
BSES Rajdhani Power Limited

Annual Financial Statement

2023-24



Ravi Rajan & Co. LLP

Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BSES RAJDHANI POWER LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS Financial Statements of **BSES Rajdhani Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Ind AS financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis For Opinion

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

Emphasis of Matter

1. We draw attention to Note No. 17 of the Ind AS Financial Statements, with regard to Company's preferred appeals before Hon'ble Appellate Tribunal for Electricity ("APTEL") against disallowances by Delhi Electricity Regulatory Commission ("DERC") in various Tariff Orders. As explained in the said note, the Company has treated such amounts, as they ought to be treated in terms of the accepted Regulatory Framework, in the carrying value of Regulatory Deferral Account Balance as at March 31, 2024.

2. We draw attention to Note No. 47(B)(i) and 49 of the Ind AS Financial Statements, with regard to contingent liability in respect to Late Payment Surcharge (LPSC) and outstanding balances payable to Delhi State Utilities and timely recovery of Accumulated Regulatory Deferral Account Balance, for which matter is pending before Hon'ble Supreme Court;

Our opinion is not modified in respect of these matters.

Other Information

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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.

These Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. The matters described under the Emphasis of Matter para given above, in our opinion, may have an adverse effect on the cash flows and consequently on the functioning of the Company;

- f. On the basis of the written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 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 financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
- h. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;

- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements Refer Note No. 47 on Contingent Liabilities and Note No. 48 on other matters under litigation to the Ind AS financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts. Hence, the question of any material foreseeable losses does not arise;
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
 - (iv) With respect to reporting of Rule 11(e) and Rule 11(f) of the Companies (Audit and Auditors) Rules, 2014
 - (a) The Management has represented to us that, to the best of its knowledge and belief, during the year, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, during the year, no funds (which are material either individually or in the aggregate) have been

received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;
- (d) The Company has not declared any dividend during the year. Hence reporting under this clause is not applicable to the Company.
- (v) Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Ravi Rajan & Co. LLP
Chartered Accountants
ICAI Firm Registration No. ~~009073N~~/N500320

Prashant Bhatia
Partner
Membership No. 508452
UDIN: 24508452BKFFRH9724
Date: May 03, 2024
Place: New Delhi



ANNEXURE "I" TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of BSES Rajdhani Power Limited on the Ind AS financial statements for the year ended March 31, 2024].

We report that:

- i.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets;
 - b) The Company has maintained proper records showing full particulars of intangible assets;
 - c) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets, other than underground cables and overhead lines due to technical reasons, to cover all the items in a phased manner over a period of three to five years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment and right-of-use assets were due for verification during the year and accordingly, were physically verified by the Management. Based on information and explanations given to us, no material discrepancies were noticed on such verification;
 - d) According to the information and explanations given to us, immovable properties comprising buildings recorded in the books of account of the Company were transferred to, and vested in, the Company pursuant to unbundling of Delhi Vidyut Board and in accordance with Delhi Electricity Reform (Transfer Scheme) Rules, 2001 read with the Delhi Electricity-Reform Act, 2000. As represented by the Company, no title deeds in respect of these immovable properties were handed over by the Government of the NCT of Delhi to the Company at the time of such unbundling;
 - e) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year;
 - f) Neither any proceedings have been initiated during the year nor any is pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.;
- ii.
 - a) Verification of inventory has been conducted at reasonable intervals by the management and, in the opinion, the coverage and procedure of such verification by the management is appropriate. No material discrepancies in the aggregate for each class of inventory were noticed;

- b) The Company has been sanctioned working capital limits in excess of five crore rupees from banks on the basis of security of current asset. Quarterly returns or statements filed by the company with such banks agree with the books of account of the Company;
- iii. The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause (iii)(a) to (iii)(f) of the Order is not applicable to the Company;
- iv. The Company has not granted any loans, or made any investments or provided any guarantee or securities to the parties covered under Section 185 and 186 of the Act during the year and hence reporting under paragraph 3(iv) of the Order is not applicable to the Company;
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable to the company;
- vi. The maintenance of cost records has been specified by the Central Government under subsection (1) of section 148 of the Act and rules there under. We have broadly reviewed such records and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained, we have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete;
- vii. According to the information and explanations given to us in respect of statutory dues:
- a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate Authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

- b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

| Amount in Rs. Crore | | | | |
|----------------------|-----------------------|----------------------|------------------------------------|--------------------------------------|
| Name of the Statute | Nature of Dues | Amount Not Deposited | Period to which the Amount Relates | Forum where dispute is pending |
| Income Tax Act, 1961 | Interest u/s 201 (1A) | 0.00* | Assessment Year 2008-09 | Commissioner of Income Tax (Appeals) |
| | Demand u/s 154/143(3) | 1.35 | Assessment Year 2015-16 | Commissioner of Income Tax (Appeals) |
| | Demand u/s 154/143(3) | 5.97** | Assessment Year 2016-17 | Commissioner of Income Tax (Appeals) |

*Demand for A.Y. 2008-09 is net of Rs. 1.20 Crore paid under protest.

**Demand for A.Y. 2016-17 is net of Rs. 0.01 Crore paid under protest.

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable;
- ix.
- a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
 - b) The Company has not been declared wilful defaulter by any bank or financial institution or other lender;
 - c) Term loans were applied for the purpose for which the loans were obtained;
 - d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company;
 - e) The Company did not have any subsidiaries, associates or joint ventures, during the year, hence, reporting under clause 3(ix) (e) & (f) of the Order is not applicable.;
- x.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;
 - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.;
- xi.
- a) As per information and explanation given to us by the management and on the basis of records of the Company, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year;
 - b) As per information and explanation given to us by the management and on the basis of records of the Company, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report;

- c) As per information and explanation given to us by the management and on the basis of records of the Company, no whistle blower complaints received by the Company during the year.;
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable;
- xiii. All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards;
- xiv.
- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year, in determining the nature, timing and extent of our audit procedures.;
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. And hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company;
- xvi.
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable;
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.;
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;
- xviii. We are the auditors of the Company since 24th Oct'2020 and it is our 4th year for the audit of the Company accordingly reporting under clause 3(xviii) of the Order is not applicable;
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet and when they fall due within a period of one year from the balance sheet date, assuming timely recovery of regulatory assets. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is

based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

xx.

- a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx) (a) of the Order is not applicable for the year;
- b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount as at the end of the previous financial year, to a Special account within a period of 30 days from the end of the said financial year in compliance with the provision of section 135(6) of the Act;

For Ravi Rajan & Co. LLP
Chartered Accountants
ICAI Firm Registration No.009073N/N500320

Prashant Bhatia
Partner
Membership No. 508452
UDIN: 24508452BKFFRH9724
Date: May 03, 2024
Place: New Delhi



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of BSES Rajdhani Power Limited on the financial statements for the year ended March 31, 2024]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of BSES Rajdhani Power Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Ravi Rajan & Co. LLP

Chartered Accountants

ICAI Firm Registration No. ~~009073N/A~~ 500320

Prashant Bhatia

Partner

Membership No. 508452

UDIN: 24508452BKFFRH9724

Date: May 03, 2024

Place: New Delhi

BSES RAJDHANI POWER LIMITED
BALANCE SHEET AS AT MARCH 31, 2024

| Particulars | Note | As at March 31, 2024 (₹) In Crores | As at March 31, 2023 (₹) In Crores |
|---|------|---------------------------------------|---------------------------------------|
| Assets | | | |
| Non - Current Assets | | | |
| (a) Property, Plant and Equipment | 3 | 5,085.08 | 5,047.46 |
| (b) Capital Work In Progress | | 248.23 | 164.96 |
| (c) Other Intangible Assets | 4 | 12.42 | 16.62 |
| (d) Right-of-Use Assets | 5 | 50.71 | 45.76 |
| (e) Financial Assets | | | |
| i) Restricted Bank Deposits | 6 | 151.62 | 174.55 |
| ii) Other Financial Assets | 7 | 4.30 | 4.35 |
| (f) Other Non Current Assets | 8 | 16.92 | 14.23 |
| | | 5,569.28 | 5,467.93 |
| Current Assets | | | |
| (a) Inventories | 9 | 21.75 | 20.20 |
| (b) Financial Assets | | | |
| i) Trade Receivables | 10 | 799.66 | 748.65 |
| ii) Cash and Cash Equivalents | 11 | 511.37 | 116.12 |
| iii) Bank Balances other than (ii) above | 12 | 118.94 | 130.19 |
| iv) Loans | 13 | 0.40 | 47.21 |
| v) Other Financial Assets | 14 | 179.56 | 126.25 |
| (c) Current Tax Assets | 15 | 8.63 | 4.65 |
| (d) Other Current Assets | 16 | 132.75 | 179.85 |
| | | 1,773.06 | 1,373.12 |
| Total Assets Before Regulatory Assets | | 7,342.34 | 6,841.05 |
| Regulatory deferral accounts debit balances and related deferred tax balances | 17 | 12,766.66 | 12,172.74 |
| | | 20,129.00 | 19,013.79 |
| Total Assets | | | |
| Equity & Liabilities | | | |
| Equity | | | |
| (a) Equity Share Capital | 18 | 1,040.00 | 1,040.00 |
| (b) Other Equity | 19 | 6,088.99 | 5,243.83 |
| Total Equity | | 7,128.99 | 6,283.83 |
| Liabilities | | | |
| Non Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 20 | 840.87 | 1,081.28 |
| ii) Lease Liability | 21 | 53.49 | 47.44 |
| iii) Other Financial Liabilities | 22 | 1,115.82 | 988.90 |
| (b) Provisions | 23 | 48.22 | 48.50 |
| (c) Consumer Contribution for Capital Works | 24 | 805.22 | 766.16 |
| (d) Service Line cum Development Charges | 25 | 339.87 | 344.04 |
| (e) Grant-In-Aid | 26 | 6.50 | 6.87 |
| (f) Other Non Current Liabilities | 27 | 412.20 | 270.62 |
| | | 3,622.19 | 3,553.81 |
| Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | 28 | 293.97 | 361.40 |
| ii) Lease Liability | 29 | 9.99 | 6.67 |
| iii) Trade Payables | | | |
| - dues of micro and small enterprises | | 61.44 | 41.62 |
| - dues of creditors other than micro and small enterprises | 30 | 8,120.90 | 7,893.74 |
| iv) Other Financial Liabilities | 31 | 363.83 | 374.02 |
| (b) Other Current Liabilities | 32 | 427.29 | 419.17 |
| (c) Provisions | 33 | 80.40 | 79.53 |
| | | 9,377.82 | 9,176.15 |
| Total Equity and Liabilities | | 20,129.00 | 19,013.79 |

The above Balance Sheet should be read in conjunction with the accompanying notes 1 to 60.

For and on behalf of the Board of Directors

As per our report of even date

K Ravi Kumar
Director
(DIN 00119753)

Ajit K Ranade
Director
(DIN 00918651)

Anjan K Sharma
Director
(DIN 01180722)

For Ravi Rajan & Co. LLP
Chartered Accountants
ICAI Firm Registration No.
009073N / N500320

Vijayalakshmy Gupta
Director
(DIN 08636754)

Shurbir Singh
Director
(DIN 07331962)

Ashish C Verma
Director
(DIN 00260070)

Prasanna Bhatia
Partner
(M. No. 508452)

Virendra S Verma
Director
(DIN 07843461)

Sateesh Seth
Director
(DIN 00004631)

Punit N Garg
Director
(DIN 00004407)

Amal Sinha
Director
(DIN 07407776)

Vineet Sikka
CEO

Place : New Delhi
Date : May 03, 2024

Surya S Banerji
CFO
(FCA - 420131)

Pankaj Tandon
Company Secretary
(FCS- 7248)

BSES RAJDHANI POWER LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

| Particulars | Note | Year Ended | |
|--|------|---------------------------------|---------------------------------|
| | | March 31, 2024 (₹) in Crores | March 31, 2023 (₹) in Crores |
| I. Revenue From Operations | 34 | 12,766.76 | 11,770.95 |
| II. Other Income | 35 | 109.48 | 109.62 |
| III. Total Income (I+II) | | 12,876.24 | 11,880.57 |
| IV. Expenses | | | |
| Cost of Power Purchased | 36 | 9,979.01 | 9,476.83 |
| Employee Benefits Expense | 37 | 560.00 | 541.38 |
| Finance Costs | 38 | 1,089.69 | 1,122.05 |
| Depreciation and Amortization Expense | 39 | 442.00 | 422.42 |
| Other Expenses | 40 | 578.23 | 539.46 |
| Total Expenses (IV) | | 12,648.93 | 12,102.14 |
| V. Profit/(Loss) before Rate Regulated Activities and Tax (III-IV) | | 227.31 | (221.57) |
| VI. Net movement in Regulatory deferral account balances and related deferred tax | 41 | 618.09 | 1,321.48 |
| VII. Profit before tax (V+VI) | | 845.40 | 1,099.91 |
| VIII. Tax Expense : | | | |
| (i) Current Tax | | - | - |
| (ii) Deferred Tax | | - | - |
| IX. Profit for the year (VII-VIII) | | 845.40 | 1,099.91 |
| X. Other Comprehensive Income/ (Expense) | | | |
| Items that will not be reclassified to Profit & Loss | | | |
| - Re-measurement of defined benefit plan : Gains/(Loss) | | 3.93 | 4.15 |
| - Net movement in Regulatory deferral account balances related to items recognized in Other Comprehensive Income | 41 | (4.17) | (4.63) |
| - Income Tax relating to above Items | | - | - |
| Other Comprehensive Income / (Expense) | | (0.24) | (0.48) |
| XI. Total Comprehensive Income for the year (IX+X) | | 845.16 | 1,099.43 |
| XII. Earnings Per Equity Share of ₹10 Each | 42 | | |
| Basic (₹) per share | | 8.13 | 10.58 |
| Diluted (₹) per share | | 8.13 | 10.58 |
| Basic before Net movement in Regulatory Deferral Account balances (₹) per share | | 2.19 | (2.13) |
| Diluted before Net movement in Regulatory Deferral Account balances (₹) per share | | 2.19 | (2.13) |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes 1 to 60.

For and on behalf of the Board of Directors

As per our report of even date

K Ravi Kumar
Director
(DIN 00119753)

Ajit K Ranade
Director
(DIN 00918651)

Anjani K Sharma
Director
(DIN 01180722)

For Ravi Rajan & Co. LLP
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Punit N Garg
Director
(DIN 00004407)

Amal Sinha
Director
(DIN 07407776)

Vineet Sikka
CEO

Place : New Delhi
Date : May 03, 2024

Surya S Banerji
CFO
(FCA - 420131)

Pankaj Tandon
Company Secretary
(FCS- 7248)

BSES RAJDHANI POWER LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

| | Particulars | YEAR ENDED | |
|-----------|---|---------------------------------|---------------------------------|
| | | March 31, 2024 (₹) In Crores | March 31, 2023 (₹) In Crores |
| A. | Cash Flow From Operating Activities | | |
| | Profit Before Income Tax | 845.40 | 1099.91 |
| | Adjustments For : | | |
| | Depreciation and Amortization Expense | 442.00 | 422.42 |
| | Interest Income | (50.29) | (45.22) |
| | Loss on Sale of Property, Plant and Equipment (Net) | 7.28 | 5.51 |
| | Profit on surrender of Lease Assets (RoU) | - | (2.32) |
| | Transfer from Consumer Contribution for Capital Work & Grant-in-Aid | (57.28) | (55.42) |
| | Transfer from Service Line cum Development Charges | (83.88) | (48.25) |
| | Provision for Doubtful Debts | 0.88 | 7.33 |
| | Provision for Retirement of Fixed Assets/Inventory | 0.23 | 0.15 |
| | Excess Provisions Written Back | (0.45) | (0.04) |
| | Finance Costs | 1,089.69 | 1,122.05 |
| | Operating Profit Before Working Capital Changes | 2,193.58 | 2,506.12 |
| | Adjustments for (Increase)/Decrease in Assets | | |
| | Inventories | (2.14) | (0.87) |
| | Trade Receivables | (51.89) | (35.87) |
| | Other Current and Non Current Financial Assets | (4.14) | 212.99 |
| | Other Current and Non Current Assets | 50.35 | 80.71 |
| | Adjustment for Regulatory Deferral Account Balances | (618.09) | (1,321.44) |
| | Adjustments for Increase / (Decrease) in Liabilities | | |
| | Other Current and Non Current Financial Liabilities | 129.88 | 107.57 |
| | Transfer from Service Line cum Development Charges | 79.71 | 66.19 |
| | Other Current and Non Current Liabilities | 8.12 | (67.35) |
| | Trade Payables | (502.34) | (630.98) |
| | Provisions | 4.94 | (2.84) |
| | Adjustments for Working Capital Changes | (905.60) | (1,591.89) |
| | Cash Generated From Operating Activities | 1,287.98 | 914.23 |
| | Income Tax Paid, Net of Refund (Including Tax deducted at source) | 3.98 | (59.78) |
| | Net Cash from Operating Activities * (I) | 1,284.00 | 974.01 |
| B. | Cash Flow From Investing Activities :- | | |
| | Purchase of Property, Plant and Equipment & Intangible Assests (Including Capital Work in Progress) | (553.79) | (778.49) |
| | Sale of Property, Plant and Equipment | 3.63 | 4.53 |
| | Consumer Contribution for Capital Works | 237.55 | 126.98 |
| | Movement in Restricted Bank Deposits | 34.18 | (50.20) |
| | Interest Received | 47.97 | 43.67 |
| | Net Cash (used in) Investing Activities (II) | (230.46) | (653.51) |
| C. | Cash Flow From Financing Activities :- | | |
| | Interest and Finance Charges | (333.62) | (401.79) |
| | Net (Repayment)/ Proceeds from short term borrowing | (67.78) | (5.33) |
| | Repayment of Long Term Borrowings | (241.13) | (241.15) |
| | Payment of Lease Liability | (15.76) | (13.24) |
| | Net Cash (used in) Financing Activities (III) | (658.29) | (661.51) |
| | Net Increase /(Decrease) in Cash and Cash Equivalents (I+II+III) | 395.25 | (341.01) |
| | Cash and Cash Equivalents as at the commencement of the year | 116.12 | 457.13 |
| | Cash and Cash Equivalents as at the end of the year (Refer Note 11) | 511.37 | 116.12 |
| | Net Increase/(Decrease) as disclosed above | 395.25 | (341.01) |

* Refer note 40(9) for amount spent during the year ended March 31, 2024 and March 31, 2023 relating to CSR activities.

BSES RAJDHANI POWER LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

Disclosure of changes in liabilities arising from financing activities

Amount (₹) in Crores

| Particulars | Long Term Borrowings including current maturities | Short Term Borrowings | Interest |
|---|---|-----------------------|----------|
| Opening Balance as at April 01, 2023 | 1,321.35 | 121.33 | 7.56 |
| Add:- Proceeds from borrowings/ Interest accrued during the year | - | (67.78) | 243.35 |
| Less:- Repayment of borrowings / Interest payment during the year | 241.13 | - | 244.47 |
| Non Cash Items :- | | | |
| - Amortization | 1.07 | - | - |
| Closing Balance as at March 31, 2024 | 1,081.29 | 53.55 | 6.44 |

| Particulars | Long Term Borrowings including current maturities | Short Term Borrowings | Interest |
|---|---|-----------------------|----------|
| Opening Balance as at April 01, 2022 | 1,561.05 | 126.66 | 9.60 |
| Add:- Proceeds from borrowings/ Interest accrued during the year | - | (5.33) | 247.42 |
| Less:- Repayment of borrowings / Interest payment during the year | 241.15 | - | 249.46 |
| Non Cash Items :- | | | |
| - Amortization | 1.45 | - | - |
| Closing Balance as at March 31, 2023 | 1,321.35 | 121.33 | 7.56 |

The above Statement of Cash Flow has been prepared in accordance with the "Indirect Method" as set out in the Ind AS - 7 on "Statement of Cash Flow" specified under Section 133 of the Companies Act, 2013, as applicable.

The above Statement of Cash Flow should be read in conjunction with the accompanying notes 1 to 60.

For and on behalf of the Board of Directors

As per our report of even'date

Chartered Accountants
ICAI Firm Registration No.
009073N / N500320

Prashant Bhatia
Partner
(M. No. 508452)

Place : New Delhi
Date : May 03, 2024

K Ravi Kumar
Director
(DIN 00119753)

Vijayalakshmy Gupta
Director
(DIN 08636754)

Virendra S Verma
Director
(DIN 07843461)

Amal Sinha
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Surya S Banerji
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(FCA - 420131)

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Sateesh Seth
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Anjani K Sharma
Director
(DIN 01180722)

Ashish C Verma
Director
(DIN 00260070)

Punit N Garg
Director
(DIN 00004407)

Vineet Sikka
CEO

Pankaj Tandon
Company Secretary
(FCS- 7248)

BSES RAJDHANI POWER LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

Amount ₹ in Crores

A. Equity Share Capital

| Year Ended March 31, 2024 | | |
|------------------------------|---|------------------------------|
| Balance as at April 01, 2023 | Changes in Equity Share Capital during the year | Balance as at March 31, 2024 |
| 1,040.00 | - | 1,040.00 |

| Year Ended March 31, 2023 | | |
|------------------------------|---|------------------------------|
| Balance as at April 01, 2022 | Changes in Equity Share Capital during the year | Balance as at March 31, 2023 |
| 1,040.00 | - | 1,040.00 |

B. Other Equity

Year Ended March 31, 2024

| Particulars | Retained Earnings | Total |
|---|-------------------|---------------|
| Balance as at April 01, 2023 | 5,243.83 | 5,243.83 |
| Profit for the year | 845.40 | 845.40 |
| Other Comprehensive Income / (expense) for the year | (0.24) | (0.24) |
| Total Comprehensive Income for the year | 845.16 | 845.16 |
| Balance as at March 31, 2024 | 6,088.99 | 6,088.99 |

Year Ended March 31, 2023

| Particulars | Retained Earnings | Total |
|---|-------------------|-----------------|
| Balance as at April 01, 2022 | 4,144.40 | 4,144.40 |
| Profit for the year | 1,099.91 | 1,099.91 |
| Other Comprehensive Income / (expense) for the year | (0.48) | (0.48) |
| Total Comprehensive income for the year | 1,099.43 | 1,099.43 |
| Balance as at March 31, 2023 | 5,243.83 | 5,243.83 |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes 1 to 60.

For and on behalf of the Board of Directors

As per our report of even date

K Ravi Kumar
Director
(DIN 00119753)

Ajit K Ranade
Director
(DIN 00918651)

Anjani K Sharma
Director
(DIN 01180722)

For Ravi Rajan & Co. LLP
Chartered Accountants
ICAI Firm Registration No.
009073N / N500320

Vijayalakshmy Gupta
Director
(DIN 08636754)

Shurbir Singh
Director
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Director
(DIN 00004631)

Punit N Garg
Director
(DIN 00004407)

(M. No. 508452)

Añal Sinha
Director
(DIN 07407776)

Vineet Sikka
CEO

Place : New Delhi
Date : May 03, 2024

Súrya S Banerji
CFO
(FCA - 420131)

Pankaj Tandon
Company Secretary
(FCS- 7248)

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Corporate Information

BSES RAJDHANI POWER LIMITED ("BRPL" or "The Company") is a public limited Company incorporated in India having registered office at BSES Bhawan, Nehru Place, New Delhi - 110019.

It is a subsidiary of Reliance Infrastructure Limited. ("the Holding Company").

The Delhi Electricity Distribution Model is a unique model based on Public Private Partnership between Reliance Infrastructure Limited and Government of National Capital Territory of Delhi (hereinafter referred to as "GoNCTD") acclaimed by various International bodies like World Bank, Asian Development Bank, United States Agency for International Development etc. The GoNCTD initiated an enabling and futuristic step of privatizing the erstwhile Delhi Vidyut Board (hereinafter referred to as "DVB") with effect from July 01, 2002. Result of the privatization culminated in formation of BRPL, under the provisions of the then Companies Act, 1956, which also is, inter-alia, a distribution licensee within the ambit of the Electricity Act, 2003 (hereinafter referred to as "Electricity Act") which ensured that provisions of the enactments specified in the Delhi Electricity Reforms Act, 2000 (hereinafter referred to as "DERA") (Delhi Act No. 2 of 2001), not inconsistent with the provisions of the Electricity Act remained applicable to Delhi, as it was part of the Schedule referred to in Section 185 of the Electricity Act.

