



प्रगति पावर स्टेशन-III



20th ANNUAL REPORT 2020-21

PRAGATI POWER CORPORATION 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)



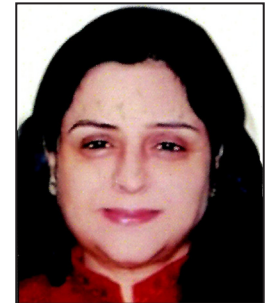
Shri Bhriagu Nath Ojha
Director



Shri Madan Verma
Director



Shri Sandeep Aggarwal
Independent Director



Smt. Anjali Rai
Independent Director

Power Stations

- (i) Pragati Power Station - I,
Ring Road, I.P. Estate, New Delhi
- (ii) Pragati Power Station-III,
Bawana, 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 VSD & 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



Contents

<i>Particulars</i>	<i>Page No.</i>
Board of Directors	1
Director's Report	3-39
Auditors' Report	40-50
Balance Sheet	51-52
Profit & Loss Account	53
Cash Flow Statement	54-55
Statement of Changes in Equity	56-57
Notes	58-108

**PRAGATI POWER CORPORATION LIMITED**

(An undertaking of Govt. of NCT of Delhi)

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

Corporate Identity Number (CIN) – U74899DL2001SGC 109135

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 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	3,038.36	4,972.32
Other income	65.44	77.96
Total revenue	3,103.80	5,050.28
Expenses		
Cost of fuel consumed	1,454.14	2,275.70
Employee benefits expense	117.75	144.44
Finance costs	191.68	229.43
Depreciation and amortization expense	302.06	293.70
Other expenses	185.49	155.67
Total expenses	2,251.14	3,098.94
Profit/(Loss) before tax and regulatory deferral account balances	852.66	1,951.34
Less : Tax Expense		
Current tax	155.88	343.50
Earlier years	-	-
Deferred tax charge/(credit)	44.31	45.69
Net Profit for the year after tax	652.47	1,562.15
Other comprehensive income	(0.63)	(0.55)
Total comprehensive income for the year	651.84	1,561.60

During the FY 2020-21, revenue from operations of the Company has been Rs.3,038.36 Crore in comparison to Rs.4,972.32 Crore during the previous year. The Total Comprehensive Income for the year has been Rs.651.83 Crore in comparison to Rs.1,561.60 Crore during the previous year.

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)	2,140.67
BSES Yamuna Power Ltd. (BYPL)	1,751.50
TPDDL	6.61
NDMC	53.97
Others	53.81
Total	4,006.56

Operational Performance:

The operational details of the plants during the FY 2020-21 are as under:-

Particulars	PPS-I, IP Estate	PPS-III, Bawana	Total
Capacity (MW)	330	1371.20	1701.20
Gross Generation (MU)	1535.32	3309.32	4844.64

Availability (%)	93.24	Peak hrs	Off Peak hrs	
		92.43	92.18	Low Demand Season
		85.08	85.33	High Demand Season*

*June, July & August were the High demand months and rests of the months were Low demand for FY 2020-21.

Pragati Power Station –I (PPS-I)

330 MW PPS-I Gas based Combined Cycle Power Plant consists of 02 nos. Gas Turbines (GT), GE (USA) make of 104 MW capacity each and 01 no. Steam Turbine Generator (STG), BHEL make of capacity of 122 MW, commissioned in 2002-2003 at IP Estate, Ring Road, New Delhi 110002.

During the FY 2020-21, the availability of the station has been 93.24 % in comparison to 96.95 % during the previous year. The availability of PPS-I has been slightly low as various Repairs & Maintenance activities performed in the station during the review period, whereas no major planned activities performed in the station during the previous year. The Plant Load Factor (PLF) remained low during the year, due to backing down by SLDC on account of low system demand.

Pragati Power Station –III (PPS-III)

1371.2 MW PPS-III, Bawana Gas based Combined Cycle Power Plant consists of 04 nos. Gas Turbines, GE (USA) Make 9 FA advanced class Gas Turbines of 216 MW capacity each and 02 nos. Steam Turbine Generator, BHEL make of capacity of 253.6 MW, commissioned in March 2014 at Bawana, Delhi.

As per the CERC regulations for Tariff Determination for FY 2019-20 to 2024, the availability of the station were divided into two different seasons i.e. High demand season and low demand season and a generating station has to achieve 85% availability for each season separately in order to achieve full fixed charges. Further, the availability of the each seasons categorized into peak & off-peak hours on daily basis. PPS-III, Bawana achieved the Normative Annual Plant Availability target across all categorizes during the review period. The Plant Load Factor (PLF) remained low during the year, due to backing down by SLDC on account of low system demand.

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:-

Pragati Power Station –I (PPS-I)

- Combustion Inspection of GT#1 has been carried out in Oct.-Nov.'2020 along with arresting the vibration problem of Generator.



- Up gradation of INERGEN gas fire detection system.
- Refurbishment of Cooling Tower carried out.
- Cooling Tower fins replaced in all 08 cells.

Pragati Power Station –III (PPS-III)

- Hot Gas Path Inspection of GT-2 has been carried out in Sept.-Oct. '2020.
- The Management decided for procurement of the spare 220.4 MVA Generator Transformer as Capital Spare for PPS-III, Bawana Station. In this regards to this, PO were placed in Oct. '2019 with Ex-works delivery of 12 months. BHEL Bhopal has requested for increase in the final date of supply upto March 2021 due to FORECE MEASURE clause in view of COVID 19. Final testing of the Transformer has been completed and received at site in Dec. 2020.
- New Station Auxiliary Transformer#4 has been commissioned at PPS-III, Bawana and taken into service along with 6.6KV Bus duct. On load trail of the same has already been completed.
- Further, all the auxiliaries and accessories damaged in the fire incidence have been replaced/repared and commissioning of complete system has been completed.

3. FUTURE OUTLOOK:

To ensure sustained good performance following activities are proposed to be taken in upcoming year:-

Pragati Power Station-I (PPS-I)

- Major Inspection (MI with Advanced Gas Path Components) of GT1 is planned to be carried out in Sept.- Oct' 2023.
- Procurement of Compressor rotor of Gas turbine in Capex.
- Implementation of Energy efficiency projects.

Pragati Power Station-III (PPS-III)

- Major Overhauling of STG#1.
- Hot Gas Path Inspection of GT#4 along with Generator Overhauling in Nov-Dec., 2023.
- Replacement of OLD Human Machine Interface (HMI)'s of GT's and LCI, and upgradation of Mark-VI TMR Gas Turbine control upgrade (HW) to Mark-vie & LCI.

4. NEW POWER PROJECTS:

750 MW (N) Gas Based Combined Cycle Pragati-II Power Project at Bamnauli

A 750 MW Combined Cycle Gas Turbine Power Project was to be setup in Bamnauli, as per the Cabinet of GNCTD decision, Sept. 2010. The Turnkey Contract for Supply, Erection and Commissioning has already been placed upon BHEL. The work of erection has not yet started as per direction of Deptt. of Power, Govt. of NCT of Delhi due to non availability of Gas. However, Overhead 400 KV DC Jhatikara-Bamnauli and Ballabhagarh transmission Lines, passing over the project site, have already been converted into underground cables. DTL has "Taken Over" the Cable portion of the 400 KV DC Jhatikara-Bamnauli Circuits and 400 KV DC Ballabhagarh-Bamnauli Circuits on 03.08.2017.

5. TARIFF DETERMINATION:

During the financial year 2020-21, the Company has filed following petitions before DERC/CERC and order issued by the DERC/CERC thereof:-



- (i) CERC has issued the true up order on 19.11.2019 against the petition filed by PPCL with CERC on 21.12.2015 for truing up of tariff of PPS-III for the MYT period from FY 2011-12 to FY 2013-14. Review petition against the same has been filed by PPCL on 10.01.2020. CERC has also issued the tariff order on 26.11.2019 for PPS-III against the petition filed by the PPCL with CERC on 21.09.2015 for determination of tariff of PPS-III for the MYT period from FY 2014-15 to FY 2018-19.
- (ii) PPCL has filed petitions on 12.03.2020 for truing up and determination of tariff of PPS-III for MYT period from FY 2014-15 to 2018-19 and from FY 2019-2020 to FY 2023-24 respectively.
- (iii) DERC has issued the tariff order on 28.08.2020 for PPS-I against the petition filed by the PPCL with DERC on 26.12.2019 wherein DERC trued up the tariff for the FY 2018-19 and also determined the ARR of PPS-I for FY 2020-21.
- (iv) Against the PPCL petition for truing up of tariff for FY 2018-19 and determination of Tariff for FY 2020-21 of PPS-I 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 2021-22.

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

The Company did not have any Joint Venture/ Associate Company/ Subsidiary Company during the year under review.

7. ENVIRONMENT:

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

8. 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.

9. 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.

10. 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 financial year 2020-21, no new sexual harassment complaint was received and nil no. of complaint was pending relating to earlier years.

11. RESERVES:

Special reserve of Rs.29.72 Crore has been created during the year against Rs.36.06 Crore in the previous year, out of the surplus available with the Company, on account of the interest earned on the funds, invested out of the equity capital received from GNCTD for PPS-II, Bamnauli Project.

12. 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.

13. FIXED DEPOSITS:

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

14. 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.

15. 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 non-payment 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.

16. STATUTORY AUDITORS:

The Comptroller and Auditor General of India (C&AG) had appointed M/s VSD & 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.

17. MANAGEMENT COMMENTS ON STATUTORY AUDITORS' REPORT:

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

18. 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 reply thereon, are appended to this report as **Annexure-II.**

19. 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 01st April, 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.

**20. 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 the FY 2020-21. The Audit Report as received from Secretarial Auditor and management replies thereon, are appended to this report as **Annexure-III**.

21. 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.

22. 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. 42 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.

23. NUMBER OF MEETINGS OF THE BOARD:

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

24. 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.

25. 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 Madan Verma	Part-time Director	18/02/2010	-
10.	Shri Tarun Chaturvedi	Independent Director	08/06/2016	07/06/2022

26. 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/3030 dated 26/08/2021 had nominated Shri Sandeep Aggarwal and Smt Anjali Rai as Independent Director on the Board of PPCL. Further, the Board of Directors of PPCL in its meeting held on 28/08/2021 had appointed Shri Sandeep Aggarwal and Smt Anjali Rai as Independent Director on the Board of PPCL, and also reconstituted the Audit Committee and Nomination & Remuneration Committee of PPCL by inclusion of both Independent Director. Now, PPCL 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.

27. 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.

28. 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.

29. 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.

30. 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, PPCL has transferred eligible CSR funds amounting to Rs.17,85,18,257/- to Swatch Bharat Kosh, Clean Ganga Fund, PM National Relief Fund & PM Care Fund in equal proportion 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-V**.

31. COMMITTEE FOR OPERATIONAL PERFORMANCE REVIEW COMMITTEE:

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.

32. 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.

33. CHANGE IN THE NATURE OF BUSINESS:

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

34. 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>

35. 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>

36. 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.

37. 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-VI**.



38. 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.

39. 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.

40. 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.

41. 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 FINANCIAL STATEMENTS OF PRAGATI POWER CORPORATION LIMITED FOR THE FINANCIAL YEAR 2020-21:

S. No.	Qualified Opinion of the Statutory Auditors	Management Reply
3.1	The Company has not made the Provision for Expected Credit Loss in respect of Trade Receivables as prescribed under Ind AS-109- “Financial Instruments” in its financial statements made for the year 31 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.
3.2	As per section 149(4) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, unlisted public companies shall have at least two director as Independent Directors, if the paid up share capital	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.



	exceeds Rs. 10 Crores or the Turnover exceeds Rs. 100 Crores or aggregate of all the outstanding loans, debentures and deposits excess Rs.50 Crores. Obviously, the paid up share capital, turnover and aggregate of all the outstanding loans of the Company exceeds the above-mentioned monetary limits. Therefore, the provisions of appointment of independent directors are applicable to the Company. It is however seen that the company remained non-compliant with the above provisions during under review but the same has been complied in FY 2021-22.	During the current Financial Year 2020-21, the Company was having only one Independent Director namely Sh. Tarun Chaturvedi. Subsequently, Sh. Tarun Chaturvedi vacated the office of Directorship of the Company w.e.f. 07th June, 2021. However, GNCTD vide its order no. CD-014661216/Power/3030 dated 26/08/2021 nominated Shri Sandeep Aggarwal and Smt Anjali Rai as Independent Directors on the Board of Company which was approved by the Board of Directors in its meeting held on 28/08/2021. Accordingly, the Company also reconstituted its Audit Committee, Nomination & Remuneration Committee by nominating both the Independent Directors as Members of the Audit Committee. Therefore, at Present the Company is complying 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.
3.3	As per Section 177(2) of the Companies Act, 2013, the Audit Committee shall consist of a minimum of 3 directors, with Independent Directors forming a majority. The Company had only One Independent Director out of three during the period under review. It is thus seen that the Company has contravened the provisions of Section 177(2) of the Companies Act, 2013. It is however seen that the company remained non-compliant with the above provisions during under review but the same has been complied in FY 2021-22.	

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 PRAGATI POWER CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH, 2021:**

The preparation of financial statements of Pragati Power Corporation Limited for the year ended 31st 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 auditor appointed by the Comptroller and Auditor General of India under section 139 (5) 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 Audit Report dated 14th January 2023.

I, on behalf of the Comptroller and Auditor General of India (CAG), have conducted a supplementary audit of the financial statements of Pragati Power Corporation Limited for the year ended 31st March 2021 under section 143(6)(b) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor 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. Balance Sheet**Assets****Current Assets****Cash and Cash Equivalents -(Note 10): Rs. 756.43 crore.**

1. As per the Significant Accounting Policy No.- 8” 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 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 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 13 Term Deposits of Rs.554.38 crore, having 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.554.38 crore, each.

Liabilities**Current Liabilities****Other Current Liabilities (Note 24): 4.22 crore**

2. The above does not include Rs.4.70 crore being property tax payable to South Delhi Municipal Corporation (SDMC), consequent upon meeting held on the issue between Special Secretary (Power) and Commissioner, SDMC in October 2021 and same was paid by the Company in March 2022. However, property tax payable of Rs.15.61 crore has been disclosed as Contingent liability without taking cognizance to the revised demand of Rs.4.70 crore. This resulted in understatement of Other Current Liabilities and Other Expenses by Rs.4.70 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.15.61crore.



B. Cash Flow Statement

3. Refer to Comment No. 1, wherein it has been commented that Term Deposit of Rs.554.38 crore 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 understatement of Cash flow from Investing Activities by Rs.554.38 crore, in cash flow statement also

C. Significant Accounting Policies

4. As per the significant accounting policy No. 1.1, an item of Property, Plant and Equipment (PPE) is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably and Capital Work-in-Progress (CWIP) represents the direct costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

As per disclosure made under Note No. 3, it is stated that CWIP under PPE includes Rs.109.86 crore incurred on shifting of 400 KV overhead lines and other ancillary works (preparation) for creation of an asset) for setting up of 750 MW Power Plant at Bamnauli Project. In this regard the Company was directed by GNCTD in August 2011 not to incur any cost on the Power plant at Bamnauli without firm commitment of gas by Central Electricity Authority/ Government of India. The same has not been received till date (March 2023) even after a lapse of more than ten years. The other power plants of the Company (PPS I and III) were also not receiving the adequate gas allocation for running at their installed/available capacities.

