basis of actuarial valuation like other long-term employee benefits.

14.6 Corporate share

In terms of arrangement with Pragati Power Corporation Limited (PPCL), the company shares employee benefit expenditure of employees of corporate office in the ratio of installed capacity of power plants of respective companies. Accordingly, these employee benefits are treated as defined contribution schemes and recognized in profit or loss.

15. Dividend

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

16. Income Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income (OCI), or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the estimated tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI, in which case it is recognized in OCI.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternative Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only to the extent it is probable that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognized as an asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additionally, MAT Credit asset is disclosed along with balance of deferred tax asset.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

17. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

**18. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Basic and Diluted earnings per equity shares are also computed using the earnings amount excluding the movements in regulatory deferral account balances.

19. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

20. Regulatory deferral account balances

The company is eligible to apply Ind AS 114, Regulatory deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance note on accounting for rate regulated activities) accounting policy for its regulatory deferral account balances. Hence, Company has opted to continue its previous GAAP accounting policy for such balances.

Deferred tax recognized in statement of profit and loss on the amount recoverable from or payable to the beneficiaries in subsequent periods as per DERC tariff regulations are recognized as 'Regulatory deferral Account Balances'.

Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

21. Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. In the opinion of the management, there is only one reportable segment ("Power Generation").

22. Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

23. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

23.1 Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in entities other than associates and joint ventures companies are measured at fair value. The Company decides to classify the equity investments either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

The Company reviews the carrying value of investments at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount, the impairment loss is recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance
- (b) Trade receivables and Contract assets under Ind AS 115.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to



provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

23.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, retention money, deposits etc.

Subsequent measurement

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109 'Financial Instruments'. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liabilities are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

23.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

D. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

1. Formulation of accounting policy

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.



2. Useful life of property, plant and equipment and intangible assets

Useful life of the assets of the generation of electricity business is determined by the DERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of assets, other than the assets of generation of electricity business which are governed by DERC Regulations, and are adjusted prospectively, if appropriate.

3. Recoverable Amount of Property, Plant and Equipment and Intangible Assets

The recoverable amount of Property, Plant and Equipment and Intangible Assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenue

The Company records revenue from sale of energy based on tariff rates approved by the DERC as modified by the orders of Appellate Tribunal and regulatory or statutory authority for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable DERC Tariff Regulations.

6. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

7. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

8. Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

9. Regulatory deferral account balances

Recognition of regulatory deferral account balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.



2. Property, plant and equipment (PPE)

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block			Depreciation			Net Block	
	As at 01 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 01 April 2020	For the year	Deductions/ Adjustments	Upto 31 March 2021
Buildings-Power plants	14.88	-	-	14.88	6.44	1.15	-	7.59
Other buildings	245.08	-	-	245.08	32.28	4.45	-	36.73
Plant and machinery	16,505.76	268.19	13.83	16,760.12	9,663.55	2215.25	2.29	11,876.51
Furniture and fixtures	122.86	-	-	122.86	71.29	7.45	-	78.74
Vehicles (including locomotives)	18.24	-	0.93	17.31	4.74	3.61	-	8.35
Office equipments	220.08	10.95	-	231.03	96.97	19.01	-	115.98
Hospital equipments	5.15	-	-	5.15	4.40	0.00	-	4.40
Computer hardware	118.72	-	-	118.72	71.67	7.36	-	79.03
Communication equipments	28.77	-	-	28.77	8.74	1.58	-	10.32
Safety and security equipments	21.52	-	-	21.52	18.89	-	-	18.89
Railway sidings	-	-	-	-	-	-	-	-
Total	17,301.06	279.14	14.76	17,565.44	9,978.97	2,259.86	2.29	12,236.54

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block			Depreciation			Net Block	
	As at 01 April 2019	Additions	Deductions/ Adjustments	As at 31 March 2020	Upto 01 April 2019	For the year	Deductions/ Adjustments	Upto 31 March 2020
Buildings-Power plants	232.88	-	218.00	14.88	176.35	1.15	171.06	6.44
Other buildings	245.08	-	-	245.08	27.83	4.45	-	32.28
Plant and machinery	21,189.20	1,064.72	5,748.16	16,505.76	10,497.33	1,937.37	2,771.15	9,663.55
Furniture and fixtures	123.30	1.58	2.02	122.86	64.26	8.91	1.88	71.29
Vehicles (including locomotives)	31.58	-	13.34	18.24	2.35	3.61	1.22	4.74
Office equipments	189.76	30.65	0.33	220.08	80.41	16.80	0.24	96.97
Hospital equipments	5.15	-	-	5.15	4.40	-	-	4.40
Computer hardware	98.29	20.43	-	118.72	65.55	6.12	-	71.67
Communication equipments	28.77	-	-	28.77	7.12	1.62	-	8.74
Safety and security equipments	21.52	-	-	21.52	18.89	-	-	18.89
Railway sidings	65.31	-	65.31	-	32.36	-	32.36	-
Total	22,230.84	1,117.38	6,047.16	17,301.06	10,976.85	1,980.03	2,977.91	9,978.97

**2. Property, plant and equipment (PPE)**

Deductions/adjustments from gross block and depreciation and amortisation for the year on account of the classification to “Non-Current Assets held for sale” are as follows:

Particulars	Gross Block	Depreciation	WDV
Buildings-Power plants	218.00	171.06	46.94
Plant and machinery	4,187.34	1,880.38	2,306.96
Vehicles (including locomotives)	12.05	-	12.05
Railway sidings	65.31	32.36	32.95
Total	4,482.70	2,083.80	2,398.90

A Committee was constituted for closure of RPH by GNCTD on 22 February 2016 which has submitted its report to the Government. The Department of Power, GNCTD vide its order dated, 25 July 2019 conveyed the approval of cabinet regarding the closure of the Rajghat Power Station and authorised IPGCL to take other necessary action for disposal of the plant. Further, The Power Department of GNCTD has also been allowed to setup and develop solar park at the site for generation of clean power vide the referred order. The Board of Directors in their meeting held on 21 August 2019 decided and approved the de-commissioning and disposal of the Rajghat power house. The Board directed to take all the necessary actions as required in respect of the disposal in time bound manner.

As on March 31, 2020, active discussions and engagement demonstrate that the Management of the Company is committed to sell the power house property and equipment and there is an active programme for completing the sale. The Company expects to dispose off the assets through auction sale over the course of next 12 months. In accordance with Ind AS 105, “Non-current Assets Held for Sale and Discontinued Operations”, Property, plant & equipment forming part of the power house have been classified as “Non-current assets held for sale”. These assets have been valued at their carrying amount and expected realisable value is more than the carrying amount. Impairment loss/gain recognised in statement of profit and loss on account of such classification is Nil. Refer note 52 for details.

- Refer Note 22 for property, plant and equipment pledged as security by the company.
- Estimated amount of contracts remaining to be executed on capital account and is not provided for is ₹ 16.10 Lakhs Lakhs (31 March 2020 ₹ 151.74 Lakhs).
- Gross Block includes Computer Hardware of ₹ 20.22 Lakhs (31 March 2020 ₹ 20.22 Lakhs) having net block ₹ 5.06 Lakhs (31 March 2020 ₹ 5.06 Lakhs) which is jointly owned by IPGCL along with PPCL and used jointly.
- The Company is entitled to use land (96.16 acres) received on unbundling of Delhi Vidyut Board as licensee of the Government of NCT of Delhi (GNCTD) on right to use basis. As per the transitional exemption of Business Combinations, this land has been accounted at Nil value as treated under previous GAAP.
- Spares parts whose cost is ₹ 5.00 Lakhs and above which meets the recognition criteria of Property, Plant and Equipment are capitalized.
- In relation to the assets related to the Rajghat Power House, Refer Note No-52.

3. Intangible Assets

	Amount
a) Gross Block	
As at 31 March 2021	—
As at 31 March 2020	—
b) Accumulated amortization and impairment, if any	
As at 31 March 2021	—
As at 31 March 2020	—
c) Net block	
As at 31 March 2021	—
As at 31 March 2020	—

The gross carrying amount and net carrying amount of the intangible assets as at the beginning of the year as well as previous year is Nil. The net carrying amount of intangible assets as on 31 March 2015 was nil and the same was deemed as gross carrying amount as on 1 April 2015 applying deemed cost exemption on transition to Ind AS.



4. Non-Current financial assets - Investment in joint venture and associate

Particulars	As at 31 March 2021	As at 31 March 2020
Equity instruments- Unquoted and fully paid up at cost		
Investment in Associate		
Aravali Power Company Private Ltd.	71,650.41	71,650.41
71,65,04,100 (31 March 2020: 71,65,04,100) shares of ₹ 10 each		
Total	71,650.41	71,650.41
Aggregate amount of unquoted investments	71,650.41	71,650.41
Aggregate amount of impairment in value of investments	-	-

- a) Investments have been valued as per accounting policy no. C6 (Note 1).
- b) Aravali Power Company Private Limited (APCPL) is a company limited by shares, incorporated and domiciled in India with principal place of business in India. The Company holds 25% (31 March 2020: 25%) ownership in APCPL. As per the MOU, the Company has invested ₹ 71,650.41 Lakhs (31 March 2020: ₹ 71,650.41 Lakhs) till reporting date in Aravali Power Company Private Limited.

5. Non-current financial assets - Other financial assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	13.40	13.86
Total	13.40	13.86

6. Other Non Current Assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Capital advances	22.26	87.22
Advances other than capital advances		
Prepaid expenses	20.07	32.57
Advance tax and tax deducted at source	0.01	0.00
Deferred payroll expenditure (refer a below)	43.79	71.21
Total	86.13	191.00

- a) The deferred payroll expenditure represents the expenditure incurred on vehicles, laptops/printers and mobile phones procured for employees which will be transferred to employee upon completion of defined period and this expenditure will be amortised proportionately over the period.

7. Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
Coal	430.49	397.74
Oil	117.96	121.26
Loose tools	1.09	1.15
Stores and spares	2,871.59	2,937.07
	3,421.13	3,457.22
Less: Provision for shortages	0.07	9.88
Provision for obsolete/unserviceable inventory	372.83	372.83
Total	3,048.23	3,074.51

- a) Inventory items have been valued as per accounting policy no. C.7 (Note 1).
- b) Refer Note 22 for inventory pledged as security by the company.
- c) Company is holding inventory of rejected coal generated during operations which is not being recorded in the accounts as the value of such coal is not material. However, due to its non-disposal during last number of years, sizeable quantity of such coal thereof has accumulated in the yard, which is yet to be ascertained. Steps for its disposal though initiated are yet to be materialized.
- d) During the year, the Company has recognised provision for shortage in inventory of ₹ 0.07 (31 March 2020: Nil Lakhs) and provision for obsolescence in Stores of ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs). Further, coal has been written up by ₹ 32.75 Lakhs considering the GCV provided by the third party.(31 March 2020: ₹(-)18.00 Lakhs) in line with inventory measurement policy.



- e) The Company has written back provision for shortage in inventory of ₹ 9.88 Lakhs (31 March 2020: ₹ 4.80 Lakhs) on identification of inventory during the physical verification process.
- f) Inventory has been physically verified by the external agency and provision has been created or written back according to the report. However, these inventories will be written off from the books of accounts after following the procedures laid down by the management.
- g) Amount of inventories recognized as expense during the year is as under: ₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fuel (Refer Note 29)	14,651.39	23,908.51
Others (included in note 32 - Other expenses)	297.93	605.28
Total	14,949.32	24,513.79

- h) Coal included in the inventories is related to the Rajghat Power House. Refer note no- 52 for details.

8. Trade receivables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good-Unsecured	147,925.46	166,725.34
Total	147,925.46	166,725.34

- a) As per power purchase agreement, DISCOMS, as a payment security mechanism, are to provide to the Company unconditional, revolving and irrevocable letter of credit (LC) equivalent to 105% of monthly average bill of last 12 months, to enter into an agreement to hypothecate the receivables equivalent to LC amount in favour of the company creating first floating charge on the receivable ranking pari-passu and also to enter into Default Escrow Agreement. However, BSES Yamuna Private Limited, BSES Rajdhani Private Limited and Tata Power Delhi Distribution Limited have neither renewed letter of credit after 31 March 2011 and 31 March 2011 and 31st March 2021 respectively nor entered into the required agreements.
- b) Refer note 46 for related party disclosure.
- c) The trade receivables have been considered as current as the same are recoverable within operating cycle and in anticipation that Hon'ble Supreme Court will pronounce its reserved judgement any time and thereafter trade receivables will also be liquidated.
- d) Credit Risk at note no. 34 (ii) and (iii).

9. Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts**	53.17	171.73
Deposits with banks	15,480.00	7,685.01
Cheques on hand	-	-
Cash on hand*	-	-
Stamps on hand	0.52	0.45
Total	15,533.69	7,857.19

*Cash in hand as on the 31st March 2021 is ₹ 498.

** Subsidy disbursable amounting to ₹ 60.09 lakhs has been received from MNRE on 31 March 2020 and kept in separate account as fixed deposits subsequently.

10. Bank balances other than cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with banks out of amount received from Ministry of New and Renewable Energy (MNRE) and earmarked for disbursement of subsidy to solar plants developers	233.96	34.55
Bank deposits with original maturity of more than three months but upto twelve months (refer note (a) below)	3,200.00	-
Total	3,433.96	34.55



11. Other financial assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Corporate share recoverable (refer d below)	828.75	653.38
Interest accrued on Bank Deposits(refer debelow)	26.40	28.20
Unbilled revenue (refer b below)	1,893.08	47.54
Recoverable from related parties (refer d below)	865.36	467.75
Others (refer c below)	276.52	257.17
Credit Impaired		
Recoverable for IP Station (refer note 49)	917.32	917.32
Less: Loss allowance for credit impaired recoverable	917.32	917.32
Recoverable for Yamuna Barrage (refer a below)	175.83	175.83
Less: Loss allowance for credit impaired recoverable	173.69	170.11
	2.14	5.72
Total	3,892.25	1,459.76

- a) The company has incurred an expenditure of ₹ Nil Lakhs (31 March 2020: ₹ 2.78 Lakhs) on repairs and maintenance of Yamuna Barrage being managed by Haryana irrigation department in terms of the order of Delhi Thermal Power Control Board. A portion of this expenditure is recoverable from Transport Department, of GNCTD and Central Public Works Department. Due to uncertainty of collection, provision has been created for claims older than 3 years. As IP Station of the company for which the water was drawn from the barrage has since been shut down from december 2009, the company proposed to GNCTD to stop this arrangement being a inter-state matter between NCT of Delhi and Haryana.
- b) Northern Coalfields Limited (NCL) made a claim of ₹ 4,091.64 Lakhs during the financial year 2014-15 towards transit fee on coal transportation in the State of Uttar Pradesh for the period 1999 to 2012 against which Company paid ₹ 2,489.00 Lakhs upto 2017-18, and released balance amount of ₹1,602.64 Lakhs during the FY 2018-19. The said amount is recoverable from Discoms and other beneficiaries but could not be billed pending DERC orders till 31st March 2019 and the same is billed during FY 2019-20 dated 4-11-19.
- c) Others include ₹ 225.66 Lakhs (31 March 2019: ₹ 225.66 Lakhs) recoverable from Mukti Credits Private Limited on account of interest on late payment for dues on sale of IP Station. The arbitrator has awarded vide its order dated 27 December 2018 partly in favour of the Company. The recoverable amount as per award is more than ₹ 225.66 Lakhs However, the company and M/S Mukti Credit Pvt. Ltd. has approached before Honourable Delhi High Court in regards to their respective issues.
- d) Detail of Related Party given in note 46 for related party disclosures.
- e) Interest accrued on bank depositd includes interest accrued on earmarked funds ₹ 0.02 Lakhs

12. Other current assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Annual take or pay recoverable (refer a below)	-	6,069.02
Advances to employees	-	0.20
Advances to contractors and suppliers	42.60	43.78
Prepaid expenses	261.73	189.79
Deferred payroll expenditure (refer note 6)	32.89	33.66
Total	337.22	6,336.45

- a) Long term RLNG Gas Supply Agreement (GSA) with GAIL India stipulates annual minimum guaranteed offtake of RLNG. As per the said agreement, during the FY 2014-15, though the amount due stated by GAIL is ₹ 43,476.50 Lakhs but the supplier has called upon to pay ₹ 9,103.55 Lakhs and for balance it has reserved its right to claim at a later date. The amount of ₹ 9,103.55 Lakhs is adjustable from the make-up quantity of gas to be purchased by the Company during the period of GSA agreement as stipulated in make-up clause of GSA and also providing the flexibility for diverting RLNG quantities from Daily Contracted Quantity (DCQ) to PPCL, having common Directors on the Board of both IPGCL and PPCL, as per tripartite agreement dated 1 February 2018 and 28 January 2020. The said amount of ₹ 9,103.55 Lakhs was accounted as recoverable. However, during the year the company has recovered ₹ 6069.02 Lakhs (31 March



2020 ₹ 3034.50 Lakhs) as make-up gas on account of adjustments for calendar year 2020. The amount of Rs. 3034.50 Lakhs billed to Discoms, on adjustment of the makeup Gas this has been passed on to Discoms during the relevant year. Since an amount of ₹ 3,034.50 Lakhs out of ₹ 9,103.55 Lakhs has been paid to GAIL, the balance liability of ₹ 6,069.05 Lakhs has been shown under Note 23 (trade payable) as on 31.03.2020

13. Current tax assets (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Deducted at source(TDS)	3252.83	0
Advance tax and tax deducted at source	4,081.68	16,167.23
Less: Provision for tax	5,858.95	2,273.88
Less: Provision for doubtful recovery of FBT	26.89	26.89
Total	1,448.67	13,866.46

As per the decision taken by Board of Directors (BoD) of the company in their 110th meeting held on 21.12.2022, the company has decided to take the TDS credit against the income recognized on account of LPSC to the extent of 10% of the said income(i.e. proportionate to the income from LPSC realised by the company during the current financial year) as per the opinions taken by the company from the senior tax consultant & senior advocate. As a result of this decision, 90% of the TDS credit against the income recognized on account of LPSC is being deferred for claiming against the tax liability of the financial year in which said income will be realized by the company from DISCOMS. Therefore the amount of Rs.3,252.83 lakhs represents the TDS Credit to be claimed by the company in the financial year in which the income from LPSC shall be realized by the company. The TDS Credit to the extent of 10% of the income against LPSC amounting to Rs. 361.42 lakhs that is included in the amount of Rs.4081.68 above that has been adjusted with the provision for tax for the current year.

14. Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets for Deferred Tax Liability	-	-
Total	-	-

Regulatory deferral account balances have been accounted in line with accounting policy no.C20 Note 1. Refer note 53 for detailed disclosure.

15. Non-current assets held for sale

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Assets held for sale (Refer note 2 and 52)	2412.65	2412.65
	2412.65	2412.65

16. Equity share capital

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital		
Authorised		
1,50,00,00,000 (31 March 2020: 1,50,00,00,000) equity shares of par value ₹10/- each	150,000.00	150,000.00
Issued, subscribed and fully paid up		
73,65,40,000 (31 March 2020: 73,65,40,000) equity shares) of par value ₹10/- each	73,654.00	73,654.00

a) Movements in equity share capital:

During the year, the Company has neither issued nor bought back any share.

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The equity shareholders are entitled to receive dividends and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



- c) Shareholders holding more than 5% shares in the Company as at 31 March 2021 and 31 March 2020:

Name of shareholders	No. of shares	% of Shareholding
Lt. Governor of Delhi	59,65,40,000	80.99%
Delhi Power Company Limited* (refer d below)	14,00,00,000	19.01%

*includes 8 Equity Shares held in the name of eight nominees on behalf of Lt. Governor of Delhi/DPCL

- d) 13,99,50,000 equity shares of ₹13,995.00 Lakhs were issued on 1 July 2002 pursuant to the Delhi Electricity Reforms (Transfer Scheme) Rules 2001, in favour of Delhi Power Company Limited (DPCL), without payment being received in cash, in consideration of the vesting of assets and liabilities in terms of the scheme.

17. Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	5,000.00	5,000.00
Retained earnings	67,438.48	54,916.08
Total	72,438.48	59,916.08

Movement in retained earnings

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
At the commencement of the year	54,916.08	35,845.54
Profit/(loss) for the year	12,648.90	19,092.83
Other comprehensive income/(expense)	(126.50)	(22.29)
At the end of the year	67,438.48	54,916.08

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under The Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

18. Borrowings

₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current Maturity	Non-current	Current Maturity
Secured term loan from bank				
Vehicle Loan from Indian Bank (Formerly Allahabad Bank)	-	-	-	-
Secured term loan from related parties				
Delhi Power Company Limited (DPCL)	-	-	-	-
Unsecured term loan from related parties				
Government of NCT of Delhi (GNCTD) 5 Years	-	5,262.07	2,472.00	8,922.61
Government of NCT of Delhi (GNCTD) 15 Years	-	25,718.85	-	25,166.38
	-	30,980.92	2,472.00	34,088.99
Less: Interest accrued but not due on borrowings	-	-	-	8.29
Less: Interest accrued and due on Borrowings	-	30,980.92	-	29,808.70
Total	-	(0.00)	2,472.00	4,272.00

- a) **Secured vehicle loan from Indian Bank (Formerly Allahabad Bank)** carries an interest rate on 31 March 2020: 9.60% p.a. at Base Rate and secured by hypothecation of specific vehicles given to the Executives of the Company repayable in 60 equated monthly instalments. However, vehicle loan has been fully liquidated during F.Y. 2019-20.



- b) **Secured term loan from DPCL** carries interest @ 12% p.a. with a penal interest @ 1.50% p.a. on any delay and was transferred on unbundling of erstwhile DVB on 01 July 2002. This Loan is secured by first charge ranking pari-passu by way of simple mortgage on the generation plant, systems and assets, movable and immovable both present and future and is repayable in 18 half yearly equal instalments of ₹1,166.67 Lakhs each. The principal amount has been fully repaid during the F.Y. 2017-18, interest amount of ₹ 3,023.32 Lakhs was paid & penal interest of ₹ 621.09 lakhs was waived -off by DPCL during the year 2019-20. On squaring off of loan alongwith interest and on receipt of NOC from DPCL, charge has been duly satisfied.
- c) **Unsecured loan from Govt. of NCT of Delhi (5 years)** carries interest @ 9.50% p.a. and 9.00 % p.a. with a penal interest @ 2.75% p.a on any delay and is repayable in five yearly instalments and was fully paid during FY 2020-21.
- d) **Unsecured loan from Govt. of NCT of Delhi (15 years)** carries interest @ 11.50% and @ 13.00% p.a. with a penal interest @ 2.75% p.a on any delay and is repayable in fifteen yearly instalments and fully paid in the financial year 2019-20.
- e) There is no default in repayment of instalment due against principal loan. However, default against interest including penal interest along with period since default is continuing.

Particulars	Rate of Interest	Default Since	Principal	Interest	Total
GNCTD-O/H - GT	13.00%	2005-06	-	1,360.98	1,360.98
GNCTD-O/H - GT	13.00%	2005-06	-	1,589.72	1,589.72
GNCTD-WHRU-I&II-REFURB.	13.00%	2005-06	-	329.26	329.26
GNCTD-R&M IP	13.00%	2005-06	-	344.17	344.17
GNCTD-R&M-RPH	13.00%	2005-06	-	860.44	860.44
GNCTD-O/H-GT	11.50%	2005-06	-	770.12	770.12
GNCTD-WHRU - I & ii REFURB.	11.50%	2005-06	-	308.15	308.15
GNCTD-I.P. - ESP	11.50%	2005-06	-	924.46	924.46
GNCTD-R&M - RPH	11.50%	2005-06	-	893.64	893.64
GNCTD-Consultancy	11.50%	2005-06	-	30.67	30.67
GNCTD-I.P. -ESP	11.50%	2005-06	-	898.24	898.24
GNCTD-I.P. -ESP	11.50%	2005-06	-	2,058.30	2,058.30
GNCTD-GT-GAC	11.50%	2005-06	-	1,787.32	1,787.32
GNCTD-R&M -RPH	11.50%	2006-07	-	999.20	999.20
GNCTD-GT Overhauling	11.50%	2006-07	-	592.64	592.64
GNCTD-WHRU-I &II -REFURB.	11.50%	2006-07	-	1,581.60	1,581.60
GNCTD-R&M I.P. Stn.	11.50%	2006-07	-	844.57	844.57
GNCTD-R&M RPH	11.50%	2006-07	-	953.43	953.43
GNCTD-GT Overhauling	11.50%	2007-08	-	997.03	997.03
GNCTD-GT Overhauling	11.50%	2007-08	-	971.04	971.04
GNCTD-WHRU-I&II-REFURB.	11.50%	2007-08	-	213.77	213.77
GNCTD-R&M I.P. Stn.	11.50%	2007-08	-	791.81	791.81
GNCTD-R&M RPH	11.50%	2007-08	-	1,042.56	1,042.56
GNCTD-CCGT (GTP)	11.50%	2008-09	-	1,340.00	1,340.00
GNCTD-CCGT (GTP)	11.50%	2008-09	-	3,235.73	3,235.73
Govt. of NCT of Delhi (GNCTD) 5 Years	9.50%	2012-13	-	3,352.19	3,352.19
Govt. of NCT of Delhi (GNCTD) 5 Years	9.50%	2016-17	-	871.96	871.96
Govt. of NCT of Delhi (GNCTD) 5 Years	9.00%	2018-19	-	1,037.92	1,037.92
Total			-	30,980.92	30,980.92



19. Provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current provisions		
Provision for employee benefits		
Gratuity	157.76	234.15
Leave encashment	2,573.13	2,321.66
Post retirement medical facility	1,734.55	1,185.43
Leave travel concession	100.11	107.47
Terminal benefits	123.05	122.45
Total	4,688.60	3,971.16
Current provisions		
Provisions for employee benefits		
Gratuity	78.78	48.57
Leave encashment	146.17	96.03
Post retirement medical facility	7.46	3.37
Leave travel concession	12.31	12.99
Terminal benefits	18.97	16.75
Provision for scrap assets pending approval	15.68	17.51
Provision of pay revision	-	1,411.39
Provision for shortage in property plant and equipment	43.53	33.01
Total	322.90	1,639.62
Total Provisions	5,011.50	5,610.78

- a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 37.
- b) Refer Note 48 for disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
- c) Property, plant and equipment has been physically verified by the external agency and provision has been created or written back according to the report. However, these assets will be written off from the books of accounts after following the procedures laid down by the management.