The Company is primarily engaged in the business of distribution of electricity in South and West district in the National Capital Territory of Delhi. The Company has been granted a license for distribution and retail supply of electricity by the Hon'ble Delhi Electricity Regulatory Commission (hereinafter referred to as "DERC") in March 2004. The initial license is valid for a period of 25 years.

Since privatization, BRPL has traversed a long and successful journey to become one of the most respected utilities in the country. Over a period of time, BRPL had been awarded certifications like ISO 9001:2015 (QMS), ISO 14001:2015 (EMS), ISO 45001:2018 (OHSMS) & ISO 27001:2022 (ISMS), while becoming an entity to be reckoned with. BRPL was awarded "Best Power Distribution Company" by Independent Power Producer Association of India (IPPAI), Innovation with Impact Award- Green Energy Award & Efficient Operations by Indian Chamber of Commerce (ICC) & National Awards for Excellence in Cost Management by The Institute of Cost Accountants of India during the year ended March 31, 2024. BRPL today serves over 30.78 lakh satisfied consumers in South and West Delhi.

These financial statements of the Company for the year ended March 31, 2024 are authorized for issue by the Board of Directors on May 03, 2024.

Note-1 Material Accounting Policies

This note provides a list of the Material Accounting Policies adopted in the preparation of the financial statements of the Company. These policies are consistent with the policies followed in all the years presented, unless otherwise stated.

a) Basis of Preparation

(i) Statement of Compliance:

The financial statements for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (hereinafter referred to as "the Act") to be read with relevant rules, other accounting principles and other relevant provisions of the Act, as amended from time to time.

Further, the provisions of the Delhi Electricity Reform (Transfer Scheme) Rules, 2001 (hereinafter referred to as 'Transfer Scheme') and other relevant documents / agreements have also been taken into account while preparing these financial statements.

These financial statements have been prepared in accordance with the presentation and disclosure requirements mandated by Schedule III of the Act, applicable Ind AS, the applicable provisions of the Electricity Act and other applicable pronouncements and regulations.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Crores in Indian rupees (₹) as per the requirement of Schedule III, unless otherwise stated. The amounts which are less than One Lakh in Indian rupees are reported as 0.00, unless otherwise stated.

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the year ended March 31, 2024

(ii) Basis of Measurement

The financial statements have been prepared under historical cost convention on accrual basis, except for the following:

- Certain Financial Assets and Liabilities that are measured at fair value; and
- Defined benefit plans - plan assets measured at fair value

(iii) New standards and interpretations

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

There is no such notification which will be applicable from April 01, 2024.

(iv) Others

These financial statements have been prepared on a going concern basis.

The Company does not have any investment in or control over the other entities. Therefore, the Company does not require any consolidated financial statements. Accordingly, these financial statements are prepared on standalone basis.

b) Current versus Non-Current Classification

The Company presents assets and liabilities except Regulatory Assets in the financial statements based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- 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.
- held primarily for the purpose of trading.

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

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Regulatory Assets are presented as separate line item distinguished from assets and liabilities as per Ind AS 114.

c) Foreign Currency Translation

(i) Functional and Presentation Currency

The financial statements are presented in Indian rupee (₹ INR), which is Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using exchange rates at the date of the transaction. Foreign exchange gains and losses from settlement of these transactions and from translation of monetary

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the year ended March 31, 2024

assets and liabilities denominated in foreign currencies at the reporting date exchange rates are recognized in the statement of profit and loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated.

d) Revenue Recognition

Revenue is recognized upon transfer of control of promised products or services to customers and is measured at the amount that reflects the consideration which the Company expects to receive in exchange of those products or services i.e. transaction price.

Revenue from sale of power

Revenue from sale of power, where the performance obligation is satisfied over time, is recognized for each unit of electricity delivered at the pre-determined rate determined by the DERC based on the Tariff Regulations, which is inclusive of Power Purchase Adjustment Charges (PPAC) and is net of applicable taxes/surcharges which the Company collects from the customer on behalf of the Government/State Authorities.

Revenue from sale of power is accounted on the basis of billing to consumers based on billing cycles followed by the Company and includes unbilled revenue. Consumers are billed on the basis of recording of consumption of electricity by installed meters. Where meters have stopped or are faulty, the billing is done based on the assessment of past consumption, usage of appliances, etc. Unbilled revenue is recognized on supply of energy to various consumers accrued up to the end of reporting period, which is billed to the respective consumers in the future billing cycle.

Revenue from Open Access is determined on the basis of billing made to the consumers based on units consumed and includes unbilled revenue accrued upto the end of the reporting period.

Revenue in respect of the following is recognized as and when recovered because it's ultimate collection is uncertain:-

- a) Delayed Payment Surcharge on electricity billed.
- b) Bills raised for dishonest abstraction of Power.
- c) Interest on Deviation Settlement Mechanism (DSM)

The Company's business is rate regulated business. The Company determines revenue gaps (i.e. surplus/shortfall in actual returns over returns entitled) in respect of its regulated operations in accordance with the provisions of Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations / Tariff Orders notified by the Electricity Regulator and the actual or expected actions of the regulator under the applicable regulatory framework. Appropriate adjustments in respect of such revenue gaps are made in the revenue of the respective year for the amounts which are reasonably determinable and no significant uncertainty exists in such determination. These adjustments / accruals representing revenue gaps are carried forward as Regulatory deferral accounts debit balances and related deferred tax balances as the case may be, in the financial statements, which would be recovered / refunded through future billing based on future tariff determination by the regulator in accordance with the electricity regulations.

A separate line item is presented in the statement of profit and loss for the net movement in Regulatory deferral account balances.

Consumer Contribution for capital works and Service Line cum Development Charges

Consumer's contribution towards cost of capital assets is treated as capital receipt and disclosed in liabilities until transferred to a separate account (in the nature of non-current liability) on capitalization of the assets. An amount equivalent to the depreciation on such assets is appropriated from this account as income to the statement of profit and loss over the useful life of the assets.

Service Line cum Development Charges are one time charges received from consumers at the time of new connection applied or at the time of revision of load for transmission of power. The amount received is in the nature of upfront charges and is treated as non-current liability and an amount equivalent to the depreciation on such assets is appropriated from this account as income to the statement of profit and loss over the useful life of the assets.

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the year ended March 31, 2024

Other Income

Insurance and other claims are recognized as revenue on certainty of receipt on prudent basis.

Income from advertisements, rentals and others is recognized in accordance with terms of the contracts with customers based on the period for which the facilities have been used.

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Revenue from street light maintenance is recognized on the basis of numbers of points maintained for Civic agencies and other Authorities.

e) Banking Arrangements of Power

The Company enters into banking arrangements of power with other power utilities to bank power and vice - versa and take back or return the banked power over agreed period. The power banking transactions both ways are recorded in conformity with the rates promulgated by DERC regulations/directives, as applicable. (Refer Note 36)

f) Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented in other operating income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight-line basis over the expected life of the related assets and presented in other operating revenue.

g) Income Tax

Income tax expense for the year comprises of current tax and deferred tax. Income tax is recognized in the statement of profit and loss except to the extent that it relates to items recognized in 'Other Comprehensive Income' or directly in Equity and Regulatory Assets, in which case the tax is recognized in 'Other Comprehensive Income' or directly in Equity and Regulatory Assets respectively.

The Income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

With effect from Financial Year (F.Y) 2019-20, the Company decided to avail the option to switch over to the new tax regime under section 115BAA under which the effective Income Tax rate is @ 25.17%. Further, the MAT provisions will no longer be applicable to the Company under the new tax regime.

Current Tax

The current income tax charge is measured at the amount expected to be paid to the tax authorities using the tax rates enacted or substantively enacted at the end of the reporting period. The Company establishes provisions, where ever appropriate, on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are offset if a legally enforceable right exists to settle the same.

Deferred Tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the year ended March 31, 2024

tax rates that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. 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. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

In accordance with the Multi Year Tariff (MYT) Regulations issued by DERC from time to time for determination of power tariff, the Income Tax liability shall be considered for tariff determination. The same will be adjusted in future as and when the deferred tax converts to current tax.

h) Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the lease payments associated with these leases are charged to the statement of profit and loss as an expense on a straight-line basis over the lease term.

Lease term is a non-cancellable period together with periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

The lease liability is initially measured at the present value of the lease payments to be paid over the lease term at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method.

Above Lease accounting is applicable for the land allotted by the respective land owning agency to Department of Power for establishment of 66/33/11 KV Grid substations. The Department of Power hands over the land to the Company on "right-of-use basis" on payment of annual license fee.

i) Impairment of Non-Financial Assets

Assessment for impairment is done at each Balance Sheet date as to whether there is any indication that a non-financial asset may be impaired.

For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or group of assets is considered as a cash generating unit.

If any indication of impairment exists, an estimate of the recoverable amount of the individual asset/cash generating unit is made. Asset/cash generating unit whose carrying value exceeds their recoverable amount are written down to the recoverable amount by recognizing the impairment loss as an expense in the statement of profit and loss. The

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the year ended March 31, 2024

impairment loss is allocated to other assets of the unit on pro rata basis, based on the carrying amount of each asset in the unit. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost of disposal and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash generating unit and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. 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 assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Trade Receivables

Trade receivables are recognized initially at transaction value less provision for impairment.

The Company's trade receivable is generally non-interest bearing, if paid within the due date. However, the Company charges Late Payment Surcharge (LPSC) if paid after due dates as per DERC regulations/directives.

l) Inventories

Inventories comprise of stores & spares and loose tools, and are stated at the lower of cost and net realizable value. Costs are assigned to individual items of inventory on weighted average basis. Cost includes purchase price, freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. Costs of purchase of inventories are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made by the Company. Provisions are made for obsolete, non-moving and slow-moving inventories.

m) 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 financial assets and liabilities when it becomes a party to the contractual provisions of the instrument.

Financial Assets

(i) Initial 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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price. Transaction costs of financial assets carried at FVTPL are expensed in the statement of profit and loss.

(ii) Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss (FVTPL):** Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognized in the statement of profit and loss and presented net in the statement of profit and loss within other gains/(losses) in the year in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

All equity investments in the scope of Ind AS 109 are measured at fair value. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

Dividends from such investments are recognized in the statement of profit and loss as other income when the Company's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted by Ind AS 109 "Financial Instruments", which requires Expected Credit Loss (ECL) allowance to be recognized for initial recognition of the receivable. The Company has also used a practical expedient i.e provision matrix for their determination as per Ind AS 109 which takes into account historical credit loss experience and adjusted for forward-looking information.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expenses/ (income) in the statement of profit and loss.

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Notes to Financial Statements for the year ended March 31, 2024

(iv) De-recognition of Financial Assets.

A financial asset (or, where applicable, a part of a financial asset) is primarily de-recognized (i.e. removed from the Company's Balance Sheet) when:

- The contractual rights to receive cash flows from the asset has expired, or
- The Company has transferred its contractual rights to receive cash flows from the financial 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.

Financial Liabilities

(i) Initial measurement

All financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

(ii) Subsequent measurement

Financial liabilities at amortized cost

Borrowings

Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the Effective Interest Rate (EIR) method. The EIR amortisation is included as finance costs in the statement of profit and loss.

If any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(iii) De-recognition of financial liabilities

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 de-recognition 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 and loss.

n) Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

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Notes to Financial Statements for the year ended March 31, 2024

o) Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

p) 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 counter party.

q) Property, Plant and Equipment

Property, Plant and Equipment except assets transferred from erstwhile DVB are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, any cost attributable to bringing the assets to its working condition for its intended use and initial estimate of costs of dismantling and removing the item and restoring the site, if any.

Assets transferred from erstwhile DVB are stated at the transaction value as notified by the GoNCTD under the transfer scheme. Values assigned to different heads of individual fixed assets as on the date of the transfer i.e. July 01, 2002 are as per Independent valuer's certificate.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is

BSES RAJDHANI POWER LIMITED**Notes to Financial Statements for the year ended March 31, 2024**

derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

All project related expenditure viz. civil works, machinery under erection, construction and erection materials, preoperative expenditure incidental / attributable to the construction of projects, borrowing cost incurred prior to the date of commercial operations and trial run expenditure are shown under Capital Work in Progress (CWIP).

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses arising from de-recognition of assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss when the assets is derecognized.

r) Intangible Assets

Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the assets to its working condition for its intended use. An intangible asset is recognized when it is probable that the future economic benefits attributable to the asset will flow to the enterprise and where its cost can be reliably measured.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

s) Depreciation and Amortization

In accordance with Part B of Schedule II of the Act, depreciation/amortization on fixed assets has been computed based on rate or useful life given in DERC regulations. However, in case of assets where no useful life is prescribed in DERC regulation, the useful life as given in Part C of Schedule II of the Act is followed. Further, in case of any class of asset where useful life as estimated by management and/ or certified by Independent valuer is lower or higher than DERC or Part C of Schedule II of the Act, then such lower or higher useful life is followed for computing depreciation on such asset.

Depreciation on refurbished/revamped assets which are capitalized separately is provided for over the reassessed useful life.

Depreciation has been computed based on straight line method following the useful life of assets mentioned as under:

| Description of Assets | Useful Life of Asset (In Years) |
|-------------------------------|---------------------------------|
| I. Buildings: | |
| a) Buildings & Pucca Roads* | 50 |
| b) Temporary Structures | Nil |
| II. Plant & Machinery : | |
| a) Transformers & Switchgears | 25 |
| b) Lightening Arrestors | 25 |
| c) Batteries | 5 |
| d) Energy Meters* | 10 |
| e) Distribution Systems : | |
| - Overhead Lines | 25 |
| - Underground Cables | 35 |
| III. Furniture & Fixtures | |

BSES RAJDHANI POWER LIMITED**Notes to Financial Statements for the year ended March 31, 2024**

| | |
|--|----|
| IV. Office Equipments | |
| a) Communication Equipments* | |
| i) Mobile Phones, I-pads and Tablets | 3 |
| ii) Other Communication Equipments | 10 |
| b) Office Equipments & Others | 10 |
| V. Computers | |
| a) Hardware | 6 |
| b) Software, Servers & Networking Equipment ** | 6 |
| VI. Vehicles | 10 |

* Useful life of assets is determined based on Independent valuer's certificate

** Useful life of assets is considered by the Company as 6 years. Where ever the life of the assets is less than 6 years, the same is considered accordingly.

Rate of depreciation applicable for initial 12 years for the below mentioned asset class is as follows:

| Assets Class | Rate*** (for initial 12 years) |
|---|---------------------------------|
| Transformer, Switchgear, Lightening Arrestors and Overhead Lines including cable supports | 5.83% |
| Underground cable including joint boxes and disconnected boxes | 5.83% |

*** Rate after 12 years shall be computed based on the balance depreciable value spread over remaining useful life of assets.

Based on DERC regulations, residual value is taken at the rate of 10% of assets (other than Computer Hardware & Software where residual value is considered as Nil).

Further, based on Independent valuer's certificate, residual value is taken as 10% for Meters and Communication equipment and 'Nil' for Mobile phones, Tabs and I-Pads.

The Company reviews, at the end of each reporting date, the useful life of Property, Plant and Equipment and residual value thereof and changes, if any, are adjusted prospectively, as appropriate.

t) Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Capitalisation of borrowing cost is suspended in the period during which active development is delayed due to interruption (other than temporary). Other borrowings costs are recognized as an expense in the statement of profit and loss in the period in which they are incurred.

u) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

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Notes to Financial Statements for the year ended March 31, 2024

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance cost.

When the Company expects some or all of a provision to be reimbursed by another party, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of reimbursements, if any.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

v) Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. In this case the Company does not recognize a contingent liability but discloses its existence in the notes to the financial statements.

Contingent Asset, where it is probable that future economic benefit will flow to the Company, are not recognized but disclosed in the financial statements. However, when the realization of income is virtually certain, the related asset is no longer a contingent asset, but it is recognized as an asset.

w) Employee Benefits :

(i) Short-term obligations

Liabilities for salaries and wages, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognized in respect of employees services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the financial statements.

(ii) Other long-term employee benefit obligations

Employees other than Erstwhile DVB Employees

The liabilities for earned leave and sick leave which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

The obligations are presented as current liabilities in the financial statement if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur:

Erstwhile DVB Employees

The liability for retirement pension payable to the Special Voluntary Retirement Schemes (SVRS) optees till their respective dates of superannuation or death (whichever is earlier) is provided on the basis of an actuarial valuation done by an Independent actuary at the year end.

The half pay leave liability, consisting of encashment, availment, lapse and compensated absence, while in service and on exit as per rules of the Company, is calculated in accordance with Ind AS-19 "Employee Benefits". The liability is provided on the basis of actuarial valuation done by an Independent actuary at the year end.

They are measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

(iii) Post-employment obligations

Employees other than Erstwhile DVB Employees

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity, leave encashment; and
- (b) Defined contribution plans such as provident fund, superannuation fund etc.

Defined benefit plans

Gratuity obligations

The liability or asset recognized in the financial statements in respect of defined benefit gratuity plans is the difference between the present value of the defined benefit obligation at the end of the reporting period and the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using the projected unit credit method. The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Re-measurement of gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the financial statements. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in statement of profit and loss as past service cost. The Company contributes to a Trust set up by the Company which further contributes to plans taken from Insurance Regulatory and Development Authority (IRDA) approved Insurance companies.

Leave encashment

Long-term leave encashment is provided for on the basis of an actuarial valuation carried out at the end of the year using the projected unit credit method. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

Defined Contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The Company contributes towards Superannuation to a Trust set up by the Company which further contributes to plans taken from Insurance companies approved by IRDA. The Company makes monthly contributions based on a specified percentage of each eligible employee's salary.

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Notes to Financial Statements for the year ended March 31, 2024

Erstwhile Delhi Vidyut Board (DVB) employees (presently employees of the Company)

In accordance with the stipulation made by the GoNCTD in its notification dated January 16, 2001 the contributions on account of the general provident fund, pension, gratuity and earned leave as per the Financial Rules and Service Rules (FRSR) applicable in respect of the employees of the erstwhile DVB, is accounted for on due basis and are paid to the Delhi Vidyut Board – Employees Terminal Benefit Fund 2002 (DVB ETBF-2002). Further, the retirement benefits are guaranteed by GoNCTD. All such payments made to the DVB ETBF- 2002 are charged off to the statement of profit and loss.

x) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

y) Earnings Per Share

Basic Earnings Per Share (BEPS) is computed by dividing the net profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating Diluted Earnings Per Share (DEPS), the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

Both BEPS and DEPS have been calculated with and without considering income from rate regulated activities in the net profit attributable to equity shareholders.

Note-2 Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates and judgements are:

i. Useful life of Property, Plant and Equipment

The estimated useful life of property, plant and equipment is based on the number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The Company reviews, at the end of each reporting date, the useful life of property, plant and equipment and residual value thereof and changes, if any, are adjusted prospectively, if appropriate.

ii. Recoverable amount of Property, Plant and Equipment

The recoverable amount of property, plant and equipment is based on estimates and assumptions regarding in particular, the expected market outlook and future cash flows. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

iii. Estimation of defined benefit obligation

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 increase 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.

iv. Estimation of Deferred tax assets for carry forward losses and current tax expenses

The Company review carrying amount of deferred tax assets and liabilities at the end of each reporting period. The policy for the same has been explained under Note 1(g).

v. Impairment of Trade Receivables

The Company review carrying amount of trade receivables at the end of each reporting period and provide for expected credit loss. The policy for the same is explained in the Note 1(m) (iii).

vi. Regulatory Assets

The Company determines revenue gap for the year (i.e. shortfall in actual returns over assured returns) based on the principles laid down under the MYT Regulations and Tariff Orders issued by DERC. At the end of each reporting period, Company also determines regulatory assets/regulatory liabilities in respect of each reporting period on self true up basis on principles specified in accounting policy Note 1(d) wherever regulator is yet to take up formal true up process.

vii. Late Payment Surcharge on Power Purchase (LPSC) {Refer Note 30 and 38}

The Company has long term Power Purchase Agreement ("PPA") / Bulk Power Transmission Agreement ("BPTA") with various generators and transmission utilities ("Power Utilities"). As per Central Electricity Regulatory Commission (CERC) / DERC regulations / Ministry of Power (MoP) advisory and / or MoP Rules (Including Electricity (Late Payment Surcharge and related matters) Rules, 2022) / terms of PPA / BPTA, these Power utilities are liable to charge LPSC on delayed payments. The determination of LPSC is dependent upon interpretation of applicable regulations of CERC / DERC, MoP advisory, MoP Rules, the orders / judgements of Hon'ble SC and the pending litigations in relation thereto before various Fora, terms of PPAs' / BPTAs' with Power utilities / other applicable laws and observations of DERC for a bilateral settlement of dues. Significant judgement is applied while interpreting the relevant CERC / DERC regulations, MoP advisory, MoP Rules and the orders / judgements of Hon'ble SC, and the pending litigations in relation thereto before various Fora and terms of PPA / BPTA / other applicable laws, as regards to charging of LPSC and associated contingent liability in the financial statements.

viii. Lease Assets (RoU)

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, based on assessment on a lease by lease basis, if the use of such option is reasonably certain.

In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the extension of the lease based on license period and the importance of the underlying asset to Company operations taking in to account the location of the underlying asset and the availability of suitable alternatives.