Further, it was observed that there is a proposal from Department of Transport to transfer the allotted land for Bamnauli project to Transport Department and the Company is also identifying another project i.e. Solar Project on the same land. In such scenario, the possibility of setting up of power plant at Bamnauli and obtaining economic benefits from it, seems remote in the near future. Accordingly, the recognition of above expenses as CWIP on Bamnauli Project is not in line with the accounting policy of the Company.

Despite, comment of CAG on the accounts for the year 2019-20 no corrective action has been taken by the Management.

D. Notes to Financial Statements

5. The Company has booked Deferred Tax Deducted at Source (TDS) of Rs.94.58 crore in accounts as per the decision of the Board of Directors (108th 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 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 to be disclosed in the notes to accounts in accordance with requirement of Ind AS 1-Presentation of Financial Statements." The Board of Directors of the Company in its 105th meeting held on 20th July 2022 had declared the dividend of Rs.20.00 crore for the financial year 2020-21 and the financial statements of the Company were approved in December 2022. However, the relevant disclosure regarding dividend, in compliance of Ind AS 10 and Ind AS 1, has not been made in the Notes to Financial Statements.

**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: 12.05.2023

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 Pragati Power Corporation Limited for the year ended 31st March 2021.

1	A. Balance Sheet Assets Current Assets Cash and Cash Equivalents -(Note 10): Rs. 756.43 crore. As per the Significant Accounting Policy No.- 8” 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 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 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 13 Term Deposits of Rs.554.38 crore, having 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.554.38 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 part of the Short Term Deposits were maturing on different dates till June 2021, these Deposits were also treated as Short Term Investments as on 31.3.2021 in the Balance Sheet ending on 31.03.2021.
2	Liabilities Current Liabilities Other Current Liabilities (Note 24): 4.22 crore The above does not include Rs.4.70 crore being property tax payable to South Delhi Municipal Corporation (SDMC), consequent upon meeting held on the issue between Special Secretary (Power) and Commissioner, SDMC in October 2021 and same was paid by the Company in March 2022. However, property tax payable of Rs.15.61 crore has been disclosed as Contingent liability without taking cognizance to the revised demand of Rs.4.70 crore. This resulted in understatement of Other Current Liabilities and Other Expenses by Rs.4.70 crore, each. Consequently, Profit for the year has been overstated to the same extent.	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.



	Further, this has also resulted in overstatement of Contingent Liabilities by Rs.15.61crore.	
3	B. Cash Flow Statement Refer to Comment No. 1, wherein it has been commented that Term Deposit of Rs.554.38 crore 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 understatement of Cash flow from Investing Activities by Rs.554.38 crore, in cash flow statement also.	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 part of the Short Term Deposits were maturing on different dates till June 2021, these Deposits were also treated as Short Term Investments in the Cash Flow Statement for the Financial year 31.03.2021.
4	C. Significant Accounting Policies As per the significant accounting policy No. 1.1, an item of Property, Plant and Equipment (PPE) is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the company and cost of the item can be measured reliably and Capital Work-in-Progress (CWIP) represents the direct costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. As per disclosure made under Note No. 3, it is stated that CWIP under PPE includes Rs.109.86 crore incurred on shifting of 400 KV overhead lines and other ancillary works (preparation) for creation of an asset) for setting up of 750 MW Power Plant at Bamnauli Project. In this regard the Company was directed by GNCTD in August 2011 not to incur any cost on the Power plant at Bamnauli without firm commitment of gas by Central Electricity Authority/ Government of India. The same has not been received till date (March 2023) even after a lapse of more than ten years. The other power plants of the Company (PPS I and III) were also not receiving the adequate gas allocation for running at their installed/ available capacities. Further, it was observed that there is a proposal from Department of Transport to transfer the allotted land for Bamnauli project to Transport Department and the Company is also identifying another project i.e.	In this case, PPCL has incurred expenditure for the Capital Expenditure Scheme for shifting of overhead lines for the purpose of the proposed gas based 750 MW Power Plant at Bamnauli, Delhi though thereafter the GNCTD has advised for not incurring further expenses. However, it is pertinent to submit that till date there is no final decision for the closure of the said Capital Expenditure Scheme. Since the competent authority to take the said decision is Cabinet of Govt. of Delhi, the closure of the said Capital Expenditure Scheme needs the approval of the Cabinet of Govt. of Delhi. It is submitted that the accounting treatment of any transaction is based on the status of the matter and not on the likelihood of future results of any pending matter. In this case as no decision has been taken for the closure of the Capital Expenditure Scheme so far by the Cabinet of the Govt. of Delhi, the transactions of capital expenditure already incurred on the said scheme till date has to be shown as such i.e. Capital Works in Progress (CWIP) in terms of accounting policy of the Company as neither the said expenditure can be treated as completed project nor as abandoned project until the decision is taken by the Cabinet of the Govt. of Delhi.



	Solar Project on the same land. In such scenario, the possibility of setting up of power plant at Bamnauli and obtaining economic benefits from it, seems remote in the near future. Accordingly, the recognition of above expenses as CWIP on Bamnauli Project is not in line with the accounting policy of the Company. Despite, comment of CAG on the accounts for the year 2019-20 no corrective action has been taken by the Management.	
5	D. Notes to Financial Statements The Company has booked Deferred Tax Deducted at Source (TDS) of Rs.94.58 crore in accounts as per the decision of the Board of Directors (108th 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 the 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 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% 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 to be disclosed in the notes to accounts in accordance with requirement of Ind AS 1-Presentation of Financial Statements." The Board of Directors of the Company in its 105th meeting held on 20th July 2022 had declared the dividend of Rs.20.00 crore for the financial year 2020-21 and the financial statements of the Company were approved in December 2022. However, the relevant disclosure regarding dividend, in compliance of Ind AS 10 and Ind AS 1, has not been made in the Notes to Financial Statements.	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.

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,
Pragati Power Corporation 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 Pragati Power Corporation 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 thereunder;
- (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 thereunder; **Not applicable**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **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 explanations furnished to us, amount required to be spent on account of Corporate Social Responsibility under section 135 of the Companies Act, 2013 was 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 within the statutory time 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 within the 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 has 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 are 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 needs to be further strengthened to be effective to the extent as reported below:

- a) Pragati Power Station (PPS-III) of the Company had applied for renewal of registration of establishment under the provisions of Contract Labour(Regulation and Abolition)Act, 1970 but the renewal/approval has still to be received by the Company.
- b) Pragati Power Station (PPS-III), the power station of the Company has applied for fire safety certificate under Delhi Fire Service Act however fire safety certificate from the Department is yet to be received by the Company.
- c) 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.
- d) 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 its employees of the company which may result into financial and legal issue for the company.
- e) During the period under review, Pragati Power Station (PPS-III), the power station of the Company has applied for authorization for storage of Hazardous waste which is still awaited though application along with required fees has been deposited on 09.05.2019.
- f) 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.
- g) During the year under review, as per the information submitted to us, provisions of Payment of Gratuity Act 1972 regarding payment of gratuity with in period of 30 days of entitlement has not been complied with. Further amount of gratuity had not been paid in full inspite of being within statutory limit, therefore is not in compliance of provisions of Gratuity Act 1972.

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
FCS: 3236
C.P: 4906
UDIN: F003236C002704792



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

Annexure I

The Members,
Pragati Power Corporation 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 fraud 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.
- 8.

for Swaran Jain & Associates
Company Secretaries

Date: 24.02.2022
Place: New Delhi

sd/-
(Swaran Kumar Jain)
Proprietor
FCS: 3236
C.P: 4906
UDIN: F003236C002704792


MANAGEMENT REPLY ON THE OBSERVATIONS OF THE SECRETARIAL AUDITORS OF PRAGATI POWER CORPORATION 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.
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.	GNCTD vide its order no. CD-014661216/Power/3030 dated 26/08/2021 had nominated Shri Sandeep Aggarwal and Smt Anjali Rai as Independent Director on the Board of PPCL. Further, the Board of Directors of PPCL in its meeting held on 28/08/2021 has appointed Shri Sandeep Aggarwal and Smt Anjali Rai as Independent Director on the Board of PPCL, and also reconstituted the Audit Committee and Nomination & Remuneration Committee of PPCL by inclusion of both Independent Director. Now, PPCL 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 explanations furnished to us, amount required to be spent on account of Corporate Social Responsibility under section 135 of the Companies Act, 2013 was 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 PPCL in its meeting held on 28/08/2021, the unspent CSR amount of Rs.17,85,18,257/- for the FY 2020-21 has been transferred to Swachh Bharat Kosh, Clean Ganga Fund, Prime Minister's National Relief Fund & PM Cares Fund, on 27/09/2021, as per the details given below:- 1. Swachh Bharat Kosh – Rs.4,46,29,564.25/-, 2. Clean Ganga Fund – Rs.4,46,29,564.25/-, 3. Prime Minister's National Relief Fund – Rs.4,46,29,564.25/-, and 4. PM Cares Fund – Rs.4,46,29,564.25/-.



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 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 MGT 7 had not been filed by the company to Registrar of Companies New Delhi.	(iii) PPCL 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 accounts for the financial year 2019-20 could not be finalized and auditor due to the reason explained in AGM. 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 finalization and Audit of Financial Statements of the Company may take some more time for completion; and after the finalization and audit, the Audit of Financial Statements of the Company for the FY 2019-20 will be submitted to Comptroller & Auditor General of India (CAG) for conducting supplementary audit as required under Section 143(6) of the Companies Act, 2013. 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 Statutory Auditors appointed by the CAG submitted their report in the accounts for the financial year 2019-20 on 04/03/2021. (vi) After submission of the report of the Statutory Auditors, the same was forwarded to CAG for its supplementary audit. Subsequently, the supplementary audit was started by CAG on 11/03/2021. The replies on the provisional comments of the CGA audit team were submitted to the CAG on 06/05/2021 through email. (vii) After Shri Tarun Chaturvedi, Independent Director and Chairman of Audit Committee of PPCL ceased to be Independent Director w.e.f. 07/06/2021, the Audit Committee of PPCL 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.
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 needs to be further strengthened to be effective to the extent as reported below:	
(a) Pragati Power Station (PPS-III) of the Company had applied for renewal of registration of establishment under the provisions of Contract Labour (Regulation	Under process for online submission of application for renewal of registration in the website of e-district Delhi.



and Abolition) Act, 1970 but the renewal / approval has still to be received by the Company.	
(b) Pragati Power Station (PPS-III), the power station of the Company has applied for fire safety certificate under Delhi Fire Service Act however fire safety certificate from the Department is yet to be received by the Company.	Compliance of shortcoming/ observation of Delhi Fire Service during 2 nd stage is under process.
(c) 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.	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.
(d) 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 its 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.
(e) During the period under review, Pragati Power Station (PPS-III), the power station of the Company has applied for authorization for storage of Hazardous waste which is still awaited though application along with required fees has been deposited on 09.05.2019.	Application along with required fees has been deposited on dated 09.05.2019. Required documents submitted and it is under process in DPCC.
(f) 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>
(g) During the year under review, as per the information submitted to us, provisions of Payment of Gratuity Act 1972 regarding payment of gratuity with in period of 30 days of entitlement has not been complied with. Further amount of gratuity had not been paid in full	Sh. Parvin Gupta, GM (Chem.) was retired from the services of PPCL on 31.01.2021. The file was under process for want of policy decisions and clarification as sought by higher ups and also due to pending dues in respect of Sh. Parvin Gupta. The payment of gratuity



	insipite of being within statutory limit, therefore is not in compliance of provisions of Gratuity Act 1972.	was made after clearance of dues b Sh. Gupta. Further, as informed by Sh. Gupta, he has already claimed and amount of Rs. Ten Lac from his previous employer (NTPC). As per 7th CPC, the maximum limit of gratuity is Rs.20 Lac, as such the payment of Rs.10 Lac was made to him by Gratuity Trust.
--	--	--

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****REPORT ON CORPORATE GOVERNANCE**

PPCL believes that good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. Thus, PPCL'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 two other directors nominated by the Govt. of NCT of Delhi.

Meeting 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 2020-21, under review are as under:-

S.No.	Directors	Board Meetings	Last AGM dtd. 30.12.2020
1.	Shri Satya Gopal, Addl. Chief Secretary (Power), GNCTD-Chairman & Managing Director (From 31.03.2021 to 31.07.2022)	0/0	N.A.
2.	Smt Padmini Singla, Secretary (Power), GNCTD Chairperson & Managing Director (From 05.07.2019 to 31.03.2021)	4/4	Yes
3.	Shri D. Varma, Director (HR) (From 18.07.2019 to 24.04.2020)	0/0	N.A.
4.	Shri Ravi Dadhich, Director (HR) (From 24.04.2020 to 09.09.2020)	2/2	N.A.
5.	Shri J.K. Jain, Director (HR) (From 09.09.2020 to 08/07/2021)	2/2	Yes
6.	Shri S. M. Verma, Director (Technical) (From 01.05.19 to 14/01/2022)	4/4	Yes
7.	Shri Ravindra Kumar Jain, Director (Finance) (From 05.06.2017 to 31/05/2021)	4/4	Yes
8.	Shri Madan Verma, Director (From 18.02.2010 onwards)	4/4	No
9.	Shri B. N. Ojha, Director (From 01.10.2009 onwards)	4/4	No
10.	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 Madan Verma | : | Member |
| 3. | Shri Mr. B. N. Ojha | : | 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 Madan Verma, Director	3/3
3.	Shri B. N. Ojha, Director	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. | Shri Madan Verma | : | Member |
| 3. | Director (HR) | : | Member |
| 4. | Director (Technical) | : | 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 Madan Verma, Director	1/1
3.	Shri Ravi Dadhich, Director (HR)	1/1
4.	Shri S. M. Verma, Director (Technical)	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. | Shri B.N. Ojha | : | Member |
| 3. | Shri Madan Verma | : | 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.	Shri B. N. Ojha, Director	1/1
3.	Shri Madan Verma, 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 Madan Verma | : | 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 Madan Verma, 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	04:00 P.M.	03:00 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-V**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. PPCL 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 Madan Verma, Director	Member of CSR Committee	1	1
3.	Shri Ravi Dadich, Director (HR)	Member of CSR Committee	1	1
4.	Shri S.M. Verma, Director (Tech.)	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/CSRAactivitiesIPGCLPPCL.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. 3,24,03,07,393/-
FY 2018-19	Rs. 4,02,40,33,384/-
FY 2019-20	Rs. 19,51,33,97,723/-
Average Net Profit	Rs. 8,92,59,12,833/-

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 17,85,18,257/-
- (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. 17,85,18,257/-

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. 17,85,18,257/-	NIL	NA	Swatch Bharat Kosh	Rs. 4,46,29,564.25/-	27.09.2021
			Clean Ganga Fund	Rs. 4,46,29,564.25/-	27.09.2021
			PM National Relief Fund	Rs. 4,46,29,564.25/-	27.09.2021
			PM Care Fund	Rs. 4,46,29,564.25/-	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-VI**

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**

Pragati Power Station – I (PPS-I) of the Company is a designated consumer as per notification dated 30th March 2012 of Ministry of Power, GoI and is required to comply with the rules and regulations under PAT (Perform, Achieve and Trade) Scheme. The PAT cycle-1 for the station was applicable for the period from 2012-15. Station achieved 2026 Kcal/Kwh NSHR against the target of 2061 Kcal/Kwh on the basis of monitoring & verification conducted by NPC.

The station is also part of PAT Cycle-II applicable for period 2016-17 to 2018-19. The target NSHR prescribed for this period is 2081.97 Kcal/Kwh. The notified BEE target has been achieved by PPS-1 in PAT-II assessment year 2018-19 and documents submitted for issuance of Ecerts.