20. Deferred tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability		
Difference in book base and tax base of PPE	1,102.54	2,538.49
Less: Deferred tax assets		
Business losses	-	-
Provision for employee retirement benefits	571.49	1,636.46
Other provisions	152.47	210.83
Deferred income on solar consultancy	13.87	18.40
Total	364.71	672.80

- a) Refer Note 36 for disclosure as per Ind AS 12 'Income Taxes'.
- b) As per the Delhi Electricity Regulatory Commission Generation Tariff Regulation, 2011, the Deferred Tax liability upto 31 March 2012 is recoverable from the discoms at the time when it materializes. However, in terms of DERC Regulation, 2011, the Income Tax has been made part of fixed cost and thus is not recoverable separately w.e.f. 1 April 2012. Accordingly, the same is charged to Statement of profit and loss.

**21. Other non-current liabilities**

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income from solar consultancy (Refer note (a) below)	35.51	34.90
Total	35.51	34.90

- (a) IPGCL is getting 5% service charges from the vendors who have been empanelled for installation of Solar PV projects in Delhi. In lieu of which IPGCL have to monitor these Solar PV projects for a period of five years. Accordingly the Income of Solar Consultancy has been recognised over a period of 5 Years in the ratio of 92% of amount received in first year and balance 8% is kept as deferred revenue out of which 2% of the amount received is accounted as Income for next four Years.

22. Borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loan from banks		
Loans repayable on demand	2.59	276.48
Unsecured loan from related parties		
Govt. of NCT of Delhi (GNCTD)	54,821.82	77,621.00
Delhi Power Company Limited (DPCL)	-	-
Less: Interest accrued and due on Borrowings	54,821.82	51,621.00
Total	2.59	26,276.48

- a) The company has a cash credit limit from Indian Bank (formerly Allahabad Bank) of ₹ 9,000.00 Lakhs (31 March 2020: ₹ 9,000.00 Lakhs) secured by pari-passu charge by hypothecation of all current assets both present and future and second charge on pari-passu basis, on the property plant and equipment of the Company. It carries an interest rate of 9.65% (31 March 2020: 9.65%). Delhi Power Company Limited (DPCL), having first charge on PPE has satisfied the charge on 4th September 2020.
- b) Unsecured Loans from Govt. of NCT of Delhi (GNCTD) each amounting to ₹ 20,000 Lakhs, ₹ 20,000 Lakhs and ₹ 10,000 Lakhs were repayable on or before 31 December 2012, 31 March 2013 and 6 March 2014 respectively. Loan of ₹ 20,000 Lakhs repayable on or before 31 December 2012 has been repaid in full (₹ 2,500 Lakhs in FY 2018-19 and ₹ 17,500 Lakhs in FY 2019-20). Loan of ₹ 20,000 lakhs repayable on or before 31 March, 2013 has been repaid in full (₹ 4,000 Lakhs in FY 2019-20 and ₹ 16,000 Lakhs in FY 2020-21) Further, Loan of ₹ 10,000 Lakhs repayable on or before 31 March 2013 has been repaid full in FY 2020-21. All these loans carry fixed interest rate of 10% p.a. with a penal interest @ 2.75% p.a. on any delay. There is no default in repayment of Instalments due against principal loan. However, default against interest including penal interest on these loans along with the period since default is continuing are as follows:

₹ Lakhs

Particulars of loan	Rate of interest	Default since	Principal amount	Interest including penal interest
GNCTD-Rs.200 Cr	10%	2011-12	-	22,252.80
GNCTD-Rs.200 Cr	10%	2012-13	-	21,982.94
GNCTD-Rs.100 Cr	10%	2013-14	-	10,586.08
Total			-	54,821.82

23. Trade payables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
- Total outstanding dues of Micro Enterprises and Small Enterprises	164.00	144.14
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	12,727.05	19,016.58
Total	12,891.05	19,160.72

- a) Consequent to transfer of generation business of DVB under the terms of Delhi Electricity Reform (Transfer Scheme) Rule, 2001 on 1 July 2002 to the Company, net liability of ₹ 1,291.96 Lakhs (31 March 2020: ₹ 1291.96 Lakhs) is pending reconciliation/ identification due to non-availability of supporting documents, since the transfer of the business. The Company settles the claims after verifying the documents as and when filed or any claim lodged by any claimant. During the year, Company settled NIL claims (31 March 2020: ₹ 113.80 Lakhs).
- b) Refer Note No. 46 for related party disclosures.



- c) Refer Note 12(a) for liability towards GAIL.
- d) Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a. Amount remaining unpaid to any supplier:		
Principal amount	162.31	143.59
Interest due thereon	1.69	0.55
b. Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	0.55	2.76
c. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.		-
d. Amount of interest accrued and remaining unpaid	1.69	0.55
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	1.69	0.55

24. Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer Note 18)	-	4,272.00
Deposits/ retention money	119.49	132.06
Interest accrued but not due on borrowings	-	8.29
Interest accrued and due on borrowings	85,802.73	81,429.70
Payable to GNCTD (refer a below)	3,676.24	3,676.24
Less: Recoverable from pension trust	27.78	27.93
	3,648.46	3,648.31
Other payables		
Payable to employees	272.99	269.28
Payable to pension trust	67.82	22.44
Subsidy received from MNRE for disbursement (refer b below)	250.51	119.84
Others (refer c below)	2.27	12.71
Total	90,164.27	89,914.63

- a) The Company floated a Special Voluntary Retirement Scheme (SVRS) in the past which was funded by Government of NCT of Delhi through grants to meet the expenses of pension, exgratia, leave encashment, gratuity, LTC and commutation. Since the amount of Leave encashment, gratuity and commutation paid under SVRS schemes, are reimbursable from Pension Trust on attaining the normal superannuation of SVRS optees, the amount on this account is refundable to GNCTD. Pension Trust has accepted liability for an amount of ₹ 3525.22 Lakhs upto the 31 March 2021 (31 March 2020: ₹ 3525.22 Lakhs) in respect of employees who have attained superannuation till 31 March 2021 and the same has been set-off against the liabilities of the company towards Pension Trust but the said amount has not been repaid back to Govt. of NCT of Delhi due to paucity of funds.
- b) Company receives subsidy as nodal agency appointed by GNCTD for disbursement to solar power developers. The Company is required to release the subsidy only out of the amount received from MNRE.
- c) Other payables - others include stale cheque, payable to VRS optees, etc.
- d) Refer Note No. 46 for related party disclosures.



25. Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Tax deducted at source and other statutory dues	203.53	213.95
Payable to pension trust	269.16	2,917.58
Advance from scrap dealers	11.55	33.89
Deferred income from solar consultancy (refer note 21)	19.58	17.76
Total	503.82	3,183.18

26. Deferred revenue

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred government grant (refer a below)	45.04	48.70
Total	45.04	48.70

- a) Deferred government grant represents grant received from MNRE and GNCTD for setting up solar power plant of 99.80 KW on GTPS plant. There are no unfulfilled conditions or other contingencies attached to above grant.

27. Revenue from operations

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of energy (refer a below)	23,951.38	46,396.83
Other operating revenue:		
Surcharge on sale of energy (refer c below)	3,614.12	4,205.82
Interest from beneficiaries (refer d below)	-	6,450.58
Total	27,565.50	57,053.23

- a) Sale of energy is net of ₹ (-) 800.34 Lakhs and ₹ (-) 1714.14 Lakhs (31 March 2020 ₹ 1283.87 Lakhs) pertaining to previous years due to Truing up of 2018-19 and revision of Truing up of 2017-18 respectively, recognized based on the orders issued by the DERC/Appellate Tribunal for Electricity (APTEL). For revenue with regards to RPH refer note 52.

Refer note 12(a) for the amount passed on to the discoms on account of MGO credit received from GAIL.

During the year 2021-22, the Company received truing up orders for 2019-20 of ₹ (-) 3163.56 Lakhs including carrying cost of ₹ 326.56 Lakhs. Moreover DERC has given effect to order of APTEL and allowed recovery of ₹ 10,920.00 Lakhs in respect of FY 2012-13 and 2013-14 (Year 2020: (-) 2517.7) which will be accounted in 2021-22 as per accounting policy consistently followed.

- b) The surcharge on late payment of energy bills recoverable from discoms has been accounted only to the extent of tax deducted at source (TDS) deposited by Discoms with the tax authorities, in view of continuous default in payment of dues by the Discoms and its uncertainty of collection as per past practice. This has resulted in non recognition of revenue of ₹ 43,573.80 Lakhs (31 March 2020 ₹ 37,852.35 Lakhs) with corresponding impact on receivables.
- c) "DERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest.

Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 32.

d) Nature of goods and services

The revenue of the company comes from sale of energy. The company sells electricity to bulk customers, mainly electricity utilities owned by State Government as well as private Discoms operating in states. Sale of electricity is generally made pursuant to long term Power purchase agreements (PPAs) entered into with the beneficiaries, or power allocation made by DERC.

Nature, timing of satisfaction of performance obligations and significant payment terms

The Company recognises revenue from Contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the company. Since, the Company is in business of generation and supplying of power where customers are billed on units (KwH) consumed, an output measure based on unit delivered compared to total units to be delivered will be an appropriate measure of progress. The tariff for computing revenue from energy sale is determined in terms of DERC regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the company. The amounts are billed on a monthly basis and invoices are payable within contractually agreed credit period.

e) **Disaggregation of revenue**

Below is the disaggregation of the Company's revenue from contracts with customers:

For the year ended March 31, 2021

₹ Lakhs

Type of goods or service	Sale of energy	Total
Timing of satisfaction of performance obligation:		
Over time	23,951.38	23,951.38
At a point in time	-	-
Total	23,951.38	23,951.38
Method for measuring performance obligation:		
Input method	-	-
Output method	23,951.38	23,951.38
Total	23,951.38	23,951.38

For the year ended March 31, 2020

₹ Lakhs

Type of goods or service	Sale of energy	Total
Timing of satisfaction of performance obligation:		
Over time	46,396.83	46,396.83
At a point in time	-	-
Total	46,396.83	46,396.83
Method for measuring performance obligation:		
Input method	-	-
Output method	46,396.83	46,396.83
Total	46,396.83	46,396.83

f) The Company has applied cumulative effect method for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is nil on retained earnings as at 1 April 2018.

i) **Contract balances**

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables (Note 8)	147,925.46	166,725.34
Contract Assets (Note 11)	1,893.08	47.54
Contract liabilities	-	-

ia) Contract assets represent unbilled revenue. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Particulars	As at 31 March 2021	As at 31 March 2020
Contract Asset at the beginning of the year	47.54	6,397.66
Transfer from Contract Asset to Trade Receivable	47.54	6,397.66
Contract Asset at the end of the year	1,893.08	47.54

ib) Contract liabilities represents the amount received as advance from customers

Particulars	As at 31 March 2021	As at 31 March 2020
Contract Liabilities at the beginning of the year	-	-
Transfer from Contract Liabilities to Revenue	-	-
Contract Liabilities at the end of the year	-	-



- ic) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

Particulars	As at 31 March 2021	As at 31 March 2020
Amount received as advance from customers	-	-
Amount recognised as a revenue during the year	-	-
Amount due to customers	-	-

- id) Reconciliation of Revenue recognised with contract price:

Particulars	As at 31 March 2021	As at 31 March 2020
Contact Price	23,959.09	46,400.87
Adjustments for variable consideration components	7.71	4.04
Revenue from operations	23,951.38	46,396.83

- g) Applying the practical expedients as given in Ind AS 115;

- The company does not expect to have any contracts where the period between the transfer of the promised goods and services to the customer and payment by the customer exceed one year. As a consequences, the company does not adjust any of the transaction prices for the time value of money.

- The company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

- h) The company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised cost.

28. Other income

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from financial assets measured at amortised cost		
Banks	367.82	204.85
Others	-	2,344.62
Interest on income tax refund	1233.78	755.37
Dividend from non-current investment in associate	17,500.00	7,341.32
Other non-operating income		
Rent income	14.62	10.23
Sale of scrap	134.98	128.66
Income from solar consultancy (Refer Note no.21)	249.93	370.88
Grant Income	3.66	3.66
Provision written back (Refer note 49)	-	1,759.68
Sale of Tender forms	1.62	23.32
Profit on sale of property plant and equipment	1.66	0.15
Interest due on secured loans waived off	-	621.09
Miscellaneous income	28.65	37.14
Total	19,536.72	13,600.97

29. Cost of fuel consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Primary Fuel-Gas	14,648.10	23,902.84
Secondary Fuel- Oil	3.29	5.67
Total	14,651.39	23,908.51

**30. Employee benefits expense**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	5,175.14	7,734.06
Contribution to provident and other funds	(48.39)	2,062.75
Staff welfare expenses	268.72	261.61
Total	5,395.47	10,058.42

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits is disclosed in note 37.

31. Finance costs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest cost on financial liabilities measured at amortised cost		
Cash credit/ working capital loans from banks	10.26	168.10
Govt. of NCT of Delhi	4,364.75	7,414.43
Delhi Power Company Limited	-	25.02
Others	2.90	1.71
Interest cost on others		
Interest under Income Tax Act	505.73	0.53
Total	4,883.64	7,609.79



32. Other Expenses

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	1.75	1.54
Insurance	186.03	359.08
Rates and taxes	314.95	40.53
Repair and maintenance		
- Buildings	100.51	96.22
- Plant and machinery	1,058.11	2,099.65
- Others	39.28	42.17
Electricity and water	10.31	34.29
Communication	7.74	9.40
Advertisement	5.26	21.76
Vehicle running	28.04	7.50
Security expense	2,139.51	1,994.01
Printing and stationery	2.03	6.01
Legal and professional fees	53.38	86.56
Fees and subscription	15.67	29.15
Travelling and conveyance	0.02	2.70
Bank charges	3.27	5.98
Payment to statutory auditors (refer a below)	12.59	12.56
Director's sitting fees	6.98	5.49
Interest paid to beneficiaries (refer note 27 (c))	431.03	151.46
Loss on revaluation of inventory	(32.75)	18.00
Corporate Social Responsibility	51.41	-
Miscellaneous expenses (refer b below)	8.07	7.20
	4,443.19	5,031.26
Loss allowance for:		
Shortage in stores	(6.43)	(4.37)
Doubtful advances	3.57	5.56
Scrap assets pending approval	(1.83)	13.31
Shortage of property, plant and equipment	10.52	0.20
	5.83	14.70
Total	4,449.02	5,045.96
a) Details in respect of payment to auditors:		
Statutory audit fee	10.44	10.43
Reimbursement of expenses	0.27	0.26
Reimbursement of GST/service tax	1.88	1.87
Total	12.59	12.56

- b) Miscellaneous expenses include expenditure on books and periodicals, workshops, operating expenses of DG sets, brokerage and commission, bank charges, furnishing expenses etc.



33. Fair value measurements

a) Financial instruments by category

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
	Amortised Cost	Amortised Cost
Financial assets		
Non-current financial assets	13.40	13.86
Trade receivables	147,925.46	166,725.34
Cash and cash equivalent	15,533.69	7,857.19
Other bank balances	3,433.96	34.55
Other current financial assets	3,892.25	1,459.76
Total financial assets	170,798.76	176,090.70
Financial liabilities		
Non-current borrowings	(0.00)	2,472.00
Borrowings	2.59	26,276.48
Trade payables	12,891.05	19,160.72
Other financial liabilities	90,164.27	89,914.63
Total financial liabilities	103,057.91	137,823.83

b) Fair value hierarchy

This section represents the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the inputs used in determining the fair value, the Company classifies its financial instruments into the three levels prescribed under the accounting standard. An explanation to each level follows underneath the table:

₹ Lakhs

Financial liabilities measured at amortised cost for which fair values are disclosed	As at 31 March 2021	As at 31 March 2020
Borrowings- Term loans (Level 3)		
-from GNCTD 5 Years	5,262.07	11,394.61
-from GNCTD 15 Years	25,718.85	25,166.38
Total	30,980.92	36,560.99

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

There was no transfer between level 1, level 2 and level 3 during the year.

c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments are:

- Quoted market price for liquid mutual funds;
- Discounted cash flow analysis for remaining financial instruments.

The company has a control framework with respect to the measurement of fair values. The company regularly reviews significant unobservable inputs and valuation adjustments.



d) Fair value of financial liabilities measured at amortised cost

₹ Lakhs

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Term loan from GNCTD 5 Years	5,262.07	5,262.07	11,394.61	11,406.25
Term loan from GNCTD 15 Years	25,718.85	25,718.85	25,166.38	25,166.38
Total	30,980.92	30,980.92	36,560.99	36,572.63

The carrying amounts of short term, trade receivables, cash and cash equivalents, claim recoverables, borrowings, trade payables, interest accrued but not due on borrowings, interest accrued and due on borrowings, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair value of the financial instruments has been determined using discounted cash flow analysis. The company has a control framework with respect to the measurement of fair values. The company regularly reviews significant unobservable inputs and valuation adjustments.

34. Financial Risk Management

The Company's principal financial liabilities comprise term loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that are derived directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Master risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As a part of framework, a 'Risk Management Committee (RMC)' with functional directors as its members has been entrusted with the responsibility to identify and review the risks, formulate action plans and strategies to mitigate risks on short term as well as long term basis. The RMC meets at regular intervals to deliberate on strategies. Risks are regularly monitored through reporting of key performance indicators.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks and financial institutions.

Trade receivables and unbilled revenue

The Company sells electricity to state distribution agencies which are either companies in which the Government of NCT of Delhi (GNCTD) (shareholder of the company) has significant influence or are government agencies. The risk of default in case of power supplied to:

- a) Central Government agencies is considered to be insignificant.
- b) Companies in which GNCTD has significant influence: In order to secure collection from such customers, GNCTD is diverting some portion of subsidy to be remitted to these customers to the company. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Hence risk of default in these cases also is considered to be insignificant.

As per the power purchase agreement executed between company and customers and applicable DERC regulations, the company charges late payment surcharge in cases where payment is not made within defined credit period. Hence there is no loss on account of time value of money in case of power supplied to any of the customers. The Company takes into account available external and internal credit risk factors such as credit defaults, and the Company's historical experience for customers.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and deposits with banks

The company has banking operations mainly with scheduled banks owned by the Government of India. The risk of default with government controlled entities is considered to be insignificant.

**Corporate share recoverable**

The company shares its general administration and employees cost of corporate office expenses with PPCL which is a company under same shareholder (GNCTD) and under the control of common directors. The risk of default for PPCL is considered to be insignificant.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	₹ Lakhs	
	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using:		
-Lifetime expected credit losses		
Trade receivables	147,925.46	166,725.34
Unbilled revenue	1,893.08	47.54
-12 months expected credit losses		
Cash and cash equivalent	15,533.69	7,857.19
Other bank balances	3,433.96	34.55
Corporate share recoverable	828.75	653.38
Other current financial assets**	1,170.42	758.84
Security deposits	13.40	13.86
Total	170,798.76	176,090.70

** Excluding unbilled revenue.

(ii) Provision for expected credit losses**Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has customers (Government utilities, utilities owned by Government and Utilities in which GNCTD has 49% stake) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised in respect of trade receivables.

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, loss allowance for impairment has been recognised as disclosed later in this Note under 'Reconciliation of impairment loss provisions'.

(iii) Ageing analysis of Trade Receivables and Unbilled Revenue

Ageing	₹ Lakhs	
	As at 31 March 2021	As at 31 March 2020
Not due	3,721.86	7,864.04
0-30 days past due	1,720.17	10,459.76
31-90 days past due	(204.75)	8,100.46
91-180 days past due	6,168.01	7,738.35
More than 180 days	138,423.17	132,610.27
Tax collected at source	(9.92)	
Total	149,818.54	166,772.88

(iv) Reconciliation of impairment loss provisions

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening provision	1,087.43	2,841.55
Remeasurement of Expected credit loss allowance	3.57	(1,754.12)
Total	1,091.00	1,087.43



Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company.

Interest rate risk

The Company is exposed to interest rate risk arising from non-current borrowings with floating interest rate because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer Note 18 and 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year. The following table demonstrates the sensitivity to a reasonable possible change in interest rate on the portion of loans and borrowings affected.

Particulars	Profit and Loss (before tax)	
	Increase	Decrease
Loans repayable on demands		
For the year ended 31 March 2021	1.06	(1.06)
For the year ended 31 March 2020	17.42	(17.42)

Price Risk

The Company's exposure to securities price risk arises from investments held in mutual funds, if any, and classified in the balance sheet at fair value through profit or loss. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breach of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Risk Management Committee and appropriate decisions are taken according to the situation.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	₹ Lakhs	
	As at 31 March 2021	As at 31 March 2020
Floating-rate loans repayable on demand (expiring within one year)	8997.41	8,723.52

(ii) Contractual maturities of financial liabilities

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

₹ Lakhs

As at 31 March 2021	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Term loans from related parties	30,980.92	-	-	-	-	30,980.92
Short Term Borrowings from related parties	54,821.82	-	-	-	-	54,821.82
Short Term Borrowings from banks	2.59	-	-	-	-	2.59
Trade Payables	12,891.05	-	-	-	-	12,891.05
Deposits/ Retention Money	119.49	-	-	-	-	119.49
Payable to GNCTD	3,648.46	-	-	-	-	3,648.46
Payable to employees	272.99	-	-	-	-	272.99
Subsidy received for disbursal	250.51	-	-	-	-	250.51
Others current financial liabilities	70.09	-	-	-	-	70.09
Total	103,057.92	-	-	-	-	103,057.92

₹ Lakhs

As at 31 March 2020	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Term loans from related parties	30,744.70	3,344.29	1,536.00	936.00	-	36,560.99
Short Term Borrowings from related parties	77,621.00	-	-	-	-	77,621.00
Short Term Borrowings from banks	276.48	-	-	-	-	276.48
Trade Payables	19,160.72	-	-	-	-	19,160.72
Deposits/ Retention Money	132.06	-	-	-	-	132.06
Payable to GNCTD	3,648.31	-	-	-	-	3,648.31
Payable to employees	269.28	-	-	-	-	269.28
Subsidy received for disbursal	119.84	-	-	-	-	119.84
Others current financial liabilities	35.15	-	-	-	-	35.15
Total	132,007.54	3,344.29	1,536.00	936.00	-	137,823.83

35. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and maintain an appropriate capital structure of debt and equity.

The Company is not subject to externally imposed capital requirements. The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Total debt liabilities	85,805.32	114,458.47
Less : Cash and cash equivalents	15,533.69	7,857.19
Net debt	70,271.63	106,601.28
Total equity	73,654.00	73,654.00
Net debt to equity ratio	0.95	1.45



36. Income taxes

a) Income Tax Expense

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Income tax recognised in Statement of Profit and Loss		
Current tax expense		
Current year	3,805.28	2,273.88
Earlier year taxes	(725.78)	-
Total	3,079.50	2,273.88
Deferred tax expense	(265.55)	684.78
Total income tax expense	2,813.95	2,958.66
ii) Income tax recognised in other comprehensive income		
Net actuarial gains/(losses) on defined benefit plans	(169.04)	(34.27)
Tax expense/ (benefit)	(42.54)	(11.98)
Net of tax	(126.50)	(22.29)
iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Profit before tax	15,462.85	22,051.49
Tax using Company's domestic tax rate: 25.168%	3,891.69	7,705.67
Tax effect of:		
Temporary difference adjusted through recoverable from Discoms	-	-
Temporary differences not earlier recognised in Profit and Loss now recognised	(352.06)	(4,113.59)
Temporary difference not recognised in Statement of Profit and Loss		
Other expenses disallowed under Income Tax	18.54	18.14
Dividend income exempt from income	-	(2,565.35)
Change in tax rate	(188.22)	-
Other adjustments	-	
Earlier year taxes	(725.78)	
Minimum Alternate Tax as per Income Tax Act, 1961	1,901.81	
At the effective income tax rate: 17.625% (31 March 2020: 13.417%)	2,644.17	2,946.68

b) Deferred tax

i) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

ii) Movement in deferred tax balances

₹ Lakhs				
Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
For the year ended 31 March 2021				
Deferred tax liabilities				
Difference in book base and tax base of PPE	2538.49	(1,435.95)	-	1,102.54
Less: Deferred tax assets				
Business losses	-	-	-	-
Provision for employee retirement benefits (Including disallowance under section 43B)	1,636.46	(1,107.51)	42.54	571.49
Other provisions	210.83	(58.36)	-	152.47
Deferred income on solar consultancy	18.40	(4.53)	-	13.87
Net tax liabilities/(assets)	672.80	(265.55)	(42.54)	364.71



₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
For the year ended 31 March 2020				
Deferred tax liabilities				
Difference in book base and tax base of PPE	2841.44	(302.95)	-	2,538.49
Less: Deferred tax assets				
Business losses	1972.07	(1,972.07)	-	-
Provision for employee retirement benefits (Including disallowance under section 43B)	663.52	960.96	11.98	1,636.46
Other provisions	205.85	4.98	-	210.83
Deferred payroll expenditure				
Deferred income on solar consultancy	-	18.40	-	18.40
Net tax liabilities/(assets)	(0.00)	684.78	(11.98)	672.80

iii) Current year tax expense of ₹ 3805.28 Lakhs (FY 2019-20 ₹ 1548.09 Lakhs as per MAT provisions after finalization of tax audit) has been charged on the basis on the normal provisions of section 115BAA of Income Tax Act 1961.

iv) In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Act, 2019, the company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not opted for this option for FY2019-20 considering carried forward losses which have been exhausted in FY2019-20 itself. Considering the difference between rate of tax in both regime for FY 2020-21 onwards new regime has been opted though quantum of few deduction which will not be allowed in new tax regime cannot be ascertained and depends on future events.

37. Employee benefit obligations

I. Employees employed post unbundling

(i) Defined contribution plans:

The company makes deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 96.57 Lakhs (31 March 2020: ₹ 65.59 Lakhs) is recognized as expense in Statement of profit and loss including ₹ 22.43 Lakhs (31 March 2020 ₹ 18.38 Lakhs) on account of corporate share in accordance with accounting policy no. C14.6 (Note 1).