The lease term in future periods is reassessed based on extension of the license period to ensure that the lease term reflects the current economic circumstances.

ix. Estimation of Unbilled Revenue (Refer Note 10)

Unbilled revenue is recognized against supply of energy to various consumers accrued upto the end of reporting period, which will be billed to the respective consumers in the future billing cycle. It is estimated on the basis of latest consumption trend of the consumers and input variation factor at the end of each reporting period.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

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Notes to Financial Statements for the Year Ended March 31, 2024
Note-3: Property, Plant and Equipment

Amount in ₹ Crores

| Particulars | BUILDINGS | PLANT & EQUIPMENTS | | | | | | FURNITURE AND FIXTURES | OFFICE EQUIPMENTS | | COMPUTERS | VEHICLES | TOTAL | CAPITAL WORK IN PROGRESS (CWIP) |
|--|---------------|----------------------------|---------------------|--------------|---------------|-------------------|-----------------|------------------------|-------------------------|-------------------------|--------------|--------------|-----------------|---------------------------------|
| | | TRANSFORMERS & SWITCHGEARS | LIGHTENING ARRESTOR | BATTERIES | ENERGY METERS | UNDERGROUND CABLE | OVERHEAD LINES | | COMMUNICATION EQUIPMENT | OTHER OFFICE EQUIPMENTS | | | | |
| Year Ended March 31, 2023 | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | |
| Opening gross carrying amount | 198.45 | 2,174.59 | 12.27 | 17.51 | 850.23 | 2,447.02 | 847.70 | 32.13 | 3.35 | 38.64 | 50.70 | 25.66 | 6,698.25 | |
| Additions during the year | 9.84 | 220.28 | 0.59 | 1.44 | 72.35 | 193.39 | 116.07 | 1.83 | 0.75 | 4.34 | 4.91 | 2.11 | 627.90 | |
| Additions on account of interest/overhead | 2.18 | 37.14 | 0.13 | 0.29 | 0.56 | 41.55 | 21.96 | 0.21 | - | 0.74 | - | 0.36 | 105.12 | |
| Less: Disposals | - | 9.27 | 0.29 | 0.08 | 13.58 | 0.02 | - | - | 0.53 | 0.15 | 0.31 | - | 24.23 | |
| Closing gross carrying amount | 210.47 | 2,422.74 | 12.70 | 19.16 | 909.56 | 2,681.94 | 985.73 | 34.17 | 3.57 | 43.57 | 55.30 | 28.13 | 7,407.04 | |
| Accumulated depreciation and Impairment | | | | | | | | | | | | | | |
| Opening accumulated depreciation and impairment | 29.12 | 601.21 | 3.02 | 6.81 | 372.37 | 647.05 | 212.88 | 13.18 | 2.36 | 14.43 | 35.14 | 8.48 | 1,948.05 | |
| Depreciation charged during the year | 5.10 | 126.01 | 0.66 | 2.21 | 75.17 | 137.50 | 48.56 | 1.45 | 0.47 | 4.06 | 5.55 | 1.93 | 408.67 | |
| Less: Disposals | - | 4.69 | 0.21 | 0.04 | 7.73 | - | - | - | 0.51 | 0.12 | 0.28 | - | 13.58 | |
| Closing accumulated depreciation and Impairment | 34.22 | 722.53 | 3.47 | 8.98 | 439.81 | 784.55 | 261.44 | 14.63 | 2.32 | 18.37 | 40.41 | 10.41 | 2,341.14 | |
| Net carrying amount as at March 31, 2023 | 176.25 | 1,700.21 | 9.23 | 10.18 | 469.75 | 1,897.39 | 724.29 | 19.54 | 1.25 | 25.20 | 14.89 | 17.72 | 5,065.90 | 99.16 |
| Less: Provision for Retirement | | | | | | | | | | | | | 18.44 | 12.09 |
| Net carrying amount after provision as at March 31, 2023 | | | | | | | | | | | | | 5,047.46 | 87.07 |
| Add:- Inventories for Capital Works | | | | | | | | | | | | | | 77.98 |
| Add:- Goods in Transit (GIT) for Capital Works | | | | | | | | | | | | | | 1.05 |
| Less:- Provision for Obsolete/ Non moving/ Slow moving Capital Inventories | | | | | | | | | | | | | | 1.14 |
| Net CWIP including Capital Inventories as at March 31, 2023 | | | | | | | | | | | | | | 164.96 |
| Year Ended March 31, 2024 | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | |
| Opening gross carrying amount | 210.47 | 2,422.74 | 12.70 | 19.16 | 909.56 | 2,681.94 | 985.73 | 34.17 | 3.57 | 43.57 | 55.30 | 28.13 | 7,407.04 | |
| Additions during the year | 5.34 | 117.60 | 0.24 | 1.09 | 67.12 | 123.21 | 71.98 | 1.11 | 0.68 | 2.25 | 1.26 | 4.55 | 396.43 | |
| Additions on account of interest/overhead | 1.37 | 28.14 | 0.05 | 0.27 | 0.55 | 30.81 | 16.80 | 0.17 | - | 0.47 | 0.06 | - | 78.69 | |
| Less: Disposals | - | 6.74 | 0.29 | 0.02 | 15.50 | 0.11 | - | 0.17 | 0.16 | 0.37 | 0.72 | 0.23 | 24.31 | |
| Closing gross carrying amount | 217.18 | 2,561.74 | 12.70 | 20.50 | 961.73 | 2,835.85 | 1,074.51 | 35.28 | 4.09 | 45.92 | 55.90 | 32.45 | 7,857.85 | |
| Accumulated depreciation and Impairment | | | | | | | | | | | | | | |
| Opening accumulated depreciation and impairment | 34.22 | 722.53 | 3.47 | 8.98 | 439.81 | 784.55 | 261.44 | 14.63 | 2.32 | 18.37 | 40.41 | 10.41 | 2,341.14 | |
| Depreciation charged during the year | 5.33 | 135.66 | 0.68 | 2.32 | 72.44 | 141.93 | 52.53 | 3.22 | 0.51 | 4.71 | 4.93 | 2.33 | 426.59 | |
| Less: Disposals | - | 3.34 | 0.22 | 0.01 | 8.42 | 0.01 | - | 0.03 | 0.14 | 0.24 | 0.70 | 0.11 | 13.22 | |
| Closing accumulated depreciation and Impairment | 39.55 | 854.85 | 3.93 | 11.29 | 503.83 | 926.47 | 313.97 | 17.82 | 2.69 | 22.84 | 44.64 | 12.63 | 2,754.51 | |
| Net carrying amount as at March 31, 2024 | 177.63 | 1,706.89 | 8.77 | 9.21 | 457.90 | 1,909.38 | 760.54 | 17.46 | 1.40 | 23.08 | 11.26 | 19.82 | 5,103.34 | 180.89 |
| Less: Provision for Retirement | | | | | | | | | | | | | 18.26 | 12.09 |
| Net carrying amount after provision as at March 31, 2024 | | | | | | | | | | | | | 5,085.08 | 168.80 |
| Add:- Inventories for Capital Works | | | | | | | | | | | | | | 74.10 |
| Add:- Goods in Transit (GIT) for Capital Works | | | | | | | | | | | | | | 6.17 |
| Less:- Provision for Obsolete/ Non moving/ Slow moving Capital Inventories | | | | | | | | | | | | | | 0.84 |
| Net CWIP including Capital Inventories as at March 31, 2024 | | | | | | | | | | | | | | 248.23 |

Notes to Financial Statements for the Year Ended March 31, 2024

(i) Property, Plant and Equipment pledged as security

a) Property, plant & equipments (including CWIP) are subject to first pari passu charge to secure the Company's borrowings referred in notes as secured loan from financial institution and bank in the current and previous year (Refer Note 20 & 28).

b) The second pari passu charge on Property, plant & equipments (including CWIP) are in favour of working capital lender's issuing Stand By Letter of Credit/ Letter of Credit (SBLC/LC) limits .

(ii) Contractual obligations

Refer Note 46 for disclosure of contractual commitments for the acquisition of Property, Plant and Equipments.

(iii) Borrowing cost capitalized

The amount of borrowing costs capitalized to gross block of fixed assets during the year ended March 31, 2024 is ₹ 7.83 Crores (Year ended March 31, 2023 ₹ 15.12 Crores). The rate used to determine the amount of borrowing costs eligible for capitalization for the year ended March 31, 2024 ~ 12.30% (Year ended March 31, 2023 ~ 12.23%) which is weighted average interest rate of borrowing.

(iv) Property, Plant and Equipment (PPE) contributed by customers

The Entity recognizes any contribution (including taking over of self-constructed assets by consumers) towards property, plant and equipment made by various Govt. agencies/ others to be utilized in the transmission and distribution process and that meets the definition of an asset. The initial gross amount is estimated at fair value by reference to the market price of these assets on the date in which control is obtained. Refer note 24 for amount that the Company has recognized as property, plant and equipment and note 34 for revenue recognized during the year. PPE includes cost of ₹ Nil Crores Gross Value, Accumulated depreciation of ₹ Nil Crores towards consumer contribution of self- constructed assets transferred through transfer agreement (Year ended March 31, 2023 Gross Value of ₹ 4.03 Crores, Accumulated Depreciation of ₹ 1.69 Crores from CGHS & SPG training centre customer). The same has been recognized as PPE through consumer contribution during the year as required under DERC (Supply code and Performance Standard) Regulation, 2017.

(v) CWIP Movement

CWIP comprises expenditure for the Property, plant and equipment in the course of construction. CWIP as at March 31, 2024 includes borrowing cost amounting to ₹ 5.32 Crores (As at March 31, 2023 ₹ 1.03 Crores) and personnel cost amounting to ₹ 27.86 Crores (As at March 31, 2023 ₹ 11.31 Crores).

| Particulars | Year | Opening | Addition | Capitalization | Closing |
|----------------|---------|---------|----------|----------------|---------|
| CWIP Movement* | 2023-24 | 87.07 | 475.00 | 393.27 | 168.80 |
| CWIP Movement* | 2022-23 | 107.51 | 607.82 | 628.26 | 87.07 |

* Excluding amount of ₹ 12.09 Crores (As at March 31, 2023 ₹ 12.09 Crores) HVDS Projects against which 100% provision has been made by the Company and Capital Inventory (Net of provisions) of ₹ 79.43 Crores (As at March 31, 2023 ₹ 77.89 Crores)

(vi) Ageing schedule of Capital Work-In-Progress

| As at March 31, 2024 | Amount of CWIP for a period of | | | | Total |
|------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in progress | 157.30 | 8.64 | 0.68 | 0.69 | 167.31 |
| Projects temporary suspended | 0.01 | 0.73 | 0.01 | 0.74 | 1.49 |
| Total CWIP ** | 157.31 | 9.37 | 0.69 | 1.43 | 168.80 |

** Excluding amount of ₹ 12.09 Crores HVDS Projects against which 100% provision has been made by the Company and capital inventory of ₹ 79.43 Crores (Net of provisions).

| As at March 31, 2023 | Amount of CWIP for a period of | | | | Total |
|------------------------------|--------------------------------|-------------|-------------|-------------------|--------------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| Projects in progress | 83.12 | 0.33 | 1.35 | 1.30 | 86.10 |
| Projects temporary suspended | - | 0.01 | 0.02 | 0.94 | 0.97 |
| Total CWIP *** | 83.12 | 0.34 | 1.37 | 2.24 | 87.07 |

*** Excluding amount of ₹ 12.09 Crores HVDS Projects against which 100% provision has been made by the Company and capital inventory of ₹ 77.89 Crores (Net of provisions).

1. Projects execution plans are based on assessment and requirement of the Company and are also submitted to DERC. Projects are executed based on annual rolling plans. Such annual rolling plans including revised approved projects plan are re-submitted to the DERC and not considered for determining variation while making disclosure.

2. The Company does not have any projects which have exceeded its cost as compared to its original plan.

Expected completion schedule of Time overrun/ Temporary suspended CWIP as on March 31, 2024

| CWIP (Scheme No) | To be completed in | | | | Total |
|----------------------------------|--------------------|-------------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 Years | 2-3 Years | More than 3 Years | |
| AN22SS4023 | - | 0.02 | - | - | 0.02 |
| EW19SH1014 | - | 0.81 | - | - | 0.81 |
| KR21SS4016 | - | 0.02 | - | - | 0.02 |
| MN22LT4086 | - | 0.02 | - | - | 0.02 |
| NA09NC1163 | - | 0.08 | - | - | 0.08 |
| NA21SS4150 | - | 0.02 | - | - | 0.02 |
| VP16EL2001 | - | 0.52 | - | - | 0.52 |
| Total | - | 1.49 | - | - | 1.49 |
| Year Ended March 31, 2023 | - | 0.97 | - | - | 0.97 |

vii) Details of Immovable property included in Property, Plant and Equipment not held in the name of the Company.

As at March 31, 2024

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since | Reason for not being held in the name of the Company |
|---|---------------------------------|----------------------|--|---|-------------------------|--|
| Property Plant & Equipment | Land | Nil | Government of National Capital Territory of Delhi (GoNCTD) | No | July 2002 to March 2024 | Refer vii(a) |
| | Buildings | 217.18 | | | | Refer vii(b) |

As at March 31, 2023

| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter/ director or employee of promoter/ director | Property held since | Reason for not being held in the name of the Company |
|---|---------------------------------|----------------------|--|---|-------------------------|--|
| Property Plant & Equipment | Land | Nil | Government of National Capital Territory of Delhi (GoNCTD) | No | July 2002 to March 2023 | Refer vii(a) |
| | Buildings | 210.47 | | | | Refer vii(b) |

a) Land :-

Under the provisions of Delhi Electricity Reforms (Transfer Scheme) Rules, 2001 vide Delhi Gazette Notification dated November 20, 2001 the successor utility companies are entitled to use certain Lands as a licensee of the Government of Delhi, on "Right of Use" basis on payment of a consolidated amount of ₹ 1/- per month.

b) Buildings (Immovable assets other than Land) :-

In exercise of the power conferred by section 60 read with section 15 and section 16 of the Delhi Electricity Reform Act 2000 (Delhi Act No. 2 of 2001), immovable assets (other than land) were inter alia transferred under Notification No. F.11(99)/2001 by the Government of the National Capital Territory of Delhi to BSES Rajdhani Power Ltd. It also includes additions made by the Company subsequent to the date of transfer.

BSES RAJDHANI POWER LIMITED

Notes to Financial Statements for the Year Ended March 31, 2024

(viii) Property, Plant and Equipment (Additional disclosure as per previous GAAP)

Amount In ₹ Crores

| Particulars | PLANT & EQUIPMENTS | | | | | | | | | | | | TOTAL | |
|---|--------------------|----------------------------|---------------------|--------------|-----------------|-------------------|-----------------|------------------------|-------------------|-------------------------|-------------------------|--------------|-----------------|----------|
| | BUILDINGS | TRANSFORMERS & SWITCHGEARS | LIGHTENING ARRESTOR | BATTERIES | ENERGY METERS | UNDERGROUND CABLE | OVERHEAD LINES | FURNITURE AND FIXTURES | OFFICE EQUIPMENTS | COMMUNICATION EQUIPMENT | OTHER OFFICE EQUIPMENTS | COMPUTERS | | VEHICLES |
| Year Ended March 31, 2023 | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | |
| Opening gross carrying amount | 285.02 | 2,708.03 | 24.19 | 23.49 | 1,129.87 | 2,903.89 | 1,333.30 | 49.58 | 3.88 | 43.77 | 89.88 | 39.47 | 8,634.37 | |
| Additions during the year | 9.84 | 220.28 | 0.59 | 1.44 | 72.35 | 193.39 | 116.07 | 1.83 | 0.75 | 4.34 | 4.91 | 2.11 | 627.90 | |
| Additions on account of interest/overhead | 2.18 | 37.14 | 0.13 | 0.29 | 0.56 | 41.55 | 21.98 | 0.21 | - | 0.74 | - | 0.38 | 105.12 | |
| Less: Disposals | - | 14.81 | 0.51 | 0.57 | 16.37 | 0.04 | - | 0.20 | 0.54 | 0.09 | 0.53 | - | 33.66 | |
| Closing gross carrying amount | 297.04 | 2,950.64 | 24.40 | 24.85 | 1,186.41 | 3,138.79 | 1,471.33 | 51.42 | 4.09 | 48.76 | 94.26 | 41.94 | 9,333.73 | |
| Accumulated depreciation and impairment | | | | | | | | | | | | | | |
| Opening accumulated depreciation and impairment | 115.69 | 1,134.65 | 14.94 | 12.79 | 652.01 | 1,103.92 | 698.48 | 30.63 | 2.89 | 19.56 | 74.32 | 22.29 | 3,882.17 | |
| Depreciation charged during the year | 5.10 | 126.01 | 0.66 | 2.21 | 75.17 | 137.50 | 48.56 | 1.45 | 0.47 | 4.06 | 5.55 | 1.93 | 408.67 | |
| Less: Disposals | - | 10.23 | 0.43 | 0.53 | 10.52 | 0.02 | - | 0.20 | 0.52 | 0.06 | 0.50 | - | 23.01 | |
| Closing accumulated depreciation and impairment | 120.79 | 1,250.43 | 15.17 | 14.47 | 716.66 | 1,241.40 | 747.04 | 31.88 | 2.84 | 23.56 | 79.37 | 24.22 | 4,267.83 | |
| Net carrying amount as at March 31, 2023 | 176.25 | 1,700.21 | 9.23 | 10.18 | 469.75 | 1,897.39 | 724.29 | 19.54 | 1.25 | 25.20 | 14.89 | 17.72 | 5,065.90 | |
| Less: Provision for Retirement | | | | | | | | | | | | | 18.44 | |
| Net carrying amount after provision as at March 31, 2023 | | | | | | | | | | | | | 5,047.46 | |
| Year Ended March 31, 2024 | | | | | | | | | | | | | | |
| Gross carrying amount | | | | | | | | | | | | | | |
| Opening gross carrying amount | 297.04 | 2,950.64 | 24.40 | 24.85 | 1,186.41 | 3,138.79 | 1,471.33 | 51.42 | 4.09 | 48.76 | 94.26 | 41.94 | 9,333.73 | |
| Additions during the year | 5.34 | 117.60 | 0.24 | 1.09 | 67.12 | 123.21 | 71.98 | 1.11 | 0.68 | 2.25 | 1.26 | 4.55 | 396.43 | |
| Additions on account of interest/overhead | 1.37 | 28.14 | 0.05 | 0.27 | 0.55 | 30.81 | 16.80 | 0.17 | - | 0.47 | 0.06 | - | 78.69 | |
| Less: Disposals | - | 10.28 | 0.52 | 0.08 | 17.49 | 0.23 | - | 1.42 | 0.16 | 0.98 | 2.89 | 0.29 | 34.34 | |
| Closing gross carrying amount | 303.75 | 3,086.10 | 24.17 | 25.93 | 1,236.59 | 3,292.58 | 1,560.11 | 51.28 | 4.61 | 50.50 | 92.69 | 46.20 | 9,774.51 | |
| Accumulated depreciation and impairment | | | | | | | | | | | | | | |
| Opening accumulated depreciation and impairment | 120.79 | 1,250.43 | 15.17 | 14.47 | 716.66 | 1,241.40 | 747.04 | 31.88 | 2.84 | 23.56 | 79.37 | 24.22 | 4,267.83 | |
| Depreciation charged during the year | 5.33 | 135.66 | 0.68 | 2.32 | 72.44 | 141.93 | 52.53 | 3.22 | 0.51 | 4.71 | 4.93 | 2.33 | 426.59 | |
| Less: Disposals | - | 6.88 | 0.45 | 0.07 | 10.41 | 0.13 | - | 1.28 | 0.14 | 0.85 | 2.87 | 0.17 | 23.25 | |
| Closing accumulated depreciation and impairment | 126.12 | 1,379.21 | 15.40 | 16.72 | 778.69 | 1,383.20 | 799.57 | 33.82 | 3.21 | 27.42 | 81.43 | 26.38 | 4,671.17 | |
| Net carrying amount as at March 31, 2024 | 177.63 | 1,706.89 | 8.77 | 9.21 | 457.90 | 1,909.38 | 760.54 | 17.46 | 1.40 | 23.08 | 11.26 | 19.82 | 5,103.34 | |
| Less: Provision for Retirement | | | | | | | | | | | | | 18.26 | |
| Net carrying amount after provision as at March 31, 2024 | | | | | | | | | | | | | 5,085.08 | |

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-4: Other Intangible Assets | | |
|---|--------------------------|--------------|
| Particulars | Computer Software | Total |
| Year Ended March 31, 2023 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 37.69 | 37.69 |
| Additions during the year | 10.05 | 10.05 |
| Closing gross carrying amount | 47.74 | 47.74 |
| Accumulated amortization and impairment | 25.77 | 25.77 |
| Amortization charge for the year | 5.35 | 5.35 |
| Closing accumulated amortization and impairment | 31.12 | 31.12 |
| Net carrying amount as at March 31, 2023 | 16.62 | 16.62 |
| Year Ended March 31, 2024 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 47.74 | 47.74 |
| Additions during the year | 1.07 | 1.07 |
| Closing gross carrying amount | 48.81 | 48.81 |
| Accumulated amortization and impairment | 31.12 | 31.12 |
| Amortization charge for the year | 5.27 | 5.27 |
| Closing accumulated amortization and impairment | 36.39 | 36.39 |
| Net carrying amount as at March 31, 2024 | 12.42 | 12.42 |
| <p>1. Internally generated Computer Softwares as at March 31, 2024 ₹ Nil (Year ended March 31, 2023 ₹ Nil).</p> <p>2. Intangible assets are subject to first pari passu charge to secure the Company's borrowings referred in notes as secured loan from financial institution and bank in the current and previous year (Refer Note 20 & 28).</p> <p>3. The second pari passu charge on Intangible assets are in favour of working capital lender's issuing Stand By Letter of Credit/ Letter of Credit (SBLC/LC) limits .</p> | | |
| 4. Other Intangible Assets (Additional disclosure as per previous GAAP) | | |
| Particulars | Computer Software | Total |
| Year Ended March 31, 2023 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 45.42 | 45.42 |
| Additions during the year | 10.05 | 10.05 |
| Closing gross carrying amount | 55.47 | 55.47 |
| Accumulated amortization and impairment | 33.50 | 33.50 |
| Amortization charge for the year | 5.35 | 5.07 |
| Closing accumulated amortization and impairment | 38.85 | 38.85 |
| Net carrying amount as at March 31, 2023 | 16.62 | 16.62 |
| Year Ended March 31, 2024 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 55.47 | 55.47 |
| Additions during the year | 1.07 | 1.07 |
| Closing gross carrying amount | 56.54 | 56.54 |
| Accumulated amortization and impairment | 38.85 | 38.85 |
| Amortization charge for the year | 5.27 | 5.27 |
| Closing accumulated amortization and impairment | 44.12 | 44.12 |
| Net carrying amount as at March 31, 2024 | 12.42 | 12.42 |

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-5 : Right-of-Use (RoU) Assets | | |
|---|----------------------------|--------------|
| Particulars | Right-of-Use Assets | Total |
| Year Ended March 31, 2023 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 83.79 | 83.79 |
| Additions during the year | - | - |
| Less: Disposals | 11.89 | 11.89 |
| Closing gross carrying amount | 71.90 | 71.90 |
| Accumulated amortization and impairment | 25.01 | 25.01 |
| Amortization charge for the year | 8.40 | 8.40 |
| Less: Disposals | 7.27 | 7.27 |
| Closing accumulated amortization and impairment | 26.14 | 26.14 |
| Net carrying amount as at March 31, 2023 | 45.76 | 45.76 |
| Year Ended March 31, 2024 | | |
| Gross carrying amount | | |
| Opening gross carrying amount | 71.90 | 71.90 |
| Additions during the year | 15.09 | 15.09 |
| Closing gross carrying amount | 86.99 | 86.99 |
| Accumulated amortization and impairment | 26.14 | 26.14 |
| Amortization charge for the year | 10.14 | 10.14 |
| Closing accumulated amortization and impairment | 36.28 | 36.28 |
| Net carrying amount as at March 31, 2024 | 50.71 | 50.71 |
| <p>1. During the year ended March 31, 2024 Company has paid / incurred ₹ 12.51 Crores towards Lease Assets (RoU) (Year ended March 31, 2023 ₹ 13.25 Crores).</p> <p>2. The lease payments are discounted using the implicit interest rate @ 12% p.a. for lease accounting.</p> <p>3. The lease period for life of RoU has been considered till the license period i.e. March 31, 2029.</p> <p>4. Refer Note No 1(h) for Lease Assets (RoU).</p> | | |

| Note-6 Restricted Bank Deposits | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance with banks held as security | 151.62 | 174.55 |
| Total | 151.62 | 174.55 |
| 1. Nature | | |
| The restrictions are primarily on account of fixed deposits held as security against debt service coverage requirement. | | |

| Note-7 Other Non Current Financial Assets | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Recoverable from SVRS Trust ((Refer Note 47 B (e)) | 0.11 | 0.16 |
| Security Deposits | 4.19 | 4.19 |
| Total | 4.30 | 4.35 |

| Note-8 Other Non Current Assets | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Considered good - Unsecured | | |
| Capital Advances | 3.99 | 1.30 |
| Tax Assets :- | | |
| i) Income Tax Recoverable | 11.23 | 11.23 |
| ii) Income Tax deposited under protest (Refer Note 47 B (c & d)) | 1.70 | 1.70 |
| Total | 16.92 | 14.23 |

| Note-9 Inventories | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Stores & Spares | 22.50 | 20.71 |
| (includes Goods in Transit ₹ 0.84 Crore (As at March 31, 2023 ₹ 0.12 Crore)) | | |
| Less: Provision for Obsolete/ Non moving/Slow Moving Inventories ⁴ | 0.92 | 0.65 |
| | 21.58 | 20.06 |
| Loose Tools | 0.17 | 0.14 |
| Total | 21.75 | 20.20 |

1. Inventories are subject to first pari passu charge to secure the Company's borrowings referred in notes as secured loan from financial institution and banks in the current and previous year (Refer Note 20 & 28).

2. The second pari passu charge on Inventories are in favour of working capital lender's issuing Stand By Letter of Credit/ Letter of Credit (SBLC/LC) limits .

3. Inventories comprises stores & spares and loose tools which are consumable in repair and maintenance of service lines and other equipments (Refer Note 40).

4. There is a provision of ₹ 0.27 Crore during the year ended March 31, 2024 in view of movement in inventory of obsolete, non moving and slow moving items (Year ended March 31, 2023 write back of provision of ₹ 0.07 Crore).

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-10 Current Trade Receivables | As at March 31, 2024 | As at March 31, 2023 |
|--|-------------------------|----------------------|
| A. Trade Receivables - Sale of Power | | |
| (i) Considered good - Secured | 220.88 | 226.10 |
| (ii) Considered good - Unsecured | 180.65 | 205.50 |
| (iii) Credit Impaired | 147.69 | 149.72 |
| | <u>649.22</u> | <u>581.32</u> |
| Less : Impairment allowance* | 147.69 | 149.72 |
| | (A) <u>401.53</u> | <u>431.60</u> |
| B. Trade Receivables - Open Access | | |
| (i) Considered good - Unsecured | 2.85 | 2.44 |
| Less : Impairment allowance* | - | - |
| | (B) <u>2.85</u> | <u>2.44</u> |
| C. Trade Receivables - Bulk Sale of Power | | |
| (i) Considered good - Unsecured | 0.10 | 0.04 |
| Less : Impairment allowance* | - | - |
| | (C) <u>0.10</u> | <u>0.04</u> |
| D. Trade Receivables - Unbilled Revenue | (D) <u>395.18</u> | <u>314.57</u> |
| Total | (A+B+C+D) 799.66 | 748.65 |

* The Company has measured Expected Credit Loss of trade receivable based on simplified approach as per Ind AS 109 "Financial Instruments"(Refer Note 45).