Now PPS-1 has entered into PAT-7 and notified to achieve the target of 2032.54 Kcal/Kwh in the FY 2024-25.

Following energy measures carried out at PPS-I

PPS-I has implemented several schemes for energy conservation including energy efficient lighting of Phase-I has been implemented and phased-II is in process, roof top solar, other scheme as identified in the energy audit. The next energy audit is plan in current FY 2022-23.

PAT Cycle-III was applicable for PPS-III, Bawana during the period from FY 2017-18 to FY 2019-20 with assessment year 2019-20. PPS-III, Bawana had been given the target of specific plant heat rate of 1876 Kcal/Kwh under PAT cycle III. M & V audit for the plant was carried in September 2020 by M/s PCRA and report submitted to M/s BEE for final recommendations. The final recommendations are awaited from M/s BEE end. PPS-III has implemented many energy conservation schemes in the plant premises. This includes

- Installation of VFDs in all three motors of Raw Water Pumps.
- Installation of VFDs in all three motors of LPBFPs of Module – I
- Installation of VFDs in all three motors of LPBFPs of Module – II
- Stage reduction in CEP # 1B
- Installation of New pump with reduced stage in CEP # 2B
- Energy efficient coating in three CW pumps namely CW # B, CW # C & CW # D
- Replacement of existing SS drive shaft with Carbon Fibre Drive Shaft in Four Nos. of CT fans of Module – II.
- Replacement of T – 5 tube lights of Administrative building with LED Panel Lights.
- Installation of 1860 KWp of Rooftop Solar.
- A direct line has been laid from Raw Water discharge header to the discharge header of UF pump, thereby bypassing UF pump and leading to saving of energy.

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

PPS-I planned the under mentioned energy saving schemes for achieving target for PAT Cycle-7 (FY 2024-25) and Energy audit report:



- Installation of VFD in Condensate Extraction Pumps (CEP) is under
- Installation of VFD on High Pressure Boiler Feed Pumps (HPBFP) and Compressors as per the energy audit report.
- Replacement of conventional lighting with Energy efficient lightning.
- Condenser cleaning and Provision for backwash.
- Replacement of existing shaft and blades with Carbon shaft & E-FRP blades in left out CT fans.
- More Roof top solar installation

Further, future proposals for achieving further reduction in auxiliary energy consumption of PPS-III, Bawana are as under:

- Stage reduction in two more CEPs of PPS – III.
- Energy Efficient coating of remaining two CW Pumps.
- Replacement of existing SS Drive Shaft with Carbon Fiber Drive Shaft in Cooling Towers, whenever replacement is required.
- Replacement of T – 5 tube lights of Facility Building with LED Panel lights.

(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 has been very well seen in APC and heat rate of the plant of PPS-I. After verification of performance done by BEE, 8020 EScerts issued to the PPS-I in February 2017 on behalf of Ministry of Power.

Further as per the PAT rules the year 2018-19 was the assessment year for PAT cycle –II and the following are the achieved parameters for the PAT cycle –II as per M&V audit. M&V report submitted to BEE.

1)	Notified target Net heat Rate- PAT-II	: 2081.97 kcal/kWh
2)	Assessment year operative Net Heat Rate (without Normalization)	: 2037.88 kcal/kWh
3)	Assessment year operative Net Heat Rate (with Normalization)	: 2016.80 kcal/kWh
4)	Saving in Net Heat Rate	: 65.17 kcal/kwh
5)	Total E-scerts calculated and submitted for claim	: 11726 Nos
6)	Notified target Net heat Rate- PAT-7 (2024-25)	: 2032.54 kcal/kWh

Impact of the measures taken described at Sr. no. (i) & (ii) In relation to energy consumption has been very well seen in PPS-III, Bawana as well. Savings of approx. 350 & 155 Kwh/per day per pump have been achieved through installation of VFDs on LPBFPs & on on Raw Water Pumps respectively. Energy Efficient Coating of CW pump B, C & D has improved the efficiency of the pumps by 5.30%, 3.91% and 8.24% respectively, thereby resulting in Energy savings. Approximate savings of 1800 Kwh/per day have been achieved in CEPs through stage reduction. Bypassing of 18KW UF pump has further resulted in energy savings.

B) TECHNOLOGY ABSORPTION

- a) **Efforts, in brief made towards technology absorption,**
Being a new plant, no innovation was required.
- 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 five 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

C) Research and Development

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

D) FOREIGN EXCHANGE EARNING & OUTGO.

There was no foreign exchange earning during the year. The foreign exchange outgo during the year was Rs. 73.71 Crore (Previous year Rs. 44.59 Crore).

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 Pragati Power Corporation Limited Report on the Ind AS Financial Statements

Qualified Opinion

1. We have audited the financial statements of M/s Pragati Power Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in Basis for "Qualified Opinion" paragraph in our report, the aforesaid Ind AS financial statements present fairly, in all material respects, or give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the **profit** and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

3. We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.
- 3.1 The Company has not made the Provision for Expected Credit Loss in respect of Trade Receivables as prescribed under Ind AS-109- "Financial Instruments" in its financial statements made for the year 31 March, 2021 and therefore the monetary impact of the same remains unascertained.
- 3.2 As per section 149(4) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment & Qualification of Directors) Rules, 2014, unlisted public companies shall have at least two directors as Independent Directors, if the paid-up share capital exceeds Rs. 10 Crores or the Turnover exceeds Rs. 100 Crores or aggregate of all the outstanding loans, debentures and deposits excess Rs. 50 Crores. Obviously, the paid-up share capital, turnover and aggregate of all the outstanding loans of the Company exceeds the above-mentioned monetary limits. Therefore, the provisions of appointment of independent directors is applicable to the Company.

It is however seen that the company remained non-compliant with the above provisions during under review but same has been complied in financial year 2021-22.

- 3.3 As per Section 177(2) of the Companies Act, 2013, the Audit Committee shall consist of a minimum of 3 directors, with Independent Directors forming a majority. The Company had only One Independent Director out of three during the period under review. It is thus seen that the Company has contravened the provisions of Section 177(2) of the Companies Act, 2013.

It is however seen that the company remained non-compliant with the above provisions during under review but same has been complied in financial year 2021-22.



Information Other than the Financial Statements and Auditor's Report Thereon

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report, Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act, read with 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicated 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.
 11. 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.
 12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Emphasis of Matters paragraph

We draw the attention to the following matters in the Notes to the IND AS financial statement:

- A. The company, in its Note No 18 (C) of the financial statement under review, have disclosed about Unsecured Loan from GNCTD stating that repayment term of one project loan amounting to Rs. 5000.00 Lakhs is mentioned in the loan sanction order as 1 Years in place of 15 years and necessarily follow up in that regard is being made with GNCTD for rectification of sanction orders.

Since the sanction letter of project loan amounting to Rs. 5000.00 lakhs contain the repayment term of 1 year, it implies the fact that loan was sanctioned for 1 year only by GNCTD and contention of the company that necessary follow up is being made with GNCTD for rectification of sanction order cannot be construed to be valid ground until or unless same is recognised and accepted by GNCTD. The company has failed to provide any documents and communication received from GNCTD about changing the terms of repayment from 1 years to 15 years and as such the amount of loan of Rs. 5000.00 lakhs shown under the Note No. 18 as borrowing under the head "Non-current liabilities" should be classified under Note No. 21 as Borrowings under the head "Current liabilities" as such both head the counter balance each other. Our opinion is not modified in respect of this matter.



- B. The company has made the provision of lease deed of Rs. 251.33 lakhs for 384 DSIIDC flats (consideration of Rs. 2764.01 lakhs) in note no. 23 under the heading of “Other financial liabilities”, but the lease deed is pending since long where as some of the flats are already occupied by the company. Our opinion is not modified in respect of this matter.
- C. Pursuant to the provisions of section 137(1) of the companies Act, 2013 the company is required to file unadopted Financial Statement and Audit Report thereon with the Registrar of companies within 30 days from the date of AGM but the same has not been filed due to deferment of adoption of financial statement in AGM. Our opinion is not modified in respect of this matter and company may attract penalties as per Companies Act 2013.
- D. Balance with DISCOMS are subject to reconciliation, as per the joint reconciliation statements received from DISCOMS, the major difference between the balance as per PPCL 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.

Report on Legal and Other requirements

- 13. As required by the Companies (Auditor’s Report) Order, 2016 (the ‘Order’) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the “**Annexure A**”, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 14. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:
 - (a) The Company has provided the information and explanation which is to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph, In our opinion, the aforesaid IND AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015;
 - (e) Provisions of section 164 of the Companies Act, 2013 are not applicable to the Government Company I terms of GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
 - (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements (Refer Note 43);



- ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long –term contracts including derivative contracts and
 - iii. The Company was not required to transfer any amount to the Investor Education and Protection Fund.
15. With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, we report that the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company, as the company has not paid the remuneration to its directors.

For VSD & Associates
Chartered Accountants
(FRN. 008726N)

Sd/-
(CA. Vinod Sahni)
Partner
M. No. 086666
UDIN: 23086666BGVPFL1014

Place : Delhi
Dated : 14.01.2023



‘Annexure – A’ To the Independent Auditors’ Report

(Referred to in paragraph 16 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Pragati Power Corporation Limited of even date) we report that:

(i) In respect of the Company’s fixed assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As explained to us, the fixed assets have been physically verified by a firm of Chartered Accountants during the 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.
 - c) According to our examination of the books and records of the Company and the information and explanations given to us, the immovable property has been constructed under the project allocated to the Company by the GNCTD. Further, with respect to the leasehold flats of DSIIDC amounting of Rs. 2764.01 lakhs, no title deed has been produced before us as the company claims that lease deed are yet to be executed.
- (ii) As explained to us, Inventories have been physically verified by a firm of Chartered Accountants during the year. In our opinion, the frequency of verification is reasonable. No discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to companies or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us the company has not advanced loans to directors or to any other person or entity to which the provision of Section 185 of the Companies Act, 2013 apply. Further in our opinion and according to the information and explanations given to us, the company has not advanced loans to any person or other body corporate or made investments in securities of any other body corporate or given guarantee or provided security to any person or other body corporate to which provisions of section 186 of the Companies Act, 2013 apply and hence not commented upon.
- (v) The Company has not accepted any deposits from the public to which the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under would apply.
- (vi) According to our examination of the books and records of the Company and the information and explanations given to us, Company pursuant to the Order made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate and complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records, the company is regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees’ State Insurance, Income-Tax, Cess and any other statutory dues. According to the information and explanation given to us, no undisputed amounts of statutory dues were in arrears as at 31.03.2021 for a period of more than six months from the date they became payable.



- (b) According to the records of the Company, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following:

S No.	Name of the Statute	Nature of Dues	Amount (Rs.) (Lacs)	Assessment Year to which the amount relates	Forum where dispute is pending
1	Income Tax Act, 1961	Income Tax	62.57	2008-09	High Court of Delhi
2	Income Tax Act, 1961	Income Tax	1216.11	2013-14	Commissioner of Income Tax (Appeals)
3	Income Tax Act, 1961	Income Tax	472.82	2005-06	Income Tax Appellate Tribunal
4	Income Tax Act, 1961	Income Tax	1906.30	2017-18	Commissioner of Income Tax (Appeals)
5	Income Tax Act, 1961	Income Tax	39056.83	2018-19	Commissioner of Income Tax (Appeals)

*Represents the amount without including interest from the date of notice of demand till 31/03/2021

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of borrowing to financial institutions, banks or Government during the year except default in the repayment of dues to GNCTD on account of Rs. 5000.00 Lakhs as discussed in details under paragraph no. 3.5 of our Independent Auditor's Report on IND AS Financial Statement. However, the company has not taken any loans or borrowings from debenture holders during the year.
- (ix) According to the information and explanation given to us, on an overall basis, the term loans have been applied for the purpose for which they were raised except a sum of 10,191.90 lakhs out of Loan amounting to 35,000.00 lakhs received on 05 February, 2019 is yet to be utilised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us, the Company has not paid any managerial remuneration to the directors. Accordingly, the clause (xi) of paragraph 3 of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records, the Company's transactions with its related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where ever applicable and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or persons connected with him and therefore the clause (xv) of paragraph 3 of the Order is not applicable.



(xvi) In our opinion and according to the information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For VSD & Associates
Chartered Accountants
(FRN. 008726N)

Sd/-
(CA. Vinod Sahni)
Partner
M. No. 086666
UDIN: 23086666BGVPFL1014

Place : Delhi

Dated : 14.01.2023



‘Annexure – B’ To the Independent Auditors’ Report

(Referred to in paragraph 17(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Pragati Power Corporation Limited of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to the financial statements of **Pragati Power Corporation Limited** (“the Company”) as of 31 March 2021 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

1. Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to the financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

2. Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to the financial statements (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls.

With reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

3. Meaning of Internal financial controls with reference to the financial statements

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



- i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) 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
- iii) 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.

(a) **Inherent Limitations of Internal financial controls with reference to the financial statements**

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements 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.

(b) **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to the financial statements issued by the Institute of Chartered Accountants of India.

For VSD & Associates
Chartered Accountants
 (FRN. 008726N)

Sd/-
(CA. Vinod Sahni)
Partner
M. No. 086666
UDIN: 23086666BGVPFL1014

Place : Delhi
Dated : 14.01.2023



Annexure C

(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.	Yes, the company has a system in place i.e. SAP Accounting Software to process all the accounting transactions through IT system.
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.	There are no such cases.
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.	Yes, the company has accounted for/utilised the fund properly as per term and conditions.