(ii) Defined benefit plans:

A. Gratuity

The Company operates a funded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee employed after unbundling who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

a) Net defined benefit (asset)/liability			₹ Lakhs
Particulars	As at 31 March 2021	As at 31 March 2020	
Non-current	157.76	234.15	
Current	78.78	48.57	
Total	236.54	282.72	



b) Movement in net defined benefit (asset)/liability

₹ Lakhs

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
For the year ended 31 March 2021			
Opening balance	1,237.26	954.54	282.72
Included in profit or loss:			
Current service cost	91.45	-	91.45
Past service cost	-	-	-
Interest cost/income	84.13	53.24	30.89
Total amount recognized in profit or loss	175.58	53.24	122.34
Included in OCI:			
Remeasurement loss/(gain) arising from:			
Financial assumptions	-	-	-
Experience adjustment	(75.18)	-	(75.18)
Return on plan assets excluding interest income	-	1.39	(1.39)
Total amount recognized in OCI	(75.18)	1.39	(76.57)
Contributions from the employer	-	80.29	(80.29)
Benefits paid	-	-	-
Closing balance	1,337.66	1,089.46	248.20
For the year ended 31 March 2020			
Opening balance	1,015.18	694.99	320.19
Included in profit or loss:			
Current service cost	91.21	-	91.21
Past service cost	-	-	-
Interest cost/income	77.76	53.24	24.52
Total amount recognized in profit or loss	168.97	53.24	115.73
Included in OCI:			
Remeasurement loss/(gain) arising from:			
Financial assumptions	111.28	-	111.28
Experience adjustment	(50.92)	-	(50.92)
Return on plan assets excluding interest income	-	3.24	(3.24)
Total amount recognized in OCI	60.36	3.24	57.12
Contributions from the employer	-	210.32	(210.32)
Benefits paid	(7.25)	(7.25)	-
Closing balance	1,237.26	954.54	282.72

c) Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company. Information on categories of plan assets as at 31 March 2020 and 31 March 2019 has not been provided by Life Insurance Corporation of India.

d) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.00%	8.00%
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	IALM (2012 - 14)	IALM (2012 - 14)
Withdrawal rate	3% per annum	3% per annum



The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

e) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses 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:

₹ Lakhs		
Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (.50% movement)	(68.00)	73.49
Salary escalation rate (.50% movement)	19.56	(20.97)
As at 31 March 2020		
Discount rate (1% movement)	(66.55)	72.16
Salary escalation rate (1% movement)	20.78	(22.97)

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

f) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality and disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

g) Expected maturity analysis of the gratuity benefits is as follows

₹ Lakhs		
Duration of defined benefit payments	As at 31 March 2021	As at 31 March 2020
Less than 1 year	78.78	48.57
Between 1-2 years	50.60	58.94
Between 2-5 years	147.01	138.12
Over 5 years	1,061.27	991.63
Total	1,337.66	1,237.26

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are ₹ 112.03 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.80 Years (31 March 2020: 13.37 years).

h) Expense transferred to PPCL

Out of the provision recognised, ₹ 8.19 Lakhs (31 March 2020: ₹ 8.04 Lakhs) has been transferred from PPCL as corporate share and ₹87.70 Lakhs (31 March 2020: ₹ 91.79 Lakhs) has been transferred to PPCL.

**B. Post retirement medical scheme**

The Company has post retirement medical scheme (PRMS), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The facility is unfunded and liability for the same is recognised on the basis of actuarial valuation.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

a) Net defined benefit (asset)/liability ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	1,734.55	1,185.43
Current	7.46	3.37
Total	1,742.01	1,188.80

b) Movement in net defined benefit (asset)/liability ₹ Lakhs

Particulars	Defined benefit obligation	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	1,188.80	978.24
Included in profit or loss:		
Current service cost	109.27	77.96
Interest cost/income	80.84	74.93
Total amount recognized in profit or loss	190.11	152.89
Included in OCI:		
Remeasurement loss/(gain) (Actuarial loss/(gain)) arising from:		
Financial assumptions	64.26	
Experience adjustment	363.11	(6.59)
Total amount recognized in other comprehensive income	363.11	57.67
Benefits paid		
Closing balance	1,742.01	1,188.80

c) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Rate of increase in Compensation levels	10.00%	10.00%
Rate of Escalation of Basic Pay and Grade Pay during service	4.00%	4.00%
Rate of Escalation of OPD Expenses	Nil	Nil
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate	3% per annum	3% per annum

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

d) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.



The sensitivity analyses 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:

	₹ Lakhs	
Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (1% movement)	(96.60)	94.35
Medical Cost Rate rate (1% movement)	94.20	(95.25)
As at 31 March 2020		
Discount rate (1% movement)	(71.56)	69.89
Medical Cost Rate rate (1% movement)	69.78	(70.56)

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- Medical Cost Increase - increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption will also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

f) Expected maturity analysis of the post retirement medical benefits is as follows

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Duration of defined benefit payments		
Less than 1 year	7.46	3.37
Between 1-2 years	7.16	3.34
Between 2-5 years	22.42	10.48
Over 5 years	1,704.97	1171.60
Total	1,742.01	1,188.79

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 233.96 Lakhs.

g) Expense transferred to PPCL

Out of the provision recognised, ₹ 145.83 Lakhs (31 March 2020 ₹ 118.64 Lakhs) has been transferred to PPCL and ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs) transferred from PPCL.

(iii) Other long term employee benefit plans

A. Compensated Absence

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is not en-cashable while in service except on availing LTC benefit subject to maximum 60 days during the entire service period. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years. Total number of leave (i.e. EL and HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the



employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

Out of the provision recognised of ₹301.61 Lakhs (31 March 2020: ₹ 494.47 Lakhs), ₹ 30.71 Lakhs (31 March 2020: ₹ 20.97 Lakhs) has been shared by PPCL as corporate share, ₹1.98 Lakhs (31 March 2020: ₹ 1.88 Lakhs) has been transferred for employees sent on deputation to respective companies and ₹255.04 (31 March 2020: ₹ 354.80) Lakhs has been transferred to PPCL.

B. Leave travel concession (LTC)

As per the company's policy, every employee is entitled to LTC with family members:

- One Home Town LTC in a block of two year and one Anywhere India LTC in a block of four year or
- Two Home Town LTC in block of four year.

Further, the LTC/Home Town LTC can be availed in the extended period i.e. one year from the end of the block year.

The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 28.91 Lakhs (31 March 2020: ₹ (-) 2.45 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss. Out of the provision recognised, ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs) has been transferred to PPCL as corporate share, ₹ 5.96 Lakhs (31 March 2020: ₹ 0.03 Lakhs) has been transferred for employees sent on deputation/diverted to respective companies and ₹ 8.01 (31 March 2020: ₹ 4.19 Lakhs) has been transferred from PPCL.

(iv) Terminal Benefits

The company pays pension to SVRS optees till the employee attains the age of 60 years. In case of death of SVRS optee, no pension is payable to nominee. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹2.82 Lakhs (31 March 2020: ₹19.83 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

II. Employees employed before unbundling (DVB employees)

For post employment benefits of employees employed before unbundling, the company pays a defined monthly contribution to Pension Trust and debits the same to Statement of Profit and Loss.

During the year ended 31 March 2021, ₹ 2507.93 Lakhs (31 March 2020: ₹ 237.01 Lakhs) has been paid/payable to Pension Trust and charged as employee benefit expense.

38. Earnings per Share

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders [A]		
From operations including regulatory deferral account balances	12,648.90	19,092.83
From regulatory deferral account balances	-	-
From operations excluding regulatory deferral account balances	12,648.90	19,092.83
Weighted average number of equity shares		
Opening balance of issued equity shares	736,540,000	736,540,000
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares [B]	736,540,000	736,540,000
Earning Per Share (Basic and Diluted) [A / B]	-	-
From operations including regulatory deferral account balances	1.72	2.59
From regulatory deferral account balances	-	-
From operations excluding regulatory deferral account balances	1.72	2.59
Nominal value per share	10.00	10.00

39. Leases as Lessee

- The Company has taken office equipments for official use and other equipments on lease. These leases are short term in nature as they are entered for less than or equal to 12 months period. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Expense charged to statement of profit and loss relating to these leases is ₹ 9 Lakhs. Total cash outflows from leases amounted to ₹ 9.75 Lakhs during the reporting period.
40. Balance confirmation letter with negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmation' were sent to the parties in regard to trade/ other payables and loans and advances. Confirmation of some of such balances are subject to confirmation/ reconciliation. Adjustment, if any, will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.



41. In the opinion of the management, the value of assets, other than property plant & equipment, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
42. As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the management is of the opinion that no case of impairment of assets exists.
43. The GTPS plant of the Company was notified under Perform Achieve and Trade (PAT) scheme for the cycle 2012-13 to 2014-15 under which certain operational parameters were stipulated by Bureau of Energy Efficiency (BEE). The M & V audit for the PAT Cycle-I was carried out by BEE accredited energy auditors. Accordingly, on submission of M&V report BEE issued 8,480 numbers of ESCerts to GTPS in Digital form. The Company traded 466 numbers of ESCerts and proceeds of sale of 466 certificates amounting to ₹ 4.66 Lakhs has been recognised in miscellaneous income (other Income) during the financial year 2017-18. The GTPS plant, did not reach the threshold PLF limit set by BEE for M&V audit of Gas Turbine Plants in PAT cycle-II for the period FY 2016-17 to FY 2018-19. Therefore, there are no shortage / Surplus of certificates in PAT cycle-II, however, 8014 balance ESCerts (valid till PAT cycle-II) of PAT cycle-I are available for trading in year 2021.
44. The Company has constituted a CSR Committee in pursuance to section 135 of the Companies Act, 2013 and is having a CSR Policy. The Company is required to spend in every financial year at least 2% of the average net profits of the company during the immediately 3 preceding financial years. The Company was required to incur ₹ 51.41 lakhs (31 March 2020 ₹ Nil) during the financial year 2020-21 towards the CSR activities as per the CSR policy. The company has spent this amount by donating the same to PM Cares fund during September 2021.

Details of CSR expenditure are :-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
(a) Gross amount required to be spent by the company during the year	51.41	-
(b) Amount spent during the year ending on 31 March 2021:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
(c) Amount Unspent during the year	51.41	-
45. Comparative figures have been adjusted to conform to the current year's presentation to enhance comparability with the current year's financial statements.		

46. Related Party Disclosure

a) List of Related parties:

i) Key Managerial Personnel (KMP):

Mr. Satya Goyal*	Chairman & Managing Director	(w.e.f. 31-Mar-2021)
Ms. Padmini Singla*	Chairman & Managing Director	(w.e.f. 05-July-19 upto 31-Mar-2021)
Mr. Madhup Vyas*	Chairman & Managing Director	(w.e.f. 11.01.2019 upto 05.07.2019)
Mr. D Varma*	Director (HR)	(w.e.f. 05-July-19 to 24-Apr-2020)
Mr. Mukesh Prasad*	Director (HR)	(w.e.f. 25.09.2017 upto 05-July-2019)
Mr. Ravi Dadhich *	Director (HR)	(w.e.f. 24-April-.2020 upto 09-Sep-2020)
Mr. Jitendra Kumar Jain *	Director (HR)	(w.e.f. 09-Sept-2020 upto 28-July-2021)
Mr S M Verma	Director (Technical)	(w.e.f. 01-May-19)
Mr. Jagdish Kumar	Director (Technical)	(upto 30.04.2019)
Mr. Ravindra Kumar Jain	Director (Finance)	(w.e.f. 5-Jun-17 upto 31-May-2021)
Mr. BN Ojha	Director	(w.e.f. 01-Oct-09)
Mr. Tarun Chaturvedi	Director (Ind)	(w.e.f. 8-Jun-16 upto 7-June-2021)
Mr. Ravindra Kumar Jain	Company Secretary	(w.e.f. 03-Jan-2003 upto 31-May-2021)
Mr Prashant vyas	Chief Financial Officer	(w.e.f. 05-Feb-2019)

*Not full time and holding additional charge

ii) Associate of company:

Aravali Power Company Private Limited (APCPL)

iii) **Post employment benefits plan:**

IPGCL Employees Group Gratuity Fund

DVB Employee Terminal Benefit Fund

iv) **Entities under the control of the same government:**

The Company is controlled by Delhi Government by holding majority of shares. Pursuant to Paragraph 25 and 26 of Indian Accounting Standard 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Pragati Power Corporation Limited (PPCL), Delhi Transco Limited (DTL), Delhi Power Company Limited (DPCL), BSES Rajdhani Power Ltd, BSES Yamuna Power Ltd, New Delhi Municipal Corporation, etc.

b) **Compensation to Key management personnel**

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short term benefits	221.61	127.44
Post employment benefits	2.06	2.77
Other long term benefits	40.38	6.98
Total Compensation	264.05	137.19

c) **Transactions with the related parties are as follows:**

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
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i) **Transactions with associate**

Aravali Power Company Private Ltd

Dividend received	17,500.00	7,341.32
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ii) **Transactions with post employment benefit plans**

IPGCL Employees Group Gratuity Fund

Contributions made during the year	80.29	210.32
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DVB Employee Terminal Benefit Fund

Contributions made during the year	2,796.56	3,095.04
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iii) **Transactions with the government and related parties under the control of the same government**

Government of NCT of Delhi	Interest on loan	4,364.75	7,414.43
Government of NCT of Delhi	Repayment of term loan	32,744.00	26,196.27
BSES Rajdhani Power Ltd	Sale of energy	14,997.50	26,073.60
BSES Yamuna Power Ltd	Sale of energy	1,967.46	5,605.93
Tata Power Delhi Distribution Ltd	Sale of energy	6,811.93	12,612.09
Delhi Transco Limited	Employee cost sharing	85.92	(62.96)
Delhi Power Company Limited	Interest paid on loan	-	3,023.32
Delhi Power Company Limited	Interest waived off	-	621.09
Pragati Power Corporation Limited	Share of corporate expenses	481.93	537.53
Pragati Power Corporation Limited	Inventory transferred (exclusive of GST)	15.22	0.74
Pragati Power Corporation Limited	Assets transferred (exclusive of GST)	-	0.24

d) **Outstanding balances with related parties are as follows:**

₹ Lakhs

Particulars	Nature	As at 31 March 2021	As at 31 March 2020
DVB Employee Terminal Benefit Fund	Payable	269.16	2,917.58
DVB Employee Terminal Benefit Fund	Recoverable	27.78	27.93

e) **Terms and conditions of transactions with the related parties**

- Transactions with the related parties are made on normal commercial terms and conditions and on cost to cost basis.
- Refer note 18 and 22 for terms related to borrowings and interest payments from/to related parties.
- Sale of energy and rebate given (if any) are regulated and transacted as per DERC Regulations.
- Corporate expenses are shared on cost to cost basis plus applicable taxes in the ratio of installed capacity of power plants.

47. **Segment Reporting**

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). In the opinion of the CODM, there is only one reportable segment ("Generation of Electricity"). Further, the Company operates only in one geographical segment which is India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements.

Entity wide disclosuresa) **Information about products and services**

Refer Note 27 for information about products and services.

b) **Information about geographical areas**

The entire sales of the Company are made to customers domiciled in India. Also, all the non-current assets of the Company are located in India.

c) **Information about major customers (from external customers)**

The Company derives revenues from the following customers which amount to 10 per cent or more of Company's revenues:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
BSES Rajdhani Power Ltd	14,997.50	26,073.60
BSES Yamuna Power Ltd	1,967.46	5,605.93
Tata Power Delhi Distribution Ltd	6,811.93	12,612.09
New Delhi Municipal Corporation	(224.91)	-

48. **Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'**a) **Movements in provisions during the year:**

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for pay revision		
Carrying amount at the beginning of the year	1,411.39	-
Add: Additions during the year	-	1,411.39
Less: Reversal/adjustments during the year	1,411.39	-
Carrying amount at the end of the year	-	1,411.39
Provision for Scrap Assets Pending Approval		
Carrying amount at the beginning of the year	17.51	4.20
Add: Additions during the year	13.31	-
Less: Reversal/adjustments during the year	1.83	-
Carrying amount at the end of the year	15.68	17.51
Provision for shortage in property plant and equipment		
Carrying amount at the beginning of the year	33.01	32.81
Add: Additions during the year	10.52	0.20
Less: Reversal/adjustments during the year	-	-
Carrying amount at the end of the year	43.53	33.01
Provision for Doubtful recovery of FBT		
Carrying amount at the beginning of the year	26.89	26.89
Add: Additions during the year	-	-
Less: Reversal/adjustments during the year	-	-
Carrying amount at the end of the year	26.89	26.89



- b) The pay revision of the employees of the Company is due with effect from 1 January 2016. GNCTD has constituted the Wage Revision Committee (WRC) to review the structure of pay scales and allowances/benefits of various categories of Power Sector Enterprises and suggest changes. Pending issuance of final recommendations, interim relief has been paid to employees based on the recommendation of WRC and approval by Board, therefore no provision has been made during the year 2018-19, however, final recommendations in this regards have been approved by board of directors in its meeting dated 03.09.2020 and consequently provision of ₹ 1411.39 lakhs has been created for liabilities up to 31 March 2020. The payment of arrear and other benefits to employees were made during FY 2020-21 accordingly provision were reversed.
- c) The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates used in recognizing these provisions.
- d) Disclosure with respect to contingent liabilities ₹ Lakhs

Particulars	As at	As at
	31 March 2021	31 March 2020
Claim against the Company not acknowledged as debts	56,560.08	52,903.23
Letter of credit other than for capital expenditure	530.00	1,130.00
Disputed Income Tax liability not adjusted as expenses in the books of accounts, being in appeal.	563.05	75.04
TDS demand not adjusted as expenses in the books of accounts	7.99	3.73

49. Haryana Vidyut Parsaran Nigam Limited (HVPNL) was one-third owner in the 4 units of the company's I.P. Station, which was decommissioned in the FY 2009-10. HVPNL was to reimburse O&M expenditure in the ratio of ownership share. Due to partial reimbursement in the past, substantial dues from HVPNL were accumulated. In pursuance to a settlement, HVPNL paid their part of dues as per the Delhi Electricity Regulatory Commission's tariff orders for the respective years, net of Return of Equity and Depreciation along with the interest at the agreed rates. Moreover, HVPNL agreed to pay amount, if any, allowed by DERC in its truing up orders. After implementing the settlement, the company retained the balance receivable amount of ₹ 2,866.81 Lakhs and provision of ₹ 2,677 Lakhs created in earlier years as an abundant precaution and in anticipation of truing up orders of DERC.

DERC vide its order dated 31 July 2013 has allowed the company to recover amount of ₹ 17,541.00 Lakhs from various discoms, subject to the condition that recovery to be made after all the assets of IP station are disposed off. Company has requested to DERC to allow the recovery of said amount without linking it with the disposal of assets of IP Station. Though, the assets of IP Station have since been disposed off. Company subsequently filed an appeal with Appellate Tribunal of Electricity (APTEL) where the appeal is yet to be disposed off. DERC vide its order dated 28 March 2018 has allowed the Company to recover 80% of the amount trued up net of profit on disposal of IP Station. Consequently, the Company has raised an invoice for principal of ₹ 3,462.82 Lakhs and interest from the respective dates of ₹ 5,539.30 Lakhs. Interest shall be recognised as revenue on acceptance of claim by HVPNL. The Company has received major payment during the year on account of principal as well as interest. Therefore, the provision has been written back by ₹ 1759.68 Lakhs and interest income amounting to ₹ 2,343.54 Lakhs has been accounted on receipt of same during FY 2019-20.

50. Government Of NCT of Delhi (GNCTD) holds 49% equity of BSES Yamuna Power Ltd. (BYPL) as well as BSES Rajdhani Power Ltd. (BRPL), Discoms to whom more than 50% power generated by the Company is sold, both Discoms have not been clearing their outstanding dues substantially since September, 2011 and June 2012 respectively resulting in accumulation of huge outstanding dues of ₹ 135643.34 Lakhs as at 31 March 2021 (31 March 2020 ₹ 1,54,120.92 Lakhs) from both these discoms. This has lead to severe financial crunch leading to heavy borrowing and resultant interest thereon. Consequentially, the Company has been defaulting in repayment of principal as well as interest. The cumulative amount towards default in repayment of principal as on 31 March 2021 is ₹ NIL (31 March 2020 ₹ 26,936.00 Lakhs) and interest (including penal interest) is ₹ 85,802.73 Lakhs (31 March 2020 ₹ 81,429.69 Lakhs), on borrowings from GNCTD, the promoters of the Company. However, the Company could continue to manage the operations with the support of the promoters of the Company who have extended loans of ₹ 66,680.00 Lakhs till the end of financial year 2018-19. Further, the Power Department of GNCTD has also diverted subsidy amounting to ₹ 31128.00 Lakhs (31 March 2020 ₹ 29,112.00 Lakhs) payable to these discoms to the company during the year. This amount of subsidy diverted is net off ₹ 1322.00 Lakhs the amount repaid to the TPDDL during FY 2021-22.

In order to recover the overdues from these discoms, the Company took up the matter with GNCTD, Delhi Electricity Regulatory Commission (DERC) and Appellate Tribunal of Electricity, but these discoms instead of complying with the orders/directions of these authorities, filed writ petitions with Hon'ble Supreme Court of India to issue directions to the Genco's including the Company not to disconnect the supply of electricity due to non-payment of dues. Hon'ble Supreme Court vide its interim order on 26 March 2014 directed these discoms to make the payment of current dues to the Genco's including the Company w.e.f 1 March 2014 relating to billing period from 1 January 2014 onwards and in respect of pending dues prior to January 2014, DERC was mandated to decide on the liquidation of regulatory assets of these discoms. These Discoms did not clear the dues as per the order of the Hon'ble Supreme Court and consequently, the Company filed contempt petition. The hearing on writ petitions was completed on 10 March 2015 and judgement has been reserved by the Hon'ble Supreme Court and Hon'ble Court decided that the Civil Appeal and Contempt Petition shall be heard after pronouncement of judgment in writ petitions. The Interlocutory Application in respect to contempt petitions was heard by the Hon'ble Supreme Court on 12 May 2016 and the court has ordered both the discoms to pay 70 per cent of the current dues. However, order on the main writ



petition is still awaited. On further non compliance of order dated 12 May 2016, company filed a fresh contempt petition against Discoms on 17 October 2016. Further, the company has filed third consecutive Interlocutory application in Hon'ble Supreme Court of India for resumption of Hearing.

In view of the favourable Hon'ble Supreme Court interim order and the continued support extended by the promoters and other regulatory authorities, the financial statements have been prepared on 'going concern basis'. Further, the company is confident of the recovery of overdues from these discoms where GNCTD itself is holding 49% equity, accordingly no provision for doubtful debts is considered necessary at this stage.

The DERC has directed the DISCOMS to pay the bills of Generating and Transmission Companies on timely basis, thereby improving the collection during the year. Consequently, the Company has repaid principal of outstanding loans amounting to ₹ 88069.87 Lakhs from DPCL and GNCTD during the period from FY 2016-17 to 2020-21.

51. The Board of Directors in their meeting held on 20 September 2013 decided to merge IPGCL with PPCL, which was approved by GNCTD on 11 August 2014. Accordingly, Extra Ordinary General Meeting was held on 26 September 2014 where the scheme of amalgamation was approved by the shareholders with the effective date of merger as 01 April 2014. Majority of the creditors and lenders also approved the scheme of amalgamation and the Company filed an application/ petition before the Ministry of Corporate Affairs (MCA) on 29 September 2014 for effecting the merger.

The employees Unions / Associations have raised objections to the scheme of amalgamation during the hearings of the petition. MCA vide its Order dated 07 October 2015 has stated that it has not been found feasible to process the application of the Company further, till the time more clarity and agreement is discerned amongst the parties and stakeholders to the proposed scheme, either by way of some mutual agreement between the applicant Companies and the workers Unions or judicial adjudication of the matter. The issues with the Unions / Associations are yet to be resolved.

52. Assets held for sale

The beneficiary Discoms from the Station have refused to schedule energy from Rajghat Power House (RPH) after 31 May 2015 on the plea that the Power Purchase Agreements for the station have expired after completion of 25 years of its life. Subsequently, DERC has also determined the tariff for the station only upto May 2015. The Company has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of DERC and submitted the contention of validity of PPA till May 2017.

No Availability for RPH was given by State Load Dispatch Centre (SLDC) w.e.f. 01 January 2016 as per the directions of Delhi Pollution Control Committee (DPCC) order dated 31 December 2015. DPCC has further issued direction vide its letter dated 22 March 2016 that RPH shall remain closed as it is not able to meet standard of particulates matter at 50 mg/Nm³.

Discoms have not accepted the invoices raised in respect to RPH Plant during the period from June 2015 to December 2015 on the plea that PPA has been expired on 31 May 2015. The Company has not recognized the revenue on account of sale of energy for this period due to uncertainty of realization. However, the negative scheduling in regard to Rajghat Power House has been accounted for in the sale of energy as the same is part of Regional Energy Account issued by SLDC. During the current year DERC vide its order dated 10th December 2019 decided in favour of the Company against the petition of discoms and therefore ₹ 9,994.74 lakhs been accounted as revenue in FY 19-20.

A Committee was constituted for closure of RPH by GNCTD on 22 February 2016 which has submitted its report to the Government. The Department of Power, GNCTD vide its order dated, 25 July 2019 conveyed the approval of cabinet regarding the closure of the Rajghat Power Station and authorised IPGCL to take other necessary action for disposal of the plant. Further, The Power Department of GNCTD vide the referred letter has also been allowed to setup and develop solar park at the site for generation of clean power.

The Board of Directors in their meeting held on 21 August 2019 decided and approved the de-commissioning and disposal of the Rajghat power house. The Board directed to take all the necessary actions as required in respect of the above in time bound manner.

As on March 31, 2020 active discussions and engagement demonstrate that the Management of the Company is committed to sell the power house property and equipment and there is an active programme for completing the sale. The Company expects to dispose off the assets through auction sale over the course of next 12 months. In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", Property, plant & equipment forming part of the power house have been classified as "Non-current assets held for sale". These assets have been valued at their carrying amount and expected realisable value is more than the carrying amount. Impairment loss/gain recognised in statement of profit and loss on account of such classification is Nil.

As per the resolution of Board of Directors the sale/disposal of RPH will be done through auction in due course except for the 220/33 KV switchyard (Gross Block- Rs. 5.01 crore and WDV Rs. 0.50 crore) alongwith control room and Building (Gross Block- Rs. 4.69 crore and WDV Rs. 0.47 crore) which will be transferred to Delhi Transco Limited.

The company has filed a petition in the Delhi High Court against the eviction notice received (December 2018), for the 28.86 acres land on which RPH was established, from Land & Development office (L&DO), Ministry of Urban Development, Government of India (land was allotted by L&DO office) and the matter is still sub-judice in the Delhi High Court.

Company is holding inventory of rejected coal generated during operations which is not being recorded in the accounts as the value of such coal is not material. However, due to its non-disposal during last number of years, sizeable quantity of such coal thereof has accumulated in the yard, which is yet to be ascertained. Steps for its disposal though initiated are yet to be materialized.



The Ministry of Coal, Government of India vide its letter dated 28.07.2020 authorised Rajghat Power House to sell the coal to a Central/ State Power Generating Company at the landed price for the particular grade of coal from nearest CIL subsidiary, therefore the coal has been valued at cost as the landed price from nearest CIL subsidiary is higher than cost.

53. Disclosure as per Ind AS 114, 'Regulatory deferral accounts'

(i) Nature of Rate Regulated Activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the company for electricity sold to its customer is determined by the Delhi Electricity Regulatory commission (DERC) which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide company to recover its cost of providing goods or services plus a fair return.