- Trade Receivable are subject to first pari passu charge in favour of working capital lender's Issuing SBLC/ LC limits.
- Trade Receivable are subject to second pari passu charge to secure the Company's borrowings referred in notes as secured loan from financial institution and banks in the current and previous year (Refer Note 20 & 28).
- No Trade receivable are due from director or other officer of the Company and firms or private companies in which any director is a partner, director or member either jointly or severally with other persons except normal utility bills. (Refer Note 44)
- Trade receivables are non-interest bearing. The credit period for sale of power as mentioned in note 10(A) is 15 clear days. The Company charges LPSC after the due date as per the DERC directives.
- Unbilled Revenue**
 - Unbilled Revenue represents accrued income from sale of power, open access and street light Maintenance from the last billed cycle upto the balance sheet date.
 - Unbilled trade receivable as at March 31, 2024 includes ₹ 385.39 Crores (As at March 31, 2023 ₹ 304.72 Crores) towards sale of power, ₹ 7.49 Crores (As at March 31, 2023 ₹ 7.68 Crores) towards open access and ₹ 2.30 Crores (As at March 31, 2023 ₹ 2.17 Crores) towards street light maintenance.
- For information on receivables from Struck Off Companies. (Refer Note 55)
- For terms and condition of trade receivable owing from related parties. (Refer Note 44)

8. Trade Receivables Ageing Schedule**As at March 31, 2024**

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---------------|---|----------------------|--------------|--------------|----------------------|---------------|
| | | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade Receivables - Considered Good | | | | | | | |
| a) Sale of Power | 286.20 | 76.85 | 10.94 | 24.96 | 1.91 | - | 400.86 |
| b) Open Access | - | 2.80 | 0.02 | - | 0.03 | - | 2.85 |
| c) Bulk Sale of Power | - | 0.10 | - | - | - | - | 0.10 |
| (ii) Undisputed Trade Receivables - Credit Impaired (Sale of Power) | 0.47 | 3.49 | 4.85 | 15.68 | 23.24 | 72.23 | 119.96 |
| (iii) Disputed Trade Receivables - Considered Good (Sale of Power) | 0.20 | 0.22 | 0.10 | 0.12 | 0.03 | - | 0.67 |
| (iv) Disputed Trade Receivables - Credit Impaired (Sale of Power) | - | 0.02 | 0.04 | 0.22 | 0.35 | 27.10 | 27.73 |
| Total (A) | 286.87 | 83.48 | 15.95 | 40.98 | 25.56 | 99.33 | 552.17 |
| Trade Receivables - Unbilled Revenue (B) | 395.18 | - | - | - | - | - | 395.18 |
| Total (A+B) | 682.05 | 83.48 | 15.95 | 40.98 | 25.56 | 99.33 | 947.35 |
| Less : Impairment allowance | | | | | | | 147.69 |
| Total Trade Receivables | | | | | | | 799.66 |

As at March 31, 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---------------|---|----------------------|--------------|--------------|----------------------|---------------|
| | | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 Years | |
| (i) Undisputed Trade Receivables - Considered Good | | | | | | | |
| a) Sale of Power | 290.82 | 105.03 | 14.45 | 11.09 | 1.55 | - | 422.94 |
| b) Open Access | - | 2.41 | - | 0.03 | - | - | 2.44 |
| c) Bulk Sale of Power | - | 0.04 | - | - | - | - | 0.04 |
| (ii) Undisputed Trade Receivables - Credit Impaired (Sale of Power) | 1.74 | 5.96 | 6.56 | 22.67 | 15.67 | 67.48 | 120.08 |
| (iii) Disputed Trade Receivables - Considered Good (Sale of Power) | 0.15 | 1.48 | 1.16 | 1.47 | 4.40 | - | 8.66 |
| (iv) Disputed Trade Receivables - Credit Impaired (Sale of Power) | - | 0.03 | 0.09 | 0.29 | 0.50 | 28.73 | 29.64 |
| Total (A) | 292.71 | 114.95 | 22.26 | 35.55 | 22.12 | 96.21 | 583.80 |
| Trade Receivables - Unbilled Revenue (B) | 314.57 | - | - | - | - | - | 314.57 |
| Total (A+B) | 607.28 | 114.95 | 22.26 | 35.55 | 22.12 | 96.21 | 898.37 |
| Less : Impairment allowance | | | | | | | 149.72 |
| Total Trade Receivables | | | | | | | 748.65 |

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-11 Cash and Cash Equivalents | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balances with Banks in Current Accounts | 43.55 | 50.96 |
| Balances with Banks in Fixed Deposits | 456.00 | 55.00 |
| Cheques, draft on hand and payment gateways | 11.43 | 9.55 |
| Cash on hand | 0.39 | 0.61 |
| Total | 511.37 | 116.12 |

| Note-12 Bank Balances other than Cash and Cash Equivalents | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Balance with banks held as margin money ¹ | 118.44 | 129.93 |
| Restricted Balance with Bank - For Unspent CSR {Refer Note 40(9)} | 0.25 | - |
| Balance with banks for other commitments ² | 0.25 | 0.26 |
| Total | 118.94 | 130.19 |

1. The restriction are primarily on account of fixed deposits held with banks as margin against the issuance of Letter of Credit (LC) and Bank Guarantees (BG).

2. These represents fixed deposits maturing within twelve months and submitted with the courts against various legal cases.

| Note-13 Current Loans | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Considered good - Unsecured | | |
| Loans & Advances to Staff | 0.40 | 0.64 |
| Loans to Related Party ^{1 & 2} | - | 46.57 |
| Total | 0.40 | 47.21 |

1. The interest is charged from M/s BSES Yamuna Power Limited for the year ended March 31, 2024 @ 12.30% p.a. (Year ended March 31, 2023 @ 12.61% p.a). (Refer Note 44)

2. For Loans given to related party (Refer Note 44).

| Note-14 Other Current Financial Assets | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Considered good - Unsecured | | |
| Subsidy Receivable from GoNCTD ¹ | 94.40 | 39.41 |
| Recoverable from DVB ETBF 2002 Trust ((Refer Note 47 B (e)) | 66.72 | 66.66 |
| Recoverable from SVRS Trust ((Refer Note 47 B (e)) | 0.04 | 0.07 |
| Recoverable on account of GST (Refer Note 52) | 0.95 | 3.41 |
| Security Deposits | 2.98 | 2.90 |
| Interest accrued but not due on Fixed Deposits | 7.14 | 4.82 |
| Contract Assets ² | 0.67 | 0.67 |
| Receivable - Others | 6.66 | 8.31 |
| Total | 179.56 | 126.25 |

1. Movement of Subsidy (including Generation Based Incentive) as per the schemes announced by GoNCTD is as under :

| Subsidy Account Statement | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------|----------------------|----------------------|
| Opening Subsidy Receivable | 39.41 | 220.39 |
| Add:- Subsidy passed to consumers* | 1,595.67 | 1,373.77 |
| Less:- Subsidy Received | 1,540.68 | 1,554.75 |
| Closing Subsidy Receivable | 94.40 | 39.41 |

* Subsidy passed to the consumers for the year ended March 31, 2024 is net off by ₹ 0.03 Crore (Year ended March 31, 2023 ₹ Nil) of excess subsidy, disbursed to Small Dairy & Agriculture connections during the period April 2019 to March 2022.

2. It represents job work-in-progress in respect of execution of work under Mukhyamantri Sadak Punarnirman Yojna Scheme (MMSPY) for providing Street lights at dark spots.

| Note-15 Current Tax Assets | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------|----------------------|----------------------|
| Advance Tax & TDS | 1.75 | 2.91 |
| TDS Refund Receivable | 6.88 | 1.74 |
| Total | 8.63 | 4.65 |

| Note-16 Other Current Assets | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Advance other than Capital Advances :- | | |
| Pension Trust Surcharge Recoverable (Refer Note 53) | 9.48 | 9.48 |
| Prepaid Expenses | 40.18 | 36.41 |
| Advances to Suppliers and Others | 23.67 | 48.01 |
| Others (Refer Note 47 B (i)) | 11.33 | - |
| Service Tax Recoverable (Refer Note 47 B(h)) | 3.76 | 3.76 |
| GST Recoverable (Input Tax Credit) | 10.24 | 3.07 |
| Recoverable for Barter Transactions | 34.09 | 19.12 |
| Total | 132.75 | 179.85 |

| Note-17 Regulatory Deferral Account Balances | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Tariff Adjustment Account | 12,786.66 | 12,172.74 |
| Deferred Tax associated with Regulatory deferral account balances | - | - |
| | 12,786.66 | 12,172.74 |
| Tariff Adjustment Account | | |
| Opening Balance (A) | 12,172.74 | 10,855.93 |
| Revenue GAP during the year | | |
| Cost | | |
| Power Purchase Cost | 9,564.48 | 9,215.37 |
| Others (Includes other costs & charges in accordance with MYT Regulations, Tariff orders from DERC and orders of Appellate Authorities) | 1,937.60 | 2,279.27 |
| Carrying Cost for the year | 1,404.48 | 1,257.30 |
| | 12,906.56 | 12,751.94 |
| Revenue | | |
| Revenue Collected | 11,270.84 | 10,419.63 |
| Non Tariff Income (Including Open Access Income) | 273.28 | 284.36 |
| | 11,544.12 | 10,703.99 |
| Income recoverable from future tariff /Revenue gap for the year D=(B-C) | 1,362.44 | 2,047.95 |
| 8% Surcharge collected during the year towards opening balance ⁶ (E) | (748.52) | (731.10) |
| Net movement during the year F= (D-E) | 613.92 | 1,316.85 |
| Add:- Recovery of Pension Trust Surcharge from tariff (Refer Note 53) G | - | (0.04) |
| Tariff Adjustment Account H = (A+F+G) | 12,786.66 | 12,172.74 |
| Deferred Tax associated with Regulatory deferral account balances (Refer Note 43) | | |
| Opening :- Deferred Tax Liability | (2,560.50) | (2,059.24) |
| Add:- Deferred Tax (Liabilities) during the year | (232.84) | (501.26) |
| Less:- Recoverable from future tariff | 2,793.34 | 2,560.50 |
| | - | - |
| | - | - |
| Balance at the end of the year TOTAL (H+I) | 12,786.66 | 12,172.74 |

1. The Company records regulatory deferral account balance as at the reporting date based on principles stated in respective Tariff Regulations, Tariff Orders, various judgments given by judicial authorities, past practices, opinion of legal experts and other applicable laws. Any change in the regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to Orders/ judgements of Regulator, judicial authorities, etc. are recorded in the period of such change.

2. DERC on March 29, 2023 issued the DERC (Business Plan) Regulations, 2023 (Business Plan Regulations'2023) which is applicable for a period of three years i.e. FY 2023-24 to FY 2025-26 and provides trajectory for various controllable parameters for the aforesaid period. The Company has filed a Writ Petition before Hon'ble Delhi High Court challenging the Business Plan Regulations'2023. The matter was part heard on January 18, 2024 and the next date of hearing is May 29, 2024. DERC's undertaking that "no Tariff Order will be passed till the next date of hearing" as recorded in the previous Orders to continue till the next date of hearing. In the meantime, Hon'ble Delhi HC by its Order dated November 24, 2023 clarified that "there appears to be no bar or impediment which operates and which may restrict the DERC from passing the true-up Orders".

3. In the latest Tariff Order dated September 30, 2021, DERC has true up Regulatory Deferral Account Balance upto March 31, 2020 at ₹ 4,189.46 Crores. No tariff order issued for FY 2022-23 and FY 2023-24 and true up for FY 2020-21, FY 2021-22 and FY 2022-23 is also currently pending before DERC. DERC has true up the revenue gap with certain disallowances in various Tariff Orders. The Company has preferred appeals before Hon'ble Appellate Tribunal for Electricity (APTEL) against respective Tariff Orders, challenging issues that are contrary to statutory regulations, unjustified and arbitrary, contrary to DERC's own findings in previous Tariff Orders and regarding erroneous and/or non-implementation of previous APTEL Judgements. However, based on the legal opinion taken by the Company, the disallowances, which are subject matter of appeal, have not been accepted by the Company and the Company has, in accordance with Ind AS 114, treated such amounts as they ought to be treated in terms of the accepted Regulatory Framework in the carrying value of Regulatory Deferral Account Balance as at March 31, 2024.

4. Hon'ble Supreme Court (Hon'ble SC) by Order dated December 01, 2021 dismissed DERC Tariff Appeals of 2010 & 2011 and directed it to comply with the directions contained in the APTEL judgements. Further, the Hon'ble SC Order dated December 01, 2021 has been re-affirmed by Hon'ble SC Order dated December 15, 2022 (uploaded on January 03, 2023). DERC has not yet complied with the Hon'ble SC Orders and therefore the Company has filed contempt petitions against DERC for non-compliance of Hon'ble SC Orders. The matters were listed before Hon'ble SC on July 11, 2023, wherein the Hon'ble SC recorded that DERC has filed a Review Petition against Hon'ble SC Order dated December 15, 2022 before Hon'ble SC and directed the Contempt Petitions to be listed after 3 weeks.

In the meantime, DERC has issued Compliance Orders dated May 14, 2023 and July 10, 2023 and has stated that the financial impact of Hon'ble SC Orders will be provided in Tariff Order subject to prudence check as well as outcome of the Review Petition. DERC's Review Petition was rejected by Hon'ble SC on August 03, 2023. The Company has filed Miscellaneous Application (MA) challenging the DERC Compliance Orders, before Hon'ble SC. Notices have been issued on the Contempt Petitions and the matters are currently pending.

5. The Company has also taken up the matter of timely recovery of accumulated Regulatory Assets before the Hon'ble SC. Refer Note 49 for update on this matter.

6. DERC in the last Traiff Order has continued to allow Surcharge of 8% for recovery of accumulated deficit. Accordingly, the same is being recovered from consumers. The percentage of existing surcharge towards recovery of accumulated Regulatory Assets is subject to review by DERC in the future Tariff Orders.

7. Regulatory deferral account debit balances are subject to first pari-passu charge to secure the Company's Secured Loan from Financial Institution and Banks in the current and previous year (Refer Note 20 & 28) and second pari-passu charge in favour of working capital lender for issuing SBLC/LC limits.

Regulatory Risk Management

Delhi Electricity Regulatory Commission (DERC) is the Regulator as per Electricity Act.

Market Risk

The Company is in the business of Supply of Electricity, being an essential service and lifeline for consumers, therefore no demand risk is anticipated. There is regular growth in the numbers of consumers and demand of electricity from existing and new consumers.

Regulatory Risk

The Company is operating under regulatory environment governed by DERC. Tariff is subject to Rate Regulated Activities.

Refer note 1(d) on Company's policy relating to determination of regulatory assets/regulatory liabilities.

The Company's risk with respect to Regulatory Assets is reviewed by the Risk Management Committee supported by regulatory team under policies approved by the Board of Directors and in terms of the relevant Accounting Standards. The team identifies, evaluates and makes plans to mitigate associated risks in close coordination with the Company's operating units and the same is submitted on quarterly basis to the board / audit committee for their review.

Regulatory Assets recognized in the financial statements of the Company are subject to true up by DERC as per Regulation and outcome of past assessments pending in courts /authorities.

DERC issued Tariff Order dated September 30, 2021 for FY 2021-22 which is in-force from October 01, 2021 and will remain in force till replaced by a subsequent tariff order and/or is amended, reviewed or modified in accordance with the provisions of the Electricity Act and the Regulations made thereunder.

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--|------------------------------|-----------------|------------------------------|-----------------|
| | No. of Shares (In Crores) | Amount | No. of Shares (In Crores) | Amount |
| Note-18 Equity Share Capital | | | | |
| Authorized | | | | |
| Equity Shares of ₹ 10 each (Year Ended March 31, 2023 ₹ 10 each) | 120.00 | 1,200.00 | 120.00 | 1,200.00 |
| Issued, Subscribed & Fully Paid Up | | | | |
| Equity Shares of ₹ 10 each (Year Ended March 31, 2023 ₹ 10 each) | 104.00 | 1,040.00 | 104.00 | 1,040.00 |
| Total | | 1,040.00 | | 1,040.00 |

1. Reconciliation of number of shares outstanding at the beginning and at the end of the year

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------------|------------------------------|-----------------|------------------------------|-----------------|
| | No. of Shares (In Crores) | Amount | No. of Shares (In Crores) | Amount |
| Balance at the beginning of the year | 104.00 | 1,040.00 | 104.00 | 1,040.00 |
| Add: Shares issued during the year | - | - | - | - |
| Balance at the end of the year | 104.00 | 1,040.00 | 104.00 | 1,040.00 |

2. Rights, preference and restrictions attached to Equity Shares**a) Voting**

The Company has one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share held.

b) Dividend/ Liquidation

The Company has not declared/distributed any dividend in the current and previous year. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such distribution amounts will be in proportion to the number of equity shares held by the shareholders.

3. Shares held by Holding Company or Ultimate Holding Company and their subsidiaries or associates.

| Name of Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|--|------------------------------|----------------------|------------------------------|----------------------|
| | No. of Shares (In Crores) | % of Shareholding | No. of Shares (In Crores) | % of Shareholding |
| Reliance Infrastructure Limited (Immediate and Ultimate Holding Company) | 53.04 | 51.00% | 53.04 | 51.00% |
| Total | 53.04 | 51.00% | 53.04 | 51.00% |

4. Details of shares held by shareholders holding more than 5% of the total equity shares of the Company

| Name of Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|--|------------------------------|----------------------|------------------------------|----------------------|
| | No. of Shares (In Crores) | % of Shareholding | No. of Shares (In Crores) | % of Shareholding |
| Reliance Infrastructure Limited (Immediate and Ultimate Holding Company) | 53.04 | 51.00% | 53.04 | 51.00% |
| Delhi Power Company Limited | 50.96 | 49.00% | 50.96 | 49.00% |

5. Details of shares held by Promoters of the Company

| Name of Promoter | As at March 31, 2024 | | As at March 31, 2023 | |
|---|-----------------------|----------------------|-----------------------|----------------------|
| | No. of Shares | % of Shareholding | No. of Shares | % of Shareholding |
| Reliance Infrastructure Limited | 53,03,99,995 | 51.00% | 53,03,99,995 | 51.00% |
| Delhi Power Company Limited | 50,95,99,996 | 49.00% | 50,95,99,996 | 49.00% |
| Chief Secretary | 1 | 0.00% | 1 | 0.00% |
| Principal Secretary(Finance) | 1 | 0.00% | 1 | 0.00% |
| Principal Secretary(Home) | 1 | 0.00% | 1 | 0.00% |
| Secretary(Power) | 1 | 0.00% | 1 | 0.00% |
| Rakesh Kumar Yadav jointly with Reliance Infrastructure Limited | 1 | 0.00% | 1 | 0.00% |
| Angarai Natarajan Sethuraman jointly with Reliance Infrastructure Limited | 1 | 0.00% | 1 | 0.00% |
| Arvind Kumar jointly with Reliance Infrastructure Limited | 1 | 0.00% | 1 | 0.00% |
| Partha Pratim Sarma jointly with Reliance Infrastructure Limited | 1 | 0.00% | 1 | 0.00% |
| Ajay Kumar Mittal jointly with Reliance Infrastructure Limited | 1 | 0.00% | - | 0.00% |
| Gopal Saxena jointly with Reliance Infrastructure Limited | - | 0.00% | 1 | 0.00% |
| Total | 1,04,00,00,000 | 100.00% | 1,04,00,00,000 | 100.00% |

6. As per the records of the Company, including its register of shareholders / members, the above shareholding represents both legal and beneficial ownership of shares.

7. No class of shares have been issued as bonus shares and shares issued for consideration other than cash and bought back by the Company during the period of five years immediately preceding the reporting date.

| Note-19 Other Equity | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|----------------------|
| Retained Earnings | 6,088.99 | 5,243.83 |
| Total | 6,088.99 | 5,243.83 |

| Note-20 Non Current Borrowings | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Secured | | |
| Term Loan from Other - Power Finance Corporation Limited (PFC) ^{1&2} | 840.87 | 1,081.28 |
| Total | 840.87 | 1,081.28 |

1. Borrowings are netted off of loan processing charges amounting to ₹ 1.11 Crores as at March 31, 2024 (As at March 31, 2023 ₹ 1.84 Crores).

2. Term Loans (From PFC) are secured as under:-

(a) Primary Security

- (i) First pari-passu charge on all movable and immovable properties and assets of the Company.
- (ii) First pari-passu charge on regulatory assets of the Company.
- (iii) First pari-passu charge on present and future revenue of whatsoever nature and wherever arising.
- (iv) Second pari-passu charge on receivable of the Company.

(b) Collateral Security

- (i) Pledge of 51% of ordinary equity share of the Company.
- (ii) Debt Service Reserve Account (DSRA) in the current and previous year equivalent to interest and principal dues of ensuing one to two quarter in the form of fixed deposit.
- (c) The interest rate range for the year ended March 31, 2024 is 11.50% to 13.75% p.a (Year ended March 31, 2023 11.50% to 12.75% p.a).

(d) As per the terms of "The BSES Rajdhani Distribution and Retail Supply of Electricity License (License No. 2/DIST of 2004)", the Company is required to obtain permission of the DERC for creating charges for loans and other credit facilities availed by it. As on March 31, 2024, the required permission from DERC is sought and is under process.

Repayment terms of Term Loan from PFC

| Name of Financial Institution | Loan Amount (Disbursed) | Year | No. of Installments | Installment Amount |
|---|-------------------------|--|---------------------|--------------------|
| Power Finance Corporation Limited * | 987.96 | 1st Year (F.Y. 18-19) | 0 | Nil |
| | | 2nd Year (F.Y. 19-20) | 4 | 5.38 |
| | | 3rd to 11th Year (F.Y. 20-21 onwards) | 32 | 30.20 |
| Power Finance Corporation Limited (Covid-19 Moratorium Loan) ** | 110.52 | 1st Year to 7th Year (F.Y. 20-21 to 26-27) | 0 | Nil |
| | | 8th Year (F.Y. 27-28) | 1 | 40.48 |
| | | | 1 | 9.65 |
| | | 9th Year (F.Y. 28-29) | 1 | 9.75 |
| | | | 1 | 40.69 |
| Power Finance Corporation Limited *** | 802.27 | 1st Year (F.Y. 20-21) | 0 | Nil |
| | | 2nd Year (F.Y. 21-22) | 9 | 8.02 |
| | | 3rd to 5th Year (F.Y. 22-23 to 24-25) | 36 | 10.03 |
| | | 6th Year (F.Y. 25-26) | 12 | 12.03 |
| | | 7th Year (F.Y. 26-27) | 12 | 10.03 |
| | | 8th Year (F.Y. 27-28) | 4 | 10.03 |
| | | | 8 | 8.02 |

* Disbursement of loan amount of ₹ 537.96 Crores was made in FY 2017-18 and ₹ 450 Crores was made in FY 2019-20. Quarterly repayment starting date: April 15, 2019 for loan amount of ₹ 537.96 Crores and April 15, 2020 for loan amount of ₹ 450 Crores.

** The Company had availed moratorium against loan from PFC of ₹ 110.52 Crores for the installment of interest & principal repayment due during the period April 2020 to August 2020. Repayment in five monthly installments starting from February 2028.

*** Disbursement of loan amount of ₹ 802.27 Crores was made in FY 2020-21. Monthly Repayment starting date : July 15, 2021.

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-21 Non Current Lease Liability | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|----------------------|----------------------|
| Lease Liability | 53.49 | 47.44 |
| Total | 53.49 | 47.44 |
| Refer Note 1(h) for Lease Liability | | |

| Note-22 Other Non Current Financial Liability | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Consumer Security Deposit | 1,115.82 | 988.90 |
| Total | 1,115.82 | 988.90 |

Consumer Security Deposit (CSD)

1. CSD is the amount paid by consumer at the time of applying for new connection with the Company for supply of power or subsequently in case of revision of load. The CSD is returned / credited to the consumer only after the termination / disconnection of the agreement or reduction of load and after adjustment of outstanding dues, if any, within a period as prescribed by DERC from the date of termination.