For VSD & Associates
Chartered Accountants
(FRN. 008726N)

Sd/-
(CA. Vinod Sahni)
Partner
M. No. 086666
UDIN: 23086666BGVPFL1014

Place : Delhi

Dated : 14.01.2023



PRAGATI POWER CORPORATION LIMITED

CIN: U74899DL2001SGC109135

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	339,780.08	361,851.78
Capital work-in-progress	3	11,955.38	12,372.53
Intangible assets	4	0.09	0.88
Right-of-use Assets	5	2,827.84	2,970.61
Financial assets	6	212.65	212.65
Other non-current assets	7	3,144.47	4,781.72
Total non-current assets		357,920.51	382,190.17
Current assets			
Inventories	8	7,315.61	6,366.87
Financial assets			
Trade receivables	9	400,655.98	405,562.97
Cash and cash equivalents	10	75,643.34	77,665.92
Bank balances other than cash and cash equivalents	11	68,286.03	70,432.53
Other financial assets	12	30,022.39	26,090.72
Current tax asset (net)	13	13,006.89	1,864.49
Other current assets	14	914.30	1,035.57
Total current assets		595,844.54	589,019.07
Regulatory deferral account debit balances	15	6,638.74	6,638.74
TOTAL ASSETS		960,403.79	977,847.98
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	207,419.00	207,419.00
Other equity	17	506,767.99	441,584.36
Total equity		714,186.99	649,003.36
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18	85,019.76	153,081.49
Lease liabilities	40	598.78	616.64
Provisions	19	608.60	565.81
Deferred tax liabilities (net)	20	49,629.29	45,232.29
Total non-current liabilities		135,856.43	199,496.23



Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
Current liabilities			
Financial liabilities			
Borrowings	21	22,067.03	13.89
Lease liabilities	40	17.86	16.38
Trade payables	22		
- Total outstanding dues of Micro Enterprises and Small Enterprises		430.86	318.35
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		11,928.02	13,942.37
Other financial liabilities	23	60,345.94	105,963.02
Other current liabilities	24	422.41	454.44
Provisions	19	44.02	4,222.32
Current tax liabilities (net)	25	12,441.15	1,371.76
Total current liabilities		107,697.29	126,302.53
Deferred revenue	26	2,663.07	3,045.86
TOTAL EQUITY AND LIABILITIES		960,403.79	977,847.98
Significant accounting policies	1		

The accompanying notes 1 to 54 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

Sd/-

For VSD & Associates
Chartered Accountants

Sd/-

CA. Vinod Sahni
Partner

Membership No. : 086666
Firm Reg. No.: 008726N
UDIN : 23086666BGVPFL1014

Sd/-

Dhiraj Kr. Nimwal
Assistant Company Secretary

Sd/-

Sanjay Kr. Choudhary
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



PRAGATI POWER CORPORATION LIMITED

CIN: U74899DL2001SGC109135

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
Revenue			
Revenue from operations	27	303,836.42	497,232.56
Other income	28	6,544.32	7,795.63
Total revenue		310,380.74	505,028.19
Expenses			
Cost of fuel consumed	29	145,414.24	227,570.39
Employee benefits expense	30	11,775.55	14,444.13
Finance costs	31	19,168.76	22,942.45
Depreciation and amortization expense	32	30,205.97	29,370.19
Other expenses	33	18,549.62	15,567.05
Total expenses		225,114.14	309,894.21
Profit/(Loss) before tax and regulatory deferral account balances		85,266.60	195,133.98
Tax expense			
Current tax		15,588.46	34,349.94
Earlier years		-	-
Deferred tax charge/(credit)		4,431.08	4,568.52
Total tax expense		20,019.54	38,918.46
Profit/(Loss) for the year before regulatory deferral account balances		65,247.06	156,215.52
Movements in regulatory deferral account balances			
Profit/(Loss) for the year		65,247.06	156,215.52
Other comprehensive income			
Items that will not be reclassified to profit or loss (Net of Tax)			
- Net actuarial gains/(losses) on defined benefit plans		(97.49)	(84.58)
- Less: Income tax relating to above items		(34.07)	(29.56)
- Net movement in regulatory deferral account balances		-	-
		(63.42)	(55.02)
Total comprehensive income for the year		65,183.64	156,160.50
Earnings per equity share (Par value ₹ 10/- each)	48		
Basic and Diluted Earning Per Share (₹) (from operations including regulatory deferral account balances)		3.15	7.53
Basic and Diluted Earning Per Share (₹) (from operations excluding regulatory deferral account balances)		3.15	7.53
Significant accounting policies	1		

The accompanying notes 1 to 54 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 VSD & Associates
Chartered Accountants

Sd/-
CA. Vinod Sahni
Partner
Membership No. : 086666
Firm Reg. No.: 008726N
UDIN : 23086666BGPFL1014

Sd/-
Dhiraj Kr. Nimwal
Assistant Company Secretary

Sd/-
Sanjay Kr. Choudhary
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



PRAGATI POWER CORPORATION LIMITED

CIN: U74899DL2001SGC109135

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 as per Statement of Profit and Loss	85,266.60	195,133.98
Adjustment for		
Depreciation and Amortisation expense	30,205.97	29,370.19
Interest on lease liabilities	55.51	56.86
Interest cost	19,113.25	22,885.59
Interest income	(6,317.56)	(7,415.92)
Liabilities/Provisions written back	(0.02)	(2.36)
Grant Income	(37.36)	(37.36)
Loss on sale of property, plant and equipment	-	371.00
Written off property, plant and equipment	519.21	-
Provisions for property, plant and equipment created during the year	2.01	0.91
Provision for Doubtful recovery of FBT	-	-
Advance against depreciation	(345.62)	(345.61)
Operating profit before working capital changes	128,461.99	240,017.28
Adjustment for -		
(Increase)/Decrease in inventory	(948.74)	(760.47)
(Increase)/Decrease in trade receivable	4,906.99	(61,177.92)
(Increase)/Decrease in other financial assets	(3,931.67)	(12,130.89)
(Increase)/Decrease in other current assets	121.27	(181.96)
(Increase)/Decrease in non-current financial assets	-	-
(Increase)/Decrease in other non current assets	15.28	(15.23)
Increase/(Decrease) in trade payables	(1,901.84)	801.20
Increase/(Decrease) in other financial liabilities	1,120.61	(15,216.86)
Increase/(Decrease) in other current liabilities	(32.03)	37.47
Increase/(Decrease) in provisions	(4,234.99)	4,070.72
Government grant received	-	-
Cash generated from operations	123,576.87	155,443.34
Less: Income Taxes paid	14,039.50	32,972.85
Net cash inflow from operating activities [A]	109,537.37	122,470.49
B. Cash Flow From Investment Activities		
Purchase of property, plant and equipment	(8,092.59)	(4,956.07)
Proceeds from sale of property, plant and equipment	(0.00)	0.26
Net investment / (redemption) of bank deposits	1,709.08	11,517.78
Interest received	6,754.98	7,924.16
Net cash outflow from investing activities [B]	371.46	14,486.13
C. Cash Flow From Financing Activities		
Proceeds of non-current borrowings	(77,458.32)	(59,682.02)
Repayment of non-current borrowings	-	-
Net payments of short term borrowings	22,053.14	(3,248.37)
Payment of lease liabilities (including interest)	(71.89)	(71.89)
Interest paid	(56,454.35)	(47,284.29)
Net cash outflow from financing activities [C]	(111,931.42)	(110,286.57)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(2,022.60)	26,670.06
Cash and Cash equivalents at the beginning of the year	77,665.92	50,995.87
Cash and Cash equivalents at the end of the year	75,643.32	77,665.93



PRAGATI POWER CORPORATION LIMITED

CIN: U74899DL2001SGC109135

Notes to Statement of Cash Flows

a. Components of Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	45.39	843.56
Deposits with original maturity upto 3 months	75,597.81	76,819.00
Cash on hand	-	0.01
Cheques, draft on hand	0.14	3.35
Total as per Note-10	75,643.34	77,665.92

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

₹ Lakhs

Particulars	Non-current borrowings	Lease Liabilities	Current borrowings
For the year ended 31 March 2021			
Balance as at 1 April 2020	200,688.38	633.02	23,957.51
Loan drawals	-	-	22,029.20
Loan repayments	(77,458.32)	(71.89)	23.94
Interest accrued during the year	32,680.06	55.51	(17,842.63)
Interest payment during the year	(52,198.04)	-	-
Balance as at 31 March 2021	103,712.08	616.64	28,168.02

Particulars	Non-current borrowings	Lease Liabilities	Current borrowings
For the year ended 31 March 2020			
Balance as at 1 April 2019	285,254.07	648.05	26,720.91
Loan drawals	-	-	-
Loan repayments	(59,682.02)	(71.89)	(3,248.37)
Interest accrued during the year	21,900.41	56.86	484.97
Interest payment during the year	(46,784.08)	-	-
Balance as at 31 March 2020	200,688.38	633.02	23,957.51

c. The undrawn borrowing facilities as on 31 March 2021 are amounting ₹ 14,862.17 Lakhs (31 March 2020: ₹ 19,986.11 Lakhs).

d. 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 VSD & Associates
Chartered Accountants

Sd/-
CA. Vinod Sahni
Partner
Membership No. : 086666
Firm Reg. No.: 008726N
UDIN : 23086666BGVPFL1014

Sd/-
Dhiraj Kr. Nimwal
Assistant Company Secretary

Sd/-
Sanjay Kr. Choudhary
Sr. Manager (Finance)
& Chief Financial Officer

Place : New Delhi
Dated : 14.01.2023

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

Sd/-
Azimul Haque
Managing Director
DIN- 03578730



PRAGATI POWER CORPORATION LIMITED

CIN: U74899DL2001SGC109135

Statement of Changes in Equity for the year ending 31 March 2021

(A) Equity Share Capital

₹ Lakhs

Particulars	No. of Shares	Amount
Balance as at 1 April 2020	20,741.90	207,419.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2021	20,741.90	207,419.00

(B) Other Equity

₹ Lakhs

Particulars	Other Equity			Total
	General Reserve	Special Reserve*	Retained Earnings	
Balance as at 1 April 2020	25,000.00	26,640.61	389,943.75	441,584.36
Profit for the year	-	-	65,247.06	65,247.06
Other comprehensive income	-	-	(63.42)	(63.42)
Transfer to/(from) retained earnings	-	2,972.07	(2,972.07)	(0.00)
Balance as at 31 March 2021	25,000.00	29,612.68	452,155.32	506,768.00

(C) Analysis of accumulated Other Comprehensive Income, net of tax

Remeasurement of defined benefit liabilities

₹ Lakhs

Particulars	As at 31 March 2021
Opening balance	4.66
Remeasurement of defined benefit liability	(63.42)
Closing balance	(58.77)

Statement of Changes in Equity for the year ending 31 March 2020

(A) Equity Share Capital

₹ Lakhs

Particulars	No. of Shares	Amount
Balance as at 1 April 2019	20,741.90	207,419.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2020	20,741.90	207,419.00

(B) Other Equity

₹ Lakhs

Particulars	Other Equity			Total
	General Reserve	Special Reserve*	Retained Earnings	
Balance as at 1 April 2019	25,000.00	23,034.44	237,389.42	285,423.86
Profit for the year	-	-	156,215.52	156,215.52
Other comprehensive income	-	-	(55.02)	(55.02)
Transfer to/(from) retained earnings	-	3,606.17	(3,606.17)	-
Balance as at 31 March 2020	25,000.00	26,640.61	389,943.75	441,584.36

* refer note 17.

**(C) Analysis of accumulated Other Comprehensive Income, net of tax**

Remeasurement of defined benefit liabilities

₹ Lakhs

Particulars	As at 31 March 2020
Opening balance	59.68
Remeasurement of defined benefit liability	(55.02)
Closing balance	4.66

As per our Report of even date attached

For and on behalf of the Board of Directors

For VSD & Associates

Chartered Accountants

Sd/-

CA. Vinod Sahni

Partner

Membership No. : 086666

Firm Reg. No.: 008726N

UDIN : 23086666BGPFL1014

Sd/-

Dhiraj Kr. Nimwal

Assistant Company Secretary

Sd/-

Sanjay Kr. ChoudharySr. 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



PRAGATI POWER CORPORATION LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. Company Information and Significant Accounting Policies**A. Reporting entity**

Pragati Power Corporation Limited (PPCL, 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 (CIN: U74899DL2001SGC109135). 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 various DISCOMs in the State of Delhi, Haryana and Punjab. The Company has two power stations namely Pragati Power Station-I (PPS-I) at Indraprastha Estate, a gas based power plant commissioned during 2002-03, with generating capacity of 330MW which is regulated by Delhi Electricity Regulatory Commission (DERC) and Pragati Power Station-III (PPS-III) at Bawana, a gas based power plant commissioned during 2013-14, with generating capacity of 1371.20 MW is regulated by Central Electricity Regulatory Commission (CERC). Pragati Power Station II (PPS-II) at Bamnauti with generating capacity of 750 MW is under construction.

B. Basis of preparation**1. Statement of Compliance**

These 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 1 March 2021 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 has 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 for other assets as the deemed cost under Ind AS at the date of transition to Ind AS i.e. 1 April 2015. Therefore, the carrying amounts of the 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) and Central Electricity Regulatory Commission (CERC) from time to time in accordance with Part B 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 bases 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 value.

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. Other intangible assets are amortized on straight-line method over the period of legal right to use or life of the related plant, 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 assets. 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 year 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. 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.

7. 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 thereon 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.

8. 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.

9. 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.

10. 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.

11. 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, 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.

11.1 Revenue from Sale of Energy

Company's operations are regulated and governed under the Electricity Act, 2003 and DERC/CERC Tariff Regulations. Accordingly, the DERC/CERC 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/CERC (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/CERC in their orders, provisional rates are adopted considering the applicable DERC/CERC 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.

Advance against depreciation considered as deferred revenue in earlier years is included in sales, to the extent depreciation recovered in tariff during the year is lower than the corresponding depreciation charged.



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'.

11.2 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).

Revenue from rentals are recognized on an accrual basis in accordance with the substance of the relevant agreement.

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.

12. 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 finance leases as a lessee

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance lease. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.



13. Employee Benefits

13.1 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.

13.2 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 which is 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.

13.3 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 are in the nature of defined benefit plans. The gratuity is funded by the Company and is managed by separate trust.

Every employee 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 +C177 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.

13.4 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.

13.5 Corporate share

In terms of arrangement with Indraprastha Power Generation Company Limited (IPGCL), 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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'.

19. 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 CERC/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.

20. 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").



21. 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.

22. 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

22.1. 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 and 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.

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.

22.2. 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 (FVTPL)

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 liability 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.

22.3 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/CERC 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/CERC 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/CERC 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. Income taxes

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

8. 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 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 1 April 2020	For the year	Deductions/ Adjustments	Upto 31 March 2021
Buildings - Power plants	49,020.63	-	-	49,020.63	8881.01	1860.19	-	10,741.20
Other buildings	5,726.86	-	-	5,726.86	972.78	159.15	-	1,131.93
Roads, bridges, culverts & helipads	190.18	-	-	190.18	49.55	55.37	-	104.92
Water supply pipeline	7,911.62	-	-	7,911.62	2456.55	493.41	-	2,949.96
Plant and machinery*	438,460.69	8,248.52	1081.90	445,627.31	129453.10	27240.31	562.69	156,130.72
Furniture and fixtures	159.88	9.97	-	169.85	82.43	13.72	-	96.15
Vehicles	207.22	0.40	-	207.62	88.90	20.89	-	109.79
Office equipments	154.62	0.34	-	154.96	44.59	11.35	-	55.94
Hospital equipments	2.96	-	-	2.96	0.10	0.18	-	0.28
Computer hardware	671.37	7.24	-	678.61	202.62	87.58	-	290.20
Communication equipments	25.35	3.44	-	28.79	8.03	2.63	-	10.66
Safety and security equipments	2,003.30	240.02	-	2,243.32	443.23	117.64	-	560.87
Total	504,534.68	8,509.93	1,081.90	511,962.71	142,682.89	30,062.42	562.69	172,182.63

As at 31 March 2020

₹ Lakhs

Particulars	Gross block			Depreciation			Net block	
	As at 1 April 2019	Additions	Deductions/ Adjustments	As at 31 March 2020	Upto 1 April 2019	For the year	Deductions/ Adjustments	Upto 31 March 2020
Buildings - Power plants	48,663.13	357.50	-	49,020.63	7034.77	1,846.24	-	8,881.01
Other buildings	5,726.68	0.18	-	5,726.86	814.11	158.67	-	972.78
Roads, bridges, culverts & helipads	190.18	-	-	190.18	-	49.55	-	49.55
Water supply pipeline	7,868.55	43.07	-	7,911.62	1964.81	491.74	-	2,456.55
Plant and machinery*	432,890.40	6,045.36	475.07	438,460.69	103106.55	26,450.36	103.81	129,453.10
Furniture and fixtures	158.89	0.99	-	159.88	69.94	12.49	-	82.43
Vehicles	207.22	-	-	207.22	58.97	29.93	-	88.90
Office equipments	153.55	1.07	-	154.62	33.13	11.46	-	44.59
Hospital equipments	0.05	2.91	-	2.96	0.00	0.10	-	0.10
Computer hardware	213.64	457.73	-	671.37	137.34	65.28	-	202.62
Communication equipments	25.06	0.29	-	25.35	6.23	1.80	-	8.03
Safety and security equipments	1,889.24	114.06	-	2,003.30	334.28	108.95	-	443.23
Total	497,796.41	7,213.34	475.07	504,534.68	113,560.13	29,226.57	103.81	142,682.89

*Spares parts whose cost is ₹ 5.00 Lakhs and above which meets the recognition criteria of Property, Plant and Equipment are capitalized.