The company is eligible to apply Ind AS 114, Regulatory deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance note on accounting for rate regulated activities) accounting policy for its regulatory deferral account balances. Hence, Company has opted to continue its previous GAAP accounting policy for such balances.

(ii) Recognition and measurement

DERC Regulations provides for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. The has recognised a deferred asset for above deferred tax liabilities (Net) in its financial statements (referred to as 'Deferred asset for deferred tax liability'), Deferred asset for deferred tax liability for the period commencing from 1st April 2014 will be reversed in future years when the related deferred tax liability forms part of current tax. The company was recognising such deferred asset for Deferred tax liability as part of Deferred tax Liabilities (Net) under note no.20. During the year, in line with an opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), the same has been reclassified as a regulatory deferral account debit balances.

Accordingly, an amount of ₹ Nil Lakh (31st March 2020: debit balance of ₹ Nil Lakh) as on year 31 March 2021 has been accounted for as 'Regulatory deferral account debit balance'.

(iii) Risks associated with future recovery of rate regulated assets:

Regulatory risk on account of changes in regulations and submission or approval of as rate setting application or the entity's assessment of the expected future regulatory actions.

(iii) Reconciliation of the carrying amounts:

- a) The regulatory Assets/Liabilities recognised in the books to be recovered/paid from/to beneficiaries in future periods are as follows:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening Balance	-	-
Addition during the year	-	-
Amount collected/refunded during the year	-	-
Regulatory income/(expenses) recognised in the statement of profit & loss	-	-
Regulatory income/(expenses) recognised in the statement of other comprehensive income	-	-
Closing Balance	-	-
b) Net movement in regulatory deferral account balances (i)	-	-
c) Tax on net movement in regulatory deferral account balances (ii)	-	-
d) Total Amount recognised in the statement of profit and loss during the year [i-ii]	-	-

54. The code on social security, 2020 ("code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However the date on which code will come into effect has not been notified. The Group will assess the impact of code when it comes into effect and will record any related impact in the period the code becomes effective.

55. Outbreak of pandemic COVID-19

Due to outbreak of COVID-19 globally and in India, the Company has made an initial assessment of its likely adverse impact on business and its associated financial risks. The Company is mainly in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MOP), Government of India (GOI). By taking a number of proactive steps and keeping in view



the safety of all its stakeholders, the Company has ensured the availability of its power plants to generate power and has continued to supply power during the period of lockdown.

The Company believes that the impact due to the outbreak of COVID-19 is likely to be short-term in nature and does not anticipate any medium to long-term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. Impact assessment of COVID-19 is a continuing process considering the uncertainty involved thereon. The Company will continue to closely monitor any material changes to the future economic conditions.

56. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification issued before as at the end of reporting period which would have been applicable from April 1, 2021.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-
Jitender Jindal
Partner

Membership No. : 093642
Firm Reg. No.: 007739N
UDIN : 23093642BGXWSM1032

Place : New Delhi
Dated : 14.01.2023

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

**INDEPENDENT AUDITOR'S REPORT (REVISED)****TO THE MEMBERS OF
INDRAPRASTHA POWER GENERATION COMPANY LIMITED****Report on the Audit of the Consolidated Ind AS Financial Statements****Qualified Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **Indraprastha Power Generation Company Limited** (the "Company"), and its associates (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, **except for the effects of the matters described in the *Basis for Qualified Opinion* section** of our report, the aforesaid Consolidated Ind AS financial statements give the information required by companies act 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group (Company and its associates) as at 31 March, 2021 and their consolidated profit or loss (financial performance including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis of Qualified Opinion

The company has not assessed and made the provisions for expected credit Losses in respect of trade receivables from Discoms (Refer Note 34 a (i) as prescribed under IND AS 109 – "Financial Instruments "in its consolidated financial statements for the year ended 31st March 2021 and therefore the monetary impact of the same remains unascertained.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Ind AS Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 ("the Act"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Going Concern Section**Going Concern Basis of Accounting**

The Company's financial statements have been prepared using the going concern basis of accounting. Management is responsible for assessing the Company's ability to continue as a going concern, including whether the use of the going concern basis of accounting is appropriate. The use of the going concern basis of accounting is appropriate unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Management is also responsible for disclosing [in the financial statements] a material uncertainty of which management becomes aware related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

As part of our audit, we conclude regarding the appropriateness of management's use of the going concern basis of accounting in the preparation of the financial statements in the context of the applicable financial reporting framework.



We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusions are based on information available to us at the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

Information Other than the Consolidated Ind AS financial Statements and Auditor's Report thereon

The respective company's Board of directors is responsible for the preparations of the other information. The other information comprises the information included in Board's Report and annexures to Board Report but does not include the Consolidated Ind AS financial statements and our auditor's report thereon. The Board's Report and annexures to Board's Report is expected to be made available to us after the date of audit of this auditor's report.

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

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other Information so far as it relates to the associates is traced from their financial statements audited by other auditors.

When we read the board's report and annexure to the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charges with governance and take appropriate action if required.

Management's Responsibility for the Consolidated Ind AS 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 and presentation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated state of affairs (financial position), consolidated profit or loss (financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Company including its associates in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Associates 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 Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS financial statements, the Board of Directors of the company and its associates are responsible for assessing their 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 or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of company and its associates are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes

our opinion. Reasonable assurance is a high level of assurance, but is *not a guarantee* that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its associate's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated Ind AS 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 auditors' report. However, future events or conditions may cause the Company and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Ind AS financial statements:



- i. Note 50: Delays in realization of trade receivables of Rs.1, 35,643.34 Lakhs from BSES Yamuna Power Limited, BSES Rajdhani Power Limited for sale of power leading to strain on the financial resources and the consequent heavy borrowings and the resultant interest expense thereon. However, the accounts have been drawn by the management on a 'going concern' basis for the reasons stated in the said note. Our opinion is not modified in respect of this matter.
- ii. Note 8(a): non-renewal of letter of credit, non-opening of escrow accounts and non-entering into the agreement to hypothecate receivables of the Discoms as stipulated in Power Purchase Agreement. Our opinion is not modified in respect of this matter.
- iii. Note 11(c): Non-recovery and non-provisioning of Rs.225.66 Lakh recoverable on account of penalty and interest on late payment for dues on sale of IP station which is pending before High Court. Our opinion is not modified in respect of this matter.
- iv. Note 18 (e) and 22(b): Default of Rs. 85,802.74 Lakhs in repayment of Interest and penal interest to Govt. of NCT of Delhi (GNCTD). Our opinion is not modified in respect of this matter.
- v. Pursuant to the provisions of Section 149(4) of the Act and Rule 4 of Companies (Appointment and Qualification of Directors) Rules, 2014, the Company is required to have at least two directors as independent directors on its Board. However, only one independent director was appointed in the financial year 2016-17. Our opinion is not modified in respect of this matter.
- vi. Pursuant to the provisions of Section 177(2) of the Act, the Company is required to appoint minimum of three directors with independent directors forming majority on its Audit Committee during the year. However, only one independent director has been appointed on the Audit Committee during the year. Our opinion is not modified in respect of this matter and company may attract penalties as per Companies Act 2013.
- vii. Pursuant to the provisions of Section 137(1) of the Act, the Company is required to file unadopted Financials Statements and Audit report thereon with the Registrar of Companies within 30 days from the date of the AGM but the same has not been filed due to deferment of adoption of financial statements in AGM. Our opinion is not modified in respect of this matter and company may attract penalties as per Companies Act 2013.
- viii. Note 52: The company has transferred a sum of Rs.2398.91 lakhs from non-current assets (property, plant and equipment) to non-current assets held for sale at WDV as per books of accounts in respect of Rajghat Power House (R.P.H) pursuant to the decision of the cabinet of ministers of GNCTD to shutdown RPH in their meeting held on 25th July 2019 and disposal of RPH plant in the coming years. These assets have not been valued at fair value and are valued at Gross Value; hence we cannot comment on the estimated realizable value of the assets held for sale in the absence of fair valuation report. Our opinion is not modified in respect of this matter.
- ix. Balances with DISCOMS are subject to reconciliation, as per the joint reconciliation statements received from DISCOMS, the major difference between the balance as per IPGCL books and books of various Discoms are only in relation to non-settlement of LPSC amount. Our opinion is not modified in respect of this matter.
- x. Note 27 (b) : The surcharge on late payment of energy bills recoverable from Discoms has been accounted only to the extent of tax deducted at source (TDS) deposited by Discoms with the tax authorities, in view of continuous default in payment of dues by the Discoms and its uncertainty of collection as per past practice. This has resulted in non-recognition of revenue of Rs. 43,573.80 Lakhs (31 March 2020, Rs. 37,852.35 Lakhs) with corresponding impact on receivables. Our opinion is not modified in respect of this matter.
- xi. We draw attention to the Note -55 in the Financial Statement which explains COVID-19 that has caused significant disruptions in the business operations of companies across India and has caused significant accounting and



auditing challenges. As per this note the Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources on the expected future performance of the Company. The Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company assets in future may differ from that estimated as at the date of approval of these financial results. Our opinion is not modified in respect of this matter.

- xii) Note 13 :In current financial year, the Board has decided in its 110th meeting held on 21.12.2022 to take the TDS credit proportionate to the income from LPSC realised by the company during the current financial year as per the opinions taken by the company from the senior tax consultant & senior advocate and 90% of the TDS credit against the income recognized on account of LPSC is being deferred for claiming against the tax liability of the financial year in which said income will be realized by the company from DISCOMS. Therefore Deferred Tax Credit, to be adjusted upon LPSC realisation, amounts Rs. 3252.83 whereas Provision for tax has been adjusted by Rs. 361.42 lacs.

In Aravali Power Company Private Limited , an associate of the Company

The Emphasis of matter reported in the Auditor's Report on financial statements of Aravali Power Company Private Limited , an associate of the Company, is being reproduced hereunder:

We draw attention to the following matters in the notes to financial statements:-

- a) Refer Note28: Energy Sales includes a sum of Rs.125.22 lakhs (L.Y.Rs.(-)2,774.00 Lakhs) which is accounted for on provisional basis as per CERC Tariff Regulation.
- b) Refer Note 41: Trade Receivables of Rs.1,11,289.97 lakhs (L.Y. Rs.2,01,087.71 Lakhs) includes Rs. 49,172.66 lakhs receivables from BSES Yamuna Power Limited, where the company has not paid as per liquidation plan and Rs. 11,834 lakhs are overdue as per liquidation plan as on March 31 2021. Further Trade Receivables also includes Rs. 3376 lakhs receivables from Telengana state, out of which 505 lakhs is outstanding for more than 5 year, which in the opinion of management are fully recoverable and will not have any material impact.
- c) Refer Note 50(a): Trade payables for goods and services and advance payment to coal companies are subject to reconciliation/confirmation from the vendors which in the opinion of the management will not have a material impact.
- d) Corona developments: The developments surrounding the Corona (Covid-19) Virus have a profound impact on people's health and on our society, as well as on the operational and financial performance of organisations. The situation changes daily giving rise to inherent uncertainty. The company is confronted with this uncertainty as well, which has been disclosed in the Note 53 to Ind AS Financial results, together with its evaluation thereof. We draw attention to these disclosures.

Our Opinion is not modified in respect of these matters.

Other Matter

The Consolidated Ind AS Financial Statements include an associate's share of net profit of Rs. 19027.73 Lacs for the year ended 31st March 2021, as considered in the Consolidated Ind AS Financial Statements, in respect of associate, whose financial statements have not been audited by us. These financial statements have been audited by another



auditor whose report has been furnished to us by the Management and our opinion on the Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to associate is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to reliance on the work done and the reports of the other auditor and the financial statements certified by the Management.

However, in view of provisional comments of CAG office communicated vide letter No. TSC/2-37/IPGCL A/cs 2020-21/2023/21/332 dt. 17.03.2023, Audit Report has been revised with respect to the figures of Debtors outstanding more than five years of Telegana State & Company's Profit share in associate i.e. Aravali Power Company Private Ltd as mentioned above.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143(5) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Ind AS Financial Statements.
 - b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account, as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the report of other auditor
 - c. The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation for Consolidated Ind AS Financial Statements.
 - d. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules.
 - e. Being a Government Company, pursuant to notification no. GSR 463 (E) dated 5th June, 2015 of the Government of India, provisions of sub section (2) of section 164 of the Act is not applicable to the Company & its associates, incorporated in India.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company, Its associates 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its consolidated IND AS financial statements. (Refer Note 48 & 50 to the Consolidated Ind AS financial statements.)



- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by section 143 (5) of the Act, We give in “**Annexure C**”, a statement on the directions issued by Comptroller and Auditor General of India.

For AAJV & Associates

Chartered Accountants

FRN 007739N

Sd/-

(Jitender Jindal), F.C.A

Partner

Membership No.093642

UDIN: 23093642BGXWSO2351

Place: New Delhi

Date: 23.03.2023

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT AS ON 31ST MARCH 2021**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

1. In respect of Fixed Assets

The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

As explained to us, the fixed assets have been physically verified by a firm of Chartered Accountants after the end of the current year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification. However, the process of physical verification needs to be further strengthened by ensuring coverage of all class of fixed assets.

According to information and explanations given to us and on the basis of our examination of the records of the company, the immovable properties of the company have been transferred from Delhi Vidyut Board (DVB) vide Delhi Electricity Transfer Rules, after unbundling of DVB. On the date of transfer, all the immovable properties transferred from DVB formed part of the company. However, as per the said rule, the land does not form part of the assets transferred under these rules. The company is entitled to use such land as a licensee of the government during the period the company has the sanction or license or authorization to undertake the power generation business.

As explained to us, the inventories were physically verified by the management on dates other than the date of financial statement owing to locked down conditions imposed by the Indian Government on account of the COVID-19 pandemic but prior to the date of the board meeting to be held for the purpose of adopting the financial results. In our opinion, the frequency of physical verification is reasonable and no material discrepancies were noticed on such physical verification.

According to the information and explanations given to us and based on such tests, which we considered necessary, we report that the company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, the provisions of paragraph (iii) (a), (b) and (c) of the above order are not applicable to the Company.

According to the information and explanations given to us, the Company has not advanced any loans or given any guarantee or provided any security to any of its directors or to any person in whom the director is interested. Further being a Government Company, other than a listed company, the company has obtained approval of the Govt. of NCT of Delhi for making investment. Therefore, section 186 of the Companies Act, 2013 is not applicable to the company pursuant to notification no.GSR 463(E) dated 5th June 2015. Further, we have been informed that the company has not given any loan, guarantee or provided any security in connection with any loan to any other person or body corporate under section 186 of the Companies Act. Therefore, the provision of the paragraph 3 (iv) of the order are not applicable to the company.

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public during the year under audit. Therefore, directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company.

We have broadly reviewed the cost records maintained by the Company pursuant to the sub-section (1) of section 148 of the Companies Act, specified by the Central Government and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.



- (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it, except in some few cases where there is a delay in deposit. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, service tax, duty of customs, value added tax, cess and other statutory dues applicable to it were outstanding, as at 31 March, 2021 for a period of more than six months from the date they became payable.
- (b) According to records of the company, the disputed statutory dues which have not been deposited and the matter is being contested before the Appellate Authorities. The status of the pending matters is stated below:

Nature of Statute	Nature of the Statutory Dues	Amount (Rs. in Lakh)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	Rs. 68.67	2006-07	Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	Rs.12.55	2013-14	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Income Tax	Rs.683.25	2017-18	Commissioner of Income Tax (Appeal), New Delhi
Income Tax Act, 1961	Income Tax	Rs.708.10	2018-19	Commissioner of Income Tax (Appeal), New Delhi

3. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to any financial institution or bank. The Company does not have any debenture holders. The company has defaulted in repayment of loans from Government of NCT of Delhi. The cumulative default in repayment of principal and interest is Rs.85,802.74 lakhs as on 31st March, 2021. The details are given below:

Lender	Amount of default for Principal as at balance sheet date (Rs.in lakhs)	Period of Default	Amount of default for interest as at balance sheet date (Rs. in lakhs)	Period of Default
Government of NCT of Delhi	NIL	NA	Rs.85,802.74	From 2005-06 onwards

4. The Company has not raised money by way of Initial Public Offer (IPO) or further public offer (including debt instruments) during the year. According to information and explanations given to us, term loans were broadly applied for the purposes for which those are raised.
5. According to the information and explanations given by the management and to the best of our knowledge and belief, no fraud by the Company or on the Company by its officer or employees has been noticed or reported during the year.
6. As per the Notification number G.S.R. 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Section 197 of the Companies Act, 2013 related to managerial remuneration is not applicable to the Company, since it is a Government Company.
7. The Company is not a Nidhi Company and therefore the provisions of Clause 3(xii) of the order are not applicable to the company.



8. According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone Ind AS financial statements etc., as required by the applicable accounting standards
9. According to the information and explanations given to us, the company has not made preferential allotment or private placement of shares or convertible debentures during the year under review. The Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Therefore, the provisions of paragraph 3(xiv) of the Order are not applicable.
10. According to information and explanations given to us by the management, the Company has not entered into any non-cash transactions specified under Section 192 of the Companies Act 2013 with directors or persons connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
11. The Company is not required to be registered with RBI under Section 45-IA of Reserve Bank of India Act, 1934.

For AAJV & Associates

Chartered Accountants

FRN 007739N

Sd/-

(Jitender Jindal), F.C.A

Partner

Membership No.093642

UDIN: 23093642BGXWSO2351

Place: New Delhi

Date: 23.03.2023

**ANNEXURE – B TO THE CONSOLIDATED INDEPENDENT AUDITORS' REPORT****Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company as of and for the year ended 31st March, 2021, We have audited the internal financial controls over financial reporting of Indraprastha Power Generation Company Limited (hereinafter referred to as “the Company”) and its associate, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its associate, which are companies incorporated in India, are 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 the 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”) and the Standards on Auditing as specified under section 143(10) of the Act, 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.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company and its associate, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**ANNEXURE – C TO THE CONSOLIDATED INDEPENDENT AUDITORS' REPORT**

*(Referred to In Paragraph 3 under 'Report on Other Legal and Regulatory Requirements'
Section of Our Report of Even Date)*

Direction for the Year 2020-2021

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	<i>Yes, the company has a system in place i.e. SAP Accounting Software to process all the accounting transactions through IT system.</i>
2. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	<i>There are no such cases.</i>
3. Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	<i>Yes, the company has accounted for/utilised the fund properly as per term and conditions.</i>

For AAJV & Associates

Chartered Accountants

FRN 007739N

Sd/-

(Jitender Jindal), F.C.A

Partner

Membership No.093642

UDIN: 23093642BGXWSO2351

Place: New Delhi

Date: 23.03.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED

CIN: U40103DL2001SGC111530

Consolidated Balance Sheet as at 31 March 2021

₹ Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property plant and equipment	2	5,328.90	7,322.09
Intangible Assets	3	-	-
Financial assets			
Investment in joint venture and associate	4	155,858.80	154,328.28
Other financial assets	5	13.40	13.86
Other non-current assets	6	86.12	191.00
Total non-current assets		161,287.22	161,855.23
Current assets			
Inventories	7	3,048.23	3,074.51
Financial Assets			
Trade receivables	8	147,925.46	166,725.34
Cash and cash equivalents	9	15,533.69	7,857.19
Bank balances other than cash and cash equivalents	10	3,433.96	34.55
Other financial assets	11	3,892.25	1,459.76
Other current assets	12	337.22	6,336.45
Current tax assets (net)	13	1,448.67	13,866.46
Total current assets		175,619.48	199,354.26
Regulatory deferral account debit balances	14	-	-
Non-current assets held for sale	15	2,412.65	2,412.65
TOTAL ASSETS		339,319.35	363,622.14
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	73,654.00	73,654.00
Other equity	17	156,646.87	142,593.95
Total equity		230,300.87	216,247.95
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	(0.00)	2,472.00
Provisions	19	4,688.60	3,971.16
Deferred tax liabilities (net)	20	364.71	672.80
Other non current liabilities	21	35.51	34.90
Total non-current liabilities		5,088.82	7,150.86

**Current liabilities**

Financial liabilities

Borrowings	22	2.59	26,276.48
Trade payables	23		
- Total outstanding dues of Micro Enterprises and Small Enterprises		164.00	144.14
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		12,727.05	19,016.58
Other financial liabilities	24	90,164.27	89,914.63
Other current liabilities	25	503.82	3,183.18
Provisions	19	322.90	1,639.62
Total current liabilities		103,884.63	140,174.63
Deferred Revenue	26	45.04	48.70
TOTAL EQUITY AND LIABILITIES		339,319.35	363,622.14
Significant accounting policies	1		

The accompanying notes 1 to 58 form an integral part of these financial statements.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-

Jitender Jindal

Partner

Membership No. : 093642

Firm Reg. No.: 007739N

UDIN : 23093642BGXWSL115

Sd/-

Prashant Vyas

Sr. Manager (Finance)
& Chief Financial Officer

Sd/-

Mukesh Kumar Sharma

Director (Technical)
DIN- 08572379

Sd/-

Azimul Haque

Managing Director
DIN- 03578730

Place : New Delhi

Dated : 14.01.2023



Indraprastha Power Generation Company Limited

CIN: U40103DL2001SGC111530

Consolidated Statement of Profit and Loss for the year ended 31 March 2021

₹ Lakhs

Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Revenue from operations	27	27,565.50	57,053.23
Other income	28	2,036.72	6,259.65
Total income		29,602.22	63,312.88
Expenses			
Cost of fuel consumed	29	14,651.39	23,908.51
Employee benefits expense	30	5,395.47	10,058.42
Finance costs	31	4,883.64	7,609.79
Depreciation expense	2	2,259.85	1,980.03
Other expenses	32	4,449.02	5,045.96
Total expenses		31,639.37	48,602.71
Profit/(Loss) before tax and regulatory deferral account balances		(2,037.15)	14,710.17
Add: Share of net profit/loss of investments in associate and joint venture accounted using equity method (net of tax)		19,027.73	14,835.18
		16,990.58	29,545.35
Tax expense			
Current tax		3,805.28	2,273.88
Deferred tax credit		(265.55)	684.78
Earlier year taxes		(725.78)	-
Total tax expense		2,813.95	2,958.66
Profit/(Loss) for the year before regulatory deferral account balances		14,176.63	26,586.69
Movements in regulatory deferral account balances			
-Deferred Tax	55	-	-
Net movements in regulatory deferral account balances (net of tax)		-	-
Profit/(Loss) for the year		14,176.63	26,586.69
Other comprehensive income/(expense)			
Items that will not be reclassified to profit or loss (Net of Tax)			
- Net actuarial gains/(losses) on defined benefit plans		(169.04)	(34.27)
- Income tax relating to above item		(42.54)	(11.98)
- Add: Share of other comprehensive income of investments in associate and joint venture accounted using equity method (net of tax)		2.79	8.06
Other comprehensive income/(expense)		(123.71)	(14.23)
Total comprehensive income/(expense) for the year		14,052.92	26,572.46



Earnings per equity share (Par value ₹ 10/- each)	38		
Basic and Diluted Earning Per Share (₹) (from operations including regulatory deferral account balances)		1.92	3.61
Basic and Diluted Earning Per Share (₹) (from operations excluding regulatory deferral account balances)		1.92	3.61
Significant accounting policies	1		

The accompanying notes 1 to 58 form an integral part of these financial statements.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-
Jitender Jindal
Partner
Membership No. : 093642
Firm Reg. No.: 007739N
UDIN : 23093642BGXWSL115

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

Place : New Delhi
Dated : 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED
CIN: U40103DL2001SGC111530

Consolidated Statement of Cash Flows for the year ended 31 March 2021

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A. Cash Flow From Operating Activities		
Net profit/(loss) as per Statement of Profit & Loss	(2,037.15)	14,710.17
Adjustment for		
Depreciation	2,259.85	1,980.03
Interest cost	4,883.64	7,609.79
Interest income received	(1,599.80)	(3,329.51)
Interest waived off	-	(621.09)
Interest income accrued on deposits	(1.80)	24.67
Grant Income	(3.66)	(3.66)
Liabilities/Provisions written back	-	-
(Profit)/Loss on derecognition of property plant & equipment (net)	9.87	545.32
Loss on revaluation of inventory	(32.75)	18.00
Provisions for inventory created (written back) during the year	(6.43)	(4.37)
Impairment loss (gain) on financial assets during the year	3.57	(1,754.12)
Provisions for property plant & equipment created during the year	8.69	13.51
Operating profit before working capital changes	3,484.03	19,188.74
Adjustment for -		
(Increase)/Decrease in inventory	65.46	0.72
(Increase)/Decrease in trade receivable	18,799.88	(893.44)
(Increase)/Decrease in other financial assets	(2,436.06)	10,665.42
(Increase)/Decrease in other current assets	5,999.23	3,034.42
(Increase)/Decrease in non financial assets	0.46	(0.65)
(Increase)/Decrease in other non current assets	39.92	17.38
Increase/(Decrease) in trade payables	(6,269.67)	(2,276.34)
Increase/(Decrease) in other financial liabilities	156.90	(617.78)
Increase/(Decrease) in other current liabilities	(2,679.36)	2,907.48
Increase/(Decrease) in provisions	(777.01)	1,997.15
Increase/(Decrease) in other non-current liabilities	0.61	13.54
Cash generated from operations	16,384.38	34,036.64
Less: Income Taxes paid/(refund)	(9,338.28)	2,892.57
Net cash inflow/(outflow) from operating activities [A]	25,722.66	31,144.07
B. Cash Flow From Investment Activities		
Purchase of property, plant and equipment	(214.19)	(1,198.47)
Proceeds from sale of property, plant and equipment	2.60	125.10
Dividend received	17,500.00	7,341.32
Net investment / (redemption) of bank deposits	(3,397.61)	503.34
Interest received	1,599.80	3,329.51
Net cash inflow/(outflow) from investing activities [B]	15,490.61	10,100.80
C. Cash Flow From Financing Activities		
Proceeds from non-current borrowings	-	-
Repayment from non-current borrowings	(6,744.00)	(4,794.52)
Net(payments)/Proceeds of short term borrowings	(26,273.89)	(25,481.33)
Interest paid	(518.89)	(3,193.66)
Net cash inflow/(outflow) from financing activities [C]	(33,536.78)	(33,469.51)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	7,676.49	7,775.37
Cash and Cash equivalents at the beginning of the year	7,857.19	81.82
Cash and Cash equivalents at the end of the year	15,533.68	7,857.19



Notes to statement of cash flows

a. Components of Cash and cash equivalents

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balances with banks		
Current accounts	53.17	171.73
Deposits with banks	15,480.00	7,685.01
Cheques on hand	-	-
Cash on hand	-	-
Stamps on hand	0.52	0.45
	<u>15,533.69</u>	<u>7,857.19</u>

b. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

Particulars	Non-current borrowings	Current borrowings
For the year ended 31 March 2021		
Balance as at 1 April 2020	36,560.99	77,897.48
Loan drawals	-	-
Loan repayments	(6,744.00)	(26,273.89)
Interest accrued during the year	1,163.93	3,200.82
Interest waived	-	-
Interest payment during the year	(0.00)	-
Balance as at 31 March 2021	<u>30,980.92</u>	<u>54,824.41</u>
For the year ended 31 March 2020		
Balance as at 1 April 2019	43,370.47	97,568.81
Loan drawals	-	-
Loan repayments	(4,794.52)	(25,481.33)
Interest accrued during the year	1,629.45	5,810.00
Interest waived	(621.09)	-
Interest payment during the year	(3,023.32)	-
Balance as at 31 March 2020	<u>36,560.99</u>	<u>77,897.48</u>

- c. Aravali Power Company Private Limited (associate of the Company) declared dividend of ₹ 17,500 Lakhs during the F.Y 20-21 (₹7,341.32 Lakhs in the F.Y 19-20).
- d. The undrawn borrowing facilities as on 31 March 2020 are amounting ₹ 8,997.41 Lakhs (31 March 2020 ₹ 12,723.52 Lakhs).
- e. Comparative figures have been adjusted to conform to the current year's presentation to enhance comparability with the current year's financial statements.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES
Chartered Accountants

Sd/-
Jitender Jindal
Partner
Membership No. : 093642
Firm Reg. No.: 007739N
UDIN : 23093642BGXWSL115

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

Place : New Delhi
Dated : 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED
CIN: U40103DL2001SGC111530

Consolidated Statement of Changes in Equity for the year ended 31 March 2021

(A) Equity share capital

For the year ended 31 March 2021

₹ Lakhs

Particulars	No. of Shares	Amount
Balance as at 1 April 2020	7,365.40	73,654.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	7,365.40	73,654.00

For the year ended 31 March 2020

₹ Lakhs

Particulars	No. of Shares	Amount
Balance as at 1 April 2019	7,365.40	73,654.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	7,365.40	73,654.00

(B) Other Equity

For the year ended 31 March 2021

₹ Lakhs

Particulars	Other Equity		Total
	General Reserve	Retained Earnings	
Balance as at 1 April 2020	5,000.00	137,593.95	142,593.95
Profit for the year	-	14,176.63	14,176.63
Other comprehensive income/(expense)	-	(123.71)	(123.71)
Transfer to Grant*	-	-	-
Balance as at 31 March 2021	5,000.00	151,646.87	156,646.87

*Refer Note 17 for detail.