2. The amount of CSD transferred to the Company by virtue of Part II of Schedule E of the Transfer Scheme was ₹ 11.00 Crores. The Transfer Scheme as well as erstwhile DVB did not furnish the consumer wise details of the amount transferred to it as CSD. The Company, compiled from the consumer records, the amount of CSD as on June 30, 2002 which worked out to ₹ 90.43 Crores. The Company is of the opinion that its liability towards CSD is limited to ₹ 11.00 Crores as per the Transfer Scheme. Therefore, the liability towards refund of CSD in excess of ₹ 11.00 Crores and interest thereon is not to the account of the Company. The Company had also filed a petition during the year 2004-05 with the DERC to deal with the actual amount of CSD as on date of transfer and the DERC had advised the GoNCTD to transfer the differential amount of ₹ 97.48 Crores as CSD to the Company. The GoNCTD did not abide by the advice and hence the Company has filed a writ petition on March 24, 2008 (W.P.(C) 2396/2008) and the case is pending before Hon'ble Delhi HC. The matter is now listed on May 22, 2024. Pending outcome of this case and as per the instructions of DERC, the Company has been refunding the CSD to DVB consumers.

3. Interest is provided at MCLR (Marginal Cost of Fund Based Lending Rate) as notified by SBI prevailing on the April 01 of the respective year on CSD received from all consumers as per DERC Supply Code and Performance Standard Regulations, 2017. The MCLR rate as on April 01, 2023 is @ 8.50 % (April 01, 2022 @ 7.00%). Accordingly, the Company has booked interest on CSD during the year ended March 31, 2024 amounting to ₹ 92.81 Crores (Year ended March 31, 2023 ₹ 68.36 Crores). As mentioned in 22(2) above, interest on CSD in excess of ₹ 11 Crores would be recoverable from GoNCTD if the Company's contention is upheld by the Hon'ble Delhi HC.

| Note-23 Non Current Provisions | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|----------------------|----------------------|
| Provision for Employee Benefits * | 48.22 | 48.50 |
| Total | 48.22 | 48.50 |

* It represents Company's liability for sick leave and earned leave.

| Note-24 Consumer Contribution for Capital Works | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Opening Balance | 766.16 | 747.87 |
| Add: Capitalized during the year | 95.97 | 73.35 |
| Less: Transferred to the statement of profit and loss | 56.91 | 55.06 |
| Closing Balance | 805.22 | 766.16 |

| Note-25 Service Line cum Development Charges | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Opening Balance | 344.04 | 326.10 |
| Add: Received during the year | 79.71 | 66.19 |
| Less: Transferred to the statement of profit and loss | 83.88 | 48.25 |
| Closing Balance | 339.87 | 344.04 |

| Note-26 Grant-In-Aid | As at March 31, 2024 | As at March 31, 2023 |
|---|-----------------------------|-----------------------------|
| Under Accelerated Power Development & Reforms Programme of Govt. of India (APDRP) | | |
| Opening Balance | 6.87 | 7.24 |
| Less: Transferred to the statement of profit and loss | 0.37 | 0.37 |
| Closing Balance | 6.50 | 6.87 |

| Note-27 Other Non Current Liabilities | As at March 31, 2024 | As at March 31, 2023 |
|--|-----------------------------|-----------------------------|
| Consumer Contribution for Capital Works | 412.20 | 270.62 |
| Total | 412.20 | 270.62 |

| Note-28 Current Borrowings | As at March 31, 2024 | As at March 31, 2023 |
|--|-----------------------------|-----------------------------|
| Secured | | |
| From Bank | | |
| Loan Repayable on Demand ^{1&2} | | |
| - Working Capital Loan | 53.40 | 68.39 |
| - Cash Credit | 0.15 | 52.94 |
| From Others | | |
| -Current Maturities of Term Loan (from PFC) ³ (Refer Note 20) | 240.42 | 240.07 |
| Total | 293.97 | 361.40 |

1. Working capital has been divided by bank into working capital loan and cash credit in terms of RBI Guidelines vide notification no. RBI/2018-19/87 dated December 05, 2018.

2. i. Working Capital Loan and Cash credit are fund based working capital facilities, availed from consortium of bankers, secured by :-

- First pari-passu charge on all stores and spares of the Company.
- First pari-passu charge on all movable and immovable properties and assets of the Company.
- First pari-passu charge on the regulatory assets of the Company.
- First pari-passu charge on present and future revenue of whatsoever nature and wherever arising.
- Second pari-passu charge on receivable of the Company.

ii. The interest rate range for the year ended March 31, 2024 is between 8.95% p.a. to 12.60% p.a. (Year ended March 31, 2023 between 8.95% p.a. to 12.25% p.a.) and is computed on daily balance at monthly rest on the actual amount utilized.

iii. The Company has filed periodic statements of stock and trade receivables with banks for computation of drawing power of working capital facilities and same are in conformity with the financial statements except for minor variations which are not material.

3. Borrowings are netted off of Loan processing charges as at March 31, 2024 amounting to ₹ 0.73 Crore (As at March 31, 2023 ₹ 1.07 Crores).

| Note-29 Current Lease Liability | As at March 31, 2024 | As at March 31, 2023 |
|--|-----------------------------|-----------------------------|
| Lease Liability | 9.99 | 6.67 |
| Total | 9.99 | 6.67 |
| Refer Note 1(h) for Lease Liability | | |

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-30 Current Trade Payables | | As at March 31, 2024 | As at March 31, 2023 |
|--|--------------|-------------------------|-------------------------|
| Outstanding dues of micro enterprises and small enterprises | (A) | 61.44 | 41.62 |
| Outstanding dues of enterprises other than micro enterprises and small enterprises | | | |
| - Power Purchase Creditors ¹ | | 7,852.96 | 7,722.73 |
| - Other Creditors | | 63.08 | 63.50 |
| | (B) | 7,916.04 | 7,786.23 |
| Unbilled Dues (Power Purchase) | (C) | 204.86 | 107.51 |
| | D= (B+C) | 8,120.90 | 7,893.74 |
| Total | (A+D) | 8,182.34 | 7,935.36 |

1. Refer Note 49 with regards to Power utilities dues.

2. Other Creditors are non interest bearing and are normally settled in normal trade cycle.

3. For terms and conditions with related parties (Refer Note 44).

4. Trade Payables ageing schedule

As at March 31, 2024

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|--|---------------|---|---------------|---------------|----------------------|-----------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 61.44 | - | - | - | - | 61.44 |
| (ii) Others | | | | | | |
| a) Power Purchase Creditors | 226.50 | 690.73 | 779.33 | 701.30 | 5,344.96 | 7,742.82 |
| b) Other Creditors | 59.65 | 2.79 | 0.07 | 0.09 | 0.48 | 63.08 |
| (iii) Unbilled - Power Purchase Creditors | 204.86 | - | - | - | - | 204.86 |
| (iv) Disputed Dues - - Power Purchase Creditors | - | - | - | - | 110.14 | 110.14 |
| Total | 552.45 | 693.52 | 779.40 | 701.39 | 5,455.58 | 8,182.34 |

As at March 31, 2023

| Particulars | Not Due | Outstanding for following periods from due date of payment | | | | Total |
|--|---------------|---|---------------|---------------|----------------------|-----------------|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) MSME | 41.62 | - | - | - | - | 41.62 |
| (ii) Others | | | | | | |
| a) Power Purchase Creditors | 85.51 | 779.32 | 701.30 | 621.38 | 5,425.08 | 7,612.59 |
| b) Other Creditors | 60.72 | 2.14 | 0.29 | 0.18 | 0.17 | 63.50 |
| (iii) Unbilled - Power Purchase Creditors | 107.51 | - | - | - | - | 107.51 |
| (iv) Disputed Dues - - Power Purchase Creditors | - | - | - | - | 110.14 | 110.14 |
| Total | 295.36 | 781.46 | 701.59 | 621.56 | 5,535.39 | 7,935.36 |

Notes to Financial Statements for the Year Ended March 31, 2024

5. The Company is required to estimate liabilities as on the Balance Sheet date as per the provisions of the Companies Act and applicable Accounting Standards to give true and fair view of its financial statements considering the prevailing facts and available information as on the Balance Sheet date.

In line with the applicable Accounting Standards, background facts and prevailing circumstances, the Company had re-categorised / re-classified the estimated and disputed LPSC liability payable to Delhi Utilities during the financial year ending March 31, 2022. Accordingly, from FY 2022-23 onwards, for estimation of Trade Payables, the Company continued to compute the LPSC liability on similar basis i.e. @ 12% p.a. by appropriating payments made by the Company, since the date of default, towards outstanding LPSC amount (including billed and not billed by such utilities) and subsequently towards outstanding Principal Energy / Transmission dues. This treatment has been duly supported by expert opinions.

Further, the aforesaid accounting treatment is realistic, fair and justified even if compared with the treatment adopted by Delhi Utilities for accounting of outstanding dues in their books of accounts i.e. treating the outstanding dues primarily on the basis of appropriation of payments received for supply / transmission of power (no bills have been raised by them in respect of LPSC since May 2015).

Hence, even if LPSC liability is computed at the rate of 15% /18% p.a. since first day of default, with appropriation of payments first towards LPSC Bills as and when raised by Delhi Utilities followed by Principal Energy / Transmission bills raised, then the total Trade Payables including LPSC liability would be lower than the Trade Payables of Delhi Utilities computed @ 12% as explained above.

Comparing the liabilities under the above two approaches, Company has recognized the LPSC liability of Delhi Utilities @ 12% p.a. (as against 15% /18% p.a.) in these financial statements, on a prudent and conservative basis by evaluating all background facts as stated above and on the basis of accounting principle that the fair value of the financial liability should be estimated at the amount probable (i.e. more likely than not) to settle the same {Refer Note 38(3)}.

6. Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) under the chapter on delayed payments to MSME :

| S No | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------|---|----------------------|----------------------|
| A | The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year. | 61.44 | 41.62 |
| B | The amount of interest paid by the buyer under MSMED Act, 2006 along with the amount of the payment made to the suppliers beyond the appointed day during each accounting year. | Nil | Nil |
| C | The amount of interest due and payable for the period of delay in making payments (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006. | Nil | Nil |
| D | The amount of interest accrued and remaining unpaid at the end of accounting year. | Nil | Nil |
| E | The 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 enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006. | Nil | Nil |

Notes to Financial Statements for the Year Ended March 31, 2024

| Note-31 Other Current Financial Liabilities | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Interest Accrued but not due | 6.44 | 7.56 |
| Other Payables | | |
| Payable on purchase of Fixed Assets | 114.91 | 106.94 |
| Other Miscellaneous Creditors | 28.37 | 21.03 |
| Works and Earnest Money Deposits | 1.97 | 0.63 |
| Expenses Payable | 2.89 | 3.21 |
| Employee Benefits Payable | 1.62 | 1.98 |
| Consumer Security Deposits (Refer Note 22) | 54.57 | 64.86 |
| Unspent Expenditure on Corporate Social Responsibility (CSR) {Refer Note 40(9)} | 19.40 | 16.95 |
| Consumer Contribution for Capital Works | 153.66 | 150.86 |
| Total | 383.83 | 374.02 |

| Note-32 Other Current Liabilities | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------|----------------------|----------------------|
| Advances from Consumers | 282.96 | 270.86 |
| Other Advances | 3.05 | 1.97 |
| Insurance Claim received in Advance | - | 0.20 |
| Statutory Dues | 104.91 | 96.47 |
| Other Payables ¹ | 34.62 | 42.92 |
| Contract Liabilities | 1.75 | 6.75 |
| Total | 427.29 | 419.17 |

1. Other Payables Include Pension Trust Surcharge, the movement of which is as under:

| Particular | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Opening Balance | 11.15 | 49.04 |
| Add:- Collection of Pension Trust Surcharge during the year | 653.81 | 637.26 |
| Total Payable | 664.96 | 686.30 |
| Less:- Amount paid to Pension Trust | 656.83 | 675.15 |
| Net Payable | 8.13 | 11.15 |

| Note-33 Current Provisions | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Provision for Employee Benefits (A) | 77.84 | 77.13 |
| Provision for Legal Claims | | |
| Opening Balance | 2.40 | 2.66 |
| Provision made/(reversed) during the year | 0.16 | (0.26) |
| (B) | 2.56 | 2.40 |
| Total (A+B) | 80.40 | 79.53 |

| Note-34 Revenue from Operations | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| A) Sale of Power | | |
| Gross Revenue from Sale of Power | 13,280.71 | 12,416.28 |
| Less: Tax on Electricity | 485.83 | 454.50 |
| Less: Pension Trust Surcharge Recovery (Refer Note 53) | 649.83 | 635.11 |
| Net Revenue from Sale of Power ¹ | 12,145.05 | 11,326.67 |
| B) Bulk Sale of Power | 354.92 | 203.52 |
| C) Open Access Income | 70.22 | 89.17 |
| D) Other Operating Revenue | | |
| i) Service Line cum Development Charges | 83.88 | 48.25 |
| ii) Delayed Payment Surcharge (LPSC) ² | 26.87 | 19.30 |
| iii) Electricity Tax Collection Charges | 14.66 | 14.08 |
| iv) Consumer Contribution for Capital Works & Grant-in-Aid | 57.28 | 55.42 |
| v) Miscellaneous Operating Income | 13.88 | 14.54 |
| Total (D) | 196.57 | 151.59 |
| Total (A+B+C+D) | 12,766.76 | 11,770.95 |

- Net revenue from sale of power for the year ended March 31, 2024 includes, ₹ 743.16 Crores billed against 8% surcharge allowed for recovery of opening revenue gap (Year ended March 31, 2023 ₹ 726.72 Crores).
- Delayed Payment Charges (LPSC) for the year ended March 31, 2024 is net off ₹ Nil Crore (Year ended March 31, 2023 ₹ 14.27 Crores) paid to Municipal Corporation of Delhi in respect of LPSC on Electricity Tax collected.
- Miscellaneous Operating Income for the year ended March 31, 2024 includes bad debts recovered during the year of ₹ 3.48 Crores (Year Ended March 31, 2023 ₹ 2.48 Crores).

| Note-35 Other Income | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Interest on :- | | |
| i) Fixed Deposits | 45.71 | 34.31 |
| ii) Loans to related party | 2.63 | 8.35 |
| iii) Others ¹ | 1.95 | 2.56 |
| Sale of Scrap | 2.21 | 4.52 |
| Street Light Maintenance & Material Charges (Net) ² | 17.22 | 18.64 |
| Excess Provisions Written Back | 0.45 | 0.04 |
| Profit on Sale of Fixed Assets | 1.97 | 2.88 |
| Pole Rental Income | 18.39 | 17.06 |
| Non Tariff Income ³ | 3.70 | 6.95 |
| Other Miscellaneous Income | 15.25 | 14.31 |
| Total | 109.48 | 109.62 |

- Other interest includes :-**
 - Interest on Income Tax refund amounting to ₹ Nil Crore received during the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 2.60 Crores for Assessment Year 2021-22 & 2022-23).
 - Interest on GST reimbursement by MCD as per Hon'ble Delhi High Court order during the year ended March 31, 2024 amounting to ₹ 1.92 Crores (Year ended March 31, 2023 - ₹ Nil).
- Income from Street Light Maintenance & Material Charges :-**
 - is net off direct cost
 - relating to maintenance cost amounting to ₹ 7.75 Crores during the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 6.69 Crores) and
 - relating to stores and spares consumed amounting to ₹ 1.55 Crores during the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 1.59 Crores)
 - Street light Income includes Street light net Incentive of ₹ 0.08 Crore earned during the year ended March 31, 2024 (Year ended March 31, 2023 of ₹ 0.27 Crore).
- Non Tariff Income for the year ended March 31, 2024 includes MNRE incentive (net) of ₹ 0.49 Crore (Year Ended March 31, 2023 ₹ 1.39 Crores).

| Note-36 Cost of Power Purchased | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---------------------------------|------------------------------|------------------------------|
| Purchase of Energy | 8,887.10 | 8,519.82 |
| Transmission Charges | 1,091.91 | 957.01 |
| Total | 9,979.01 | 9,476.83 |

1. The cost of long term power purchase is subject to revision based on Tariff Orders notified by Central Electricity Regulatory Commission (CERC) / Delhi Electricity Regulatory Commission (DERC) for respective Power Utilities. However, such revision is accounted for as and when the revised bills/demands are received from the Power Utilities.

2. Cost of power purchased is net off rebate of ₹ 112.74 Crores for the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 101.32 Crores).

3. Deviation Settlement Mechanism (DSM) :
The power purchase cost is based on bills raised by generating companies for energy actually scheduled by the Company, whereas the energy drawal from the grid for supplies to consumers are as per actual demand on real time basis. Difference between actual schedule and drawal of power at real time is DSM. Power purchase cost is net off DSM sale during the year ended March 31, 2024 of ₹ 50.52 Crores for 146.85 MUs (Year ended March 31, 2023 of ₹ 41.61 Crores for 118.66 MUs).

4. Banking/ Exchange of Power

(a) The Company takes and returns back power and vice-versa under the banking arrangement and accounts for the same as power purchase (net) in the books of accounts at average power purchase cost of the portfolio in accordance with the DERC Tariff Regulations, 2017. However, DERC vide its Order dated July 07, 2023 while exercising its power conferred under Regulation 171 of the DERC (Terms and Conditions for Determination of Tariff) Regulation 2017 for removal of difficulty in giving effect to the provisions of various Regulations, had clarified that normative cost of banking transactions shall be weighted average rate of variable cost of all long term sources. Accordingly, the Company has considered weighted average rate of variable cost of all long term sources for the year ended March 31, 2024 @ ₹ 3.50 per unit as the rate for Banking Transactions initiated during the year (Year ended March 31, 2023 average power purchase cost of the portfolio i.e ₹ 6.25 per unit).

As at March 31, 2024 the Company has 103.81 Million Units (net) receivable considering the mark-up of energy under banking arrangement (As at March 31, 2023, 132.92 Million Units (net) were receivable) which will be received back during the subsequent year.

(b) Power Purchase cost is net off barter sale of ₹ 285.07 Crores during the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 527.28 Crores).

| Note-37 Employee Benefits Expense | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Salaries and Wages | 471.50 | 454.67 |
| Contribution to provident and other funds | 63.33 | 61.11 |
| Staff Welfare expense ² | 25.17 | 25.60 |
| Total | 560.00 | 541.38 |

1. Employee benefits expense for the year ended March 31, 2024 are net off ₹ 87.50 Crores being amount capitalized / charged to the CWIP (Year ended March 31, 2023 ₹ 83.69 Crores).

2. Staff welfare expense for the year ended March 31, 2024 is inclusive of Training expenses of ₹ 1.23 Crores (Year ended March 31, 2023 ₹ 0.54 Crore).

3. Employee benefits expense for the year ended March 31, 2024 includes GST of ₹ 19.75 Crores (Year ended March 31, 2023 ₹ 19.68 Crores).

4. For disclosure under Ind AS-19 "Employee Benefits" (Refer Note 57).

5. 7th Pay Commission Recommendations

The Company has implemented the recommendations of Wage Revision Committee (WRC) Report during financial year 2020-21 for payment of 7th Pay commission benefits to the eligible employees of erstwhile DVB which were duly adopted by BRPL vide Office order No. HR/CC/2020-21/208 dated October 15, 2020. The total impact upto FY 2023-24 was ₹ 417.67 Crores. Out of the same, ₹ 416.24 Crores has been paid till FY 2022-23. Further, no amount has been paid during FY 2023-24.

| Note-38 Finance Costs | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| A. Interest :- | | |
| i) Term Loan ¹ | 134.46 | 161.81 |
| ii) Cash Credit Account | 8.09 | 7.92 |
| iii) Consumer Security Deposit | 92.81 | 68.36 |
| iv) Lease Liability (RoU) ² | 6.80 | 6.54 |
| v) Others | (0.05) | (0.59) |
| B. Other Borrowing Costs :- | | |
| i) Late Payment Surcharge (LPSC) on Power Purchase & Transmission Charges ³ | 838.47 | 866.64 |
| ii) Others | 9.11 | 11.37 |
| Total | 1,089.69 | 1,122.05 |

Notes to Financial Statements for the Year Ended March 31, 2024

1. Interest on term loan for the Year ended March 31, 2024 is net off ₹ 12.12 Crores being amount capitalized / charged to CWIP (Year ended March 31, 2023 ₹ 14.62 Crores).
2. Refer Note 1(h) for Interest on Lease Liability.
3. The LPSC is recognized by the Company as per applicable regulations of CERC / DERC, MoP advisory, MoP Rules, the orders / judgements of Hon'ble SC and pending petitions in relation thereto before various Fora, terms of PPAs' / BPTAs' with Power utilities / applicable laws and / or reconciliation / agreed terms with Power Generators / Transmission companies, as the case may be. (Refer Note 30(5) and 47B(i))

| Note-39 Depreciation and Amortization Expense | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| Depreciation (Refer Note 3 & 4) | 431.86 | 414.02 |
| Depreciation on RoU (Refer Note 5) | 10.14 | 8.40 |
| Total | 442.00 | 422.42 |

| Note-40 Other Expenses | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| 1) Repair & Maintenance Expenses | | |
| Machinery | 172.21 | 147.14 |
| Buildings | 6.93 | 11.32 |
| Others | 17.97 | 17.17 |
| Stores and Spares consumed | 38.61 | 30.17 |
| (A) | 235.72 | 205.80 |
| 2) Administration Expenses | | |
| Vehicle Hire & Running Expenses | 41.59 | 40.04 |
| Travelling, Conveyance, Boarding & Lodging Expenses | 5.77 | 5.58 |
| Insurance Expenses | 8.41 | 6.41 |
| Rates and Taxes ¹ | 13.84 | 20.19 |
| Bill Collection Charges | 8.35 | 7.80 |
| Communication Expenses ² | 7.19 | 7.50 |
| Printing and Stationery | 10.05 | 9.54 |
| Meter Reading & Bill Distribution Expenses | 60.70 | 55.39 |
| Call Centre Expenses ³ | 6.66 | 13.38 |
| House Keeping Charges | 19.21 | 16.55 |
| Security Expenses | 30.26 | 29.47 |
| Advertisement Expenses ⁴ | 1.53 | 2.32 |
| Legal Claims | 0.03 | 0.31 |
| Professional Consultancy Charges ⁵ | 20.35 | 19.68 |
| Legal Expenses ⁶ | 35.77 | 30.21 |
| Miscellaneous Support Service (SLA) Expenses | 27.33 | 24.90 |
| Expenditure on Corporate Social Responsibility ⁹ | 28.04 | 22.62 |
| Remuneration to Auditors ¹⁰ | 0.59 | 0.66 |
| Directors' Sitting Fees | 0.20 | 0.27 |
| Bank Charges | 0.21 | 0.27 |
| Miscellaneous Expenses ⁷ | 6.07 | 4.70 |
| (B) | 332.15 | 317.79 |
| 3) Others | | |
| a. Provisions For : | | |
| - Retirement of Fixed Assets | 0.23 | 0.15 |
| - Credit Impairment | 0.88 | 7.33 |
| (C) | 1.11 | 7.48 |
| b. Amount Written Off : | | |
| Bad Debts Written Off | 2.84 | 7.10 |
| Less: Provision made in earlier years | 2.84 | 7.10 |
| (D) | - | - |
| Inventory Written Off | - | 0.10 |
| Less: Provision made in earlier years | - | 0.10 |
| (E) | - | - |
| c. Loss on Sale/Retirement of Fixed Assets | | |
| Fixed Assets Retired/ Loss on Sale | 9.25 | 8.39 |
| Less: Provision made in earlier years | - | - |
| (F) | 9.25 | 8.39 |
| Total | (A+B+C+D+E+F) | 578.23 |
| | | 539.46 |

Disclosure under Clause 87 of DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017 of statutory levies and taxes:

Clause no 87 of the DERC (Terms & Conditions for Determination of Tariff) Regulations, 2017, has stipulated the requirement for the disclosure of water charges, statutory levies and taxes separately. Management considers applicability of the following expenses as covered under Clause 87 as mentioned in point no. 1 to 8 :-

1. Rates & Taxes for the year ended March 31, 2024 includes License fees paid to DERC ₹ 5.62 Crores (Year ended March 31, 2023 ₹ 3.31 Crores), Property Tax ₹ 4.90 Crores (Year ended March 31, 2023 ₹ 16.74 Crores) and Plot licence fees amounting to ₹ 3.25 Crores (Year ended March 31, 2023 ₹ Nil Crores) .