2. Property, plant and equipment (PPE)

- Refer Note 18 and 21 for information on 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 as at 31 March 2021 is ₹ 2019.68 lakhs (31 March 2020: ₹1624.79 lakhs).
- Gross Block of Computer Hardware includes ₹ 84.95 Lakhs (31 March 2020: ₹ 84.95 Lakhs) and Net Block ₹ 21.24 Lakhs (31 March 2020: ₹ 21.24 Lakhs) which is jointly owned by PPCL along with IPGCL and used jointly.
- Lease deeds in respect of 384 Leasehold flats at Bawana from DSIIDC amounting to ₹ 2,764.01 Lakhs (31 March 2020: ₹ 2,764.01 Lakhs) are yet to be executed.

3. Capital work-in-progress

As at 31 March 2021

₹ Lakhs

Particulars	As at 1 April 2020	Additions	Capitalised	As at 31 March 2021
Civil work - PPS- III	74.52	-	-	74.52
Plant and machinery - PPS- III	991.87	606.03	1,034.45	563.45
EDC pending allocation- PPS-II, Bamnauli	10,985.81	-	-	10,985.81
Vibration system of GT1,GT2 & STG at PPS-I	43.36	3.76	47.12	-
Major Technical Refresh of HW/SW of ERP	-	2.57	2.57	-
LSP Control System PLC Upgradation PPS-I	-	25.25	25.25	-
Inerger System Upgradation PPS-I	-	35.91	35.91	-
FGMO and RGMO operation of PPS3	217.74	-	-	217.74
FGMO and RGMO operation of PPS1	59.23	54.63	-	113.86
Total	12,372.53	728.15	1,145.30	11,955.38

As at 31 March 2020

₹ Lakhs

Particulars	As at 1 April 2019	Additions	Capitalised	As at 31 March 2020
Civil work - PPS- III	198.67	423.71	547.86	74.52
Plant and machinery - PPS- III	2,570.32	880.94	2,459.39	991.87
EDC pending allocation- PPS-II, Bamnauli	10,985.81	-	-	10,985.81
Vibration system of GT1,GT2 & STG at PPS-I	43.36	-	-	43.36
Major Technical Refresh of HW/SW of ERP	282.89	130.38	413.27	-
Overhauling of STG - PPS1	424.02	35.16	459.18	-
FGMO and RGMO operation of PPS3	-	217.74	-	217.74
FGMO and RGMO operation of PPS1	-	59.23	-	59.23
Total	14,461.71	1,790.52	3,879.70	12,372.53

- Power plant of 750 MW at Bamnauli was to be set up at project cost of ₹3,03,813.00 Lakhs through equity infusion by GNCTD. The turnkey project was awarded to BHEL for ₹178,361.48 Lakhs in March, 2011. However, GNCTD in August 2011 directed the company not to incur any cost on the project without any firm commitment for allotment of Gas by Central Electricity Authority/ Govt. of India. Hence, the said turnkey project shall be implemented thereafter, however, the work related to shifting of 400 KV overhead lines for land clearance is being done and shown under Capital Work in Progress.
- Company had awarded contract for turnkey project for the commissioning of 1371.20 MW PPS-III project at Bawana consisting of 4 GTs and 2 STGs to BHEL in the year 2008 with scheduled completion of November, 2010. All the units of the project have been commercially commissioned during 2011-12 to 2013-14 but with a delay. As a result, liquidated damages (LD) of ₹24,615 lakhs was withheld as at 31 March 2021 (31 March 2020: ₹21,487.41 lakhs) and shall be finalized on closure of the contract, which has been shown as Project Liquidated Damages in Note 24.

Amount of ₹1,063.94 lakhs (31 March 2020: ₹96,44.83 lakhs), has been retained for pending issuance of "Operational acceptance and completion certificate", as per the terms of contract, which has been shown under Retention Liabilities in Note 23.

Further, work on Balance of Plant (BOP) and certain civil work of ₹637.97 Lakhs (31 March 2020 ₹2,066.25 Lakhs), independent of the main plant, is not yet completed and has been shown under capital work in progress. The material at site of which the possession has not been handed over by BHEL to the Company will be accounted for on transfer of possession.

- The amount of exchange differences (net) capitalised during the year ₹(-)1.93 Lakhs Lakhs (31 March 2020: ₹(-)57.48 Lakhs).



4. Intangible assets

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block				Amortisation		Net Block
	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 1 April 2020	For the year 31 March 2021	Upto 31 March 2021
							As at 31 March 2021
Software	65.34	-	-	65.34	64.46	0.78	0.09
Total	65.34	-	-	65.34	64.46	0.78	0.09

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block			Amortisation		Net Block		
	As at 1 April 2019	Additions	Deductions/ Adjustments	As at 31 March 2020	Upto 1 April 2019	For the year 31 March 2020	Upto 31 March 2020	As at 31 March 2020
Software	65.34	-	-	65.34	63.61	0.85	64.46	0.88
Total	65.34	-	-	65.34	63.61	0.85	64.46	0.88

a) The company is entitled to use land (Bawana- 95.36 acres and PPS-1: 17.64 acres) as licensee of the Government of NCT of Delhi (GNCTD) on "right to use" basis on payment of ₹ 1/- per month as license fee.

5. Right of use

As at 31 March 2021

₹ Lakhs

Particulars	Gross Block			Amortisation		Net Block		
	As at 1 April 2020	Additions	Deductions/ Adjustments	As at 31 March 2021	Upto 1 April 2020	For the year 31 March 2021	Upto 31 March 2021	As at 31 March 2021
Land- Right-of-use [#]	648.05	-	-	648.05	35.67	35.67	71.34	576.71
Buildings - Right-of- use**	2,893.72	-	-	2,893.72	535.50	107.10	642.60	2,251.13
Total	3,541.77	-	-	3,541.77	571.17	142.77	713.94	2,827.84

As at 31 March 2020

₹ Lakhs

Particulars	Gross Block				Amortisation		Net Block
	As at 1 April 2019	Additions	Deductions/ Adjustments	As at 31 March 2020	Upto 1 April 2019	For the year 31 March 2020	Upto 31 March 2020
Land- Right-of-use [#]	648.05	-	-	648.05	-	35.67	612.38
Buildings - Right-of- use**	2,893.72	-	-	2,893.72	428.40	107.10	2,358.23
Total	3,541.77	-	-	3,541.77	428.40	142.77	2,970.61

On initial application of Ind AS 116 'Leases', Right-of-use assets has been recognised for DSIIDC land and Delhi Jal Board land which were classified as operating lease under erstwhile Ind AS 17 'Leases'.

** On initial application of Ind AS 116 'Leases' leasehold building previously included in "Other buildings" has been reclassified as "Right-of-use - Building". Refer note 39 for Leases.



6. Financial Assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Security Deposits	212.65	212.65
Total	212.65	212.65

7. Other Non Current Assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Capital advances	39.40	6.07
Advances other than capital advances		
Prepaid Expenses	80.78	123.99
Advance tax and tax deducted at source	46,630.92	13,499.98
Less: Provision for tax	43,665.91	8,913.00
	2,965.01	4,586.98
Deferred payroll expenditure (refer a below)	59.28	64.68
Total	3,144.47	4,781.72

- a) The deferred payroll expenditure represents the expenditure incurred on vehicles and EDP Assets and mobile phones procured for employees which will be transferred to employee upon completion of defined period and this expenditure is amortised proportionality over the period.

8. Inventories

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Loose Tools	14.86	11.43
Stores and Spares	7,589.71	6,629.91
	7,604.57	6,641.34
Less: Provision for obsolete/unserviceable inventory	288.96	274.47
Total	7,315.61	6,366.87

- a) Inventory items have been valued as per accounting policy no. C.6 (Note 1) at cost or NRV whichever is lower.
- b) Amount of inventories recognized as expense during the year is as under:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Fuel (refer Note 29)	145,414.24	227,570.39
Others (included in Note 33 - Other expenses)	2,300.38	1,781.90
Total	147,714.62	229,352.29

- c) Refer Note no. 21 for inventory pledged as security by the company.

9. Trade receivables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Considered good-Unsecured	399,222.06	398,799.98
Considered good-Secured	1,433.92	6,762.99
Total	400,655.98	405,562.97

- a) As per power purchase agreement, DISCOMS, as a payment security mechanism, are to provide unconditional, revolving and irrevocable letter of credit (LC) equivalent to 105% of monthly average bill of last 12 months, and enter into an agreement to hypothecate the receivables equivalent to LC amount in favour of the Company, create first floating charge on the receivable ranking pari-passu and also enter into Default escrow agreement. However, BYPL and BRPL have neither renewed letter of credit after expiry of these letters of credit on various dates nor entered into



the required agreements. Further, HPPC, PSPCL, NDMC, TPDDL and MES have neither entered into agreements to hypothecate the receivables equivalent to LC amount in favour of the Company, create first floating charge on the receivables ranking pari passu nor entered into default escrow agreement for PPS-III. However Tata Power Delhi Distribution Limite, HPPC and PSPCL have established LC of ₹ 6,118.12 Lakhs, ₹ 272.87 Lakhs and ₹ 500.00 Lakhs respectively in favour of company.

- b) Govt. 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 around 50% power generated by the Company is sold, both Discoms started defaults in payment of outstanding dues substantially since May, 2012 and February, 2013 respectively, resulting in accumulation of large overdues of ₹ 3,76,010.62 Lakhs (31 March 2020: ₹ 3,54,204.07 Lakhs) from both these discoms. Due to uncertainty in collection company is recognising late payment surcharge(LPSC) only to the extent of TDS since FY 14-15 unrecognised revenue on account of LPSC as on 31st March 2021 ₹ 5,06,617.85 Lakhs This has led to severe financial crunch. Consequentially, the Company defaulted in repayment of interest on borrowings from GNCTD, the promoter of the Company. The cumulative default in repayment of interest (including penal interest) is disclosed in Note 17 and 22. The power department of GNCTD has also diverted subsidy to the Company ₹ 70,115.00 Lakhs (31 March 2020: ₹ 99,121.00 Lakhs) during the year towards the subsidy payable to these discoms.

In order to recover the overdue from these discoms, the Company took up the matter with GNCTD, DERC and Appellant Tribunal of Electricity (APTEL), but these discoms instead of complying with the orders/ directions of these authorities, filed writ petitions in Honble Supreme Court of India to issue directions to the Gencos including the Company not to disconnect the supply of electricity due to non-payment of dues. Honble Supreme Court vide its interim order on 26 March 2014 directed these discoms to make the payment of current dues to the Gencos including 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. The 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 and civil appeals was completed on 10 March 2015 and judgment has been reserved by the Hon'ble Supreme Court. However, order on the main petition is still awaited. The contempt petition 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. Both discounts are complying honorable supreme court order.

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

The DERC has directed the DISCOMS to pay the bills of Generating and Transmission Companies on timely basis, collection improved thereby on energy bills. Consequently, the Company has repaid principal amount of outstanding loans amounting to ₹ 7,393.20 Lakhs (Year 2020 : ₹ 45,993.20 Lakhs) taken from GNCTD. Further PFC loan amounting ₹ 67,922.06 has been repaid during the year (FY 2019-20 ₹ 13,682.71)

- c) Credit Risk at Note no.35 (ii) and (iii).
d) Amount receivable from related party (Refer Note no. 42).

10. Cash and cash equivalents ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks		
Current accounts	45.39	843.56
Deposits with original maturity upto 3 months	75,597.81	76,819.00
Cash on hand	-	0.01
Cheques, draft on hand	0.14	3.35
Total	75,643.34	77,665.92

11. Bank balances other than cash and cash equivalents ₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Term loan from GNCTD for PPS-III, Bawana(Earmarked)	10,191.90	15,285.00
Equity contribution from GNCTD for PPS-II Bamnauli(Earmarked)	58,094.13	54,790.32
Other deposits with original maturity of more than three months and maturing within one year	-	357.21
Total	68,286.03	70,432.53



12. Other financial assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Unbilled revenue	29,060.43	24,691.23
Other receivables	2.40	2.51
Interest accrued on Bank Deposits (Refer note(a) below)	959.56	1,396.98
Insurance claims recoverable	3,539.88	5,988.89
Less: Insurance claim suspense account	3,539.88	5,988.89
Total	30,022.39	26,090.72

- (a) Interest accrued on bank deposits includes interest accrued on earmarked funds ₹ 532.74 Lakhs and ₹ 0.89 Lakhs for Bamnauli and Bawana respectively.

13. Current tax asset (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax deducted at source (TDS)	9457.59	
Advance tax and tax deducted at source	3,551.47	1,866.66
Less: Provision for tax	-	-
Less: Provision for Doubtful recovery of FBT	2.17	2.17
Total	13,006.89	1,864.49

As per the decision taken by Board of Directors (BoD) of the company in their 108th 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. 9457.59 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 has been adjusted with the provision for tax for the current year as shown in note no. 25

14. Other current assets

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured, considered good		
Advance to employees	3.41	1.18
Advance to contractors and suppliers	103.85	70.24
Balance with Government Authorities	36.89	36.89
Other advances	2.62	2.67
Prepaid Expenses	731.58	897.80
Deferred payroll expenditure (refer note 7)	35.18	26.02
Asset held for sale	0.77	0.77
Total	914.30	1,035.57

15. Regulatory deferral account debit balances

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Assets for Deferred Tax Liability	6,638.74	6,638.74
Total	6,638.74	6,638.74

Regulatory deferral account balances have been accounted in line with accounting policy no. 19. Refer note 50 for detailed disclosure.



16. Equity Share capital

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Equity share capital		
Authorised		
3,500,000,000 (31 March 2020: 3,500,000,000 equity shares of par value ₹ 10/- each)	350,000.00	350,000.00
Issued, subscribed and fully paid up		
2,074,190,000 (31 March 2020: 2,074,190,000 equity shares of par value ₹ 10/- each)	207,419.00	207,419.00

a) **Movements in equity share capital:**

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

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 holders of the equity shares 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 shareholder	No. of shares	% of shareholding
Lt. Governor of Delhi	2,074,190,000	100.00%
(50,000 Equity Shares are held by 9 nominees on behalf of GNCTD)		

17. Other equity

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	25,000.00	25,000.00
Special reserve*	29,612.68	26,640.61
Retained earnings	452,155.31	389,943.75
Total	506,767.99	441,584.36

Movement in other equity	For the year ended 31 March 2021	For the year ended 31 March 2020
Retained earnings		
At the commencement of the year	389,943.75	237,389.42
Profit for the year	65,247.06	156,215.52
Other comprehensive income	(63.42)	(55.02)
Transfer to special reserve	(2,972.07)	(3,606.17)
At the end of the year	452,155.31	389,943.75
Special Reserve		
At the commencement of the year	26,640.61	23,034.44
Transfer from retained earnings	2,972.07	3,606.17
At the end of the year	29,612.68	26,640.61

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.

c) **Special Reserve***

Deemed Equity: Company received ₹ 40,000 lakhs from GNCTD during 2011-12 towards Equity contribution for PPS-II project at Bamnauli with the condition that interest earned on equity funds should be utilized for the said project. The interest earned on funds invested out of said equity has been transferred to Special Reserve based on the opinion of Expert Advisory Committee of Institute of Chartered Accountants of India (ICAI).

18. Borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Term loans		
From Banks		
Secured vehicle loan from Indian Bank (Formerly Allahabad Bank)	-	-
From Others		
Secured loan from Power Finance Corporation Limited (PFC)	-	96,223.78
Secured loan from State Bank of India (SBI)	25,912.62	-
Unsecured loan from Government of NCT of Delhi (GNCTD)	77,799.45	104,464.60
	103,712.07	200,688.38
Less: Current Maturities		
vehicle loan from Indian Bank (Formerly Allahabad Bank)	-	-
Power Finance Corporation Limited (PFC)	-	13,682.71
State Bank Of India (SBI)	4,286.12	-
Government of NCT of Delhi (GNCTD)	7,393.20	7,393.20
	11,679.32	21,075.91
Less: Interest accrued but not due on borrowing	1,712.57	1,910.21
Less: Interest accrued and due on borrowings	5,300.42	24,620.77
Total	85,019.76	153,081.49

- a) **Secured vehicle loan from Indian Bank (Formerly Allahabad Bank)** carries an interest rate of 8.65% p.a. (Base Rate) as on 31.03.2019 and secured by hypothecation of specific vehicles given to the Executives of the Company. It is repayable in 60 equated monthly instalments and there has been no default in repayment of this loan. However, vehicle loan has been fully liquidated during F.Y. 2019-20.
- b)(i) **Term loan from PFC** is secured by first charge, by way of hypothecation on all other assets, both present and future of PPS-III at Bawana and first charge, by way of hypothecation, of movable assets consisting of movable plants and machinery, machinery spares, tools and accessories, fuel stock, spares and material of PPS-III at Bawana, both present and future except of book debts. The said term loan is repayable in 56 quarterly instalments commencing from 15 April 2013. The loan carries interest from State Sector A+ category rate less 50 bps presently 11.30% p.a. as on 31 March 2021 (31 March 2020: 11.30% p.a.) and rebate of 25 bps is allowed on timely payment. This loan has been squared off during FY 2020-21. There has been no default in repayment of this loan.
- b)(ii) The part of this loan amounting ₹ 27856.94 Lakhs has been taken over by SBI by way of hypothecation on all other assets, both present and future of PPS-III at Bawana and first charge, by way of hypothecation, of movable assets consisting of movable plants and machinery, machinery spares, tools and accessories, fuel stock, spares and material of PPS-III at Bawana, both present and future except of book debts. at lower interest rate of 9.10% p.a. in August 2020 and remaining balance has been paid/prepaid during FY 2020-21.
- c) **Unsecured loan from GNCTD** is towards setting up project (PPS-III, Bawana) and mid term loans. Project loans carry interest rates ranging from 9.00% p.a. to 10% p.a. with a penal interest of 2.75% p.a. on any delay and are repayable in 15 yearly instalments from the date of drawl ending on February 2034. Please refer note no 17(d) for loan outstanding as on March 31, 2020. Mid term loan repayable in five years have been squared off in financial year 2019-20. Repayment term of one project loan amounting to ₹ 5,000.00 Lakhs is mentioned as 1 years in place of 15 years in the sanction order. Necessary follow up is being made with GNCTD for rectification of sanction orders.



- d)(i) 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.

₹ Lakhs

Rate of Interest	Default Since	Loan Maturity Date	Interest including Penal Interest	Outstanding Loan
10.00%	2012-13	11/29/2026	1,965.45	8,000.00
10.00%	2013-14	7/15/2027	927.28	4,666.67
10.00%	2013-14	10/8/2027	719.68	4,666.67
9.50%	2014-15	1/19/2029	222.87	2,666.67
9.50%	2014-15	3/19/2029	221.81	2,666.67
9.50%	2015-16	7/1/2029	212.40	3,000.00
9.50%	2015-16	2/12/2030	148.28	3,000.00
9.50%	2016-17	3/30/2031	357.16	-
9.50%	2016-17	3/30/2031	32.80	1,333.33
9.50%	2017-18	3/30/2032	325.44	-
9.50%	2017-18	3/30/2032	92.26	5,131.87
9.00%	2018-19	3/21/2033	42.30	-
9.00%	2018-19	3/30/2033	16.53	5,520.00
9.00%	2019-20	2/4/2034	16.14	30,333.33
Total			5,300.40	70,985.20

- d)(ii) The board of directors has approved prepayment of project loans carrying interest rate of 10% after keeping Rs. One Lakh as outstanding in each loan and has been prepaid during FY 2021-22.

19. Provisions

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Non-Current Provisions		
Provision for employee benefits		
Gratuity	7.85	6.14
Leave encashment	252.56	213.87
Post retirement medical facility	116.11	99.11
Leave travel concession	232.08	246.69
Total	608.60	565.81
Current Provisions		
Provisions for employee benefits		
Gratuity	4.78	17.43
Leave encashment	10.31	34.11
Post retirement medical facility	0.16	0.15
Leave travel concession	20.45	19.34
Pay revision	-	4,144.96
Provision for Scrap Assets Pending Approval	1.26	1.28
Provision for shortage in property, plant and equipment	7.06	5.05
Total	44.02	4,222.32
Total Provisions	652.62	4,788.13

- a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 41.
- b) Refer Note 47 for Provisions, Contingent Liabilities and Contingent Assets.

**20. Deferred tax liabilities (net)**

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred Tax Liability		
Difference in book depreciation and tax depreciation	50,956.23	46,476.57
Less: Deferred tax assets		
Advance against Depreciation	724.63	845.40
Ind AS 116 Impact	201.53	7.21
Provision for Stores, Spares and PPE	103.88	95.91
Provision for employee benefits	296.90	295.76
Others		
Total	49,629.29	45,232.29

a) Refer Note 37 for disclosure as per Ind AS 12 'Income Taxes'.

21. Borrowings

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Secured- Loan from Banks Against FD	22,029.20	-
Loans Repayable on Demand	37.83	13.89
Unsecured Term Loan- from Other Parties	-	-
Govt. of NCT of Delhi (GNCTD)	6,100.99	23,943.62
Less: Interest accrued and due	6,100.99	23,943.62
Less: Interest accrued but not due	-	-
Total	22,067.03	13.89

- a) Cash Credit facility of ₹ 14,900 Lakhs (31 March 2020: ₹ 20,000 Lakhs(Indian bank)) and non fund based facility of stand by letter of credit of ₹ 15,100 Lakhs (31 March 2020: ₹ 10,000 Lakhs(Indian bank)) from State bank of India is secured by pari-passu charge by hypothecation of all movable assets of PPS-I including movable machinery, machinery spares, fuel stock, tools and accessories, spares, book debts/receivables, both present and future and exclusive charge on book debts/receivables both present and future of PPS-III and carries interest rate of 7.85% p.a. (31 March 2020: 9.15%).
- b) Working Capital Loan from Govt. of NCT of Delhi (GNCTD) amounting to ₹ 10,000 Lakhs and ₹ 20,000 Lakhs were repayable on or before 31 March 2013 and 06 March 2014 respectively was fully repaid in the year 2018-19. These loans carry interest rate of 10% p.a. (31 March 2020: 10% p.a.) with a penal interest @ 2.75% p.a. on any delay. Default in repayment of interest including penal interest on short term Borrowings is continuing due to paucity of cash flows:
- c) There is no default in repayment of instalment due against principal loan. However, default against penal interest along with period since default is continuing.

₹ Lakhs

Particulars of Loan	GNCTD	GNCTD	Total
Rate of Interest	10%	10%	
Default Since	2012-13	2013-14	
Penal interest	2,332.08	3,768.91	6,100.99
Total Amount	2,332.08	3,768.91	6,100.99

22. Trade payables

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
- Total outstanding dues of micro enterprises and small enterprises	430.86	318.35
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11,928.02	13,942.37
Total	12,358.88	14,260.72

a) Refer note 42 for related party disclosure.

b) 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
Amount remaining unpaid to any supplier:		
Principal amount	426.19	316.84
Interest due thereon	4.67	1.51
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.	1.51	4.45
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.		
Amount of interest accrued and remaining unpaid	4.67	1.51
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	4.67	1.51

23. Other financial liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current maturities of long term borrowings (refer a below)	11,679.32	21,075.91
Payable for capital expenditure	7,533.15	1,108.64
Deposits/ Retention Money (refer note 3(b))	1,675.27	10,289.07
Interest accrued but not due on borrowings	1,732.08	1,910.21
Interest accrued and due on borrowings	11,401.42	48,564.39
Project Liquidated Damages (refer note 3)	24,615.00	21,487.40
Corporate share payable	798.19	653.38
Other payables		
Payable to employees	658.90	621.56
Others (refer b below)	252.61	252.46
Total	60,345.94	105,963.02

- a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in Note 18.
- b) Other payables - others: Includes amount payable for lease deeds for 384 DSIIDC flats amounting to ₹ 251.33 Lakhs (31 March 2020: ₹ 251.33 Lakhs).
- c) Refer note 42 for related party disclosure.
- d) During the year the Company paid interest on GNCTD loans in some cases till the date of payment which fell after due date, if interest would have been paid till due date interest accrued but not due would have been ₹ 1580.80 lakhs.

24. Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Tax deducted at source and other statutory dues	421.91	450.06
Other payables (advance from scrap dealers)	0.50	4.38
Total	422.41	454.44

25. Current tax liabilities (net)

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Provision for tax	18,279.67	34,723.50
Less: Advance tax and tax deducted at source	5,838.52	33,351.74
Total	12,441.15	1,371.76



As per the decision taken by Board of Directors (BoD) of the company in their 108th 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 ₹ 5838.52 as shown above includes the TDS Credit to the extent of 10% amounting to Rs. 1,050.84 lakhs & balance ₹ 9,457.59 lakhs has been shown as deferred TDS in note no. 13.

26. Deferred revenue

₹ Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Advance against depreciation (refer a below)	2,073.69	2,419.31
Deferred government grant		
For setting up Solar Panels (refer b below)	589.38	626.55
Total	2,663.07	3,045.86

- a) Advance against depreciation (AAD) was an element of tariff provided under the Tariff Regulations for 2001-04 and 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in the tariff considering a useful life of 25 years is not adequate for debt servicing. Though this amount is not repayable to the beneficiaries, keeping in view the matching principle, and in line with the opinion of the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI), this was treated as deferred revenue to the extent depreciation chargeable in the accounts is considered to be higher than the depreciation recoverable in tariff in future years. Since AAD is in the nature of deferred revenue and does not constitute a liability, it has been disclosed in this note separately from shareholders' funds and liabilities.
- b) Deferred government grant represents grant received for setting up solar panels on PPS-I plant and PPS-III. 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)	292,855.24	454,840.53
Other Operating Revenue:		
Surcharge on sale of energy (refer b below)	10,508.44	11,458.38
Interest from beneficiaries	472.74	30,933.65
Total	303,836.42	497,232.56

- a) Sale of energy is includes of the following:
- ₹ Nil Lakhs (31 March 2020: ₹ 84560.08 Lakhs pertaining to previous years 2014-15 - ₹ 13620.88 Lakhs, 2015-16 - ₹ 13174.37 Lakhs, 2016-17 - ₹ 19215.21 Lakhs, 2017-18 - ₹ 19218.43 and 2018-19 - ₹ 19331.19 Lakhs recognized based on the tariff order issued by the CERC on 26th November, 2019) recognized pertaining to previous year ₹ Nil Lakhs (31 March 2020: ₹ 30847.52 Lakhs) is recognised as interest from beneficiaries on this tariff order pertaining to previous years.
 - ₹ 2653.00 Lakhs (31 March 2020: ₹ 730.01 Lakhs - pertaining to previous years 2017-18) Pertaining to previous years 2018-19 recognized based on the true up order published by the DERC on 19 October 2020. ₹ 472.74 Lakhs (31 March 2020 ₹ 86.12 Lakhs) is recognized as interest from beneficiaries on this true up order.
 - ₹ 753.14 Lakhs (31 March 2020: ₹ 1,199.74 Lakhs) on account of rebate to beneficiaries.
- 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. This has resulted in non recognition of revenue of ₹ 1,27,603.06 Lakhs (31 March 2020: ₹ 1,00,271.19 Lakhs) with corresponding impact on receivables.
- c) In case of PPS-III Bawana, tariff petition for MYT 2019-20 to 2023-24 has been filed with CERC pending which, billing towards sale for PPS-III is being done provisionally on the basis of Tariff order issued by CERC on 26 November 2019 for the period upto 31 March 2019.
- d) During the FY 20-21 Loan amounting ₹ 27,856.94 Lakhs was take over by State Bank of India from Power Finance Corporation. PFC Charged ₹ 575 Lakhs for this take over and billed to DISCOMS. Further credit note of saving of interest amounting ₹ (-)386.56 Lakhs was passed on DISCOMS.
- e) DERC has issued the truing up orders for FY 2019-20 in regards to PPS-I vide its order dated 30 September 2021. In accordance with the Accounting policy No. 11 (Revenue), effect of the same shall be considered in F.Y. 2021-22, having impact of ₹ (-) 4,044.50 Lakhs. On the same date DERC issued revised truing up order to PPS-I for FY 2012-13 and FY 2013-14 having impact of ₹ 5100 Lakhs shall be considered in FY



2021-22.

- f) CERC has issued the truing up orders for FY 2011-12 to FY 2013-14 in regards to PPS-3 vide its order dated 23 October 2021. In accordance with the Accounting policy No. 11 (Revenue), effect of the same shall be considered in F.Y. 2021-22, having impact of ₹ 7,774.72 Lakhs including interest ₹ 4,057 Lakhs.

g) **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.

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 CERC/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.

h) **Disaggregation of revenue**

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

For the year ended 31 March 2021

Type of goods or service	Sale of energy
Timing of satisfaction of performance obligation:	
Over time	292,855.24
At a point in time	-
Total	292,855.24
Method for measuring performance obligation:	
Input method	-
Output method	292,855.24
Total	292,855.24

For the year ended 31 March 2020

Type of goods or service	Sale of energy	Total
Timing of satisfaction of performance obligation:		
Over time	454,840.53	454,840.53
At a point in time	-	-
Total	454,840.53	454,840.53
Method for measuring performance obligation:		
Input method	-	-
Output method	454,840.53	454,840.53
Total	454,840.53	454,840.53

i) **Contract balances**

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables (Note 9)	400,655.98	405,562.97
Contract assets (Note 12)	29,060.43	24,691.23
Contract liabilities	-	-



- ii) **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 cycle.**

Particulars	As at 31 March 2021	As at 31 March 2020
Contract Asset at the beginning of the year	24691.23	13,958.88
Transfer from Contract Asset to Trade Receivable	24,691.23	13,958.88
Contract Asset at the end of the year	29,060.43	24,691.23

- iii) **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	-	-

- iv) **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	-	-

- v) **Reconciliation of Revenue recognised with contract price:**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Contact Price	293,608.38	456,040.23
Adjustments for variable consideration components	753.14	1,199.70
Revenue from operations	292,855.24	454,840.53

- j) 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.

- k) 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	6,317.56	7,415.91
Others	-	0.01
Other non-operating income		
Insurance claims	-	262.12
Grant income	37.36	37.36
Rent received	9.91	9.40
Sale of scrap	20.66	11.35
Provisions written back (refer a below)	0.02	2.36
Other non-operating income	158.81	57.12
Total	6,544.32	7,795.63



- a) Provision written back includes provision for shortage/ obsolescence in stores and provision for shortage in property, plant and equipment written back.
- b) Grant income is on the solar panel commissioned in PPS 1 and PPS 3.