For the year ended 31 March 2020

₹ Lakhs

Particulars	Other Equity		Total
	General Reserve	Retained Earnings	
Balance as at 1 April 2019	5,000.00	111,021.49	116,021.49
Profit for the year	-	26,586.69	26,586.69
Other comprehensive income/(expense)	-	(14.23)	(14.23)
Transfer to Grant*	-	-	-
Balance as at 31 March 2020	5,000.00	137,593.95	142,593.95

(C) Analysis of accumulated OCI, net of tax

Remeasurement of defined benefit liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	(143.05)	(128.82)
Remeasurement of defined benefit liability	(123.71)	(14.23)
Closing balance	(266.76)	(143.05)

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-
Jitender Jindal
Partner

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

Membership No. : 093642
Firm Reg. No.: 007739N
UDIN : 23093642BGXWSL115

Place : New Delhi
Dated : 14.01.2023

INDRAPRASTHA POWER GENERATION COMPANY LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2021

1. Company Information and Significant Accounting Policies

A. Reporting entity

Indraprastha Power Generation Company Limited (the “Company”) is a company limited by shares, incorporated and domiciled in India. The company is a Public Sector Enterprise of Government of National Capital Territory of Delhi (GNCTD) promoted by GNCTD, and Delhi Power Company Limited (DPCL), which is 100% owned by GNCTD limited by shares (CIN: U40103DL2001SGC111530). The Company has its registered office at Himadri, Rajghat Power House, New Delhi - 110002. The Company is in the business of generation of ‘Power’ and supplying the power to number of DISCOMs in the State of Delhi. The Company has two power stations namely Rajghat Power House (RPH), a coal based power plant commissioned during 1989-90 with generating capacity of 135 MW and Gas Turbine Power Station (GTPS), gas based power plant commissioned during 1985-86 (Gas Turbine) and 1995-96 (Steam Turbine) with generating capacity of 270 MW. RPH plant was not in operation since May 2015 as per the directions of DPCL. The Cabinet of Ministers of GNCTD has decided to shut down the RPH in their cabinet meeting dated 11th July, 2019.

B. Basis of preparation

1. Statement of Compliance

These standalone financial statements are prepared on going concern basis following accrual system of accounting and comply with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements have been authorized for issue by the Board of Directors on 28 December 2020. In terms of Section 131 of Companies Act 2013, the Board of Directors may prepare revised financial statement in respect of any of the three preceding financial years after obtaining approval of the Tribunal.

2. Basis of measurement

The financial statements have been prepared on the historical cost basis except for:

- Certain financial assets and liabilities that are measured at fair value (refer accounting policy regarding financial instruments);
- Plan assets in the case of employees defined benefit plans that are measured at fair value; and
- Assets held for sale recognised at lower of their carrying amount and fair value less cost to sell.

The methods used to measure fair values are discussed in notes to the financial statements.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

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.

3. Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is the Company’s functional currency. All financial information presented in ₹ has been rounded to the nearest lakh (upto two decimals), except as stated otherwise.

4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet, based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;



- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Current liabilities include current portion of non-current financial liabilities.

Assets and liabilities are classified between current and non current considering 12 months period as normal operating cycle.

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

C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and continue to use the previous GAAP carrying amount as the deemed cost under Ind AS at the transition date i.e. 1 April 2015. Therefore, the carrying amounts of property, plant and equipment and intangible assets as per the previous GAAP as at 1 April 2015, i.e.; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

1. Property, plant and equipment

1.1 Initial recognition and measurement

An item of property, plant and equipment is recognized as an asset if and only if 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.

Items of property, plant and equipment are initially recognized at cost. Subsequent measurement is done at cost less accumulated depreciation/amortization and accumulated impairment losses. Cost includes purchase price including import duties and non-refundable taxes after deducting trade discounts and rebates and includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When parts of an item of property, plant and equipment that are significant in value and have different useful lives as compared to the main asset, they are recognized separately.

In the case of assets put to use, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.

Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

1.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure on major inspection and overhauls of generating unit is capitalized, when it meets the asset recognition criteria. Any remaining carrying amount of the cost of the previous inspection and overhaul is derecognized.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized if it is unrepairable. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

1.3 Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition/disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

1.4 Depreciation

Depreciation is recognized in statement of profit and loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation on the tangible assets is charged on straight line method at the rates and methodology notified by Delhi Electricity Regulatory Commission (DERC) from time to time in accordance with Schedule II to the Companies Act, 2013.

Major overhaul and inspection costs which have been capitalized are depreciated over the period until the next scheduled outage or actual major inspection/overhaul, whichever is earlier.



Capital spares are depreciated considering the useful life ranging between 2 to 5 years based on technical assessment.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/sale, disposal or earmarked for disposal.

Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is charged off prospectively over the remaining useful life determined following the applicable accounting policies relating to depreciation.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

In circumstance, where a property is abandoned, the cumulative capitalized costs relating to the property are written off in the same period.

2. Capital work-in-progress

Cost incurred for property, plant and equipment that are not ready for their intended use as on the reporting date, is classified under capital work- in-progress.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management and the borrowing costs attributable to the acquisition or construction of qualifying asset. Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets. Deposit works/cost plus contracts are accounted for on the basis of statements of account received from the contractors. In respect of supply-cum-erection contracts, the value of supplies received at site and accepted are treated as work-in-progress. Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

3. Intangible assets

3.1 Recognition and measurement

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use. Intangible assets that are acquired by way of government grant at free of charge or for nominal consideration are measured and recognized at nominal amount.

3.2 Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.3 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on derecognition/disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.4 Amortization

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 3 years, whichever is less.

4. Borrowing costs

Borrowing costs consist of (a) interest expense calculated using the effective interest method as described in Ind AS-109- 'Financial Instruments' (b) interest expense on lease liabilities recognized in accordance with Ind AS 116 - Leases (c) exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. (d) other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized.

When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of all borrowings that are outstanding during the period and used for the acquisition

or construction/erection of the qualifying asset. However, borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset, are excluded from this calculation, until substantially all the activities necessary to prepare that asset for its intended use or sale are complete.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete.

Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the period in which they are incurred.

5. Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

For assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

6. Investment in associates and joint ventures

Equity investments in associates and joint ventures are measured at cost. The investments are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, policy for impairment of non-financial assets is followed.

7. Inventories

Inventories, other than scrap, are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Scrap inventory (generally immaterial) is carried at nil value which is its estimated realisable value.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

8. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Where the government grants are related to assets, the cost of the assets are presented at gross value and their grant is recognised as income in the statement of profit and loss over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses. Government grant received in the form of a transfer of as non monetary assets, free of charge or of nominal consideration are recognised at a nominal amount.

9. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand, liquid mutual funds and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

10. Provisions and contingent liabilities and contingent assets

A provision is recognized 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market



assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. The timing of cash flow can not be ascertained.

Contingent assets are possible assets that arise 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 Company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

11. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized upto 31 March 2015 are adjusted to the carrying cost of property, plant and equipment and capital work in progress.

Non-monetary items which are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

12. Revenue

Company's revenues arise from sale of energy and surcharge receive from customers for delayed payment. Revenue from other income comprises Interest from banks and others, gain on mutual fund measured at FVTPL, Dividend from non-current investment in associate, Income from solar consultancy, Insurance claims, Grant income, rental income, sale of scrap and other non operating income.

Effective 1 April 2018, the Company has adopted Ind AS 115 "Revenue from contracts with customers" using the cumulative effect method, applied to the contracts that were not completed as of 1 April 2018.

12.1 Revenue from Sale of Energy

Company's operations are regulated and governed under the Electricity Act, 2003 and DERC Tariff Regulations. Accordingly, the DERC determines the tariff for the Company's power plants based on the norms prescribed in the tariff regulations as applicable from time to time. Tariff is based on the capital cost incurred for a specific power plant and primarily comprises two components: capacity charge i.e. a fixed charge, that includes depreciation, return on equity, interest on working capital, operating and maintenance expenses, interest on loan and energy charge i.e. a variable charge primarily based on fuel costs.

Revenue from the sale of energy is measured at the fair value of the consideration received or receivable. Revenue is recognized when (or as) the performance obligation is satisfied, which typically occurs when (or as) control over the products or services is transferred to a customer.

Revenue from sale of energy is accounted for based on tariff rates approved by the DERC (except items indicated as provisional) as modified by the orders of Appellate Tribunal/Statutory Authorities for Electricity to the extent applicable. In case of power stations where the tariff rates are yet to be approved/items indicated provisional by the DERC in their orders, provisional rates are adopted considering the applicable DERC Tariff Regulations. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of energy includes an accrual for sales delivered to customers but not yet billed i.e. unbilled revenue. Adjustments arising out of finalization of Energy accounts by State Load Dispatch Centre (SLDC) are effected in the year of finalization. The impact of any order of the regulatory, appellate or statutory authority is accounted as and when the orders are issued.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The interest/surcharge on late payment/overdue sundry debtors for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists in accordance with Ind AS 115 'Revenue from Contracts with Customers'.



12.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and applicable interest rate, using the effective interest rate method (EIR).

Income from solar consultancy is recognised over the period of time of service on satisfaction of the performance obligation.

Revenue from rentals are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividend income is recognized in profit or loss only when the right to receive is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably. Insurance claims are recognised as income on certainty of realisation. Sale of scrap and wastage is accounted on disposal. Interest/surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/ acceptance are not treated as accrued and are therefore, accounted for on receipt/acceptance.

13. Leases as lessee

Effective 1 April 2019, the Company adopted Ind AS 116- 'Leases' and applied to all lease contracts existing on 1 April 2019 using the modified retrospective transition method. Consequently, the lease liability is measured at the present value of remaining lease payments discounted at incremental borrowing rate applicable at the date of initial application and the right-of-use asset has been recognized at an amount equal to lease liability. Comparatives as at and for the year ended 31 March 2019 have not been adjusted and therefore will continue to be reported as per Ind AS 17- 'Leases'. The details of accounting policies as per Ind AS 17 are disclosed separately if they are different from those under Ind AS 116.

The Company assesses whether a contract contains a lease, at inception of a contract. 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 assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated/amortized from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

In the comparative period, as lessee the leases were accounted as per Ind AS 17 and classified as finance lease and operating , and accounted as follows:

Determination whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other considerations required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying assets. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

**Accounting for operating leases as a lessee**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are recognized as an expense on a straight line basis over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

Accounting for operating leases as a lessor

Rental income from operating leases is recognized on a straight line basis over the term of the arrangement unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

14. Employee Benefits**14.1 Short term employee benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are measured on an undiscounted basis and recognized in the Statement of Profit and Loss in the period in which the employee renders the related services. A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

14.2 Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company has a defined contribution provident fund for employees employed after unbundling which are administered and managed by Government of India. Both the employee and the Company make monthly contribution equal to a specified percentage of the employee's salary. The contributions to the fund for the year are recognized as an expense and charged to the statement of profit and loss.

Post-employment benefits for employees employed before unbundling (DVB employees) are administered through a separate trust; DVB Employee Terminal Benefit Fund (Pension Trust), which is a multi employer plan. The liability of the company towards trust is a defined percentage of basic pay of employee for leave encashment and pension contribution as per rates notified by central government. The contributions to the trust for the year are recognized as an expense and charged to the statement of profit and loss.

14.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity and post-retirement medical facility for employees employed post unbundling are in the nature of defined benefit plans. The gratuity is funded by the Company and is managed by separate trust.

Every employee employed after unbundling of the erstwhile DVB who has rendered continuous service of five years or more is entitled for gratuity at 15 days salary (Basic salary plus dearness allowance) for each completed year of service subject to a prescribed maximum limit of ₹20 Lakhs. The liability towards gratuity arises on superannuation, resignation, termination, disablement or death. The Company has Post-Retirement Medical Facility (PRMF), under which retired employee and the spouse are provided medical facilities in the Company hospitals/empanelled hospitals subject to the limits prescribed.

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities. Any actuarial gains or losses are recognized in OCI in the period in which they arise.

Past service costs are recognized in statement of profit and loss on the earlier of the date of the plan amendment or curtailment, and the date that the Company recognizes related restructuring costs. If a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement.

**14.4 Other long-term employee benefits**

Benefits under the Company's leave encashment and leave travel concession constitute other long term employee benefits. The Company's net obligation is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in profit or loss in the period in which they arise.

14.5 Termination Benefits

Termination benefits are expensed at the earlier of when the company can no longer withdraw the offer of those benefits and when the company recognizes costs for restructuring. If benefits are not expected to be settled within 12 months of the reporting date, then they are measured on the basis of actuarial valuation like other long-term employee benefits.

14.6 Corporate share

In terms of arrangement with Pragati Power Corporation Limited (PPCL), the company shares employee benefit expenditure of employees of corporate office in the ratio of installed capacity of power plants of respective companies. Accordingly, these employee benefits are treated as defined contribution schemes and recognized in profit or loss.

15. Dividend

Dividends and interim dividends payable to the Company's shareholders are recognized as changes in equity in the period in which they are approved by the shareholders and the Board of Directors respectively.

16 Income Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income (OCI), or equity, in which case it is recognized in OCI or equity, respectively.

Current tax is the estimated tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI, in which case it is recognized in OCI.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Minimum Alternative Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as an asset only to the extent it is probable that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognized as an asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additionally, MAT Credit asset is disclosed along with balance of deferred tax asset.

When there is uncertainty regarding income tax treatments, the Company assesses whether a tax authority is likely to accept an uncertain tax treatment. If it concludes that the tax authority is unlikely to accept an uncertain tax treatment, the effect of the uncertainty on taxable income, tax bases and unused tax losses and unused tax credits is recognized. The effect of the uncertainty is recognized using the method that, in each case, best reflects the outcome of the uncertainty: the most likely outcome or the expected value. For each case, the Company evaluates whether to consider each uncertain tax treatment separately, or in conjunction with another or several other uncertain tax treatments, based on the approach that best prefixes the resolution of uncertainty.

17. Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

**18. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Basic and Diluted earnings per equity shares are also computed using the earnings amount excluding the movements in regulatory deferral account balances.

19. Statement of cash flows

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7 'Statement of Cash Flows'.

20. Regulatory deferral account balances

The company is eligible to apply Ind AS 114, Regulatory deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance note on accounting for rate regulated activities) accounting policy for its regulatory deferral account balances. Hence, Company has opted to continue its previous GAAP accounting policy for such balances.

Deferred tax recognized in statement of profit and loss on the amount recoverable from or payable to the beneficiaries in subsequent periods as per DERC tariff regulations are recognized as 'Regulatory deferral Account Balances'.

Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances are evaluated at each balance sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the regulatory deferral account balances are derecognized.

21. Operating segment

In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. In the opinion of the management, there is only one reportable segment ("Power Generation").

22. Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition. Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

23. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes a financial asset or a financial liability only when it becomes party to the contractual provisions of the instrument.

23.1 Financial assets**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows,
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



After initial measurement, such financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Equity investments

All equity investments in entities other than associates and joint ventures companies are measured at fair value. The Company decides to classify the equity investments either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

The Company reviews the carrying value of investments at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of the investment is estimated. If the recoverable amount is less than the carrying amount, the impairment loss is recognized in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The difference between the carrying amount and the amount of consideration received/receivable is recognized in the statement of profit and loss.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance
- (b) Trade receivables and Contract assets under Ind AS 115.

For trade receivables and contract assets/unbilled revenue, the Company applies the simplified approach required by Ind AS 109 Financial Instruments, which requires lifetime expected losses to be recognized from initial recognition.



For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

23.2 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, or payables, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings, retention money, deposits etc.

Subsequent measurement

Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109 'Financial Instruments'. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liabilities are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

23.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

D Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is as under:

**1. Formulation of accounting policy**

The accounting policies are formulated in a manner that results in financial statements containing relevant and reliable information about the transactions, other events and conditions to which they apply. Those policies need not be applied when the effect of applying them is immaterial.

2. Useful life of property, plant and equipment and intangible assets

Useful life of the assets of the generation of electricity business is determined by the DERC Tariff Regulations in accordance with Schedule II of the Companies Act, 2013.

The Company reviews at the end of each reporting date the useful life of assets, other than the assets of generation of electricity business which are governed by DERC Regulations, and are adjusted prospectively, if appropriate.

3. Recoverable Amount of Property, Plant and Equipment and Intangible Assets

The recoverable amount of Property, Plant and Equipment and Intangible Assets is based on estimates and assumptions regarding in particular the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

4. Post-employment benefit plans

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

5. Revenue

The Company records revenue from sale of energy based on tariff rates approved by the DERC as modified by the orders of Appellate Tribunal and regulatory or statutory authority for Electricity, as per principles enunciated under Ind AS 115. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable DERC Tariff Regulations.

6. Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

7. Assets held for sale

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

8. Income taxes

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

9. Regulatory deferral account balances

Recognition of regulatory deferral account balances involves significant judgements including about future tariff regulations since these are based on estimation of the amounts expected to be recoverable/payable through tariff in future.



2. Property, plant and equipment (PPE)

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block			Depreciation			Net Block	
	As at 01 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 01 April 2020	For the year	Deductions/ Adjustments	As at 31 March 2021
Buildings-Power plants	14.88	-	-	14.88	6.44	1.15	-	7.29
Other buildings	245.08	-	-	245.08	32.28	4.45	-	208.35
Plant and machinery	16,505.76	268.19	13.83	16,760.12	9,663.55	2215.25	2.29	4,883.61
Furniture and fixtures	122.86	-	-	122.86	71.29	7.45	-	44.12
Vehicles (including locomotives)	18.24	-	0.93	17.31	4.74	3.61	-	8.96
Office equipments	220.08	10.95	-	231.03	96.97	19.01	-	115.05
Hospital equipments	5.15	-	-	5.15	4.40	0.00	-	0.75
Computer hardware	118.72	-	-	118.72	71.67	7.36	-	39.69
Communication equipments	28.77	-	-	28.77	8.74	1.58	-	18.45
Safety and security equipments	21.52	-	-	21.52	18.89	-	-	2.63
Railway sidings	-	-	-	-	-	-	-	-
Total	17,301.06	279.14	14.76	17,565.44	9,978.97	2,259.86	2.29	5,328.90

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block			Depreciation			Net Block	
	As at 01 April 2019	Additions	Deductions/ Adjustments	As at 31 March 2020	Upto 01 April 2019	For the year	Deductions/ Adjustments	As at 31 March 2020
Buildings-Power plants	232.88	-	218.00	14.88	176.35	1.15	171.06	8.44
Other buildings	245.08	-	-	245.08	27.83	4.45	-	212.80
Plant and machinery	21,189.20	1,064.72	5,748.16	16,505.76	10,497.33	1,937.37	2,771.15	6,842.21
Furniture and fixtures	123.30	1.58	2.02	122.86	64.26	8.91	1.88	51.57
Vehicles (including locomotives)	31.58	-	13.34	18.24	2.35	3.61	1.22	13.50
Office equipments	189.76	30.65	0.33	220.08	80.41	16.80	0.24	123.11
Hospital equipments	5.15	-	-	5.15	4.40	-	-	0.75
Computer hardware	98.29	20.43	-	118.72	65.55	6.12	-	47.05
Communication equipments	28.77	-	-	28.77	7.12	1.62	-	20.03
Safety and security equipments	21.52	-	-	21.52	18.89	-	-	2.63
Railway sidings	65.31	-	65.31	-	32.36	-	32.36	-
Total	22,230.84	1,117.38	6,047.16	17,301.06	10,976.85	1,980.03	2,977.91	7,322.09

**2. Property, plant and equipment (PPE)**

Deductions/adjustments from gross block and depreciation and amortisation for the year on account of the classification to “Non-Current Assets held for sale” are as follows:

Particulars	Gross Block	Depreciation	WDV
Buildings-Power plants	218.00	171.06	46.94
Plant and machinery	4,187.34	1,880.38	2,306.96
Vehicles (including locomotives)	12.05	-	12.05
Railway sidings	65.31	32.36	32.95
Total	4,482.70	2,083.80	2,398.90

A Committee was constituted for closure of RPH by GNCTD on 22 February 2016 which has submitted its report to the Government. The Department of Power, GNCTD vide its order dated, 25 July 2019 conveyed the approval of cabinet regarding the closure of the Rajghat Power Station and authorised IPGCL to take other necessary action for disposal of the plant. Further, The Power Department of GNCTD has also been allowed to setup and develop solar park at the site for generation of clean power vide the referred order. The Board of Directors in their meeting held on 21 August 2019 decided and approved the de-commissioning and disposal of the Rajghat power house. The Board directed to take all the necessary actions as required in respect of the disposal in time bound manner.

As on March 31, 2020, active discussions and engagement demonstrate that the Management of the Company is committed to sell the power house property and equipment and there is an active programme for completing the sale. The Company expects to dispose off the assets through auction sale over the course of next 12 months. In accordance with Ind AS 105, “Non-current Assets Held for Sale and Discontinued Operations”, Property, plant & equipment forming part of the power house have been classified as “Non-current assets held for sale”. These assets have been valued at their carrying amount and expected realisable value is more than the carrying amount. Impairment loss/gain recognised in statement of profit and loss on account of such classification is Nil. Refer note 52 for details.

- Refer Note 22 for property, plant and equipment pledged as security by the company.
- Estimated amount of contracts remaining to be executed on capital account and is not provided for is ₹ 16.10 Lakhs Lakhs (31 March 2020 ₹ 151.74 Lakhs).
- Gross Block includes Computer Hardware of ₹ 20.22 Lakhs (31 March 2020 ₹ 20.22 Lakhs) having net block ₹ 5.06 Lakhs (31 March 2020 ₹ 5.06 Lakhs) which is jointly owned by IPGCL along with PPCL and used jointly.
- The Company is entitled to use land (96.16 acres) received on unbundling of Delhi Vidyut Board as licensee of the Government of NCT of Delhi (GNCTD) on right to use basis. As per the transitional exemption of Business Combinations, this land has been accounted at Nil value as treated under previous GAAP.
- Spares parts whose cost is ₹ 5.00 Lakhs and above which meets the recognition criteria of Property, Plant and Equipment are capitalized.
- In relation to the assets related to the Rajghat Power House, Refer Note No-52.

3. Intangible Assets

	Amount
a) Gross Block	
As at 31 March 2021	—
As at 31 March 2020	—
b) Accumulated amortization and impairment, if any	
As at 31 March 2021	—
As at 31 March 2020	—
c) Net block	
As at 31 March 2021	—
As at 31 March 2020	—

The gross carrying amount and net carrying amount of the intangible assets as at the beginning of the year as well as previous year is Nil. The net carrying amount of intangible assets as on 31 March 2015 was nil and the same was deemed as gross carrying amount as on 1 April 2015 applying deemed cost exemption on transition to Ind AS.



4. Investments accounted for using equity method

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Equity instruments- Unquoted and fully paid up at cost		
Investment in Associate		
Aravali Power Company Private Ltd.	155,858.80	154,328.28
71,65,04,100 (31 March 2020: 71,65,04,100) shares of ₹10 each		
Total	155,858.80	154,328.28
Aggregate amount of unquoted investments	155,858.80	154,328.28
Aggregate amount of impairment in value of investments	-	-

- a) Investments have been valued as per accounting policy no. C6 (Note 1).
- b) Aravali Power Company Private Limited (APCPL) is a company limited by shares, incorporated and domiciled in India with principal place of business in India. The Company holds 25% (31 March 2020: 25%) ownership in APCPL. As per the MOU, the Company has invested ₹ 71,650.41 Lakhs (31 March 2020: ₹ 71,650.41 Lakhs) till reporting date in Aravali Power Company Private Limited.

5. Non-current financial assets - Other financial assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security deposits	13.40	13.86
Total	13.40	13.86

6. Other Non Current Assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Capital advances	22.26	87.22
Advances other than capital advances		
Prepaid expenses	20.07	32.57
Deferred payroll expenditure (refer a below)	43.79	71.21
Total	86.12	191.00

- a) The deferred payroll expenditure represents the expenditure incurred on vehicles, laptops/printers and mobile phones procured for employees which will be transferred to employee upon completion of defined period and this expenditure will be amortised proportionately over the period.