2. Communication expenses for the year ended March 31, 2024 includes SMS charges ₹ 1.01 Crores (Year Ended March 31, 2023 ₹ 1.26 Crores).

3. Call Centre expenses for the year ended March 31, 2024 includes Toll Free charges (Toll Free No-19123) ₹ 1.58 Crores (Year ended March 31, 2023 ₹ 1.42 Crores).

4. Advertisement expenses for the year ended March 31, 2024 includes Development and Sustainability Management Charges ₹ 1.24 Crores (Year ended March 31, 2023 ₹ 2.07 Crores).

5. Professional Consultancy Charges for the year ended March 31, 2024 includes Geo-Spatial fees ₹ 0.30 Crore (Year ended March 31, 2023 ₹ 0.30 Crore).

6. Legal Expenses for the year ended March 31, 2024 includes Ombudsman expenses ₹ 0.39 Crore (Year ended March 31, 2023 ₹ 0.44 Crore).

7. Miscellaneous expenses for the year ended March 31, 2024 are inclusive of Water charges (pertaining to DJB) ₹ 1.28 Crores (Year ended March 31, 2023 ₹ 0.82 Crore) and rebate on account of A.C./ Fan scheme ₹ 0.04 Crore (Year ended March 31, 2023 ₹ Nil Crore).

8. Other expenses for the year ended March 31, 2024 are inclusive of GST amounting ₹ 71.49 Crores (Year ended March 31, 2023 ₹ 63.37 Crores) (excluding GST on Stores & Spare Consumed).

9. Expenditure on Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company is required to spend ₹ 28.04 Crores during the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 22.62 Crores) on CSR, computed at 2% of its average net profit for the immediately preceding three financial years. The Company focuses on activities mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the Company as per the Act. The Company incurred an amount of ₹ 28.04 Crores during the year ended March 31, 2024 (Year ended March 31, 2023 ₹ 22.62 Crores), towards CSR expenditure for the purposes other than construction / acquisition of any asset.

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|--|------------------------------|
| i. Amount required to be spent by the Company during the year | 28.04 | 22.62 |
| ii. Amount of expenditure incurred on: | | |
| (a) Construction/acquisition of any asset | - | - |
| (b) On purposes other than (a) above | 8.89 | 5.67 |
| iii. Unspent CSR balance to be used for approved ongoing projects* | 19.15 | 16.95 |
| iv. Shortfall at the end of the year | - | - |
| v. Total of previous years shortfall | - | - |
| vi. Reason for shortfall | - | - |
| vii. Nature of CSR activities | Promoting Education and Skill Development, Sanitation, Vocational Skills, Energy Conversation and Environment Projects & Health Care/Medical facility. | |
| viii. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard in relation to CSR expenditure: | - | - |
| ix. Provision made with respect to a liability incurred by entering into a contractual obligation | - | - |
| x. Amount to be deposited in a separate bank account in relation to ongoing project upto 30th April of subsequent year : | 19.15 | 16.95 |
| a) For F.Y. 2023-24 ₹ 2.00 Crores deposited on April 19, 2024 & ₹ 17.15 Crores on April 24, 2024. | | |
| b) For 2022-23 ₹ 0.50 Crore deposited on April 21, 2023 & ₹ 16.45 Crores on April 27, 2023. | | |

* **Commitment for ongoing projects (F.Y. 2023-24):-** During the year, the Company has declared eight projects as "Ongoing Project" as per amendment to Companies (CSR Policy) Admendment Rule 2021. So the balance amount of ₹ 19.15 Crores has been deposited in a separate bank account -"Unspent CSR Account" :-

| Name of Project | Amount | Tenure |
|--|--------------|---------|
| i) Maintenance of Old Age Home for senior citizens | 1.50 | 2024-25 |
| ii) Personality development of young girls and boys through Sports activities (Initially Basketball) | 1.54 | 2024-25 |
| iii) Donation of E-buses to AIIMS | 3.42 | 2024-25 |
| iv) Handloom Incubation Centre (Thread of Trust) | 1.00 | 2024-25 |
| v) Sashakt Beti : Empowering Female Students of Delhi University | 1.50 | 2024-25 |
| vi) Smart Energy Learning Centre - (DAIICT University, Ahmedabad) | 7.78 | 2024-25 |
| vii) Green Crematoriums | 1.40 | 2024-25 |
| viii) Maintenance of Ecological park of DDA | 1.01 | 2024-25 |
| Total | 19.15 | |

Notes to Financial Statements for the Year Ended March 31, 2024

* Commitment for ongoing projects (F.Y. 2022-23):- The Company had declared two projects as "Ongoing Project" as per amendment to Companies (CSR Policy) Admendment Rule 2021. So the balance amount of ₹ 16.95 Crores was deposited in a separate bank account -"Unspent CSR Account" :-

| Name of Project | Amount | Remarks |
|--|--------------|---------------|
| i) Pradhanmantri TB Mukta Bharat Abhiyan | 0.50 | Refer note i |
| ii) Establishment of World class Medical College, Paramedical College with state of the art Multi Specialty Hospital and allied infrastructure ("Medical Institution") | 16.45 | Refer note ii |
| Total | 16.95 | |

i : Out of ₹ 0.50 Crore, ₹ 0.25 Crore has been spent during the current year and remaining ₹ 0.25 Crore has been carried forward for FY 2024-25.

ii : This proposal for "Medical Institution" was abandoned by the Board in their meeting held on November 07, 2023 and accordingly ₹ 16.45 Crores pertaining to this Project has been transferred to the "PM CARES Fund" on December 04, 2023.

10. Remuneration to Auditors (Including GST)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Statutory Audit Fees & Limited Review Fees | 0.28 | 0.25 |
| Tax Audit Fees | 0.05 | 0.05 |
| Certification Work | 0.24 | 0.33 |
| Out of Pocket Expenses | 0.02 | 0.03 |
| Total | 0.59 | 0.66 |

| Note-41 Net movement in Regulatory Deferral Account Balances and related deferred tax balances | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|------------------------------|------------------------------|
| Net movement in regulatory deferral account balance (Refer Note 17) | 613.92 | 1,316.85 |
| Net movement in regulatory deferral account balance before OCI | 618.09 | 1,321.48 |
| Net movement in regulatory deferral account balances related to items recognized in OCI | (4.17) | (4.63) |

| Note-42 Earnings per Equity Share | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---|------------------------------|------------------------------|
| I Profit/(Loss) for Earnings Per Share | | |
| Profit for the year (After Tax) | 845.40 | 1,099.91 |
| Profit for the year (After Tax) (Before net movement in Regulatory Deferral Account balances) | 227.31 | (221.57) |
| II No. of Equity Shares (In Crores) | | |
| Opening | 104.00 | 104.00 |
| Closing | 104.00 | 104.00 |
| Weighted Average No. of Equity Shares | 104.00 | 104.00 |
| III Earnings Per Share | | |
| Earnings Per Share Basic (₹) | 8.13 | 10.58 |
| Earnings Per Share Diluted (₹) | 8.13 | 10.58 |
| Earnings per share Basic (Before net movement in Regulatory Deferral Account balances) | 2.19 | (2.13) |
| Earnings per share Diluted (Before net movement in Regulatory Deferral Account balance) | 2.19 | (2.13) |
| Face Value of Equity Shares (₹) | 10.00 | 10.00 |

Note-43 Income Tax Expense

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|---------------------------|---------------------------|
| 1. Income Tax expense | | |
| (i) Current tax | | |
| Current tax on profits for the year | - | - |
| Adjustments for current tax of earlier years | - | - |
| Total current tax expense (i) | - | - |
| (ii) Deferred tax | | |
| Decrease in deferred tax assets | 50.48 | 148.57 |
| Increase in deferred tax liabilities | 182.36 | 352.69 |
| Total deferred tax expense | 232.84 | 501.26 |
| Less: (Income Recoverable) from future tariff | (232.84) | (501.26) |
| Net deferred tax expense (ii) | - | - |
| Income Tax expense (i)+(ii) | - | - |

2. Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate:

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Profit before income tax expense (including OCI) (A) | 845.16 | 1,099.43 |
| Income tax rate applicable (B) | 25.17% | 25.17% |
| Income tax expense (A)*(B) | 212.71 | 276.70 |
| Tax effects of the items that are not deductible (taxable) while calculating taxable income : | | |
| Tax effect of permanent differences | 7.06 | 5.69 |
| Movement in tax losses (net of recoverable from future tariff) | (219.77) | (282.39) |
| Total tax expense | - | - |

The balance comprises temporary differences attributable to:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Deferred tax liability on account of : | | |
| Depreciation difference | 500.48 | 473.60 |
| Regulatory Assets | 3,009.81 | 2,855.30 |
| RoU Assests | 12.76 | 11.52 |
| Loan Processing Costs | 0.46 | 0.73 |
| Deferred tax asset on account of: | | |
| Provision for Doubtful Debts | 37.17 | 37.68 |
| Provision for Retirement of Assets | 7.64 | 7.65 |
| Provision for Obsolete/Non Moving/Slow Moving Inventories | 0.44 | 0.45 |
| Provision for Leave Encashment | 14.03 | 14.20 |
| Lease Liability | 15.98 | 13.62 |
| Unabsorbed Losses (including depreciation) | 654.91 | 707.05 |
| Net deferred tax liability | 2,793.34 | 2,560.50 |
| Less: Recoverable from future tariff | (2,793.34) | (2,560.50) |

3. Movement in deferred tax balances:

| Particular | Depreciation difference (a) | Regulatory Assets (b) | Brought forward losses (Including unabsorbed depreciation) (c) | Others (d) | Total (a+b-c-d) |
|------------------------|-----------------------------|-----------------------|--|------------|-----------------|
| As at March 31, 2022 : | 463.48 | 2,523.88 | 868.15 | 59.97 | 2,059.24 |
| Charged/(Credited): | | | | | |
| - to profit or loss | 10.12 | 331.42 | (161.10) | 1.38 | 501.26 |
| As at March 31, 2023 : | 473.60 | 2,855.30 | 707.05 | 61.35 | 2,560.50 |
| Charged/(Credited): | | | | | |
| - to profit or loss | 26.88 | 154.51 | (52.14) | 0.69 | 232.84 |
| As at March 31, 2024 : | 500.48 | 3,009.81 | 654.91 | 62.04 | 2,793.34 |

Note: In line with the requirements of Ind AS 114 on Regulatory Deferral Accounts, the Company presents the deferred tax assets (liabilities) and the related movement in those deferred tax assets / (liabilities) along-with the related Regulatory deferral account balances, instead of showing it as part of the deferred tax assets (liabilities) and the Tax expense as per Ind AS 12 on Income Taxes. Refer Note 17 for disclosures as per Ind AS 114.

Note-44 : Related party transactions

Related parties and Key Management Personnel with whom transactions have taken place during the year :

| | | |
|------|--|--|
| i) | Parent Company | Reliance Infrastructure Limited |
| ii) | Company having Substantial interest | Delhi Power Company Limited |
| iii) | Fellow Subsidiary Companies & Associates | BSES Yamuna Power Limited Sasan Power Limited |
| iv) | Post Employment Benefit Plans | BSES Rajdhani Power Limited Employees Group Gratuity Assurance Scheme BSES Rajdhani Power Limited Employees Superannuation Scheme |

Key Management Personnel

| Name | Category | Year |
|--|-------------------------|---------------------------------|
| Shri Ajit Keshav Ranade | Independent Director | 2023-24 2022-23 |
| Shri Anjani Kumar Sharma | | 2023-24 2022-23 |
| Shri Surinder Singh Kohli (Cessation w.e.f. January 01, 2024) | | 2023-24 2022-23 |
| Dr. Vijayalakshmy Gupta | | 2023-24 2022-23 |
| Shri K Ravikumar (Appointed w.e.f. February 05, 2024) | | Additional Independent Director |
| Dr. Ashish Chandra Verma, IAS (Appointed w.e.f. March 06, 2023) | Non-Executive Director | 2023-24 2022-23 |
| Shri Shurbir Singh, IAS (Appointed w.e.f. February 28, 2023) | | 2023-24 2022-23 |
| Shri Sateesh Seth | | 2023-24 2022-23 |
| Shri Punit Narendra Garg | | 2023-24 2022-23 |
| Shri Virendra Singh Verma | | 2023-24 2022-23 |
| Shri Naveen ND Gupta (Cessation w.e.f. February 15, 2023) | | 2022-23 |
| Shri Umesh Kumar Tyagi (Cessation w.e.f. December 23, 2022) | | 2022-23 |
| Shri Jasmine Shah (Cessation w.e.f. December 23, 2022) | | 2022-23 |
| Shri Amal Sinha | Executive Director | 2023-24 2022-23 |
| Shri Vineet Sikka (Appointed w.e.f. August 09, 2022) | Chief Executive Officer | 2023-24 2022-23 |
| Shri Rajesh Bansal (Cessation w.e.f. July 31, 2022) | | 2022-23 |

(a) Key Management Personnel Compensation

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Short - term employee benefits * | 4.86 | 2.76 |
| Post - employment benefits | 0.25 | 0.21 |
| Long - term employee benefits | 0.43 | 0.07 |
| Total | 5.54 | 3.04 |
| * Includes sitting fees paid/payable to directors for the year ended March 31, 2024 amounting to ₹ 0.18 Crore (Year ended March 31, 2023 ₹ 0.22 Crore) | | |

b) Transactions with related parties

The following transactions occurred with related parties:

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--|---------------------------|---------------------------|
| Statement of profit and loss heads | | |
| 1. Income: | | |
| <i>Sale of Power</i> | | |
| - BSES Yamuna Power Limited | 0.00 | - |
| <i>Interest earned</i> | | |
| - BSES Yamuna Power Limited | 2.63 | 8.35 |
| <i>Reimbursement of Expenses Claimed</i> | | |
| - BSES Yamuna Power Limited | 1.09 | 2.63 |
| 2. Expenses: | | |
| <i>Purchase of Power (Including open access charges - Net of rebate)</i> | | |
| - BSES Yamuna Power Limited | 44.64 | 32.78 |
| - Sasan Power Limited | 71.93 | 66.21 |
| <i>Reimbursement of Expenses Paid</i> | | |
| - BSES Yamuna Power Limited | - | 0.01 |
| <i>Trust Contribution</i> | | |
| - BSES Rajdhani Power Limited Employees Group Gratuity Assurance Scheme | 5.89 | 4.96 |
| - BSES Rajdhani Power Limited Employees Superannuation Scheme | 1.46 | 1.33 |
| For Securities - Pledge of 51% Share of the Company held by Reliance Infrastructure Limited (Refer Note 20). | | |

c) Loans to related parties

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|-----------------------------|---------------------------|---------------------------|
| <i>Loan repaid</i> | | |
| - BSES Yamuna Power Limited | (46.57) | (45.00) |

d) Balance sheet heads (Closing balances):

| | As at March 31, 2024 | As at March 31, 2023 |
|---|----------------------|----------------------|
| Payable:- | | |
| <i>Other Current Liabilities</i> | | |
| - Delhi Power Company Limited | 1.04 | 1.28 |
| <i>Trade Payables</i> | | |
| - BSES Yamuna Power Limited | 1.95 | 0.50 |
| - Sasan Power Limited | 0.99 | 1.17 |
| <i>Current Provision</i> | | |
| - BSES Rajdhani Power Limited Employees Group Gratuity Assurance Scheme | 5.89 | 4.96 |
| <i>Other Current Financial Liabilities</i> | | |
| - BSES Rajdhani Power Limited Employees Superannuation Scheme | 0.12 | 0.11 |
| <i>Financial Assets</i> | | |
| - BSES Yamuna Power Limited | - | 46.57 |

1 Terms & conditions.

a) For terms and condition relating to Loan to BSES Yamuna Power Limited, Refer Note 13.

b) All outstanding balances are unsecured. These are repayable/ recoverable on demand (except loan to M/s BSES Yamuna Power Limited).

c) The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (Year ended March 31, 2023 : ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2 The above disclosure does not include transactions with / as public utility service providers, viz. electricity, telecommunication etc, in the normal course of business.

Note-45 Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely credit risk, liquidity risk and market risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Risk Management Committee of the Company is supported by the Finance team and experts of respective business divisions that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to:

- protect the Company's financial results and position from financial risks
- maintain market risks within acceptable parameters, while optimizing returns; and
- protect the Company's financial investments, while maximizing returns.

The Treasury department provides funding for the Company's operations. In addition to guidelines and exposure limits, a system of authorities and extensive independent reporting covers all major areas of treasury's activity.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|-----------------------------|--|----------------------------------|---|
| Credit risk | Cash and cash equivalents, trade receivables, financial assets measured at amortized cost. | Ageing analysis Credit rating | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings, trade payables and other liabilities | Rolling cash flow forecasts | Monitoring of committed credit lines and borrowing facilities |
| Market risk – interest rate | Long-term borrowings at variable rates | Sensitivity analysis | Benchmarking of interest rates |

The Company's financial risk management is carried out by the treasury department (Company treasury). It identifies, evaluates financial risks in close cooperation with the Company's operating units, covering interest rate risk, credit risk and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and from its financial activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk management

Credit risk is managed at Company level depending on the framework surrounding credit risk management.

The concentration of credit risk is limited since the customer base is large and widely dispersed and secured with security deposit. For banks and financial institutions, only high rated banks and institutions are accepted.

The maximum exposure to the credit risk at the reporting date is primarily from trade receivable. The Company uses the provision matrix method under simplified approach wherein it recognizes impairment loss allowance based on lifetime Expected Credit Loss (ECL) at the reporting date.

Trade receivables are written off when there is no reasonable expectation of recovery after disconnection and adjustment of security deposit with past due, as per policy of the Company and trade receivables failing to engage in a repayment plan with the Company. However, the Company continues to engage in enforcement and recovery activity to attempt to recover the receivable dues. Where recoveries are made, these are recognized in the statement of profit and loss.

Reconciliation of loss allowance provision – Trade receivables

| Reconciliation of loss allowance | Provision matrix method | Street light unmetered dues and others | Total |
|-------------------------------------|-------------------------|--|--------|
| Loss allowance as on April 1, 2022 | 140.66 | 9.06 | 149.72 |
| Bad debts written off | (7.33) | - | (7.33) |
| Changes in loss allowance | 7.33 | - | 7.33 |
| Loss allowance as on March 31, 2023 | 140.66 | 9.06 | 149.72 |
| Bad debts written off | (2.91) | - | (2.91) |
| Changes in loss allowance | 0.88 | - | 0.88 |
| Loss allowance as on March 31, 2024 | 138.63 | 9.06 | 147.69 |

The impairment provisions for Trade receivables disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company do not anticipate any material credit risk for loans and other financial assets.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the year :

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--|----------------------|----------------------|
| Floating rate | | |
| Term Loan | 197.73 | 197.73 |
| Cash Credit (Expiring within one year) | 120.45 | 52.67 |
| Total | 318.18 | 250.40 |

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in ₹ .

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity based on their contractual maturities for all financial liabilities. The amounts are grossed and undiscounted.

| Contractual maturities of financial liabilities as at March 31, 2024 | Carrying Value | within 1 year | more than 1 year | Total |
|--|------------------|-----------------|------------------|------------------|
| Non-derivatives | | | | |
| Non current borrowings (includes current maturities of long term borrowings and Interest accrued but not due)* | 1,087.73 | 357.22 | 1,009.42 | 1,366.64 |
| Current borrowings | 53.55 | 53.55 | - | 53.55 |
| Consumer security deposits | 1,170.39 | 54.57 | 1,115.82 | 1,170.39 |
| Trade payables | 8,182.34 | 8,182.34 | - | 8,182.34 |
| Creditors for capital expenditure | 114.91 | 114.91 | - | 114.91 |
| Lease Liability | 63.48 | 9.99 | 53.49 | 63.48 |
| Other financial liabilities | 207.91 | 207.91 | - | 207.91 |
| Total non-derivative liabilities | 10,880.31 | 8,980.49 | 2,178.73 | 11,159.22 |

| Contractual maturities of financial liabilities as at March 31, 2023 | Carrying Value | within 1 year | more than 1 year | Total |
|--|------------------|-----------------|------------------|------------------|
| Non-derivatives | | | | |
| Non current borrowings (includes current maturities of long term borrowings and Interest accrued but not due)* | 1,328.91 | 381.05 | 1,370.61 | 1,751.66 |
| Current borrowings | 121.33 | 121.33 | - | 121.33 |
| Consumer security deposits | 1,053.76 | 64.86 | 988.90 | 1,053.76 |
| Trade payables | 7,935.36 | 7,935.36 | - | 7,935.36 |
| Creditors for capital expenditure | 106.94 | 106.94 | - | 106.94 |
| Lease Liability | 54.11 | 6.67 | 47.44 | 54.11 |
| Other financial liabilities | 194.66 | 194.66 | - | 194.66 |
| Total non-derivative liabilities | 10,795.07 | 8,810.87 | 2,406.95 | 11,217.82 |

* It also includes Contractual Interest payments based on Interest rate prevailing at the end of the reporting period.

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: Foreign currency risk, Interest rate risk and Price risk.

(i) Foreign currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The Company operates in a business that have insignificant exposure to foreign exchanges/ foreign currency transactions.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to interest rate risk. During the year ended March 31, 2024 and March 31, 2023, the Company's borrowings at variable rate were primarily dominated in ₹.

Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|----------------------|----------------------|
| Variable rate borrowings | 1,134.84 | 1,442.68 |
| Fixed rate borrowings | - | - |
| Total borrowings | 1,134.84 | 1,442.68 |

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

| Particulars | Impact on profit after tax | |
|--|----------------------------|---------------------------|
| | Year ended March 31, 2024 | Year ended March 31, 2023 |
| Interest rates – increase by 50 basis points (50 bps)* | (6.34) | (7.54) |
| Interest rates – decrease by 50 basis points (50 bps)* | 6.34 | 7.54 |

*Holding all other variables constant

(iii) Price risk

The Company does not have any investment in equity. Therefore there is no price risk to the Company on financial instruments. Tariff of the Company is regulated by DERC. Refer Note 17 about the risk management on account of determination of tariff.

(D) Capital Management

The Company considers the following components of Balance Sheet to manage Capital :

1. Total equity- comprising issued capital, retained earnings and other reserves.
2. Debt - comprising Non-current borrowings (including current maturities) and Current borrowings

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimize returns to our shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Company's aim to translate profitable growth to superior cash generation through efficient capital management.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditor, and market confidence and to sustain future development and growth of its business.

The Company's focus is on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required, without impacting the risk profile of the group. The Company will take appropriate steps in order to maintain, or if necessary, adjust its capital structure.

The management monitors the return on capital as well as the level of dividends to the shareholders.

(E) Fair Value measurements

| Particulars | Level | As at March 31, 2024 | | As at March 31, 2023 | |
|--|-------|-------------------------|------------------|-------------------------|------------------|
| | | Fair value | Carrying value | Fair value | Carrying value |
| Financial Assets (at amortised cost) | | | | | |
| Restricted Bank Deposits | | 151.62 | 151.62 | 174.55 | 174.55 |
| Other Non Current Financial Assets | 3 | 4.30 | 4.30 | 4.35 | 4.35 |
| Trade Receivables | 3 | 799.66 | 799.66 | 748.65 | 748.65 |
| Cash and Cash Equivalents | | 511.37 | 511.37 | 116.12 | 116.12 |
| Bank Balances other than Cash and Cash Equivalents | | 118.94 | 118.94 | 130.19 | 130.19 |
| Current Loans | 3 | 0.40 | 0.40 | 47.21 | 47.21 |
| Other Current Financial Assets | 3 | 179.56 | 179.56 | 126.25 | 126.25 |
| Total | | 1,765.85 | 1,765.85 | 1,347.32 | 1,347.32 |
| Financial Liabilities (at amortised cost) | | | | | |
| Non Current Borrowings | 3 | 840.87 | 840.87 | 1,081.28 | 1,081.28 |
| Current Borrowings | 3 | 293.97 | 293.97 | 361.40 | 361.40 |
| Consumer Security Deposits | 3 | 1,170.39 | 1,170.39 | 1,053.76 | 1,053.76 |
| Lease Liability | 3 | 63.48 | 63.48 | 54.11 | 54.11 |
| Trade Payables | 3 | 8,182.34 | 8,182.34 | 7,935.36 | 7,935.36 |
| Employee Related Liabilities | 3 | 1.62 | 1.62 | 1.98 | 1.98 |
| Payable for Expenses | 3 | 2.89 | 2.89 | 3.21 | 3.21 |
| Consumer Contribution for Capital Works | 3 | 153.66 | 153.66 | 150.86 | 150.86 |
| Others | 3 | 171.09 | 171.09 | 153.11 | 153.11 |
| Total | | 10,880.31 | 10,880.31 | 10,795.07 | 10,795.07 |

Notes:

- a) Fair value of financial assets and liabilities with short term maturities is considered as approximate to respective carrying amount due to the short term maturities of these instruments.
- b) Fair valuation of non-current financial assets and liabilities has been disclosed to be same as carrying value as there is no significant difference between carrying value and fair value.
- c) There are no transfers between any levels during the year.

46. Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2024 is ₹ 361.56 Crores (As at March 31, 2023 ₹ 207.07 Crores).

The Company had entered into Long Term PPAs with various Power Generators in accordance with capacity allocated to the Company by the Ministry of Power / GoNCTD for respective plants.

47. Contingent Liabilities.

A) Bank Guarantee outstanding as at March 31, 2024 ₹ 3.23 Crores (As at March 31, 2023 ₹ 4.75 Crores).

B) Claims not acknowledged as debts and other major matters under litigation

a)

(Amount in ₹ Crores)

| S. No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------|--|----------------------|----------------------|
| i | Legal cases related to consumers and others* | 39.39 | 40.41 |
| ii | Legal cases related to employees** | 2.58 | 2.99 |
| iii | Claim by DPCL on account of events relating to erstwhile DVB period*** | 91.59 | 91.59 |
| | Total | 133.56 | 134.99 |

* **Legal cases related to consumers and others**

Consumers in the ordinary course of business, challenge the conviction orders passed by the special courts seeking setting aside of orders and recovery of payment already made by them. Also in case of billing disputes, the consumers allege excess recovery by the Company and seek refund of the same. Apart from the above, the recovery cases are also filed against the Company by the vendors, third parties etc.

** **Legal cases related to employees**

The aggrieved employees have filed cases before the various forums on account of denial of time bound promotion scale, delay in promotion, setting aside of disciplinary proceedings with consequential benefits, etc.

*** **Claim filed by DPCL Vs BRPL (Suit no.1093/2013)**

A recovery suit was filed by DPCL in 2013 against the Company before the Hon'ble Delhi High Court (Hon'ble Delhi HC) for recovery of ₹ 92.59 Crores along with interest @ 18% p.a.. DPCL has claimed that it has made payments from 2002-2006 for liabilities arising from events prior to July 01, 2002 (DVB period). DPCL has alleged that the Company also made adjustments against the amounts receivable by it from the revenue collected from consumers towards power supplied during the DVB period. The matter is pending before the Registrar Court at the stage of admission/denial of documents filed by the parties. On May 08, 2019, the Company has filed affidavit for admission and denial of documents. On February 05, 2024 the counsel for plaintiff submitted that the record is voluminous and they need time to inspect the case file and trace and identify the documents on record. Matter is adjourned to September 06, 2024.

b) The Company had received a claim from Delhi Transco Limited of ₹ 2.38 Crores in the past (March 31, 2023 ₹ 2.38 Crores) mainly on account of events relating to erstwhile DVB period. The same is disputed by the Company, and pending dispute/reconciliation, the same has not been provided for in the books of accounts.

c) A demand of ₹ 1.20 Crores (March 31, 2023 ₹ 1.20 Crores) was raised on the Company in the TDS assessment orders for FY 2007-08 on account of interest u/s 201(1A) of the Income Tax Act, 1961, for non-deduction of TDS on power transmission charges u/s 194J. The Company had appealed against the said TDS assessment order before the CIT (A), which is yet to be fixed for hearing.

Since, the Company has received favourable orders on the same matter from the appellate authorities in appeals pertaining to FY 2008-09 and 2009-10, the Company has not provided for any liability in this regard as at March 31, 2024.

Further, the issue of applicability of Section 194J of the Income Tax Act, 1961 on power transmission/ wheeling charges, has been set at rest by the Hon'ble SC, whereby a Special Leave Petition (SLP) filed by the Income Tax Department against the Hon'ble Delhi HC decision in case ITA No. 341/2015 pertaining to Delhi Transco Limited was dismissed. The

Hon'ble Delhi HC had held that the provisions of section 194J are not applicable on power transmission/ wheeling charges.

- d) Tax demands of ₹ 1.36 Crores (March 31, 2023 ₹ 1.33 Crores) and ₹ 5.97 Crores (March 31, 2023 ₹ 5.97 Crores) were raised on the Company for A.Y.s '2015-16 and 2016-17' respectively under the MAT provisions of the Income Tax Act, 1961. The Company had filed appeals before CIT (A) against the said demands which are still pending.

Since, the Company has received favourable orders on the similar matters from the appellate authorities in earlier years, the Company has not provided for any liability in this regard as at March 31, 2024.

Further, it may be noted that no amount has been considered as contingent liability in cases where the Income Tax Department has preferred an appeal against issues already decided in favour of the Company.

- e) The Company had in December-2003, announced a Special Voluntary Retirement Scheme (SVRS) for erstwhile DVB employees. The Company had taken the stand that terminal benefit to SVRS optees was the responsibility of DVB Employees Terminal Benefits Fund - 2002 Trust (DVB ETBF - 2002 or the Pension Trust) and the amount was not payable by the Company. The DVB ETBF-2002 Trust had contended that terminal benefits to the SVRS optees did not fall in its purview as the employees had not attained the age of superannuation.

The Company had filed a writ petition before the Hon'ble Delhi HC which pronounced its Judgement on July 02, 2007 and provided the two options to the BSES Discoms for paying terminal benefits and residual pension to the SVRS RTBF 2004 Trust (SVRS Trust).

The Company has opted for option, which requires determination of additional contribution to be funded by Discom as determined by the Arbitral Tribunal. The liability to pay residual pension i.e. monthly pension to SVRS optees shall be borne by the Company till their respective dates of normal retirement, after which the Trust shall commence payment to such optees. Though the constitution of Arbitral Tribunal was pending, BRPL in order to mitigate the hardship faced by SVRS optees, paid the amount due to them, without prejudice to its rights and contentions.

GoNCTD and Pension Trust have not appointed their nominee to Arbitral Tribunal and have appealed before the Division Bench of the Hon'ble Delhi HC which was dismissed by the Court and directed constituting the Arbitral Tribunal.

The matter was further challenged by GoNCTD and Pension Trust before Hon'ble SC. Civil Appeals are pending for adjudication. However no interim relief has been granted by the Hon'ble SC. It was last listed on December 18, 2019. Next date of hearing is still awaited.

- f) DERC vide its Order dated December 05, 2019, had directed the Discoms to refund within two months, the unspent/balance of consumer contribution in respect of the capitalized assets to the respective consumers and file claim before DERC, which will be considered along with admissible consequential relief in future ARR. The Company challenged the said directions of DERC in Appeal no. 34 of 2020 before Appellate Tribunal for Electricity (APTEL). The APTEL vide its Judgment dated August 31, 2021 partly allowed Company's appeal and directed DERC to allow the unspent Consumer Contribution to be refunded by the Discoms as an expenditure in the subsequent Tariff Order, which will be recovered through Tariff first and thereafter be refunded to the identified consumers by the Discoms within the same Financial Year. In compliance with the APTEL's direction, information sought by DERC has been submitted by the Company. However, DERC in its Tariff Order dated September 30, 2021, has decided to consider the same in the subsequent Tariff Order. Pending implementation of APTEL's directions by DERC, Company is refunding unspent consumer deposits pertaining to works executed against the deposits received after March 31, 2012 with interest.

Further, the Company has filed Civil Appeal No. 41-43 of 2022 before Hon'ble SC against the aforesaid APTEL Judgment dated August 31, 2021 limited to Para 137 to 139 (rejecting Company's claim for recasting of ARR of previous years) which was last listed for hearing on December 05, 2023, however, could not be taken up due to paucity of time. Next date of hearing is yet to be fixed.

- g) **Way Leave charges imposed by MCD's**

New Delhi Municipal Corporation (NDMC) has sought to recover Way Leave charges for use of its land (on overhead and underground to lay their cables including electrical installations etc) vide its letter dated September 16, 2015 regarding charges @ ₹ 75,162/- per running meter upto one meter width per annum which were revised in August 2016 to ₹ 6846/-

per meter (one time). The issues of Way Leave charges and License Fee were raised before the DERC and GoNCTD. In the co-ordination meeting held on February 03, 2017, NDMC agreed to defer the demand / levy of way leave charges and allow the Discoms to carry out their work till the matter is sorted out. However, NDMC & South Delhi Municipal Corporation (SDMC) has raised demands w.r.t. way leave charges amounting to ₹ 0.04 Crore & ₹ 0.03 Crore respectively and the same were responded by the Company.

In December 2020, the Company filed Writ Petitions against NDMC and SDMC against the said demand. The Hon'ble Delhi HC directed the NDMC and SDMC not to deny Road Cutting permissions on account of non-payment of way leave charges and the issue of way leave charges is subject to adjudication of the matter by the Hon'ble Delhi HC. The matter is now listed on May 07, 2024.

h) Service Tax on Lawyer's Fees

The Hon'ble SC, while hearing the issue of 'applicability of service tax on lawyer's fees' in the case of Bombay Bar Association vs UOI & ORS, passed an interim order dated August 10, 2015, staying the operation and implementation of the Bombay High Court order dated December 15, 2014 in which the Bombay High Court had held that service tax was applicable on services provided by an individual advocate to any business entity. Pursuant to the said order of the Hon'ble SC, the Company had not deposited service tax on Lawyer's Fees under reverse charge for the period from October 01, 2015 to June 30, 2017 amounting to ₹3.76 Crores. The matter is still pending before the Hon'ble SC for final adjudication.

However, during the Financial Year 2018-19, an audit was conducted by the Service Tax department, during which the department had stated that Service Tax was applicable on these expenses under reverse charge mechanism and that the Company should deposit tax on the same forthwith. The Company reconsidered its stand on the matter and decided to deposit the Service Tax amount (without interest) under protest. The amount so paid has been shown as Service Tax Recoverable under the head 'Other Current Assets' in the financial statements.

Post migration to GST regime w.e.f July 01, 2017 the Company is regularly paying GST on the above services under GST Reverse Charge Mechanism.

i) Late Payment Surcharge (LPSC) on Power Purchase Overdue

Due to financial constraints not attributable to and beyond the reasonable control of the Company, which have arisen primarily on account of under-recovery of actual expenses incurred by the Company through the tariff approved by DERC, it could not service its dues towards various Power Generators / Transmission Companies (Power Utilities) within the timelines provided under the applicable Regulations of CERC or DERC / terms of PPA / BPTA. On account of such delay in payments, these Power Utilities may be entitled to raise a claim of LPSC on the Company under applicable regulations of CERC / DERC, and/or provisions of PPA / BPTA, MoP advisory and / or MoP Rules (including Electricity (Late Payment Surcharge and related matters) Rules, 2022). The Company has recognized LPSC as per the applicable Regulations of CERC / DERC as the case may be, terms of PPAs/BPTAs / other applicable laws, Electricity (Late Payment Surcharge and related matters) Rules, 2022 [though not strictly applicable due to subject dues not being covered by the definition of 'outstanding dues' in the Rules], Orders / Advisory issued by MoP from time to time, the orders/judgements of Hon'ble SC and the pending petitions in relation thereto before various fora and reconciliation / agreed terms with Power Utilities, as the case may be. However, computation of LPSC involves a number of interpretational issues and propositions due to which there are differences in the amount of LPSC recognized by the Company in its books of account versus LPSC that is being claimed by some of the Generators / Transmission Companies as below :-

Central Generating / Transmission Utilities (Central Utilities): Disputed amount of LPSC aggregates to ₹ 70.82 Crores (as at March 31, 2023 ₹ 62.42 Crores). These are primarily on account of unilateral change in the payment appropriation methodology adopted by some of the Generating Utilities. The differences are also on account of interpretational issues between BRPL and Power Generating Companies in respect of applicable Regulations of CERC / MoP LPSC Rules / MoP Advisory or terms of PPAs as also the disputes regarding unilateral change in respect of the past practice being followed between the parties. The dispute with regard to the unilateral change in payment appropriation methodology adopted by a Central Generating Company i.e., THDC India Ltd. ("THDC") was raised before CERC in Petition No. 54/MP/2021 (BRPL v. THDC) filed by BRPL. CERC by its Order dated September 23, 2023, has disposed of the Petition No. 54/MP/2021 (BRPL v. THDC) and inter alia directed the parties to (a) reconcile the outstanding dues/payments and adjust the same in terms of the findings in the Order, within one month; and (b) settle any excess recovery or under recovery within two months thereafter. BRPL has challenged CERC's Order dated

September 23, 2023 before the Hon'ble APTEL under Section 111 of the Electricity Act, 2003 in Appeal No 904 of 2023 along with IA No. 2388 of 2023 (i.e., Application for interim stay of operation of CERC's Order dated September 23, 2023). Thereafter, pursuant to detailed hearings in the IA No. 2388 of 2023, Hon'ble APTEL vide its order dated April 08, 2024 has inter alia directed:

- (a) As an interim arrangement, BRPL to pay 50% of LPSC amount which is posted/ being posted on PRAPTI portal by THDC, as per trigger date or earlier;
- (b) This arrangement shall continue until the main Appeal (i.e., Appeal No. 904 of 2023) is decided on merits;
- (c) LPSC amount already paid by BRPL shall be adjusted from the next invoices posted/ to be posted on the PRAPTI portal by THDC; and
- (d) BRPL to pay the current energy dues as per the Hon'ble SC order dated March 26, 2014.

BRPL has paid an amount of ₹ 11.33 Crores under protest as on March 31, 2024 (₹ NIL as on March 31, 2023) to THDC in lieu of LPSC bills posted by THDC on PRAPTI Portal and the same has been shown under the head "Others" under Note 16 – Other Current Assets in the Financial Statements.

Delhi State Generating / Transmission Utilities (Delhi Utilities): Disputed amount of LPSC aggregates to ₹ 6187.38 Crores (as at March 31, 2023 ₹ 5004.04 Crores). These are primarily on account of re-assessment of the LPSC liability undertaken by the Company in the above background and also in view of a reasonable expectation of a settlement in terms of DERC's Order dated May 13, 2019 in Petition no. 8 of 2018, MoP Circular dated August 20, 2020 advising the Central Gencos / Transco to charge LPSC at a rate not exceeding 1% p.m. (i.e.12% p.a.) for all payments made under the Liquidity Infusion Scheme of PFC and REC under Atmanirbhar Bharat and communications of GoNCTD endorsing BRPL's requests, the settlements arrived at with some Central Generating Utilities granting relief with consequential impact on LPSC liability, fact that the Delhi Utilities are (a) not raising LPSC Bills after April ' 2015, (b) appropriating payments towards bills raised and (c) not offering the LPSC income (on accrual basis) in their Aggregate Revenue Requirement (ARR) etc. Further, it is noteworthy that there is a general trend of reducing LPSC rates in the country recognized in the LPSC Rules 2021 (now superseded, though not strictly applicable) and LPSC Rules 2022 [though not strictly applicable due to subject dues not being covered by the definition of 'outstanding dues' in the Rules] and also there are several proceedings pending before various fora including Hon'ble SC.

The Company has made several proposals for settlement of the power purchase overdues with Delhi Utilities, which have not fructified. It was only for the first time in September 2022 that the Delhi Utilities rejected the proposal to discuss a possible settlement. On that basis, the IA filed by the Company in Review Petition No. 60 of 2019 was disposed off. However, the Review Petition is currently sub-judice before DERC. Thereafter, also the Company has requested Delhi Utilities to consider its request for a settlement.

The above is subject to the outcome of the proceedings pending before DERC, APTEL, the Hon'ble SC and other fora.

BRPL has recognized the LPSC liability of Delhi Utilities @ 12% p.a. (as against 15%/18% p.a. earlier, which is under dispute) in these financial results, on a prudent and conservative basis by evaluating all background facts as stated above and on the basis of accounting principle that the fair value of the financial liability should be estimated at the amount probable (i.e. more likely than not) to settle the same. The exact obligation arises from past events 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.

j) Energy / Transmission Charges billed by the Utilities:-

Power Generators / Transmission Companies have raised invoices as per their interpretation of the applicable Regulations / orders of the CERC or DERC / terms of PPAs/BPTAs. The Company has accounted for the power purchase / transmission cost, based on its interpretation of the applicable regulations / orders of the CERC or DERC / terms of PPAs/BPTAs. However, there are differences in the power purchase / transmission bills recognized by the Company in its books of account versus bills raised by some of the generators / transmission Companies. These differences amounting to ₹ 35.35 Crores as at March 31, 2024 (as at March 31, 2023 ₹ 35.35 Crores) are primarily on account of such differences in the interpretation of BRPL and Power Generators/ Transmission Companies of applicable Regulations/ Orders of CERC or DERC/ terms of PPAs/BPTAs as also the dispute regarding unilateral change to the past practice being followed between the parties and are summarized as under:-

(Amount in ₹ Crores)

| Sl. No. | Party Name | As at March 31, 2024 | As at March 31, 2023 |
|---------|---|----------------------|----------------------|
| i | Indraprastha Power Generation Company Limited (IPGCL) | 35.33 | 35.33 |
| ii | PTC India Limited (PTC) | 0.02 | 0.02 |
| | Total | 35.35 | 35.35 |

k) Exit from Dadri-I station of NTPC Ltd.

On November 30, 2020, the Company exercised its option to exit from the PPA in respect of Dadri-I Station w.e.f. December 01, 2020 as per right under Regulation 17(2) of the CERC (Terms and Conditions for Determination of Tariff) Regulations, 2019. However, NTPC continued to raise bills towards capacity charges and other ancillary charges of Dadri-I Station.

The Company filed Petition No. 65/MP/2021 before CERC wherein CERC by Order dated July 01, 2021 ("CERC Order") upheld the Company's first right of refusal under Regulation 17(2). However, CERC held that the Company's right would become effective once the MoP de-allocates the share of the Company from Dadri-I Station.

The Company had filed Appeal No. 239 of 2021 before APTEL against the CERC Order wherein APTEL by Judgment dated February 08, 2022 directed NTPC to immediately refund the payment made by the Company under protest along with interest as specified in the PPA / Supplementary PPA. In the bill for March 2022 consumption, NTPC had passed on the credit of ₹ 234.75 Crores towards the amounts paid by the Company under protest along with interest @ 10.50% / 11.25% p.a. as against the interest @ 15% p.a. as per the PPA / SPPA as held in APTEL Judgement. As per BRPL, the total amount to be credited was ₹ 245.85 Crores.

On March 02, 2022, NTPC filed Civil Appeal No. 1877 of 2022 before Hon'ble SC against the aforesaid APTEL Judgement which is pending adjudication. By the Order dated April 13, 2023, the Hon'ble SC stayed the operation of the APTEL's Judgement, till further orders, and directed that no fresh disputes shall be decided on the basis of the APTEL judgement. The matter is likely to be listed for hearing on May 07, 2024.

On March 21, 2022, the Company had filed Execution Petition before APTEL for execution of APTEL Judgement. The Company had sought directions against NTPC to make payment of the remaining amount of ₹ 11.10 Crores from APTEL in its Execution Petition. On August 08, 2023, APTEL dismissed the Execution Petition on account of the pendency of the Civil Appeal filed by NTPC before the Hon'ble SC, while granting liberty to the Company to move an Execution Petition, if need be, after the Civil Appeal is disposed of by the Hon'ble SC.

NTPC has also filed Writ Petition No. 10698 of 2021 before the Hon'ble Delhi HC on September 08, 2021 challenging the CERC Order, and/or in the alternative, prayed for Regulation 17 of Tariff Regulations, 2019 to be struck down. No stay was granted in the said Writ Petition. The matter is next listed for hearing on August 23, 2024.

- i) In addition, the Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Based on the interpretations of the provisions of the relevant statutes involved, the Company is of the view that the demands referred above are likely to be deleted or substantially reduced and penalty waived off by appellate authorities at higher levels and accordingly no further provision is required.

48. Legal Cases by the Company

The Company has a process of enforcement and looking cases of power theft to reduce AT&C losses and improve operational efficiency parameters. In pursuance of same and powers conferred under The Electricity Act, 2003, Company files cases in various legal forums for the recovery of dues from defaulters. The Company is dependent

favourable outcome of such cases. However, the amount likely to be realized on settlement of such cases is currently not ascertainable. The Company does not expect any adverse impact on the financial position as a consequence of these legal cases. The Company has also taken insurance policy for electrocution cases. Any order of the Court directing Company to pay compensation is reimbursable by the Insurance Company.

49. Power Utilities Dues

On February 01, 2014, NTPC issued Notice of Regulation (Suspension) of Power Supply to the Company due to delay in power purchase payments. The Company had filed a Writ Petition 104 of 2014 ("Writ Petition") in the Hon'ble SC praying for keeping the regulation notice in abeyance, giving suitable direction to DERC to provide cost reflective tariff, and to provide appropriate mechanism for adjusting the dues owed by the Company to power suppliers from the amounts due and owed to the Company. The Company also submitted that DERC has not implemented the Judgements of APTEL in favour of the Company as DERC has preferred an appeal against the APTEL orders (C.A No. 884/2010 and 9003/2011).

In the Interim Order dated March 26, 2014 & May 06, 2014, Hon'ble SC directed the Company to pay its current dues (w.e.f. January 01, 2014) failing which the generating / transmission companies may regulate supply.

On May 12, 2016, Hon'ble SC by an Order passed in the Contempt Petitions filed by Delhi Utilities directed the Company to pay 70% of the current dues to them till further orders. New Contempt Petitions have been filed by Delhi Power Utilities in November 2016 alleging non-compliance of Hon'ble SC Orders regarding payment of current dues.

The Hon'ble SC on the request of the Company directed that, all connected matters be tagged with the Writ Petition and Contempt petitions.

Hon'ble SC by Order dated December 01, 2021 dismissed the DERC's Tariff Appeals (C.A. No. 884/2010 and 9003/2011) and directed DERC to comply with the directions contained in the APTEL Judgements and submit a compliance report. Refer note 17 for update on this matter.

On October 18, 2022, Hon'ble SC passed final judgment in BRPL's Tariff Appeal (C.A. No. 4324 of 2015 also tagged with the Writ Petition and Batch) and decided the Appeal in favor of the Company.

The Company also filed Interim Applications (IA) in the Writ Petition on September 26, 2022 pursuant to several communications from GoNCTD and Delhi Utilities inter-alia threatening regulation of supply in case dues are not paid. Hon'ble SC by Order dated September 28, 2022 directed the parties to maintain status quo until further orders and directed the IA along with other connected matters to be listed after eight weeks.

Batch matters including Writ Petition were last listed before Hon'ble SC as per cause list on May 01, 2024. However, matter could not be taken up and the next date of hearing is yet to be fixed.

50. CAG Audit

The three private electricity distribution Companies (Discoms) in the NCT of Delhi preferred a Writ Petition before Hon'ble Delhi HC challenging GoNCTD communication dated January 07, 2014 directing the Comptroller and Auditor General of India (CAG) to conduct audit of the Discoms. On October 30, 2015, the Hon'ble Delhi HC pronounced its Judgement wherein Hon'ble Delhi HC "set aside all actions taken pursuant to the January 07, 2014 order". The Hon'ble Delhi HC further directed that "all acts undertaken in pursuance thereof are infructuous".

CAG, GoNCTD and United Resident Welfare Association (URWA) filed Special Leave Petitions (SLP) before Hon'ble SC. Tata Power Delhi Distribution Ltd. also filed an SLP challenging the Hon'ble Delhi HC Judgement on limited aspects. On July 03, 2017, the Hon'ble SC passed an Order that the instant appeals need not be referred to the Constitution Bench and adjudication of the appeals should not await the outcome of the decision of the Constitution Bench. The Appeals were directed to be listed for hearing on merits. Next date of hearing is yet to be fixed.