29. Cost of fuel consumed ₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Gas	145,414.24	227,570.39
Total	145,414.24	227,570.39

30. Employee Benefits Expense ₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Salaries and wages	10,999.08	13,720.20
Contribution to provident and other funds	298.55	243.69
Staff welfare expenses	477.92	480.24
Total	11,775.55	14,444.13

- a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in note 41.

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		
Interest Expense on Loans from Banks		
Working Capital	29.48	119.23
Interest Expense on Loans from Others		
Govt. of NCT of Delhi	7,465.89	11,123.34
Others*	13.23	7.48
Secured loan from State Bank of India (SBI)	1,512.43	-
Power Finance Corporation Ltd.	7,557.61	11,498.23
(Less): Rebate from PFC	186.07	236.19
	7,371.54	11,262.04
Interest expense on lease liabilities	55.51	56.86
Interest under Income Tax Act	2,720.68	373.50
Total	19,168.76	22,942.45

*Other includes interest to MSMED vendors on late payments.

32. Depreciation and amortisation expense ₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Depreciation on Right Of use Asset	142.77	142.77
Depreciation on property plant and equipment	30,062.42	29,226.57
Amortisation of intangible assets	0.78	0.85
Total	30,205.97	29,370.19



33. Other Expenses

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Rent	12.71	11.15
Insurance	3,782.14	4,452.60
Rates and taxes	330.69	173.29
Repair and maintenance		
- Buildings	493.37	369.69
- Plant and machinery	5,443.37	4,922.98
- Others	173.90	210.37
Electricity and water	735.69	671.28
Communication	33.26	34.63
Advertisement	36.95	63.50
Vehicle running	98.35	56.94
Security	2,994.79	2,848.19
Printing and stationery	9.99	27.87
Legal and professional fees	83.34	120.03
Fees and subscription	70.41	74.65
Travelling and conveyance	0.43	11.99
Bank charges	1,799.08	23.60
Payment to statutory auditors (refer a below)	9.75	9.95
Director's sitting fees	2.66	1.59
Net loss on foreign exchange transactions and translations	65.44	1,430.24
Loss on decapitalisation of property, plant and equipment	519.21	-
Interest paid to beneficiaries (refer b below)	12.32	4.22
Corporate Social Responsibility	1,785.18	-
Miscellaneous expenses	40.09	47.38
	18,533.12	15,566.14
Loss allowance for:		
Scrap Assets Pending Approval	-	0.91
Shortage of property, plant and equipment	2.01	-
Doubtful recovery of FBT	-	-
Shortage in stores	14.49	-
	16.50	0.91
Total	18,549.62	15,567.05

a) Details in respect of payment to auditors:

As auditor

Statutory audit fee	8.26	8.26
Reimbursement of expenses	-	0.20
Reimbursement of GST/ Service tax	1.49	1.49
Total	9.75	9.95

b) DERC Regulations provides that where, the provisional tariff recovered is more than the tariff approved by the Commission, the generating Company shall pay to the beneficiaries the over recovered amount along-with simple interest. Accordingly, the interest payable to the beneficiaries amounting to ₹ 12.32 Lakhs on gail credit note (31 March 2020: ₹ 4.22 Lakhs) has been accounted and disclosed as 'Interest paid to beneficiaries'.

c) Bank Charges include takeover by SBI/ prepayment charges of PFC loan amounting ₹ 1739.54 Lakhs)



34. Fair value measurements

a) Financial instruments by category

₹ Lakhs

Particulars	As at 31 March 2021		As at 31 March 2020	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Financial assets				
Non-current financial assets	212.65	-	212.65	-
Trade receivables	400,655.98	-	405,562.97	-
Cash and cash equivalents	75,643.34	-	77,665.92	-
Bank balances other than cash and cash equivalents	68,286.03	-	70,432.53	-
Other current financial assets	30,022.39	-	26,090.72	-
Total financial assets	574,820.39	-	579,964.79	-
Financial liabilities				
Non-current borrowings	85,019.76	-	153,081.49	-
Retention liabilities	-	-	-	-
Borrowings	22,067.03	-	13.89	-
Trade payables	12,358.88	-	14,260.72	-
Other current financial liabilities	60,345.94	-	105,963.02	-
Lease Liability	616.64	633.02		
Total financial liabilities	180,408.25	-	273,952.14	-

b) Fair value hierarchy

This section represents the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) 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:

Financial assets measured at fair value- Recurring fair value measurements

Cash and cash equivalents (Level 1)
Liquid mutual funds

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 Indian Bank (Formerly Allahabad Bank)	-	-
-from Power Finance Corporation	-	96,223.78
-from State Bank of India	25,912.62	-
-Secured loan from banks against FD	22,029.20	-
-from GNCTD	77,799.45	104,464.60
-Lease liabilities	616.64	633.02
Retention liabilities (Level 3)	-	-
Total	126,357.91	201,321.40

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.

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 are 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 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**

Financial liabilities	As at 31 March 2021		As at 31 March 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Term loan from Indian Bank (Formerly Allahabad Bank)	-	-	-	-
Retention liabilities	-	-	-	-
Term loan from PFC	-	-	96,223.78	96,223.78
Term loan from SBI	25,912.62	25,912.62	-	-
Secured loan From Banks Against FD	22,029.20	22,029.20	-	-
Lease liabilities	616.64	616.64	633.02	633.02
Term loan from GNCTD	77,799.45	77,090.71	104,464.60	118,289.31
Total	126,357.91	125,649.17	201,321.40	215,146.11

The carrying amounts of short term, trade receivables, cash and cash equivalents, claim recoverables, short term 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.

35. **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 derive 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 in 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/CERC 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.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. 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 with scheduled banks owned by Government. The risk of default with government entities is considered to be insignificant.

Security deposits

The company has given security deposits to government departments/agencies or for public utilities like electricity, water etc. The risk of default for such deposits 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 (ECL)		
Trade Receivable	400,655.98	405,562.97
Unbilled Revenue	29,060.43	24,691.23
12 months Expected Credit Losses (ECL)		
Cash and cash equivalent	75,643.34	77,665.92
Other bank balances	68,286.03	70,432.53
Other current financial assets	961.96	1,399.49
Security Deposits	212.65	212.65
Total	574,820.39	579,964.79

(ii) Provision for expected credit losses

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. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

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.

(iii) Ageing analysis of trade receivables and unbilled revenue

₹ Lakhs

Ageing	As at 31 March 2021	As at 31 March 2020
Not due	50,901.19	54,671.07
0-30 days past due	20,806.16	45,264.54
31-60 days past due	24,595.45	89,726.10
61-120 days past due	9,104.76	23,786.69
More than 120 days past due	324,387.99	216,805.80
Tax collected at source	(79.37)	
Total	429,716.18	430,254.20

b) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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 long term borrowing with floating interest rate. The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate.

Refer Note 18 and 21 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) equity and 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.

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Increase	Decrease	Increase	Decrease
Impact on profit or loss (before tax)				
Loans repayable on demands	1.18	(1.18)	13.04	(13.04)

Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. Upto the date of commercial operation, the company capitalise the exchange gain/loss on account of re-instatement/actual payment of the vendor liabilities. Such capital cost is allowed by DERC/ CERC as recovery from beneficiaries. If any exchange gain/loss arise after the date of commercial operation the same will also be recovered from beneficiaries as part of tariff. Hence there is no risk in case of foreign exchange gain/loss on long term foreign currency monetary items. The currency profile of financial liabilities are as below:

Particulars	As at 31 March 2021		As at 31 March 2020	
	Euro	USD	Euro	USD
Payable for capital expenditure	-	-	158.92	572.49
Retention Liabilities	7,913.88	5,460.26	10,449.51	7,701.64
Trade Payables	-	54.85	-	142.57
Total	7,913.88	5,515.11	10,608.43	8,416.70

Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against the USD and Euro at 31 March 2021 would have increased/ (decreased) equity and profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year, except that the reasonably possible foreign exchange rate variances were different, as indicated below:

10% movement	Profit before Tax			
	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Strengthening	Weakening	Strengthening	Weakening
EURO	791.39	(791.39)	1,060.84	(1,060.84)
USD	551.51	(551.51)	841.67	(841.67)
Total	1,342.90	(1,342.90)	1,902.51	(1,902.51)

Price Risk

The Company's exposure to securities price risk arises from investments held in mutual funds 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 cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The 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 Board of Directors and appropriate decisions are taken according to the situation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

d) (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 borrowings		
Loans repayable on demand (expiring within one year)	14,862.17	19,986.11

(ii) **Maturities of financial liabilities**

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

As at 31 March 2021

₹ Lakhs

Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Vehicle loans from bank	-	-	-	-	-	-
Term loan from SBI	1,270.27	3,214.59	4,286.12	12,858.35	4,283.30	25,912.62
Term loans from GNCTD	5,300.42	8,907.03	7,393.20	22,179.60	34,019.20	77,799.45
Retention liabilities	-	-	-	-	-	-
Lease Liabilities	-	71.89	71.89	215.68	819.14	1,178.60
Short Term Borrowings	28,168.02	-	-	-	-	28,168.02
Trade Payables	12,358.88	-	-	-	-	12,358.88
Payable for capital expenditure	7,533.15	-	-	-	-	7,533.15
Deposits/ Retention Money	1,675.27	-	-	-	-	1,675.27
Corporate share payable	798.19	-	-	-	-	798.19
Payable to employees	658.90	-	-	-	-	658.90
Others current financial liabilities	252.61	-	-	-	-	252.61
Total	58,015.71	12,193.51	11,751.21	35,253.63	39,121.64	156,335.69

As at 31 March 2020

₹ Lakhs

Contractual maturities of financial liabilities	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Vehicle loans from bank	-	-	-	-	-	-
Term loan from PFC	3,865.46	10,262.04	13,682.72	41,048.16	27,365.40	96,223.78
Term loans from GNCTD	24,620.77	8,858.63	7,393.20	22,179.60	41,412.40	104,464.60
Retention liabilities	-	-	-	-	-	-



Lease Liabilities	-	71.89	71.89	215.68	891.04	1,250.50
Short Term Borrowings	23,957.51	-	-	-	-	23,957.51
Trade Payables	14,260.72	-	-	-	-	14,260.72
Payable for capital expenditure	1,108.64	-	-	-	-	1,108.64
Deposits/ Retention Money	10,289.07	-	-	-	-	10,289.07
Corporate share payable	653.38	-	-	-	-	653.38
Payable to employees	621.56	-	-	-	-	621.56
Others current financial liabilities	252.46	-	-	-	-	252.46
Total	79,629.57	19,192.56	21,147.81	63,443.44	69,668.84	253,082.22

36. 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	131,880.09	224,645.89
Less : Cash and cash equivalents and Bank Balances	75,643.34	78,023.13
Net debt	56,236.75	146,622.76
Total equity	207,419.00	207,419.00
Net debt to equity ratio	0.27	0.71

37. Income Taxes

a) Income Tax Expense

i) Income tax recognised in Statement of Profit and Loss

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Current tax expense		
Current year	15,588.46	34,349.94
	15,588.46	34,349.94
Deferred tax expense		
Origination and reversal of temporary differences	4,431.08	4,568.52
Less: Deferred asset for deferred tax liability	-	-
	4,431.08	4,568.52
Total income tax expense	20,019.54	38,918.46
Adjustment for earlier years	-	-

ii) Income tax recognised in other comprehensive income

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Net actuarial gains/(losses) on defined benefit plans		
Before tax	(97.49)	(84.58)
Tax expense/ (benefit)	(34.07)	(29.56)
Net of tax	(63.42)	(55.02)



iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit before tax	85,266.60	195,133.98
Tax using the Company's domestic tax rate: 34.944% (31 March 2020: 34.944%)	29,795.56	68,187.62
Tax effect of:		
Minimum Alternative Tax (MAT) / 80IA Credit	(11,411.30)	(29,442.10)
Unwinding of interest on financial liabilities	-	-
Expenses disallowed under income tax	702.78	144.22
Income exempt under Income tax act	(0.82)	-
Impact of change in deferred tax rate	-	-
Impact on transition to Ind AS / Other impacts	-	-
At the effective income tax rate: 23.13% (31 March 2020: 19.93 %)	19,087.04	38,888.91

b) Deferred tax balances

i) As per the Tariff Regulation, the Deferred Tax liability upto 31 March 2012 is recoverable from the discoms, which will be billed on its reversal. 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 has been charged to Statement of Profit and Loss.

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

iii) 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	46,476.57	4,479.65		50,956.23
Unrealised gain on liquid mutual fund	-			
Less: Deferred tax assets	-			
Advance against Depreciation	845.40	(120.77)		724.63
Impact of Ind AS 116 'Leases'	7.21	194.32		201.53
Provision for Stores, Spares and PPE	95.91	7.97		103.88
Provision for Employee Retirement Benefits and others	295.76	1.14		296.90
Others	-	-		
Net tax assets/(liabilities)	45,232.29	4,396.99	-	49,629.29

₹ 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	42,048.68	4,427.89	-	46,476.57
Unrealised gain on liquid mutual fund	-	-	-	-
Less: Deferred tax assets				
Advance against Depreciation	966.17	(120.77)	-	845.40
Impact of Ind AS 116 'Leases'	-	7.21	-	7.21
Provision for Stores, Spares and PPE	95.91	-	-	95.91
Provision for Employee Retirement Benefits	293.28	(27.08)	29.56	295.76
Others	-	-	-	-
Net tax assets/(liabilities)	40,693.32	4,568.53	(29.56)	45,232.29
Net tax assets/(liabilities)	40,693.32	4,568.53	(29.56)	45,232.29



iv) MAT Credit available to the Company in future but not recognised in the books:

₹ Lakhs

Particulars	Amount	Expiry date
As at 31 March 2021		
For the year 2011-12	53.38	2026-27
For the year 2012-13	6,469.30	2027-28
For the year 2015-16	618.96	2030-31
For the year 2016-17	4,939.93	2031-32
For the year 2017-18	3,070.05	2032-33
For the year 2018-19	3,620.78	2033-34
For the year 2019-20	28,372.49	2034-35
For the year 2020-21	9,571.27	2035-36
As at 31 March 2020		
For the year 2011-12	53.38	2026-27
For the year 2012-13	6,469.30	2027-28
For the year 2015-16	618.96	2030-31
For the year 2016-17	4,939.93	2031-32
For the year 2017-18	3,070.05	2032-33
For the year 2018-19	3,620.78	2033-34
For the year 2019-20	28,372.49	2034-35
For the year 2019-20	28,370.56	2034-35
For the year 2011-12	53.38	2026-27
For the year 2012-13	6,469.30	2027-28
For the year 2015-16	618.96	2030-31
For the year 2016-17	717.12	2031-32

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 after evaluating the same and continues to recognize the taxes on income as per the earlier provisions.

38. Company's PPS-I plant was notified under Perform Achieve and Trade (PAT) scheme for the cycle 2012-13 to 2015-16 under which certain operational parameters were stipulated by Bureau of Energy Efficiency (BEE). The energy audit for the PAT cycle has been carried out by BEE accredited energy auditors who have certified entitlement of 8020 nos. energy saving certificates to the Company. The Company has received the certificates and proceeds of sale of 466 certificates amounting to ₹ 4.66 Lakhs has been recognised in miscellaneous income (other Income) in the F.Y. 2017-18. The energy saving certificates under the PAT scheme for the cycle 2017-18 to 2019-20 are still awaited.

39. 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 ₹ 1785.18 Lakhs for the year ended 31 March 2021 (31 March 2020: ₹ 790.27 Lakhs) towards the CSR activities as per the CSR policy. The company contributed amount of ₹ 1785.18 Lakhs in September 2021 in PM Care fund, Swachh Bharat Kosh, Prime Minister National Relief fund and Clean Ganga fund.