7. Inventories

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Coal	430.49	397.74
Oil	117.96	121.26
Loose tools	1.09	1.15
Stores and spares	2,871.59	2,937.07
	3,421.13	3,457.22
Less: Provision for shortages	0.07	9.88
Provision for obsolete/unserviceable inventory	372.83	372.83
Total	3,048.23	3,074.51

- a) Inventory items have been valued as per accounting policy no. C.7 (Note 1).
- b) Refer Note 22 for inventory pledged as security by the company.
- c) Company is holding inventory of rejected coal generated during operations which is not being recorded in the accounts as the value of such coal is not material. However, due to its non-disposal during last number of years, sizeable quantity of such coal thereof has accumulated in the yard, which is yet to be ascertained. Steps for its disposal though initiated are yet to be materialized.
- d) During the year, the Company has recognised provision for shortage in inventory of ₹ 0.07 (31 March 2020: Nil Lakhs) and provision for obsolescence in Stores of ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs). Further, coal has been written up by ₹ 32.75 Lakhs considering the GCV provided by the third party.(31 March 2020: ₹(-)18.00 Lakhs) in line with inventory measurement policy.



- e) The Company has written back provision for shortage in inventory of ₹ 9.88 Lakhs (31 March 2020: ₹ 4.80 Lakhs) on identification of inventory during the physical verification process.
- f) Inventory has been physically verified by the external agency and provision has been created or written back according to the report. However, these inventories will be written off from the books of accounts after following the procedures laid down by the management.
- g) Amount of inventories recognized as expense during the year is as under: ₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fuel (Refer Note 29)	14,651.39	23,908.51
Others (included in note 32 - Other expenses)	297.93	605.28
Total	14,949.32	24,513.79

- h) Coal included in the inventories is related to the Rajghat Power House. Refer note no- 52 for details.

8. Trade receivables ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good-Unsecured	147,925.46	166,725.34
Total	147,925.46	166,725.34

- a) As per power purchase agreement, DISCOMS, as a payment security mechanism, are to provide to the Company unconditional, revolving and irrevocable letter of credit (LC) equivalent to 105% of monthly average bill of last 12 months, to enter into an agreement to hypothecate the receivables equivalent to LC amount in favour of the company creating first floating charge on the receivable ranking pari-passu and also to enter into Default Escrow Agreement. However, BSES Yamuna Private Limited, BSES Rajdhani Private Limited and Tata Power Delhi Distribution Limited have neither renewed letter of credit after 31 March 2011 and 31 March 2011 and 31st March 2021 respectively nor entered into the required agreements.
- b) Refer note 46 for related party disclosure.
- c) The trade receivables have been considered as current as the same are recoverable within operating cycle and in anticipation that Hon'ble Supreme Court will pronounce its reserved judgement any time and thereafter trade receivables will also be liquidated.
- d) Credit Risk at note no. 34 (ii) and (iii).

9. Cash and cash equivalents ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts**	53.17	171.73
Deposits with banks	15,480.00	7,685.01
Cheques on hand	-	-
Cash on hand*	-	-
Stamps on hand	0.52	0.45
Total	15,533.69	7,857.19

*Cash in hand as on the 31st March 2021 is ₹ 498.

** Subsidy disbursable amounting to ₹ 60.09 lakhs has been received from MNRE on 31 March 2020 and kept in separate account as fixed deposits subsequently.

10 Bank balances other than cash and cash equivalents ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deposits with banks out of amount received from Ministry of New and Renewable Energy (MNRE) and earmarked for disbursement of subsidy to solar plants developers	233.96	34.55
Bank deposits with original maturity of more than three months but upto twelve months (refer note (a) below)	3,200.00	-
Total	3,433.96	34.55



11. Other financial assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Corporate share recoverable (refer d below)	828.75	653.38
Interest accrued on Bank Deposits(refer debelow)	26.40	28.20
Unbilled revenue (refer b below)	1,893.08	47.54
Recoverable from related parties (refer d below)	865.36	467.75
Others (refer c below)	276.52	257.17
Credit Impaired		
Recoverable for IP Station (refer note 49)	917.32	917.32
Less: Loss allowance for credit impaired recoverable	917.32	917.32
Recoverable for Yamuna Barrage (refer a below)	175.83	175.83
Less: Loss allowance for credit impaired recoverable	173.69	170.11
	2.14	5.72
Total	3,892.25	1,459.76

- a) The company has incurred an expenditure of ₹ Nil Lakhs (31 March 2020: ₹ 2.78 Lakhs) on repairs and maintenance of Yamuna Barrage being managed by Haryana irrigation department in terms of the order of Delhi Thermal Power Control Board. A portion of this expenditure is recoverable from Transport Department. of GNCTD and Central Public Works Department. Due to uncertainty of collection, provision has been created for claims older than 3 years. As IP Station of the company for which the water was drawn from the barrage has since been shut down from december 2009, the company proposed to GNCTD to stop this arrangement being a inter-state matter between NCT of Delhi and Haryana.
- b) Northern Coalfields Limited (NCL) made a claim of ₹ 4,091.64 Lakhs during the financial year 2014-15 towards transit fee on coal transportation in the State of Uttar Pradesh for the period 1999 to 2012 against which Company paid ₹ 2,489.00 Lakhs upto 2017-18, and released balance amount of ₹1,602.64 Lakhs during the FY 2018-19. The said amount is recoverable from Discoms and other beneficiaries but could not be billed pending DERC orders till 31st March 2019 and the same is billed during FY 2019-20 dated 4-11-19.
- c) Others include ₹ 225.66 Lakhs (31 March 2019: ₹ 225.66 Lakhs) recoverable from Mukti Credits Private Limited on account of interest on late payment for dues on sale of IP Station. The arbitrator has awarded vide its order dated 27 December 2018 partly in favour of the Company. The recoverable amount as per award is more than ₹ 225.66 Lakhs However, the company and M/S Mukti Credit Pvt. Ltd. has approached before Honourable Delhi High Court in regards to their respective issues.
- d) Detail of Related Party given in note 46 for related party disclosures.
- e) Interest accrued on bank depositd includes interest accrued on earmarked funds ₹ 0.02 Lakhs

12. Other current assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Annual take or pay recoverable (refer a below)	-	6,069.02
Advances to employees	-	0.20
Advances to contractors and suppliers	42.60	43.78
Prepaid expenses	261.73	189.79
Deferred payroll expenditure (refer note 6)	32.89	33.66
Total	337.22	6,336.45

- a) Long term RLNG Gas Supply Agreement (GSA) with GAIL India stipulates annual minimum guaranteed offtake of RLNG. As per the said agreement, during the FY 2014-15, though the amount due stated by GAIL is ₹ 43,476.50 Lakhs but the supplier has called upon to pay ₹ 9,103.55 Lakhs and for balance it has reserved its right to claim at a later date. The amount of ₹ 9,103.55 Lakhs is adjustable from the make-up quantity of gas to be purchased by the Company during the period of GSA agreement as stipulated in make-up clause of GSA and also providing the flexibility for diverting RLNG quantities from Daily Contracted Quantity (DCQ) to PPCL, having common Directors on the Board of both IPGCL and PPCL, as per tripartite agreement dated 1 February 2018 and 28 January 2020. The said amount of ₹ 9,103.55 Lakhs was accounted as recoverable. However, during the year the company has recovered ₹ 6069.02 Lakhs (31 March 2020 ₹ 3034.50 Lakhs) as make-up gas on account of adjustments for calender year 2020. The amount of ₹ 3034.50 Lakhs



billed to Discoms, on adjustment of the makeup Gas this has been passed on to Discoms during the relevant year. Since an amount of ₹ 3,034.50 Lakhs out of ₹ 9,103.55 Lakhs has been paid to GAIL, the balance liability of ₹ 6,069.05 Lakhs has been shown under Note 23 (trade payable) as on 31.03.2020.

13. Current tax assets (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Deducted at source(TDS)	3252.83	0
Advance tax and tax deducted at source	4,081.68	16,167.23
Less: Provision for tax	5,858.95	2,273.88
Less: Provision for doubtful recovery of FBT	26.89	26.89
Total	1,448.67	13,866.46

As per the decision taken by Board of Directors (BoD) of the company in their 110th meeting held on 21.12.2022, the company has decided to take the TDS credit against the income recognized on account of LPSC to the extent of 10% of the said income(i.e. proportionate to the income from LPSC realised by the company during the current financial year) as per the opinions taken by the company from the senior tax consultant & senior advocate. As a result of this decision, 90% of the TDS credit against the income recognized on account of LPSC is being deferred for claiming against the tax liability of the financial year in which said income will be realized by the company from DISCOMS. Therefore the amount of Rs.3,252.83 lakhs represents the TDS Credit to be claimed by the company in the financial year in which the income from LPSC shall be realized by the company. The TDS Credit to the extent of 10% of the income against LPSC amounting to Rs. 361.42 lakhs that is included in the amount of Rs. 4081.68 above that has been adjusted with the provision for tax for the current year.

14. Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets for Deferred Tax Liability	-	-
Total	-	-

Regulatory deferral account balances have been accounted in line with accounting policy no.C20 Note 1. Refer note 55 for detailed disclosure.

15. Non-current assets held for sale

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Assets held for sale (Refer note 2 and 52)	2412.65	2412.65
	2412.65	2412.65

16. Equity share capital

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital		
Authorised		
1,50,00,00,000 (31 March 2020: 1,50,00,00,000) equity shares of par value ₹10/- each	150,000.00	150,000.00
Issued, subscribed and fully paid up		
73,65,40,000 (31 March 2020: 73,65,40,000) equity shares) of par value ₹10/- each	73,654.00	73,654.00

a) Movements in equity share capital:

During the year, the Company has neither issued nor bought back any share.

b) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a par value ₹ 10/- per share. The equity shareholders are entitled to receive dividends and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



- c) Shareholders holding more than 5% shares in the Company as at 31 March 2021 and 31 March 2020:

Name of shareholders	No. of shares	% of Shareholding
Lt. Governor of Delhi	59,65,40,000	80.99%
Delhi Power Company Limited* (refer d below)	14,00,00,000	19.01%

*includes 8 Equity Shares held in the name of eight nominees on behalf of Lt. Governor of Delhi/DPCL

- d) 13,99,50,000 equity shares of ₹13,995.00 Lakhs were issued on 1 July 2002 pursuant to the Delhi Electricity Reforms (Transfer Scheme) Rules 2001, in favour of Delhi Power Company Limited (DPCL), without payment being received in cash, in consideration of the vesting of assets and liabilities in terms of the scheme.

17. Other equity ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	5,000.00	5,000.00
Retained earnings	151,646.87	137,593.95
Total	156,646.87	142,593.95

Movement in retained earnings

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
At the commencement of the year	137,593.95	111,021.49
Profit/(loss) for the year	14,176.63	26,586.69
Other comprehensive income/(expense)	(123.71)	(14.23)
At the end of the year	151,646.87	137,593.95

Nature and Purpose of Other Reserves:

(a) Retained Earnings

Retained Earnings represents the undistributed profits of the Company.

(b) General Reserve

General Reserve represents the statutory reserves, this is in accordance with Corporate Law wherein a portion of profit is apportioned to General Reserve. Under The Companies Act, 2013, the transfer of any amount to General Reserve is at the discretion of the Company.

18. Borrowings ₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current Maturity	Non-current	Current Maturity
Secured term loan from bank				
Vehicle Loan from Indian Bank (Formerly Allahabad Bank)	-	-	-	-
Secured term loan from related parties				
Delhi Power Company Limited (DPCL)	-	-	-	-
Unsecured term loan from related parties				
Government of NCT of Delhi (GNCTD) 5 Years	-	5,262.07	2,472.00	8,922.61
Government of NCT of Delhi (GNCTD) 15 Years	-	25,718.85	-	25,166.38
	-	30,980.92	2,472.00	34,088.99
Less: Interest accrued but not due on borrowings	-	-	-	8.29
Less: Interest accrued and due on Borrowings	-	30,980.92	-	29,808.70
Total	-	(0.00)	2,472.00	4,272.00

- a) Secured vehicle loan from Indian Bank (Formerly Allahabad Bank) carries an interest rate on 31 March 2020: 9.60% p.a. at Base Rate and secured by hypothecation of specific vehicles given to the Executives of the Company repayable in 60 equated monthly instalments. However, vehicle loan has been fully liquidated during F.Y. 2019-20.



- b) **Secured term loan from DPCL** carries interest @ 12% p.a. with a penal interest @ 1.50% p.a. on any delay and was transferred on unbundling of erstwhile DVB on 01 July 2002. This Loan is secured by first charge ranking pari-passu by way of simple mortgage on the generation plant, systems and assets, movable and immovable both present and future and is repayable in 18 half yearly equal instalments of ₹1,166.67 Lakhs each. The principal amount has been fully repaid during the F.Y. 2017-18, interest amount of ₹ 3,023.32 Lakhs was paid & penal interest of ₹ 621.09 lakhs was waived -off by DPCL during the year 2019-20. On squaring off of loan alongwith interest and on receipt of NOC from DPCL, charge has been duly satisfied.
- c) **Unsecured loan from Govt. of NCT of Delhi (5 years)** carries interest @ 9.50% p.a. and 9.00 % p.a. with a penal interest @ 2.75% p.a on any delay and is repayable in five yearly instalments and was fully paid during FY 2020-21.
- d) **Unsecured loan from Govt. of NCT of Delhi (15 years)** carries interest @ 11.50% and @ 13.00% p.a. with a penal interest @ 2.75% p.a on any delay and is repayable in fifteen yearly instalments and fully paid in the financial year 2019-20.
- e) There is no default in repayment of instalment due against principal loan. However, default against interest including penal interest along with period since default is continuing.

Particulars	Rate of Interest	Default Since	Principal	Interest	Total
GNCTD-O/H - GT	13.00%	2005-06	-	1,360.98	1,360.98
GNCTD-O/H - GT	13.00%	2005-06	-	1,589.72	1,589.72
GNCTD-WHRU-I&II-REFURB.	13.00%	2005-06	-	329.26	329.26
GNCTD-R&M IP	13.00%	2005-06	-	344.17	344.17
GNCTD-R&M-RPH	13.00%	2005-06	-	860.44	860.44
GNCTD-O/H-GT	11.50%	2005-06	-	770.12	770.12
GNCTD-WHRU - I & ii REFURB.	11.50%	2005-06	-	308.15	308.15
GNCTD-I.P. - ESP	11.50%	2005-06	-	924.46	924.46
GNCTD-R&M - RPH	11.50%	2005-06	-	893.64	893.64
GNCTD-Consultancy	11.50%	2005-06	-	30.67	30.67
GNCTD-I.P. -ESP	11.50%	2005-06	-	898.24	898.24
GNCTD-I.P. -ESP	11.50%	2005-06	-	2,058.30	2,058.30
GNCTD-GT-GAC	11.50%	2005-06	-	1,787.32	1,787.32
GNCTD-R&M -RPH	11.50%	2006-07	-	999.20	999.20
GNCTD-GT Overhauling	11.50%	2006-07	-	592.64	592.64
GNCTD-WHRU-I &II -REFURB.	11.50%	2006-07	-	1,581.60	1,581.60
GNCTD-R&M I.P. Stn.	11.50%	2006-07	-	844.57	844.57
GNCTD-R&M RPH	11.50%	2006-07	-	953.43	953.43
GNCTD-GT Overhauling	11.50%	2007-08	-	997.03	997.03
GNCTD-GT Overhauling	11.50%	2007-08	-	971.04	971.04
GNCTD-WHRU-I&II-REFURB.	11.50%	2007-08	-	213.77	213.77
GNCTD-R&M I.P. Stn.	11.50%	2007-08	-	791.81	791.81
GNCTD-R&M RPH	11.50%	2007-08	-	1,042.56	1,042.56
GNCTD-CCGT (GTP)	11.50%	2008-09	-	1,340.00	1,340.00
GNCTD-CCGT (GTP)	11.50%	2008-09	-	3,235.73	3,235.73
Govt. of NCT of Delhi (GNCTD) 5 Years	9.50%	2012-13	-	3,352.19	3,352.19
Govt. of NCT of Delhi (GNCTD) 5 Years	9.50%	2016-17	-	871.96	871.96
Govt. of NCT of Delhi (GNCTD) 5 Years	9.00%	2018-19	-	1,037.92	1,037.92
Total			-	30,980.92	30,980.92



19. Provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current provisions		
Provision for employee benefits		
Gratuity	157.76	234.15
Leave encashment	2,573.13	2,321.66
Post retirement medical facility	1,734.55	1,185.43
Leave travel concession	100.11	107.47
Terminal benefits	123.05	122.45
Total	4,688.60	3,971.16
Current provisions		
Provisions for employee benefits		
Gratuity	78.78	48.57
Leave encashment	146.17	96.03
Post retirement medical facility	7.46	3.37
Leave travel concession	12.31	12.99
Terminal benefits	18.97	16.75
Provision for scrap assets pending approval	15.68	17.51
Provision of pay revision	-	1,411.39
Provision for shortage in property plant and equipment	43.53	33.01
Total	322.90	1,639.62
Total Provisions	5,011.50	5,610.78

- a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 37.
- b) Refer Note 48 for disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'.
- c) Property, plant and equipment has been physically verified by the external agency and provision has been created or written back according to the report. However, these assets will be written off from the books of accounts after following the procedures laid down by the management.

20. Deferred tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax liability		
Difference in book base and tax base of PPE	1,102.54	2,538.49
Less: Deferred tax assets		
Business losses	-	-
Provision for employee retirement benefits	571.49	1,636.46
Other provisions	152.47	210.83
Deferred income on solar consultancy	13.87	18.40
Total	364.71	672.80

- a) Refer Note 36 for disclosure as per Ind AS 12 'Income Taxes'.
- b) As per the Delhi Electricity Regulatory Commission Generation Tariff Regulation, 2011, the Deferred Tax liability upto 31 March 2012 is recoverable from the discoms at the time when it materializes. However, in terms of DERC Regulation, 2011, the Income Tax has been made part of fixed cost and thus is not recoverable separately w.e.f. 1 April 2012. Accordingly, the same is charged to Statement of profit and loss.



21. Other non-current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred income from solar consultancy (Refer note (a) below)	35.51	34.90
Total	35.51	34.90

- (a) IPGCL is getting 5% service charges from the vendors who have been empanelled for installation of Solar PV projects in Delhi. In lieu of which IPGCL have to monitor these Solar PV projects for a period of five years. Accordingly the Income of Solar Consultancy has been recognised over a period of 5 Years in the ratio of 92% of amount received in first year and balance 8% is kept as deferred revenue out of which 2% of the amount received is accounted as Income for next four Years.

22. Borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Secured loan from banks		
Loans repayable on demand	2.59	276.48
Unsecured loan from related parties		
Govt. of NCT of Delhi (GNCTD)	54,821.82	77,621.00
Delhi Power Company Limited (DPCL)	-	-
Less: Interest accrued and due on Borrowings	54,821.82	51,621.00
Total	2.59	26,276.48

- a) The company has a cash credit limit from Indian Bank (formerly Allahabad Bank) of ₹ 9,000.00 Lakhs (31 March 2020: ₹ 9,000.00 Lakhs) secured by pari-passu charge by hypothecation of all current assets both present and future and second charge on pari-passu basis, on the property plant and equipment of the Company. It carries an interest rate of 9.65% (31 March 2020: 9.65%). Delhi Power Company Limited (DPCL), having first charge on PPE has satisfied the charge on 4th September 2020.
- b) Unsecured Loans from Govt. of NCT of Delhi (GNCTD) each amounting to ₹ 20,000 Lakhs, ₹ 20,000 Lakhs and ₹ 10,000 Lakhs were repayable on or before 31 December 2012, 31 March 2013 and 6 March 2014 respectively. Loan of ₹ 20,000 Lakhs repayable on or before 31 December 2012 has been repaid in full (₹ 2,500 Lakhs in FY 2018-19 and ₹ 17,500 Lakhs in FY 2019-20). Loan of ₹ 20,000 lakhs repayable on or before 31 March, 2013 has been repaid in full (₹ 4,000 Lakhs in FY 2019-20 and ₹ 16,000 Lakhs in FY 2020-21) Further, Loan of ₹ 10,000 Lakhs repayable on or before 31 March 2013 has been repaid full in FY 2020-21. All these loans carry fixed interest rate of 10% p.a. with a penal interest @ 2.75% p.a. on any delay. There is no default in repayment of Instalments due against principal loan. However, default against interest including penal interest on these loans along with the period since default is continuing are as follows:

₹ Lakhs

Particulars of loan	Rate of interest	Default since	Principal amount	Interest including penal interest
GNCTD-Rs.200 Cr	10%	2011-12	-	22,252.80
GNCTD-Rs.200 Cr	10%	2012-13	-	21,982.94
GNCTD-Rs.100 Cr	10%	2013-14	-	10,586.08
Total			-	54,821.82

23. Trade payables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
- Total outstanding dues of Micro Enterprises and Small Enterprises	164.00	144.14
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	12,727.05	19,016.58
Total	12,891.05	19,160.72

- a) Consequent to transfer of generation business of DVB under the terms of Delhi Electricity Reform (Transfer Scheme) Rule, 2001 on 1 July 2002 to the Company, net liability of ₹ 1,291.96 Lakhs (31 March 2020: ₹ 1291.96 Lakhs) is pending reconciliation/ identification due to non-availability of supporting documents, since the transfer of the business. The Company settles the claims after verifying the documents as and when filed or any claim lodged by any claimant. During the year, Company settled NIL claims (31 March 2020: ₹ 113.80 Lakhs).
- b) Refer Note No. 46 for related party disclosures.



- c) Refer Note 12(a) for liability towards GAIL.
- d) Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
a. Amount remaining unpaid to any supplier:		
Principal amount	162.31	143.59
Interest due thereon	1.69	0.55
b. Amount of interest paid in terms of Section 16 of the MSMED Act along-with the amount paid to the suppliers beyond the appointed day.	0.55	2.76
c. Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.		-
d. Amount of interest accrued and remaining unpaid	1.69	0.55
e. Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under Section 23 of MSMED Act	1.69	0.55

24. Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of non-current borrowings (refer Note 18)	-	4,272.00
Deposits/ retention money	119.49	132.06
Interest accrued but not due on borrowings	-	8.29
Interest accrued and due on borrowings	85,802.73	81,429.70
Payable to GNCTD (refer a below)	3,676.24	3,676.24
Less: Recoverable from pension trust	27.78	27.93
	3,648.46	3,648.31
Other payables		
Payable to employees	272.99	269.28
Payable to pension trust	67.82	22.44
Subsidy received from MNRE for disbursal (refer b below)	250.51	119.84
Others (refer c below)	2.27	12.71
Total	90,164.27	89,914.63

- a) The Company floated a Special Voluntary Retirement Scheme (SVRS) in the past which was funded by Government of NCT of Delhi through grants to meet the expenses of pension, exgratia, leave encashment, gratuity, LTC and commutation. Since the amount of Leave encashment, gratuity and commutation paid under SVRS schemes, are reimbursable from Pension Trust on attaining the normal superannuation of SVRS optees, the amount on this account is refundable to GNCTD. Pension Trust has accepted liability for an amount of ₹ 3525.22 Lakhs upto the 31 March 2021 (31 March 2020: ₹ 3525.22 Lakhs) in respect of employees who have attained superannuation till 31 March 2021 and the same has been set-off against the liabilities of the company towards Pension Trust but the said amount has not been repaid back to Govt. of NCT of Delhi due to paucity of funds.
- b) Company receives subsidy as nodal agency appointed by GNCTD for disbursement to solar power developers. The Company is required to release the subsidy only out of the amount received from MNRE.
- c) Other payables - others include stale cheque, payable to VRS optees, etc.
- d) Refer Note No. 46 for related party disclosures.



25. Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Tax deducted at source and other statutory dues	203.53	213.95
Payable to pension trust	269.16	2,917.58
Advance from scrap dealers	11.55	33.89
Deferred income from solar consultancy (refer note 21)	19.58	17.76
Total	503.82	3,183.18

26. Deferred revenue

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred government grant (refer a below)	45.04	48.70
Total	45.04	48.70

- a) Deferred government grant represents grant received from MNRE and GNCTD for setting up solar power plant of 99.80 KW on GTPS plant. There are no unfulfilled conditions or other contingencies attached to above grant.

27. Revenue from operations

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Sale of energy (refer a below)	23,951.38	46,396.83
Other operating revenue:		
Surcharge on sale of energy (refer c below)	3,614.12	4,205.82
Interest from beneficiaries (refer d below)	-	6,450.58
Total	27,565.50	57,053.23

- a) Sale of energy is net of ₹ (-) 800.34 Lakhs and ₹ (-) 1714.14 Lakhs (31 March 2020 ₹ 1283.87 Lakhs) pertaining to previous years due to Truing up of 2018-19 and revision of Truing up of 2017-18 respectively, recognized based on the orders issued by the DERC/Appellate Tribunal for Electricity (APTEL). For revenue with regards to RPH refer note 52.

Refer note 12(a) for the amount passed on to the discoms on account of MGO credit received from GAIL.

During the year 2021-22, the Company received truing up orders for 2019-20 of ₹ (-) 3163.56 Lakhs including carrying cost of Rs. 326.56 Lakhs. Moreover DERC has given effect to order of APTEL and allowed recovery of Rs. 10,920.00 Lakhs in respect of FY 2012-13 and 2013-14 (Year 2020: (-) 2517.7) which will be accounted in 2021-22 as per accounting policy consistently followed.

- b) The surcharge on late payment of energy bills recoverable from discoms has been accounted only to the extent of tax deducted at source (TDS) deposited by Discoms with the tax authorities, in view of continuous default in payment of dues by the Discoms and its uncertainty of collection as per past practice. This has resulted in non recognition of revenue of ₹ 43,573.80 Lakhs (31 March 2020 ₹ 37,852.35 Lakhs) with corresponding impact on receivables.
- c) "DERC Regulations provides that where after the truing-up, the tariff recovered is less/more than the tariff approved by the Commission, the generating Company shall recover/pay from/to the beneficiaries the under/over recovered amount along-with simple interest.

Further, the amount payable to the beneficiaries has been accounted as 'Interest to beneficiaries' in Note 32.

d) Nature of goods and services

The revenue of the company comes from sale of energy. The company sells electricity to bulk customers, mainly electricity utilities owned by State Government as well as private Discoms operating in states. Sale of electricity is generally made pursuant to long term Power purchase agreements (PPAs) entered into with the beneficiaries, or power allocation made by DERC.