Details of CSR expenditure are :-

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
(a) Gross amount required to be spent by the company during the year	1785.18	-
(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	<u>1,785.18</u>	<u>-</u>

**40. Leases****40.1 Leases as a lessee**

- a) The Company has taken office equipments on lease. These leasing arrangements are usually renewable on mutually agreed terms but are not non-cancellable. These leases are short-term in nature.

The Company has taken flats from DSIIDC and underlying land of these flats on leasehold basis. Lease deed for these flats including leasehold land is yet to be executed. The Company has also taken a land on lease from Delhi Jal Board (DJB) on which it has constructed effluent pumping station for supply of treated water.

- b) Set out below are the carrying amounts of lease liabilities recognised and the movements during the period:

Particulars	₹ Lakhs
As at 1st April 2019	648.05
- Additions	-
- Accretion of Interest	56.86
- Payments	(71.89)
As at 31st March 2020	633.02
- Additions	-
- Accretion of Interest	55.51
- Payments	(71.89)
As at 31st March 2021	616.64

Lease Liability	As at 31 March 2021	As at 31 March 2020
Current	17.86	16.38
Non-current	598.78	616.64
Total	616.64	633.02

- c) The following are the amounts recognised in profit or loss:

₹ Lakhs

Particulars	For 31st March 2021	For 31st March 2020
Depreciation expense for right-of-use assets	142.77	142.77
Interest expense on lease liabilities	55.51	56.86
Expense relating to short-term leases	-	1.77
Total Amount recognised in profit & Loss	198.28	201.40

- d) The following are the amounts recognised in cash flow statement:

₹ Lakhs

Particulars	For 31st March 2021	For 31st March 2020
Cash Outflow from leases	71.89	71.89

- e) Future cash outflow to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities. This includes exposure arising from:

- (i) Variable lease payments : Not Applicable
(ii) Residual value guarantees : Not Applicable

- f) There is no sale and lease back transactions during the year.

41. Disclosure as per Ind AS 19 'Employee benefits'**(i) Defined contribution plans:**

The company makes deposits contribution for Provident Fund in funds administered and managed by Government. During the year, amount of ₹ 317.56 Lakhs (31 March 2020 ₹ 259.68 Lakhs) is recognized as expense and charged to Statement of Profit and Loss including ₹ 19.00 Lakhs (31 March 2020 ₹ 15.98 Lakhs) on account of corporate share.



(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 obligation (₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	7.85	6.14
Current	4.78	17.43
Total	12.63	23.57

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

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) liability
For the year ended 31 March 2021			
Opening balance	124.51	100.93	23.57
Included in profit or loss:			
Current service cost	12.52	-	12.52
Past service cost	-	-	-
Interest cost (income)	8.47	6.86	1.61
Total amount recognized in profit or loss	20.98	6.86	14.11
Included in OCI:			
Remeasurement loss/(gain) arising from:			
Financial assumptions	-	-	-
Demographic assumptions	-	-	-
Experience adjustment	(18.70)	-	(18.70)
Return on plan assets excluding interest income	-	0.66	(0.66)
Total amount recognized in OCI	(18.70)	0.66	(19.35)
Contributions from the employer	-	5.71	(5.71)
Benefits paid	-	-	-
Closing balance	126.80	114.16	12.65

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

Particulars	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) liability
For the year ended 31 March 2020			
Opening balance	100.08	90.99	9.09
Included in profit or loss:			
Current service cost	13.33	-	13.33
Past service cost	-	-	-
Interest cost (income)	7.67	6.97	0.70
Total amount recognized in profit or loss	21.00	6.97	14.03
Included in OCI:			
Remeasurement loss/(gain) arising from:			
Financial assumptions	11.16	-	11.16
Demographic assumptions	(0.03)	(0.03)	-



Experience adjustment	(7.71)	-	(7.71)
Return on plan assets excluding interest income	-	(0.29)	0.29
Total amount recognized in OCI	3.42	(0.29)	3.71
Contributions from the employer	-	3.26	(3.26)
Benefits paid	-	-	-
Closing balance	124.50	100.93	23.57

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 2021 and 31 March 2020 has not been provided by Life Insurance Corporation of India.

d) **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%
Salary escalation rate	8.00%	8.00%
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.

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:

Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (0.50% movement)	(7.13)	7.79
Salary escalation rate (0.50% movement)	1.92	(1.99)
As at 31 March 2020		
Discount rate (0.50% movement)	(6.69)	7.33
Salary escalation rate (0.50% movement)	2.42	(2.61)

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:

- 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.
- 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.



- D) Mortality and disability – Actual deaths and 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 undiscounted gratuity benefits is as follows** (₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Duration of defined benefit payments		
Less than 1 year	4.78	17.43
Between 1-2 years	3.93	3.44
Between 2-5 years	21.12	7.85
Over 5 years	96.95	85.79
Total	126.78	114.51

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 13.91 lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 15.13 years (31 March 2020: 14.93 years).

h) **Expense transferred to PPCL**

Out of the provision/expenses recognised, ₹ 87.70 Lakhs (2020: ₹ 91.79 lakhs) has been transferred from IPGCL as corporate share and ₹ 6.94 (2020: ₹ 6.82 lakhs) has been transferred to IPGCL.

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 liability is unfunded and liability for the same is recognised annually 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 obligation** (₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Non-current	116.11	99.11
Current	0.16	0.15
Total	116.27	99.26

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

Defined benefit obligation	As at 31 March 2021	As at 31 March 2020
Opening balance	99.26	85.84
Included in profit or loss:		
Current service cost	10.92	10.22
Interest cost/income	6.75	6.58
Total amount recognized in profit or loss	17.67	16.80
Included in OCI:		
Remeasurement loss/(gain) (Actuarial loss/(gain)) arising from:		
Financial assumptions	-	5.72
Experience adjustment	(0.66)	(9.10)
Total amount recognized in other comprehensive income	(0.66)	(3.38)
Benefits paid	-	-
Closing balance	116.27	99.26



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:

Particulars	Increase	Decrease
As at 31 March 2021		
Discount rate (0.50% movement)	(7.21)	7.16
Medical cost rate (0.50% movement)	7.13	(7.19)
As at 31 March 2020		
Discount rate (0.50% movement)	(6.16)	6.11
Medical cost rate (0.50% movement)	6.08	(6.14)

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:** (₹ in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Duration of defined benefit payments		
Less than 1 year	0.16	0.15
Between 1-2 years	0.70	0.17
Between 2-5 years	3.05	2.18
Over 5 years	112.36	96.76
Total	116.27	99.26

Expected contributions to post-employment benefit plans for the year ending 31 March 2022 are ₹ 17.82 lakhs.

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 15.13 years (31 March 2020: 14.93 years).

g) **Expense transferred from IPGCL**

An amount of ₹ 145.83 Lakhs has been transferred from IPGCL and transferred to IPGCL Rs. 10.49 Lakhs.

(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. Earned leave is en-cashable to the extent of 50% on exit. Half-pay leaves (HPL) are en-cashable on exit if employee has attained age of 50 years. and has completed service of 10 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.

A provision of ₹ 14.88 Lakhs (31 March 2020: ₹ 58.57 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. Further, provision of ₹ 255.03 Lakhs (31 March 2020: ₹ 331.04 Lakhs) has been transferred from IPGCL and ₹ 1.07 Lakhs (31 March 2020: ₹ 0.73 Lakhs) has been transferred for employees sent on deputation.

B. **Leave travel concession**

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 ₹ (-)13.50 Lakhs (31 March 2020: ₹ (-) 35.23 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and credited to the Statement of Profit and Loss.

42. **Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures'**

a) **List of Related parties:**

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

Mr. Madhup Vyas*	Chairman & Managing Director	(wef 11-Jan-19 upto 5-Jul-19)
Ms. Padmini Singla*	Chairman & Managing Director	(wef 5-Jul-19 upto 31-Mar-2021)
Mr. Satya Goyal*	Chairman & Managing Director	(w.e.f. 31-Mar-2021)
Mr. Mukesh Prasad*	Dir(HR)	(wef 25-Sept-17 upto 5-Jul-19)
Mr. D. Varma*	Dir(HR)	(wef 18-Jul-19 upto 24-April-20)
Mr. Ravi Dadhich *	Dir(HR)	(w.e.f. 24-April-20 upto 09-Sep-20)
Mr. Jitendra Kumar Jain *	Dir(HR)	(w.e.f. 09-Sept-2020 upto 28-July-2021)
Mr. SM. Verma	Dir(Tech)	(wef 01-May-2019)
Mr. Ravindra Kr. Jain	Dir(Fin)	(wef 05-June-17 upto 31-May-2020)



Mr. BN Ojha	Director	(wef 01-Oct-09)
Mr. Madan Verma	Director	(wef 18-Feb-10)
Mr. Tarun Chaturvedi	Independent Director	(wef 08-June-16 upto 07-June-21)
Mr. Manoj Bansal	Chief Financial Officer	(wef 05-Feb-19)
Mr. Prashant Vyas	Chief Financial Officer	(upto 05-Feb-19)
Mr. Dhiraj Kumar Nimwal	Company Secretary	(wef 05-Feb-19)

*Not full time and holding additional charge

ii) Post employment benefits plan:

PPCL Employees Group Gratuity Fund

iii) Entities under the control of the same government:

The Company is controlled by Delhi Government by holding 100% of shares (refer Note 15). 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 Indraprastha Power Generation Company Ltd (IPGCL), Delhi Transco Limited (DTL), Delhi Power Company Limited (DPCL), BSES Rajdhani Power Ltd, BSES Yamuna Power Ltd, DSIIDC Limited etc.

b) Transactions with the related parties are as follows:

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
i) Compensation to Key management personnel		
Short term benefits	52.73	49.12
Post employment benefits	1.33	0.71
Other long term benefits	4.02	3.74
Total Compensation	58.08	53.57
ii) Transactions with post employment benefit plans		
PPCL Employees Group Gratuity Fund Contributions	5.71	3.26
iii) Transactions with the government and related parties under the control of the same government		
Government of NCT of Delhi Interest on loan	7,465.89	11,123.34
Government of NCT of Delhi Term loans repaid	7,393.20	45,993.02
BSES Rajdhani Power Ltd Sale of energy	100,990.71	157,774.48
BSES Yamuna Power Ltd Sale of energy	34,821.60	84,755.83
Tata Power Delhi Distribution Ltd Sale of energy	61,875.03	101,321.08
DSIIDC Ltd. Payment of the lease liability	43.58	43.58
Indraprastha Power Generation Company Ltd Corporate Share	481.93	537.53
Indraprastha Power Generation Company Ltd Inventory received	15.22	0.74
Indraprastha Power Generation Company Ltd Assets received (exclusive of GST)	-	0.27
Delhi Transco Limited SLDC/NRLDC Charges	664.57	748.66

c) 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 21 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/CERC Regulations. Refer C.11 (Note 1).
- Corporate expenses are shared on cost to cost basis plus applicable taxes in the ratio of installed capacity of power plants.

- 43.** 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.



44. In the opinion of the management, the value of assets, other than property, plant and 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.
45. 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 impairment loss exists.
46. 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 1 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 7 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.

47. **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 of employees		
Carrying amount at the beginning of the year	4,144.96	-
Add: Additions during the year	4,144.96	
Less: Reversal/adjustments during the year	4144.96	-
Carrying amount at the end of the year	-	4,144.96
Provision for Scrap Assets Pending Approval		
Carrying amount at the beginning of the year	1.28	0.37
Add: Additions during the year	-	0.91
Less: Reversal/adjustments during the year	0.02	-
Carrying amount at the end of the year	1.26	1.28
Provision for shortage in property, plant and equipment		
Carrying amount at the beginning of the year	5.05	7.42
Add: Additions during the year	2.01	-
Less: Reversal/adjustments during the year	2.37	
Carrying amount at the end of the year	7.06	5.05
Provision for Doubtful recovery of FBT		
Carrying amount at the beginning of the year	2.17	2.17
Add: Additions during the year	-	-
Less: Reversal/adjustments during the year	-	-
Carrying amount at the end of the year	2.17	2.17

- 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 ₹ 4,144.96 lakhs has been created for liabilities up to 31 March 2020 and during the Fy 2020-21 all provision has been paid.
- 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 31 March 2021	As at 31 March 2020
Claim against the Company not acknowledged as debts	2423.26	5,416.52
Letter of credit other than for capital expenditure	9467.49	4,472.46
Disputed liability towards Income Tax not adjusted as expenses in the accounts being in appeal.	42714.63	3,657.80
TDS demand not adjusted as expenses in the books of accounts	-	-

48. Earnings per Share

₹ Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Profit attributable to equity shareholders		
From operations including regulatory deferral account balances	65,247.06	156,215.52
From regulatory deferral account balances	-	-
From operations excluding regulatory deferral account balances	65,247.06	156,215.52
Weighted average number of equity shares		
Opening balance of issued equity shares	2,074,190,000	2,074,190,000
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares	2,074,190,000	2,074,190,000
Earning Per Share (Basic and Diluted)		
From operations including regulatory deferral account balances	3.15	7.53
From regulatory deferral account balances	-	-
From operations excluding regulatory deferral account balances	3.15	7.53
Nominal value per share	10.00	10.00

49. Operating Segments

In the opinion of the management, there is only one reportable segment ("Generation of Electricity"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

Entity wide disclosures

a) 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 which are 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 (net of rebate) 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 (BRPL)	100,990.71	157,774.48
BSES Yamuna Power Ltd (BYPL)	34,821.60	84,755.83
Tata Power Delhi Distribution Ltd (TPDDL)	61,875.03	101,321.08
New Delhi Municipal Corporation (NDMC)	47483.81	55,898.83

**50. 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 Central Electricity Regulatory commission (CERC)/ 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

CERC/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 Company 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 2012 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 ₹ 6,638.74 Lakh (31 March 2020: debit balance of ₹ 6,638.74 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 a 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:

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
Opening Balance	6,638.74	6,638.74
Addition during the year	-	-
Amount collected/refunded during the year	-	-
Regulatory balances recognised in the statement of profit and loss	-	-
Regulatory balances recognised in the statement of other comprehensive income	-	-
Closing Balance	6,638.74	6,638.74

- b) Net movement in regulatory deferral account balances - -
- c) Total Amount recognised in the statement of profit and loss during the year - -

51. Events after the reporting period

- a) In the 99th meeting of the board of directors held on 1st March 2021 board of directors decided to prepay the outstanding loan of GNCTD @10% interest. These loans have been prepaid in FY 2021-22.
52. 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.

53. 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.

54. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification issued till 31 March 2021, 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 VSD & Associates
Chartered Accountants

Sd/-
CA. Vinod Sahni
Partner
Membership No. : 086666
Firm Reg. No.: 008726N
UDIN : 23086666BGPFL1014

Sd/-
Dhiraj Kr. Nimwal
Assistant Company Secretary

Sd/-
Sanjay Kr. Choudhary
Sr. Manager (Finance)
& Chief Financial Officer

Place : New Delhi
Dated : 14.01.2023

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

Sd/-
Azimul Haque
Managing Director
DIN- 03578730



PRAGATI POWER CORPORATION LIMITED

(A Government of NCT of Delhi Undertaking)

Regd. Office : "Himadri", Rajghat Power House Office Complex, New Delhi-110002

CIN: U74899DL2001SGC109135

Tele Fax No. 011-23273565, Website : www.ipgcl-ppcl.gov.in, www.pragatipower.nic.in