Nature, timing of satisfaction of performance obligations and significant payment terms

The Company recognises revenue from Contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the company. Since, the Company is in business of generation and supplying of power where customers are billed on units (KwH) consumed, an output measure based on unit delivered compared to total units to be delivered will be an appropriate measure of progress. The tariff for computing revenue from energy sale is determined in terms of DERC regulations as notified from time to time. The amount of revenue recognised for energy sales is adjusted for variable consideration, wherever applicable, which are estimated based on the historical data available with the company, The amounts are billed on a monthly basis and invoices are payable within contractually agreed credit period.

e) **Disaggregation of revenue**

Below is the disaggregation of the Company's revenue from contracts with customers:

For the year ended March 31, 2021

₹ Lakhs

Type of goods or service	Sale of energy	Total
Timing of satisfaction of performance obligation:		
Over time	23,951.38	23,951.38
At a point in time	-	-
Total	23,951.38	23,951.38
Method for measuring performance obligation:		
Input method	-	-
Output method	23,951.38	23,951.38
Total	23,951.38	23,951.38

For the year ended March 31, 2020

₹ Lakhs

Type of goods or service	Sale of energy	Total
Timing of satisfaction of performance obligation:		
Over time	46,396.83	46,396.83
At a point in time	-	-
Total	46,396.83	46,396.83
Method for measuring performance obligation:		
Input method	-	-
Output method	46,396.83	46,396.83
Total	46,396.83	46,396.83

- f) The Company has applied cumulative effect method for the application of Ind AS 115 "Revenue from contracts with customers" and the effect is nil on retained earnings as at 1 April 2018.

i) **Contract balances**

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables (Note 8)	147,925.46	166,725.34
Contract Assets (Note 11)	1,893.08	47.54
Contract liabilities	-	-

- ia) Contract assets represent unbilled revenue. Any amount previously recognised as a contract asset is reclassified to trade receivables on satisfaction of the condition attached i.e. future service which is necessary to achieve the billing milestone.

Particulars	As at 31 March 2021	As at 31 March 2020
Contract Asset at the beginning of the year	47.54	6,397.66
Transfer from Contract Asset to Trade Receivable	47.54	6,397.66
Contract Asset at the end of the year	1,893.08	47.54

- ib) Contract liabilities represents the amount received as advance from customers

Particulars	As at 31 March 2021	As at 31 March 2020
Contract Liabilities at the beginning of the year	-	-
Transfer from Contract Liabilities to Revenue	-	-
Contract Liabilities at the end of the year	-	-



- ic) The following table shows how much of the revenue recognised in the current reporting period relates to brought-forward contract liabilities.

Particulars	As at 31 March 2021	As at 31 March 2020
Amount received as advance from customers	-	-
Amount recognised as a revenue during the year	-	-
Amount due to customers	-	-

- id) Reconciliation of Revenue recognised with contract price:

Particulars	As at 31 March 2021	As at 31 March 2020
Contact Price	23,959.09	46,400.87
Adjustments for variable consideration components	7.71	4.04
Revenue from operations	23,951.38	46,396.83

- g) Applying the practical expedients as given in Ind AS 115;

- The company does not expect to have any contracts where the period between the transfer of the promised goods and services to the customer and payment by the customer exceed one year. As a consequences, the company does not adjust any of the transaction prices for the time value of money.
- The company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

- h) The company has not incurred any incremental costs of obtaining contracts with a customer and therefore, not recognised an asset for such capitalised cost.

28. Other income

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest from financial assets measured at amortised cost		
Banks	367.82	204.85
Others	-	2,344.62
Interest on income tax refund	1233.78	755.37
Other non-operating income		
Rent income	14.62	10.23
Insurance claims	-	-
Sale of scrap	134.98	128.66
Income from solar consultancy (Refer Note no.21)	249.93	370.88
Grant Income	3.66	3.66
Provision written back (Refer note 49)	-	1,759.68
Sale of Tender forms	1.62	23.32
Profit on sale of property plant and equipment	1.66	0.15
Interest due on secured loans waived off	-	621.09
Miscellaneous income	28.65	37.14
Total	2,036.72	6,259.65

29. Cost of fuel consumed

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Primary Fuel-Gas	14,648.10	23,902.84
Secondary Fuel- Oil	3.29	5.67
Total	14,651.39	23,908.51



30. Employee benefits expense

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	5,175.14	7,734.06
Contribution to provident and other funds	(48.39)	2,062.75
Staff welfare expenses	268.72	261.61
Total	5,395.47	10,058.42

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits is disclosed in note 37.

31. Finance costs

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Interest cost on financial liabilities measured at amortised cost		
Cash credit/ working capital loans from banks	10.26	168.10
Govt. of NCT of Delhi	4,364.75	7,414.43
Delhi Power Company Limited	-	25.02
Others	2.90	1.71
Interest cost on others		
Interest under Income Tax Act	505.73	0.53
Total	4,883.64	7,609.79



32. Other Expenses

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	1.75	1.54
Insurance	186.03	359.08
Rates and taxes	314.95	40.53
Repair and maintenance		
- Buildings	100.51	96.22
- Plant and machinery	1,058.11	2,099.65
- Others	39.28	42.17
Electricity and water	10.31	34.29
Communication	7.74	9.40
Advertisement	5.26	21.76
Vehicle running	28.04	7.50
Security expense	2,139.51	1,994.01
Printing and stationery	2.03	6.01
Legal and professional fees	53.38	86.56
Fees and subscription	15.67	29.15
Travelling and conveyance	0.02	2.70
Bank charges	3.27	5.98
Payment to statutory auditors (refer a below)	12.59	12.56
Director's sitting fees	6.98	5.49
Interest paid to beneficiaries (refer note 27 (c))	431.03	151.46
Loss on revaluation of inventory	(32.75)	18.00
Corporate Social Responsibility	51.41	-
Miscellaneous expenses (refer b below)	8.07	7.20
	4,443.19	5,031.26
Loss allowance for:		
Shortage in stores	(6.43)	(4.37)
Doubtful advances	3.57	5.56
Scrap assets pending approval	(1.83)	13.31
Shortage of property, plant and equipment	10.52	0.20
	5.83	14.70
Total	4,449.02	5,045.96
a) Details in respect of payment to auditors:		
Statutory audit fee	10.44	10.43
Reimbursement of expenses	0.27	0.26
Reimbursement of GST/service tax	1.88	1.87
Total	12.59	12.56

- b) Miscellaneous expenses include expenditure on books and periodicals, workshops, operating expenses of DG sets, brokerage and commission, bank charges, furnishing expenses etc.



33. Fair value measurements

a) Financial instruments by category

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
	Amortised Cost	Amortised Cost
Financial assets		
Non-current financial assets	13.40	13.86
Trade receivables	147,925.46	166,725.34
Cash and cash equivalent	15,533.69	7,857.19
Other bank balances	3,433.96	34.55
Other current financial assets	3,892.25	1,459.76
Total financial assets	170,798.76	176,090.70
Financial liabilities		
Non-current borrowings	(0.00)	2,472.00
Borrowings	2.59	26,276.48
Trade payables	12,891.05	19,160.72
Other financial liabilities	90,164.27	89,914.63
Total financial liabilities	103,057.91	137,823.83

b) Fair value hierarchy

This section represents the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the inputs used in determining the fair value, the Company classifies its financial instruments into the three levels prescribed under the accounting standard. An explanation to each level follows underneath the table:

₹ Lakhs

Financial liabilities measured at amortised cost for which fair values are disclosed	As at 31 March 2021	As at 31 March 2020
Borrowings- Term loans (Level 3)		
-from GNCTD 5 Years	5,262.07	11,394.61
-from GNCTD 15 Years	25,718.85	25,166.38
Total	30,980.92	36,560.99

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

There was no transfer between level 1, level 2 and level 3 during the year.

c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments are:

- Quoted market price for liquid mutual funds;
- Discounted cash flow analysis for remaining financial instruments.

The company has a control framework with respect to the measurement of fair values. The company regularly reviews significant unobservable inputs and valuation adjustments.



d) Fair value of financial liabilities measured at amortised cost

₹ Lakhs

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Term loan from GNCTD 5 Years	5,262.07	5,262.07	11,394.61	11,406.25
Term loan from GNCTD 15 Years	25,718.85	25,718.85	25,166.38	25,166.38
Total	30,980.92	30,980.92	36,560.99	36,572.63

The carrying amounts of short term, trade receivables, cash and cash equivalents, claim recoverables, borrowings, trade payables, interest accrued but not due on borrowings, interest accrued and due on borrowings, employee related liabilities, payable to related parties, deposits from contractors and suppliers and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

The fair value of the financial instruments has been determined using discounted cash flow analysis. The company has a control framework with respect to the measurement of fair values. The company regularly reviews significant unobservable inputs and valuation adjustments.

34. Financial Risk Management

The Company's principal financial liabilities comprise term loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that are derived directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As a part of framework, a 'Risk Management Committee (RMC)' with functional directors as its members has been entrusted with the responsibility to identify and review the risks, formulate action plans and strategies to mitigate risks on short term as well as long term basis. The RMC meets at regular intervals to deliberate on strategies. Risks are regularly monitored through reporting of key performance indicators.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks and financial institutions.

Trade receivables and unbilled revenue

The Company sells electricity to state distribution agencies which are either companies in which the Government of NCT of Delhi (GNCTD) (shareholder of the company) has significant influence or are government agencies. The risk of default in case of power supplied to:

- a) Central Government agencies is considered to be insignificant.
- b) Companies in which GNCTD has significant influence: In order to secure collection from such customers, GNCTD is diverting some portion of subsidy to be remitted to these customers to the company. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Hence risk of default in these cases also is considered to be insignificant.

As per the power purchase agreement executed between company and customers and applicable DERC regulations, the company charges late payment surcharge in cases where payment is not made within defined credit period. Hence there is no loss on account of time value of money in case of power supplied to any of the customers. The Company takes into account available external and internal credit risk factors such as credit defaults, and the Company's historical experience for customers.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

Cash and cash equivalents and deposits with banks

The company has banking operations mainly with scheduled banks owned by the Government of India. The risk of default with government controlled entities is considered to be insignificant.

**Corporate share recoverable**

The company shares its general administration and employees cost of corporate office expenses with PPCL which is a company under same shareholder (GNCTD) and under the control of common directors. The risk of default for PPCL is considered to be insignificant.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

₹ Lakhs		
Particulars	As at 31 March 2021	As at 31 March 2020
Financial assets for which loss allowance is measured using:		
-Lifetime expected credit losses		
Trade receivables	147,925.46	166,725.34
Unbilled revenue	1,893.08	47.54
-12 months expected credit losses		
Cash and cash equivalent	15,533.69	7,857.19
Other bank balances	3,433.96	34.55
Corporate share recoverable	828.75	653.38
Other current financial assets**	1,170.42	758.84
Security deposits	13.40	13.86
Total	170,798.76	176,090.70

** Excluding unbilled revenue.

(ii) Provision for expected credit losses**Financial assets for which loss allowance is measured using life time expected credit losses**

The Company has customers (Government utilities, utilities owned by Government and Utilities in which GNCTD has 49% stake) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectable in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised in respect of trade receivables.

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, loss allowance for impairment has been recognised as disclosed later in this Note under 'Reconciliation of impairment loss provisions'.

(iii) Ageing analysis of Trade Receivables and Unbilled Revenue

₹ Lakhs		
Ageing	As at 31 March 2021	As at 31 March 2020
Not due	3,721.86	7,864.04
0-30 days past due	1,720.17	10,459.76
31-90 days past due	(204.75)	8,100.46
91-180 days past due	6,168.01	7,738.35
More than 180 days	138,423.17	132,610.27
Tax collected at source	(9.92)	
Total	149,818.54	166,772.88

(iv) Reconciliation of impairment loss provisions

₹ Lakhs		
Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening provision	1,087.43	2,841.55
Remeasurement of Expected credit loss allowance	3.57	(1,754.12)
Total	1,091.00	1,087.43



Based on historic default rates, the Company believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company.

Interest rate risk

The Company is exposed to interest rate risk arising from non-current borrowings with floating interest rate because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer Note 18 and 22 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the previous year. The following table demonstrates the sensitivity to a reasonable possible change in interest rate on the portion of loans and borrowings affected.

₹ Lakhs

Particulars	Profit and Loss (before tax)	
	Increase	Decrease
Loans repayable on demands		
For the year ended 31 March 2021	1.06	(1.06)
For the year ended 31 March 2020	17.42	(17.42)

Price Risk

The Company's exposure to securities price risk arises from investments held in mutual funds, if any, and classified in the balance sheet at fair value through profit or loss. Quotes (NAV) of these investments are available from the mutual fund houses. Profit for the year would increase/decrease as a result of gains/losses on these securities classified as at fair value through profit or loss.

c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breach of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Risk Management Committee and appropriate decisions are taken according to the situation.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Floating-rate loans repayable on demand (expiring within one year)	8997.41	8,723.52

(ii) Contractual maturities of financial liabilities

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

₹ Lakhs

As at 31 March 2021	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Term loans from related parties	30,980.92	-	-	-	-	30,980.92
Short Term Borrowings from related parties	54,821.82	-	-	-	-	54,821.82
Short Term Borrowings from banks	2.59	-	-	-	-	2.59
Trade Payables	12,891.05	-	-	-	-	12,891.05
Deposits/ Retention Money	119.49	-	-	-	-	119.49
Payable to GNCTD	3,648.46	-	-	-	-	3,648.46
Payable to employees	272.99	-	-	-	-	272.99
Subsidy received for disbursal	250.51	-	-	-	-	250.51
Others current financial liabilities	70.09	-	-	-	-	70.09
Total	103,057.92	-	-	-	-	103,057.92

₹ Lakhs

As at 31 March 2020	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Term loans from related parties	30,744.70	3,344.29	1,536.00	936.00	-	36,560.99
Short Term Borrowings from related parties	77,621.00	-	-	-	-	77,621.00
Short Term Borrowings from banks	276.48	-	-	-	-	276.48
Trade Payables	19,160.72	-	-	-	-	19,160.72
Deposits/ Retention Money	132.06	-	-	-	-	132.06
Payable to GNCTD	3,648.31	-	-	-	-	3,648.31
Payable to employees	269.28	-	-	-	-	269.28
Subsidy received for disbursal	119.84	-	-	-	-	119.84
Others current financial liabilities	35.15	-	-	-	-	35.15
Total	132,007.54	3,344.29	1,536.00	936.00	-	137,823.83

35. Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and maintain an appropriate capital structure of debt and equity.

The Company is not subject to externally imposed capital requirements. The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalent. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Total debt liabilities	85,805.32	114,458.47
Less : Cash and cash equivalents	15,533.69	7,857.19
Net debt	70,271.63	106,601.28
Total equity	73,654.00	73,654.00
Net debt to equity ratio	0.95	1.45



36. Income taxes

a) Income Tax Expense

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Income tax recognised in Statement of Profit and Loss		
Current tax expense		
Current year	3,805.28	2,273.88
Earlier year taxes	(725.78)	-
Total	3,079.50	2,273.88
Deferred tax expense	(265.55)	684.78
Total income tax expense	2,813.95	2,958.66
ii) Income tax recognised in other comprehensive income		
Net actuarial gains/(losses) on defined benefit plans	(169.04)	(34.27)
Tax expense/ (benefit)	(42.54)	(11.98)
Net of tax	(126.50)	(22.29)
iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate		
Profit before tax	(2,037.15)	14,710.17
Tax using Company's domestic tax rate: 25.168%	(512.71)	5,140.32
Tax effect of:		
Temporary difference adjusted through recoverable from Discoms	-	-
Temporary differences not earlier recognised in Profit and Loss now recognised	(352.06)	(4,113.59)
Temporary difference not recognised in Statement of Profit and Loss		
Other expenses disallowed under Income Tax	18.54	18.14
Tax on Dividend Income	4,404.40	-
Change in tax rate	(188.22)	-
Earlier year taxes	(725.78)	-
Minimum Alternate Tax as per Income Tax Act, 1961	-	1,901.81
At the effective income tax rate:% (31 March 2020: 13.417%)	2,644.17	2,946.68

b) Deferred tax

i) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

ii) Movement in deferred tax balances

₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
For the year ended 31 March 2021				
Deferred tax liabilities				
Difference in book base and tax base of PPE	2538.49	(1,435.95)	-	1,102.54
Less: Deferred tax assets				
Business losses	-	-	-	-
Provision for employee retirement benefits (Including disallowance under section 43B)	1,636.46	(1,107.51)	42.54	571.49
Other provisions	210.83	(58.36)	-	152.47
Deferred income on solar consultancy	18.40	(4.53)	-	13.87
Net tax liabilities/(assets)	672.80	(265.55)	(42.54)	364.71



₹ Lakhs

Particulars	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
For the year ended 31 March 2020				
Deferred tax liabilities				
Difference in book base and tax base of PPE	2841.44	(302.95)	-	2,538.49
Less: Deferred tax assets				
Business losses	1972.07	(1,972.07)	-	-
Provision for employee retirement benefits (Including disallowance under section 43B)	663.52	960.96	11.98	1,636.46
Other provisions	205.85	4.98	-	210.83
Deferred payroll expenditure				
Deferred income on solar consultancy	-	18.40	-	18.40
Net tax liabilities/(assets)	(0.00)	684.78	(11.98)	672.80

iii) Current year tax expense of ₹ 3805.28 Lakhs (FY 2019-20 ₹ 1548.09 Lakhs as per MAT provisions after finalization of tax audit) has been charged on the basis on the normal provisions of section 115BAA of Income Tax Act 1961.

iv) In pursuance to Section 115BAA of the Income Tax Act, 1961 announced by Government of India through Taxation Laws (Amendment) Act, 2019, the company has an irrevocable option of shifting to a lower tax rate along with consequent reduction in certain tax incentives including lapse of the accumulated MAT credit. The company has not opted for this option for FY2019-20 considering carried forward losses which have been exhausted in FY2019-20 itself. Considering the difference between rate of tax in both regime for FY 2020-21 onwards new regime has been opted though quantum of few deduction which will not be allowed in new tax regime cannot be ascertained and depends on future events.

37. Employee benefit obligations

I. Employees employed post unbundling

(i) Defined contribution plans:

The company makes deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 96.57 Lakhs (31 March 2020: ₹ 65.59 Lakhs) is recognized as expense in Statement of profit and loss including ₹ 22.43 Lakhs (31 March 2020 ₹ 18.38 Lakhs) on account of corporate share in accordance with accounting policy no. C14.6 (Note 1).

(ii) Defined benefit plans:

A. Gratuity

The Company operates a funded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee employed after unbundling who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

a) Net defined benefit (asset)/liability

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	157.76	234.15
Current	78.78	48.57
Total	236.54	282.72



b) Movement in net defined benefit (asset)/liability

₹ Lakhs

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
For the year ended 31 March 2021			
Opening balance	1,237.26	954.54	282.72
Included in profit or loss:			
Current service cost	91.45	-	91.45
Past service cost	-	-	-
Interest cost/income	84.13	53.24	30.89
Total amount recognized in profit or loss	175.58	53.24	122.34
Included in OCI:			
Remeasurement loss/(gain) arising from:			
Financial assumptions	-	-	-
Experience adjustment	(75.18)	-	(75.18)
Return on plan assets excluding interest income	-	1.39	(1.39)
Total amount recognized in OCI	(75.18)	1.39	(76.57)
Contributions from the employer	-	80.29	(80.29)
Benefits paid	-	-	-
Closing balance	1,337.66	1,089.46	248.20
For the year ended 31 March 2020			
Opening balance	1,015.18	694.99	320.19
Included in profit or loss:			
Current service cost	91.21	-	91.21
Past service cost	-	-	-
Interest cost/income	77.76	53.24	24.52
Total amount recognized in profit or loss	168.97	53.24	115.73
Included in OCI:			
Remeasurement loss/(gain) arising from:			
Financial assumptions	111.28	-	111.28
Experience adjustment	(50.92)	-	(50.92)
Return on plan assets excluding interest income	-	3.24	(3.24)
Total amount recognized in OCI	60.36	3.24	57.12
Contributions from the employer	-	210.32	(210.32)
Benefits paid	(7.25)	(7.25)	-
Closing balance	1,237.26	954.54	282.72

c) Plan assets

The plan assets of the Company are managed by Life Insurance Corporation of India through a trust managed by the Company in terms of an insurance policy taken to fund obligations of the Company. Information on categories of plan assets as at 31 March 2020 and 31 March 2019 has not been provided by Life Insurance Corporation of India.

d) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Salary escalation rate	8.00%	8.00%
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	IALM (2012 - 14)	IALM (2012 - 14)
Withdrawal rate	3% per annum	3% per annum



The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

e) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analyses 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:

₹ Lakhs		
Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (.50% movement)	(68.00)	73.49
Salary escalation rate (.50% movement)	19.56	(20.97)
As at 31 March 2020		
Discount rate (1% movement)	(66.55)	72.16
Salary escalation rate (1% movement)	20.78	(22.97)

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

f) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality and disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

g) Expected maturity analysis of the gratuity benefits is as follows

₹ Lakhs		
Duration of defined benefit payments	As at 31 March 2021	As at 31 March 2020
Less than 1 year	78.78	48.57
Between 1-2 years	50.60	58.94
Between 2-5 years	147.01	138.12
Over 5 years	1,061.27	991.63
Total	1,337.66	1,237.26

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are ₹ 112.03 Lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 12.80 Years (31 March 2020: 13.37 years).

h) Expense transferred to PPCL

Out of the provision recognised, ₹ 8.19 Lakhs (31 March 2020: ₹ 8.04 Lakhs) has been transferred from PPCL as corporate share and ₹87.70 Lakhs (31 March 2020: ₹ 91.79 Lakhs) has been transferred to PPCL.

**B. Post retirement medical scheme**

The Company has post retirement medical scheme (PRMS), under which the retired employees and their spouses are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. The facility is unfunded and liability for the same is recognised on the basis of actuarial valuation.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

a) Net defined benefit (asset)/liability ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	1,734.55	1,185.43
Current	7.46	3.37
Total	1,742.01	1,188.80

b) Movement in net defined benefit (asset)/liability ₹ Lakhs

Particulars	Defined benefit obligation	
	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening balance	1,188.80	978.24
Included in profit or loss:		
Current service cost	109.27	77.96
Interest cost/income	80.84	74.93
Total amount recognized in profit or loss	190.11	152.89
Included in OCI:		
Remeasurement loss/(gain) (Actuarial loss/(gain)) arising from:		
Financial assumptions		64.26
Experience adjustment	363.11	(6.59)
Total amount recognized in other comprehensive income	363.11	57.67
Benefits paid		
Closing balance	1,742.01	1,188.80

c) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.80%	6.80%
Rate of increase in Compensation levels	10.00%	10.00%
Rate of Escalation of Basic Pay and Grade Pay during service	4.00%	4.00%
Rate of Escalation of OPD Expenses	Nil	Nil
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate	3% per annum	3% per annum

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

d) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase.



The sensitivity analyses 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:

	₹ Lakhs	
Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (1% movement)	(96.60)	94.35
Medical Cost Rate rate (1% movement)	94.20	(95.25)
As at 31 March 2020		
Discount rate (1% movement)	(71.56)	69.89
Medical Cost Rate rate (1% movement)	69.78	(70.56)

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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

- Medical Cost Increase - increase in actual medical cost per retiree will increase the Plan's liability. Increase in medical Cost per Retiree rate assumption will also increase the liability.
- Investment Risk – If Plan is funded then assets liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality and disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

f) Expected maturity analysis of the post retirement medical benefits is as follows

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Duration of defined benefit payments		
Less than 1 year	7.46	3.37
Between 1-2 years	7.16	3.34
Between 2-5 years	22.42	10.48
Over 5 years	1,704.97	1171.60
Total	1,742.01	1,188.79

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 233.96 Lakhs.

g) Expense transferred to PPCL

Out of the provision recognised, ₹ 145.83 Lakhs (31 March 2020 ₹ 118.64 Lakhs) has been transferred to PPCL and ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs) transferred from PPCL.

(iii) Other long term employee benefit plans

A. Compensated Absence

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is not en-cashable while in service except on availing LTC benefit subject to maximum 60 days during the entire service period. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years. Total number of leave (i.e. EL and HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the



employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

Out of the provision recognised of ₹301.61 Lakhs (31 March 2020: ₹ 494.47 Lakhs), ₹ 30.71 Lakhs (31 March 2020: ₹ 20.97 Lakhs) has been shared by PPCL as corporate share, ₹ 1.98 Lakhs (31 March 2020: ₹ 1.88 Lakhs) has been transferred for employees sent on deputation to respective companies and ₹ 255.04 (31 March 2020: ₹ 354.80) Lakhs has been transferred to PPCL.

B. Leave travel concession (LTC)

As per the company's policy, every employee is entitled to LTC with family members:

- One Home Town LTC in a block of two year and one Anywhere India LTC in a block of four year or
- Two Home Town LTC in block of four year.

Further, the LTC/Home Town LTC can be availed in the extended period i.e. one year from the end of the block year.

The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹ 28.91 Lakhs (31 March 2020: ₹ (-) 2.45 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss. Out of the provision recognised, ₹ Nil Lakhs (31 March 2020: ₹ Nil Lakhs) has been transferred to PPCL as corporate share, ₹ 5.96 Lakhs (31 March 2020: ₹ 0.03 Lakhs) has been transferred for employees sent on deputation/diverted to respective companies and ₹ 8.01 (31 March 2020: ₹ 4.19 Lakhs) has been transferred from PPCL.

(iv) Terminal Benefits

The company pays pension to SVRS optees till the employee attains the age of 60 years. In case of death of SVRS optee, no pension is payable to nominee. The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of ₹2.82 Lakhs (31 March 2020: ₹ 19.83 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

II. Employees employed before unbundling (DVB employees)

For post employment benefits of employees employed before unbundling, the company pays a defined monthly contribution to Pension Trust and debits the same to Statement of Profit and Loss.

During the year ended 31 March 2021, ₹ 2507.93 Lakhs (31 March 2020: ₹ 237.01 Lakhs) has been paid/payable to Pension Trust and charged as employee benefit expense.

38. Earnings per Share

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders [A]		
From operations including regulatory deferral account balances	14,176.63	26,586.69
From regulatory deferral account balances	-	-
From operations excluding regulatory deferral account balances	14,176.63	26,586.69
Weighted average number of equity shares		
Opening balance of issued equity shares	736,540,000	736,540,000
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares [B]	736,540,000	736,540,000
Earning Per Share (Basic and Diluted) [A / B]		
From operations including regulatory deferral account balances	1.92	3.61
From regulatory deferral account balances	-	-
From operations excluding regulatory deferral account balances	1.92	3.61
Nominal value per share	10.00	10.00

39. Leases as Lessee

- The Company has taken office equipments for official use and other equipments on lease. These leases are short term in nature as they are entered for less than or equal to 12 months period. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. Expense charged to statement of profit and loss relating to these leases is ₹ 9 Lakhs. Total cash outflows from leases amounted to ₹ 9.75 Lakhs during the reporting period.
- Balance confirmation letter with negative assertion as referred in the Standard on Auditing (SA) 505 (Revised) 'External Confirmation' were sent to the parties in regard to trade/ other payables and loans and advances. Confirmation of some of such balances are subject to confirmation/ reconciliation. Adjustment, if any, will be accounted for on confirmation/ reconciliation of the same, which in the opinion of the management will not have a material impact.



41. In the opinion of the management, the value of assets, other than property plant & equipment, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
42. As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the management is of the opinion that no case of impairment of assets exists.
43. The GTPS plant of the Company was notified under Perform Achieve and Trade (PAT) scheme for the cycle 2012-13 to 2014-15 under which certain operational parameters were stipulated by Bureau of Energy Efficiency (BEE). The M & V audit for the PAT Cycle-I was carried out by BEE accredited energy auditors. Accordingly, on submission of M&V report BEE issued 8,480 numbers of ESCerts to GTPS in Digital form. The Company traded 466 numbers of ESCerts and proceeds of sale of 466 certificates amounting to ₹ 4.66 Lakhs has been recognised in miscellaneous income (other Income) during the financial year 2017-18. The GTPS plant, did not reach the threshold PLF limit set by BEE for M&V audit of Gas Turbine Plants in PAT cycle-II for the period FY 2016-17 to FY 2018-19. Therefore, there are no shortage / Surplus of certificates in PAT cycle-II, however, 8014 balance ESCerts (valid till PAT cycle-II) of PAT cycle-I are available for trading in year 2021.
44. The Company has constituted a CSR Committee in pursuance to section 135 of the Companies Act, 2013 and is having a CSR Policy. The Company is required to spend in every financial year at least 2% of the average net profits of the company during the immediately 3 preceding financial years. The Company was required to incur ₹ 51.41 lakhs (31 March 2020 ₹ Nil) during the financial year 2020-21 towards the CSR activities as per the CSR policy. The company has spent this amount by donating the same to PM Cares fund during September 2021.

Details of CSR expenditure are :-

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021
(a) Gross amount required to be spent by the company during the year	51.41	-
(b) Amount spent during the year ending on 31 March 2021:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
(c) Amount Unspent during the year	51.41	-
45. Comparative figures have been adjusted to conform to the current year's presentation to enhance comparability with the current year's financial statements.		

46. Related Party Disclosure

a) List of Related parties:

i) Key Managerial Personnel (KMP):

Mr. Satya Goyal*	Chairman & Managing Director	(w.e.f. 31-Mar-2021)
Ms. Padmini Singla*	Chairman & Managing Director	(w.e.f. 05-July-19 upto 31-Mar-2021)
Mr. Madhup Vyas*	Chairman & Managing Director	(w.e.f. 11.01.2019 upto 05.07.2019)
Mr. D Varma*	Director (HR)	(w.e.f. 05-July-19 to 24-Apr-2020)
Mr. Mukesh Prasad*	Director (HR)	(w.e.f. 25.09.2017 upto 05-July-2019)
Mr. Ravi Dadhich *	Director (HR)	(w.e.f. 24-April-.2020 upto 09-Sep-2020)
Mr. Jitendra Kumar Jain *	Director (HR)	(w.e.f. 09-Sept-2020 upto 28-July-2021)
Mr S M Verma	Director (Technical)	(w.e.f. 01-May-19)
Mr. Jagdish Kumar	Director (Technical)	(upto 30.04.2019)
Mr. Ravindra Kumar Jain	Director (Finance)	(w.e.f. 5-Jun-17 upto 31-May-2021)
Mr. BN Ojha	Director	(w.e.f. 01-Oct-09)
Mr. Tarun Chaturvedi	Director (Ind)	(w.e.f. 8-Jun-16 upto 7-June-2021)\
Mr. Ravindra Kumar Jain	Company Secretary	(w.e.f. 03-Jan-2003 upto 31-May-2021)
Mr Prashant vyas	Chief Financial Officer	(w.e.f. 05-Feb-2019)

*Not full time and holding additional charge

ii) Associate of company:

Aravali Power Company Private Limited (APCPL)

iii) **Post employment benefits plan:**

IPGCL Employees Group Gratuity Fund

DVB Employee Terminal Benefit Fund

iv) **Entities under the control of the same government:**

The Company is controlled by Delhi Government by holding majority of shares. Pursuant to Paragraph 25 and 26 of Indian Accounting Standard 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Pragati Power Corporation Limited (PPCL), Delhi Transco Limited (DTL), Delhi Power Company Limited (DPCL), BSES Rajdhani Power Ltd, BSES Yamuna Power Ltd, New Delhi Municipal Corporation, etc.

b) **Compensation to Key management personnel** ₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Short term benefits	221.61	127.44
Post employment benefits	2.06	2.77
Other long term benefits	40.38	6.98
Total Compensation	264.05	137.19

c) **Transactions with the related parties are as follows:**

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
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i) **Transactions with associate**

Aravali Power Company Private Ltd

Dividend received

- -

ii) **Transactions with post employment benefit plans**

IPGCL Employees Group Gratuity Fund

Contributions made during the year

80.29 210.32

DVB Employee Terminal Benefit Fund

Contributions made during the year

2,796.56 3,095.04

iii) **Transactions with the government and related parties under the control of the same government**

Government of NCT of Delhi	Interest on loan	4,364.75	7,414.43
Government of NCT of Delhi	Repayment of term loan	32,744.00	26,196.27
BSES Rajdhani Power Ltd	Sale of energy	14,997.50	26,073.60
BSES Yamuna Power Ltd	Sale of energy	1,967.46	5,605.93
Tata Power Delhi Distribution Ltd	Sale of energy	6,811.93	12,612.09
Delhi Transco Limited	Employee cost sharing	85.92	(62.96)
Delhi Power Company Limited	Interest paid on loan	-	3,023.32
Delhi Power Company Limited	Interest waived off	-	621.09
Pragati Power Corporation Limited	Share of corporate expenses	481.93	537.53
Pragati Power Corporation Limited	Inventory transferred (exclusive of GST)	15.22	0.74
Pragati Power Corporation Limited	Assets transferred (exclusive of GST)	-	0.24

d) **Outstanding balances with related parties are as follows:**

₹ Lakhs

Particulars	Nature	As at 31 March 2021	As at 31 March 2020
DVB Employee Terminal Benefit Fund	Payable	269.16	2,917.58
DVB Employee Terminal Benefit Fund	Recoverable	27.78	27.93

e) **Terms and conditions of transactions with the related parties**

- Transactions with the related parties are made on normal commercial terms and conditions and on cost to cost basis.
- Refer note 18 and 22 for terms related to borrowings and interest payments from/to related parties.
- Sale of energy and rebate given (if any) are regulated and transacted as per DERC Regulations.
- Corporate expenses are shared on cost to cost basis plus applicable taxes in the ratio of installed capacity of power plants.

47. **Segment Reporting**

The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'). In the opinion of the CODM, there is only one reportable segment ("Generation of Electricity"). Further, the Company operates only in one geographical segment which is India. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements.

Entity wide disclosuresa) **Information about products and services**

Refer Note 27 for information about products and services.

b) **Information about geographical areas**

The entire sales of the Company are made to customers domiciled in India. Also, all the non-current assets of the Company are located in India.

c) **Information about major customers (from external customers)**

The Company derives revenues from the following customers which amount to 10 per cent or more of Company's revenues:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
BSES Rajdhani Power Ltd	14,997.50	26,073.60
BSES Yamuna Power Ltd	1,967.46	5,605.93
Tata Power Delhi Distribution Ltd	6,811.93	12,612.09
New Delhi Municipal Corporation	(224.91)	-

48. **Disclosure as per Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'**a) **Movements in provisions during the year:**

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Provision for pay revision		
Carrying amount at the beginning of the year	1,411.39	-
Add: Additions during the year	-	1,411.39
Less: Reversal/adjustments during the year	1,411.39	-
Carrying amount at the end of the year	-	1,411.39
Provision for Scrap Assets Pending Approval		
Carrying amount at the beginning of the year	17.51	4.20
Add: Additions during the year		13.31
Less: Reversal/adjustments during the year	1.83	-
Carrying amount at the end of the year	15.68	17.51
Provision for shortage in property plant and equipment		
Carrying amount at the beginning of the year	33.01	32.81
Add: Additions during the year	10.52	0.20
Less: Reversal/adjustments during the year	-	-
Carrying amount at the end of the year	43.53	33.01
Provision for Doubtful recovery of FBT		
Carrying amount at the beginning of the year	26.89	26.89
Add: Additions during the year	-	-
Less: Reversal/adjustments during the year	-	-
Carrying amount at the end of the year	26.89	26.89



- b) The pay revision of the employees of the Company is due with effect from 1 January 2016. GNCTD has constituted the Wage Revision Committee (WRC) to review the structure of pay scales and allowances/benefits of various categories of Power Sector Enterprises and suggest changes. Pending issuance of final recommendations, interim relief has been paid to employees based on the recommendation of WRC and approval by Board, therefore no provision has been made during the year 2018-19, however, final recommendations in this regards have been approved by board of directors in its meeting dated 03.09.2020 and consequently provision of ₹ 1411.39 lakhs has been created for liabilities up to 31 March 2020. The payment of arrear and other benefits to employees were made during FY 2020-21 accordingly provision were reversed.
- c) The assumptions made for provisions relating to current period are consistent with those in the earlier years. The assumptions and estimates used for recognition of such provisions are qualitative in nature and their likelihood could alter in next financial year. It is impracticable for the Company to compute the possible effect of assumptions and estimates used in recognizing these provisions.
- d) Disclosure with respect to contingent liabilities ₹ Lakhs

Particulars	As at	As at
	31 March 2021	31 March 2020
Claim against the Company not acknowledged as debts	56,560.08	52,903.23
Letter of credit other than for capital expenditure	530.00	1,130.00
Disputed Income Tax liability not adjusted as expenses in the books of accounts, being in appeal.	563.05	75.04
TDS demand not adjusted as expenses in the books of accounts	7.99	3.73

49. Haryana Vidyut Parsaran Nigam Limited (HVPNL) was one-third owner in the 4 units of the company's I.P. Station, which was decommissioned in the FY 2009-10. HVPNL was to reimburse O&M expenditure in the ratio of ownership share. Due to partial reimbursement in the past, substantial dues from HVPNL were accumulated. In pursuance to a settlement, HVPNL paid their part of dues as per the Delhi Electricity Regulatory Commission's tariff orders for the respective years, net of Return of Equity and Depreciation along with the interest at the agreed rates. Moreover, HVPNL agreed to pay amount, if any, allowed by DERC in its truing up orders. After implementing the settlement, the company retained the balance receivable amount of ₹ 2,866.81 Lakhs and provision of ₹ 2,677 Lakhs created in earlier years as an abundant precaution and in anticipation of truing up orders of DERC.

DERC vide its order dated 31 July 2013 has allowed the company to recover amount of ₹ 17,541.00 Lakhs from various discoms, subject to the condition that recovery to be made after all the assets of IP station are disposed off. Company has requested to DERC to allow the recovery of said amount without linking it with the disposal of assets of IP Station. Though, the assets of IP Station have since been disposed off. Company subsequently filed an appeal with Appellate Tribunal of Electricity (APTEL) where the appeal is yet to be disposed off. DERC vide its order dated 28 March 2018 has allowed the Company to recover 80% of the amount trued up net of profit on disposal of IP Station. Consequently, the Company has raised an invoice for principal of ₹ 3,462.82 Lakhs and interest from the respective dates of ₹ 5,539.30 Lakhs. Interest shall be recognised as revenue on acceptance of claim by HVPNL. The Company has received major payment during the year on account of principal as well as interest. Therefore, the provision has been written back by ₹ 1759.68 Lakhs and interest income amounting to ₹ 2,343.54 Lakhs has been accounted on receipt of same during FY 2019-20.

50. Government Of NCT of Delhi (GNCTD) holds 49% equity of BSES Yamuna Power Ltd. (BYPL) as well as BSES Rajdhani Power Ltd. (BRPL), Discoms to whom more than 50% power generated by the Company is sold, both Discoms have not been clearing their outstanding dues substantially since September, 2011 and June 2012 respectively resulting in accumulation of huge outstanding dues of ₹ 135643.34 Lakhs as at 31 March 2021 (31 March 2020 ₹ 1,54,120.92 Lakhs) from both these discoms. This has lead to severe financial crunch leading to heavy borrowing and resultant interest thereon. Consequentially, the Company has been defaulting in repayment of principal as well as interest. The cumulative amount towards default in repayment of principal as on 31 March 2021 is ₹ NIL (31 March 2020 ₹ 26,936.00 Lakhs) and interest (including penal interest) is ₹ 85,802.73 Lakhs (31 March 2020 ₹ 81,429.69 Lakhs), on borrowings from GNCTD, the promoters of the Company. However, the Company could continue to manage the operations with the support of the promoters of the Company who have extended loans of ₹ 66,680.00 Lakhs till the end of financial year 2018-19. Further, the Power Department of GNCTD has also diverted subsidy amounting to ₹ 31128.00 Lakhs (31 March 2020 ₹ 29,112.00 Lakhs) payable to these discoms to the company during the year. This amount of subsidy diverted is net off ₹ 1322.00 Lakhs the amount repaid to the TPDDL during FY 2021-22.

In order to recover the overdues from these discoms, the Company took up the matter with GNCTD, Delhi Electricity Regulatory Commission (DERC) and Appellate Tribunal of Electricity, but these discoms instead of complying with the orders/directions of these authorities, filed writ petitions with Hon'ble Supreme Court of India to issue directions to the Genco's including the Company not to disconnect the supply of electricity due to non-payment of dues. Hon'ble Supreme Court vide its interim order on 26 March 2014 directed these discoms to make the payment of current dues to the Genco's including the Company w.e.f 1 March 2014 relating to billing period from 1 January 2014 onwards and in respect of pending dues prior to January 2014, DERC was mandated to decide on the liquidation of regulatory assets of these discoms. These Discoms did not clear the dues as per the order of the Hon'ble Supreme Court and consequently, the Company filed contempt petition. The hearing on writ petitions was completed on 10 March 2015 and judgement has been reserved by the Hon'ble Supreme Court and Hon'ble Court decided that the Civil Appeal and Contempt Petition shall be heard after pronouncement of judgment in writ petitions. The Interlocutory Application in respect to contempt petitions was heard by the Hon'ble Supreme Court on 12 May 2016 and the court has ordered both the discoms to pay 70 per cent of the current dues. However, order on the main writ petition is still awaited. On further non compliance of order dated 12 May 2016, company filed a fresh contempt petition against Discoms on 17 October 2016. Further, the company has filed third consecutive Interlocutory application in Hon'ble Supreme Court of India for resumption of Hearing.



In view of the favourable Hon'ble Supreme Court interim order and the continued support extended by the promoters and other regulatory authorities, the financial statements have been prepared on 'going concern basis'. Further, the company is confident of the recovery of overdues from these discoms where GNCTD itself is holding 49% equity, accordingly no provision for doubtful debts is considered necessary at this stage.

The DERC has directed the DISCOMS to pay the bills of Generating and Transmission Companies on timely basis, thereby improving the collection during the year. Consequently, the Company has repaid principal of outstanding loans amounting to ₹ 88069.87 Lakhs from DPCL and GNCTD during the period from FY 2016-17 to 2020-21.

51. The Board of Directors in their meeting held on 20 September 2013 decided to merge IPGCL with PPCL, which was approved by GNCTD on 11 August 2014. Accordingly, Extra Ordinary General Meeting was held on 26 September 2014 where the scheme of amalgamation was approved by the shareholders with the effective date of merger as 01 April 2014. Majority of the creditors and lenders also approved the scheme of amalgamation and the Company filed an application/ petition before the Ministry of Corporate Affairs (MCA) on 29 September 2014 for effecting the merger.

The employees Unions / Associations have raised objections to the scheme of amalgamation during the hearings of the petition. MCA vide its Order dated 07 October 2015 has stated that it has not been found feasible to process the application of the Company further, till the time more clarity and agreement is discerned amongst the parties and stakeholders to the proposed scheme, either by way of some mutual agreement between the applicant Companies and the workers Unions or judicial adjudication of the matter. The issues with the Unions / Associations are yet to be resolved.

52. Assets held for sale

The beneficiary Discoms from the Station have refused to schedule energy from Rajghat Power House (RPH) after 31 May 2015 on the plea that the Power Purchase Agreements for the station have expired after completion of 25 years of its life. Subsequently, DERC has also determined the tariff for the station only upto May 2015. The Company has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the order of DERC and submitted the contention of validity of PPA till May 2017.

No Availability for RPH was given by State Load Dispatch Centre (SLDC) w.e.f. 01 January 2016 as per the directions of Delhi Pollution Control Committee (DPCC) order dated 31 December 2015. DPCC has further issued direction vide its letter dated 22 March 2016 that RPH shall remain closed as it is not able to meet standard of particulates matter at 50 mg/Nm³.

Discoms have not accepted the invoices raised in respect to RPH Plant during the period from June 2015 to December 2015 on the plea that PPA has been expired on 31 May 2015. The Company has not recognized the revenue on account of sale of energy for this period due to uncertainty of realization. However, the negative scheduling in regard to Rajghat Power House has been accounted for in the sale of energy as the same is part of Regional Energy Account issued by SLDC. During the current year DERC vide its order dated 10th December 2019 decided in favour of the Company against the petition of discoms and therefore ₹ 9,994.74 lakhs been accounted as revenue in FY 19-20.

A Committee was constituted for closure of RPH by GNCTD on 22 February 2016 which has submitted its report to the Government. The Department of Power, GNCTD vide its order dated, 25 July 2019 conveyed the approval of cabinet regarding the closure of the Rajghat Power Station and authorised IPGCL to take other necessary action for disposal of the plant. Further, The Power Department of GNCTD vide the referred letter has also been allowed to setup and develop solar park at the site for generation of clean power.

The Board of Directors in their meeting held on 21 August 2019 decided and approved the de-commissioning and disposal of the Rajghat power house. The Board directed to take all the necessary actions as required in respect of the above in time bound manner.

As on March 31, 2021, active discussions and engagement demonstrate that the Management of the Company is committed to sell the power house property and equipment and there is an active programme for completing the sale. The Company expects to dispose off the assets through auction sale over the course of next 12 months. In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", Property, plant & equipment forming part of the power house have been classified as "Non-current assets held for sale". These assets have been valued at their carrying amount and expected realisable value is more than the carrying amount. Impairment loss/gain recognised in statement of profit and loss on account of such classification is Nil.

As per the resolution of Board of Directors the sale/disposal of RPH will be done through auction in due course except for the 220/33 KV switchyard (Gross Block- Rs. 5.01 crore and WDV Rs. 0.50 crore) alongwith control room and Building (Gross Block- Rs. 4.69 crore and WDV Rs. 0.47 crore) which will be transferred to Delhi Transco Limited.

The company has filed a petition in the Delhi High Court against the eviction notice received (December 2018), for the 28.86 acres land on which RPH was established, from Land & Development office (L&DO), Ministry of Urban Development, Government of India (land was allotted by L&DO office) and the matter is still sub-judice in the Delhi High Court.

Company is holding inventory of rejected coal generated during operations which is not being recorded in the accounts as the value of such coal is not material. However, due to its non-disposal during last number of years, sizeable quantity of such coal thereof has accumulated in the yard, which is yet to be ascertained. Steps for its disposal though initiated are yet to be materialized.

The Ministry of Coal, Government of India vide its letter dated 28.07.2020 authorised Rajghat Power House to sell the coal to a Central/ State Power Generating Company at the landed price for the particular grade of coal from nearest CIL subsidiary, therefore the coal has been valued at cost as the landed price from nearest CIL subsidiary is higher than cost.



₹ Lakhs

53. Disclosure as per Schedule III to the Companies Act, 2013

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities as at		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
As at 31 March 2021								
Indraprastha Power Generation Company Limited	32.32%	74,442.07	-34.22%	(4,851.10)	102.26%	(126.50)	-35.42%	(4,977.60)
Aravali Power Company Private Limited	67.68%	155,858.80	134.22%	19,027.73	-2.26%	2.79	135.42%	19,030.52
Total	100.00%	230300.87	100.00%	14,176.63	100.00%	-123.71	100.00%	14,052.92
As at 31 March 2020								
Indraprastha Power Generation Company Limited	28.63%	61,919.67	44.20%	11,751.51	156.62%	(22.29)	44.14%	11,729.22
Aravali Power Company Private Limited	71.37%	154,328.28	55.80%	14,835.18	-56.62%	8.06	55.86%	14,843.24
Total	100.00%	216,247.95	100.00%	26,586.69	100.00%	(14.23)	100.00%	26,572.46

Aravali Power Company Private Limited is an associate to the Company. Investments are consolidated as per the Equity Method.

**54 Disclosure as per Ind AS 112 'Disclosure of Interest in Other Entities'****(i) Interest in associates**

Below are the details of an associate of the Company as at 31 March 2021 which, in the opinion of the directors, is material. The share capital of the entity consists solely of equity shares, which are held directly by the Company. The country of incorporation or registration, India, is also its principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Aravali Power Company Private Limited (APCPL)		
Ownership interest held by the group	25.00%	25.00%
Carrying amount	155,858.79	154,328.28
Accounting method	Equity Method	Equity Method

*APCPL is an unlisted entity and therefore, no quoted price is available.

APCPL is primarily involved in the generation, transmission and sale of bulk power to State Power Utilities. As per the investment agreement of APCPL, management control lies with the other investor and hence it is considered an associate.

Dividend received from associate	17,500.00	7,341.32
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(ii) Summarised financial information for associate

The tables below provide summarised financial information for the associate entity. The information disclosed reflects the amounts presented in the audited financial statements of the associate and not the company's share of those amounts.

Summarised balance sheet

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current assets	378,155.25	371,583.36
Regulatory Deferral Account Debit Balance	6,553.22	573.89
Non-current assets	677,785.76	654,145.49
Current liabilities	123,790.17	80,061.85
Regulatory Deferral Account Credit Balance	34,461.55	28,540.74
Non-current liabilities	280,807.36	300,387.03
Net assets	623,435.15	617,313.12

Reconciliation to carrying amounts

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Opening net assets	617,313.12	587,305.44
Profit/(loss) for the year	72677.54	61,967.14
Other comprehensive income for the year	11.15	32.35
Fly ash utilisation reserve	3433.35	3,409.57
Shares issued	-	-
Interim dividend paid	(70,000.00)	(29,365.26)
Tax on interim dividend	-	(6,036.12)
Closing net assets	623,435.16	617,313.12
Group's share in %	25.00%	25.00%
Group's share in INR	155,858.79	154,328.28
Carrying amount	155,858.79	154,328.28



Summarised statement profit and loss

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue (including Other Income)	308,277.24	332,807.26
Profit from continuing operations	72677.54	61,967.14
Post-tax profit or loss from discontinued operations	-	-
Other comprehensive income	11.15	32.35
Total comprehensive income	72,688.69	61,999.49

55. Disclosure as per Ind AS 114, 'Regulatory deferral accounts'

(i) Nature of Rate Regulated Activities

The Company is mainly engaged in generation and sale of electricity. The price to be charged by the company for electricity sold to its customer is determined by the Delhi Electricity Regulatory commission (DERC) which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity.

The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide company to recover its cost of providing goods or services plus as fair return.

The company is eligible to apply Ind AS 114, Regulatory deferral Accounts. The standard permits an eligible entity to continue previous GAAP (Guidance note on accounting for rate regulated activities) accounting policy for its regulatory deferral account balances. Hence, Company has opted to continue its previous GAAP accounting policy for such balances.

(ii) Recognition and measurement

DERC Regulations provides for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generation income. The has recognised a deferred asset for above deferred tax liabilities (Net) in its financial statements (referred to as 'Deferred asset for deferred tax liability'), Deferred asset for deferred tax liability for the period commencing from 1st April 2014 will be reversed in future years when the related deferred tax liability forms part of current tax.

The company was recognising such deferred asset for Deferred tax liability as part of Deferred tax Liabilities (Net) under note no.20. During the year, in line with an opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), the same has been reclassified as a regulatory deferral account debit balances.

Accordingly, an amount of ₹ Nil Lakh (31st March 2020: debit balance of ₹ Nil Lakh) as on year 31 March 2021 has been accounted for as 'Regulatory deferral account debit balance'.

(iii) Risks associated with future recovery of rate regulated assets:

Regulatory risk on account of changes in regulations and submission or approval of as rate setting application or the entity's assessment of the expected future regulatory actions.

(iv) Reconciliation of the carrying amounts:

- a) The regulatory Assets/Liabilities recognised in the books to be recovered/paid from/to beneficiaries in future periods are as follows:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening Balance	-	-
Addition during the year	-	-
Amount collected/refunded during the year	-	-
Regulatory income/(expenses) recognised in the statement of profit & loss	-	-
Regulatory income/(expenses) recognised in the statement of other comprehensive income	-	-
Closing Balance	-	-
b) Net movement in regulatory deferral account balances (i)	-	-
c) Tax on net movement in regulatory deferral account balances (ii)	-	-
d) Total Amount recognised in the statement of profit and loss during the year [i-ii]	-	-



56. The code on social security, 2020 ("code") relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The code has been published in the Gazette of India. However the date on which code will come into effect has not been notified. The Group will assess the impact of code when it comes into effect and will record any related impact in the period the code becomes effective.

57. **Outbreak of pandemic COVID-19**

Due to outbreak of COVID-19 globally and in India, the Company has made an initial assessment of its likely adverse impact on business and its associated financial risks. The Company is mainly in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MOP), Government of India (GOI).

By taking a number of proactive steps and keeping in view the safety of all its stakeholders, the Company has ensured the availability of its power plants to generate power and has continued to supply power during the period of lockdown.

The Company believes that the impact due to the outbreak of COVID-19 is likely to be short-term in nature and does not anticipate any medium to long-term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due. Impact assessment of COVID-19 is a continuing process considering the uncertainty involved thereon. The Company will continue to closely monitor any material changes to the future economic conditions.

58. **Recent Accounting Pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification issued before as at the end of reporting period which would have been applicable from April 1, 2021.

As per our Report of even date attached

For and on behalf of the Board of Directors

For AAJV & ASSOCIATES

Chartered Accountants

Sd/-
Jitender Jindal

Partner

Membership No. : 093642

Firm Reg. No.: 007739N

UDIN : 23093642BGXWSL115

Sd/-
Prashant Vyas
Sr. Manager (Finance)
& Chief Financial Officer

Sd/-
Mukesh Kumar Sharma
Director (Technical)
DIN- 08572379

Sd/-
Azimul Haque
Managing Director
DIN- 03578730

Place : New Delhi

Dated : 14.01.2023



INDRAPRASTHA POWER GENERATION COMPANY LIMITED

(A Government of NCT of Delhi Undertaking)

Regd. Office : "Himadri", Rajghat Power House Office Complex, New Delhi-110002

CIN: U40103DL2001SGS111530

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