51. Service Tax / GST on Street Light Maintenance

The Company has been raising bills for street light maintenance on the Municipal Corporation of Delhi (MCD) along with the applicable service tax (till June 30, 2017) and GST thereafter. However, MCD did not adhere to its statutory obligation to bear the Service Tax/GST and has not paid the Service Tax/GST component of the bills.

Aggrieved by the actions of the MCD, the Company had filed two separate writ petitions before Hon'ble Delhi HC seeking directions against MCD for recovery of the Service Tax and GST dues. Both the writ petitions have been decided in favour of the Company vide Hon'ble Delhi HC orders dated August 24, 2022 and November 23, 2023 respectively in which the MCD has been directed to reimburse the Service Tax/GST amounts to BRPL. Further, the SLP filed by the MCD against the Hon'ble Delhi HC decision in the writ petition relating to the recovery of Service Tax has been dismissed by the Hon'ble SC on January 30, 2023. Accordingly, the Company had sought reimbursement of the related Service Tax and GST amounts of ₹ 24.75 Crores and ₹ 8.96 Crores respectively from MCD along with interest. The MCD has released partial payment of ₹ 4.28 Crores against Service Tax and ₹ 1.66 Crores against GST dues along with interest of ₹ 1.92 Crores. The Company is continuously following up with MCD for release of the balance dues.

52. Applicability of GST on Distribution Utilities Circular No. 34/08/2018 - GST

The Govt. of India, Ministry of Finance, Department of Revenue, Tax Research Unit (TRU) had issued a circular bearing no. 34/08/2018 dated March 01, 2018 clarifying therein that some of the activities carried out by Discoms such as Application Fees for releasing electricity connections, Rental charges against metering equipment, Testing fee for meters, transformers, capacitors etc., labour charges from customers for shifting of meters or shifting of service lines, Charges for duplicate bills were chargeable to GST. The Company, along with other Discoms, had filed a writ petition before Hon'ble Delhi HC seeking to quash the said circular which had sought to levy GST on services which are a necessary adjunct of Distribution of electricity and exempt service under the GST provisions. Hon'ble Delhi HC, vide order dated December 13, 2023 has set aside the Circular 34/08/2018 and has clarified that the supplies mentioned in the Circular are bundled supplies and form an integral part of the supplies of distribution of electricity and are therefore not chargeable to GST. Consequently, w.e.f. the date of the said Hon'ble Delhi HC order, the Company has stopped charging GST on services which were sought to be made taxable in the Circular 34/08/2018.

53. Pension Trust Surcharge

DERC in its Tariff order dated September 30, 2021 has allowed surcharge of 7% (w.e.f. October 01, 2021) towards recovery of Pension Trust surcharge of erstwhile DVB Employees/Pensioners as recommended by GoNCTD. Accordingly, the Company is billing to the consumers and collecting the same from the consumers for onward payment to the Pension Trust on monthly basis. There was an under recovery of ₹ 60.93 Crores from consumers in FY 2017-18 towards Pension Trust Surcharge based on the DERC directives in the Tariff Order dated August 31, 2017 on collection basis. DERC in Tariff Order dated July 31, 2019, while undertaking true-up of FY 2017-18, has allowed Pension trust surcharge deficit of ₹ 51.45 Crores on billed basis instead of collection basis and has added the same as a part of Regulatory Assets instead of allowing its adjustment through Pension Trust Surcharge of FY 2019-20. The Company has challenged this treatment in Appeal No. 376 of 2019 before ATE, which is currently sub-judice. The Company has adjusted ₹ 51.45 Crores against Pension Surcharge Recoverable (excluding carrying cost) and shown balance of ₹ 9.48 Crores (not including carrying cost) still recoverable through Pension Trust Surcharge in the books of accounts.

54. Renewable Purchase Obligation (RPO)

DERC vide its Order dated September 18, 2019 had imposed penalty under Section 142 of Electricity Act, 2003. The total amount of penalty till March 31, 2024 is ₹ 5.36 Crores (As at March 31, 2023 ₹ 4.81 Crores) on account of non-compliance of RPO for FY 2012-13 to FY 2014-15. This penalty will increase at the rate ₹ 5,000/- per day. Accordingly, the total amount for non-compliance from FY 2012-13 to FY 2023-24 is ₹ 11.65 Crores. However, the DERC Order dated September 18, 2019 has been challenged in the APTEL in Appeal No. 397 of 2019 and APTEL has directed DERC not to take any coercive steps till the matter is pending. The next date of hearing is yet to be fixed.

Notes to Financial Statements for the Year Ended March 31, 2024

Note 55 :- Relationship with Struck off Companies :-

| Name of the struck off company | Relationship with the struck off company | Nature of transactions with struck off company | Transactions during the year ended March 31, 2024 (Amount in ₹) | Balance Outstanding as at March 31, 2024 (Amount in ₹) | Balance Outstanding as at March 31, 2023 (Amount in ₹) |
|--|--|--|---|--|--|
| Aequom Ventures Private Limited | Consumer | Sale of Power | 3,03,200 | (5,164) | 15,615 |
| | | Interest on CSD | 5,738 | | - |
| | | Consumer Security Deposit (CSD) | - | 67,500 | 67,500 |
| Graphic Footwear Private Limited | Consumer | Sale of Power | 56,53,677 | 3,65,149 | 5,554 |
| | | Interest on CSD | 64 | | - |
| | | Consumer Security Deposit (CSD) | - | 750 | 750 |
| Hemkunt Stock Broking Private Limited | Consumer | Sale of Power | 21,014 | 900 | (420) |
| | | Interest on CSD | 510 | - | - |
| | | Consumer Security Deposit (CSD) | - | 6,000 | 6,000 |
| Laurel Wood Private Limited | Consumer | Sale of Power | - | 4,35,564 | 4,35,564 |
| Megha Menu Online Private Limited | Consumer | Sale of Power | 34,435 | 1,084 | 8,132 |
| | | Interest on CSD | 1,403 | | - |
| | | Consumer Security Deposit (CSD) | - | 16,500 | 16,500 |
| Metro Safety Instruments Private Limited | Consumer | Sale of Power | 5,98,390 | (4,040) | 29,420 |
| | | Interest on CSD | 5,100 | | - |
| | | Consumer Security Deposit (CSD) | - | 60,000 | 60,000 |
| Mucon Footwear Limited | Consumer | Sale of Power | 8,56,134 | 46,487 | 2,16,882 |
| | | Interest on CSD | 7,268 | | - |
| | | Consumer Security Deposit (CSD) | - | 85,500 | 85,500 |
| Vridhhi Textiles Private Limited | Consumer | Sale of Power | 5,94,736 | 45,620 | - |

Note 56 :- Operating Segments

The Company is engaged in the business of distribution and supply of electricity in the specified area in Delhi. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and accordingly the Company has single reportable segment in terms of Ind AS 108 "Operating Segments".

There is no individual customer contributing more than 10% of revenue. The Company operates in certain areas of Delhi as per license issued by DERC and hold assets at one geographical area i.e. Delhi. The Company does not derive revenue from foreign countries on account of distribution business. The Company does not hold any non-current asset in foreign country.

Reporting Requirements as per DERC Regulations :-

As per the requirements of the Delhi Electricity Regulatory Commission (DERC), the Company is required to disclose separate information about its 'Other Business' and 'Non Licensed Business'. Accordingly, the Company has presented its financial information under the following 3 segments :-

- **Distribution Licensed Business** - Comprises of Sale of Power to retail customers through distribution network and other miscellaneous income, etc.
- **Other Business Income (with Utilization of Distribution Assets)**- Comprises of Pole rental income, ATM rental, Cell on Wheel (COW) and Collection charges on Electricity Duty, etc.
- **Non-Licensed Business** – Comprises of Streetlight Maintenance and MNRE Rooftop Programme, etc.

Revenues and Expenses directly attributable to segments are reported under respective segments. Expenses which are not directly identifiable to each reporting activity have been allocated appropriately based on available parameters.

Assets and Liabilities that are directly attributable or allocable to segments are disclosed under respective segment. All other assets and liabilities which cannot be directly attributable to respective segments are disclosed as un-allocable.

Above bifurcation is also subject to various litigations pending before various fora.

Segment Results, Segment Assets and Segment Liabilities are detailed below:-

| S. No. | Particulars | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|--------|--|--------------------------------|---|-----------------------|------------------|--------------------------------|---|-----------------------|------------------|
| | | Distribution Licensed Business | Other Business Income with Utilization of Distribution Assets | Non-Licensed Business | Total | Distribution Licensed Business | Other Business Income with Utilization of Distribution Assets | Non-Licensed Business | Total |
| (a) | Segment Results | | | | | | | | |
| | Segment Revenue | | | | | | | | |
| | Revenue from Operations | 12,752.10 | 14.66 | - | 12,766.76 | 11,756.87 | 14.08 | - | 11,770.95 |
| | Other Income | 70.17 | 19.15 | 20.16 | 109.48 | 66.97 | 22.58 | 20.07 | 109.62 |
| | Movement in Regulatory deferral account balance (net) | 618.09 | - | - | 618.09 | 1,321.48 | - | - | 1,321.48 |
| | Total Segment Revenue | 13,440.36 | 33.81 | 20.16 | 13,494.33 | 13,145.32 | 36.66 | 20.07 | 13,202.05 |
| (b) | Segment Expenses | | | | | | | | |
| | Cost of Power Purchased | 9,979.01 | - | - | 9,979.01 | 9,476.83 | - | - | 9,476.83 |
| | Employee Benefits Expense | 555.66 | 0.38 | 3.96 | 560.00 | 537.30 | 0.36 | 3.72 | 541.38 |
| | Finance Costs | 1,089.69 | - | - | 1,089.69 | 1,122.05 | - | - | 1,122.05 |
| | Depreciation and Amortisation Expenses | 442.00 | - | - | 442.00 | 422.42 | - | - | 422.42 |
| | Other Expenses | 550.05 | 0.03 | 0.11 | 550.19 | 516.70 | 0.03 | 0.11 | 516.84 |
| | Total Segment Expenses | 12,616.41 | 0.41 | 4.07 | 12,620.89 | 12,075.30 | 0.39 | 3.83 | 12,079.62 |
| (c) | Total Segment Results (a-b) | 823.95 | 33.40 | 16.09 | 873.44 | 1,070.02 | 36.27 | 16.24 | 1,122.63 |
| (d) | Unallocable Expenses | | | | | | | | |
| | Other Expenses | - | - | - | 28.04 | - | - | - | 22.62 |
| (e) | Profit before Tax (c-d) | 823.95 | 33.40 | 16.09 | 845.40 | 1,070.02 | 36.27 | 16.24 | 1,099.91 |
| (f) | Less: Tax Expense | - | - | - | - | - | - | - | - |
| (g) | Profit after Tax (e-f) | 823.95 | 33.40 | 16.09 | 845.40 | 1,070.02 | 36.27 | 16.24 | 1,099.91 |
| | Segment Assets | | | | | | | | |
| | Non Current Assets | | | | | | | | |
| (a) | Property, Plant and Equipment | 5,085.08 | - | - | 5,085.08 | 5,047.46 | - | - | 5,047.46 |
| (b) | Capital Work In Progress | 248.23 | - | - | 248.23 | 164.96 | - | - | 164.96 |
| (c) | Other Intangible Assets | 12.42 | - | - | 12.42 | 16.62 | - | - | 16.62 |
| (d) | Right-of-Use Assets | 50.71 | - | - | 50.71 | 45.76 | - | - | 45.76 |
| (e) | Financial Assets | | | | | | | | |
| | (i) Restricted Bank Deposits | 151.62 | - | - | 151.62 | 174.55 | - | - | 174.55 |
| | (ii) Other Financial Assets | 4.30 | - | - | 4.30 | 4.35 | - | - | 4.35 |
| (f) | Other Non Current Assets | 3.99 | - | - | 3.99 | 1.30 | - | - | 1.30 |
| (g) | Current Assets | | | | | | | | |
| | Inventories | 21.75 | - | - | 21.75 | 20.20 | - | - | 20.20 |
| (h) | Financial Assets | | | | | | | | |
| | (i) Trade Receivables | 769.72 | - | 29.94 | 799.66 | 711.44 | - | 37.21 | 748.65 |
| | (ii) Cash and Cash Equivalents | 511.37 | - | - | 511.37 | 116.12 | - | - | 116.12 |
| | (iii) Bank Balances other than (ii) above | 118.94 | - | - | 118.94 | 130.19 | - | - | 130.19 |
| | (iv) Loans | 0.40 | - | - | 0.40 | 47.21 | - | - | 47.21 |
| | (v) Other Financial Assets | 178.68 | 0.88 | - | 179.56 | 125.51 | 0.74 | - | 126.25 |
| (i) | Other Current Assets | 132.75 | - | - | 132.75 | 179.85 | - | - | 179.85 |
| (j) | Regulatory deferral account debit balances | 12,786.66 | - | - | 12,786.66 | 12,172.74 | - | - | 12,172.74 |
| (k) | Total Segment Assets | 20,076.62 | 0.88 | 29.94 | 20,107.44 | 18,958.26 | 0.74 | 37.21 | 18,996.21 |
| (l) | Unallocable Assets | | | | | | | | |
| | -Other Non Current Assets | - | - | - | 12.93 | - | - | - | 12.93 |
| | -Current Tax Asset | - | - | - | 8.63 | - | - | - | 4.65 |
| (m) | Total Assets (k+l) | 20,076.62 | 0.88 | 29.94 | 20,129.00 | 18,958.26 | 0.74 | 37.21 | 19,013.79 |
| | Segment Liabilities | | | | | | | | |
| | Non Current Liabilities | | | | | | | | |
| (a) | Financial Liabilities | | | | | | | | |
| | (i) Borrowings | 840.87 | - | - | 840.87 | 1,081.28 | - | - | 1,081.28 |
| | (ii) Lease Liability | 53.49 | - | - | 53.49 | 47.44 | - | - | 47.44 |
| | (iii) Other Financial Liabilities | 1,115.82 | - | - | 1,115.82 | 988.90 | - | - | 988.90 |
| (b) | Consumer Contribution for Capital Works | 805.22 | - | - | 805.22 | 766.16 | - | - | 766.16 |
| (c) | Service Line Charges | 339.87 | - | - | 339.87 | 344.04 | - | - | 344.04 |
| (d) | Grant-in-Aid | 6.50 | - | - | 6.50 | 6.87 | - | - | 6.87 |
| (e) | Other Non Current Liabilities | 412.20 | - | - | 412.20 | 270.62 | - | - | 270.62 |
| (f) | Current Liabilities | | | | | | | | |
| | Financial Liabilities | | | | | | | | |
| | (i) Borrowings | 293.97 | - | - | 293.97 | 361.40 | - | - | 361.40 |
| | (ii) Lease Liability | 9.99 | - | - | 9.99 | 6.67 | - | - | 6.67 |
| | (iii) Trade Payables | | | | | | | | |
| | - Outstanding dues of Micro enterprises and Small enterprises | 61.44 | - | - | 61.44 | 41.62 | - | - | 41.62 |
| | - Outstanding dues of creditors other than Micro enterprises and Small enterprises | 8,119.89 | - | 1.01 | 8,120.90 | 7,893.12 | - | 0.62 | 7,893.74 |
| | (iv) Other Financial Liabilities | 364.43 | - | - | 364.43 | 374.02 | - | - | 374.02 |
| (g) | Other Current Liabilities | 427.29 | - | - | 427.29 | 402.22 | - | - | 402.22 |
| (h) | Provisions | 2.56 | - | - | 2.56 | 2.40 | - | - | 2.40 |
| (i) | Total segment Liabilities | 12,853.54 | - | 1.01 | 12,854.55 | 12,586.76 | - | 0.62 | 12,587.38 |
| (j) | Unallocable Liabilities | | | | | | | | |
| | -Non Current Provision | - | - | - | 48.22 | - | - | - | 48.50 |
| | -Other Current Financial Liabilities | - | - | - | 19.40 | - | - | - | 16.95 |
| | -Current Provision | - | - | - | 77.84 | - | - | - | 77.13 |
| (k) | Total Liabilities (i+j) | 12,853.54 | - | 1.01 | 13,000.01 | 12,586.76 | - | 0.62 | 12,729.96 |

Notes to Financial Statements for the Year Ended March 31, 2024

Note-57 Disclosure under Ind AS-19 "Employee Benefits"

The Company has classified various employee benefits as under:

- a) **Defined Contribution Plans**
 - i) Employees Provident Fund
 - ii) Superannuation Fund
 - iii) Pension and Leave Salary Contribution

Regular Employees i.e. other than from Erstwhile DVB Employees

The provident fund (including Family Pension Contribution) for 'regular' employees is deposited with the Regional Provident Fund Commissioner. The Superannuation fund contribution for 'regular' employees is voluntary and is deposited into "BSES Rajdhani Power Ltd Employees Superannuation Scheme" which is recognized by the Income Tax Authorities and managed by HDFC Standard Life Insurance. Contribution to National Pension System (NPS) is also voluntary for 'regular' employees and the same is deposited with HDFC Standard Life Insurance.

Erstwhile DVB Employees

Pension contribution and Leave Salary contributions which are applicable to Erstwhile DVB employees, are paid to the DVB ETBF – 2002 Trust as per FRSR rules.

The Company has recognized the following amounts in the statement of profit and loss for the year (Refer Note 37) :

| S. No. | Particulars | March 31, 2024 | March 31, 2023 |
|--------|--|----------------|----------------|
| a | Contribution to Provident Fund | 8.83 | 7.93 |
| b | Contribution to Employee's Superannuation Fund | 1.46 | 1.33 |
| c | Contribution to Pension, NPS and Leave Salary | 39.37 | 40.19 |
| | Total | 49.66 | 49.45 |

b Defined benefit plans

- i) Gratuity
- ii) Leave encashment

Gratuity is payable to eligible employees as per the Company's policy in compliance with The Payment of Gratuity Act, 1972. The Company makes contribution to Gratuity Fund (BSES Rajdhani Power Limited Employees Group Gratuity Assurance Scheme) which is recognized by Income Tax authorities. The Trust has taken group policies from ICICI Prudential Life Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, SBI Life Insurance Company Limited, India First Life Insurance, Aditya Birla Sun Life Insurance Capital Limited, HDFC Standard Life Insurance, Reliance Nippon Life Insurance Company Limited, Star Union Dai-ichi Life Insurance and Kotak Life Insurance to meet its obligation towards gratuity.

Earned leave and sick leave are payable to eligible employees who have accumulated leaves, during the employment and/or on separation as per the Company's policy.

Liability with respect to the gratuity, earned leave and sick leave is determined based on an actuarial valuation done by an independent actuary at the year end and any differential between the fund amount and the actuarial valuation is charged to the statement of profit and loss.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the statement of profit and loss as income or expense.

Principal Actuarial assumption as at the Balance Sheet date

| S. No. | Particulars | March 31, 2024 | March 31, 2023 |
|--------|--|------------------------|------------------------|
| a | Discount rate (per annum) | 7.19% - 7.30% | 7.22% - 7.52% |
| b | Rate of increase in compensation levels | 6.00% - 10.50% | 6.00% - 10.50% |
| c | Expected rate of return on plan asset (in case of Gratuity) | 7.30% | 7.52% |
| d | Retirement age | 58-60 years | |
| e | Mortality table | 100% of IALM (2012-14) | 100% of IALM (2012-14) |
| f | Average withdrawal rate | Withdrawal rate | Withdrawal rate |
| | a) Upto 30 Years | 1% | 1% |
| | b) From 31 to 44 Years | 2% | 3% |
| | c) Above 44 Years | 1% | 1% |

The discount rate has been assumed at 7.19 % to 7.30 % p.a. (Year Ended March 31, 2023 7.22 % to 7.52 % p.a.) which is determined by reference to market yield at the balance sheet date on government securities for remaining life of employees. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market on long term basis.

Notes to Financial Statements for the Year Ended March 31, 2024

i) Changes in the Present Value of Obligation

| S. No. | Particulars | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|---|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | Present value of obligation as at the beginning of the year | 56.42 | 130.94 | 59.89 | 120.95 |
| b | Acquisition adjustment | - | 0.02 | - | - |
| c | Interest cost | 4.17 | 9.85 | 4.23 | 8.89 |
| d | Past service cost | - | - | - | - |
| e | Current service cost | 2.79 | 9.45 | 2.86 | 8.68 |
| f | Contribution by plan participants | - | - | - | - |
| g | Curtailed cost/(credit) | - | - | - | - |
| h | Settlement cost/(credit) | - | - | - | - |
| i | Benefit paid | (2.24) | (1.38) | (3.04) | (2.36) |
| j | Actuarial (gains)/loss | (5.40) | (1.09) | (7.52) | (5.21) |
| k | Present value of obligation as at the end of the year | 55.74 | 147.79 | 56.42 | 130.95 |
| l | Current liability | 7.52 | 11.54 | 7.91 | 9.18 |
| m | Non current liability | 48.22 | 136.25 | 48.51 | 121.77 |

ii) Changes in the Fair value of Plan Assets

| S. No. | Particulars | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|---|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | Present value of plan asset as at the beginning of the year | - | 125.99 | - | 115.18 |
| b | Acquisition adjustment | - | 0.02 | - | - |
| c | Expected return on plan assets | - | 9.47 | - | 8.47 |
| d | Actuarial gain/(loss) | - | 2.84 | - | (1.06) |
| e | Employers contribution | - | 4.96 | - | 5.76 |
| f | Employees contribution | - | - | - | - |
| g | Benefit paid | - | (1.38) | - | (2.36) |
| h | Fair value of plan assets as at the end of the year | - | 141.90 | - | 125.98 |

iii) Percentage of each Category of Plan Assets to total fair value of Plan Assets as at the end of the year

| S. No. | Particulars | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|-------------------------|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | Fund managed by insurer | - | 100% | - | 100% |

iv) Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets

| S. No. | Particulars | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|--|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | Present value of funded obligation as at the end of the year | - | 147.79 | - | 130.95 |
| b | Fair value of plan assets as at the end of the year | - | 141.90 | - | 125.99 |
| c | Funded (asset)/liability recognized in the balance sheet | - | 5.89 | - | 4.96 |
| d | Present value of unfunded obligation as at the end of the year | 55.74 | - | 56.42 | - |
| e | Unfunded net liability recognized in the balance sheet | 55.74 | - | 56.42 | - |

Notes to Financial Statements for the Year Ended March 31, 2024

v) Expenses Recognized in the Statement of Profit and Loss Account

| S. No. | Particulars | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|---|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | Current service cost | 2.80 | 9.45 | 2.86 | 8.68 |
| b | Past service cost | - | - | - | - |
| c | Acquisition adjustment | - | - | - | - |
| d | Interest cost | 4.17 | 9.85 | 4.23 | 8.89 |
| e | Expected return on plan assets | - | (9.47) | - | (8.47) |
| f | Curtailment cost/(credit) | - | - | - | - |
| g | Settlement cost/(credit) | - | - | - | - |
| h | Benefit paid | - | - | - | - |
| i | Net actuarial (gains)/loss | (5.40) | - | (7.52) | - |
| j | Employers contribution | - | - | - | - |
| k | Total expenses recognized in the statement of profit and loss | 1.57 | 9.83 | (0.43) | 9.10 |

vi) Other Comprehensive Income (OCI)

| S. No. | Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|--------|--|---------------------------|---------------------------|
| | | Gratuity (Funded) | Gratuity (Funded) |
| a | Net cumulative unrecognized actuarial gain/(loss) at the beginning of the year | (36.57) | (40.72) |
| b | Actuarial gain / (loss) for the year on projected benefit obligation | 1.09 | 5.21 |
| c | Actuarial gain /(loss) for the year on asset | 2.84 | (1.06) |
| d | Unrecognized actuarial gain/(loss) at the end of the year | (32.64) | (36.57) |

vii) Experience Adjustment:

| S. No. | Particulars | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|--|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | On plan liability (gain)/ loss | (5.78) | (3.00) | (6.71) | (3.69) |
| b | On plan assets (gain) / loss | - | 2.84 | - | (1.06) |
| c | Expected employer contribution for the next year | 5.87 | 9.37 | 5.86 | 8.71 |

viii) Maturity Profile of Defined Benefit Obligation

| S. No. | Years | Year Ended March 31, 2024 | | Year Ended March 31, 2023 | |
|--------|----------------|---------------------------|-------------------|---------------------------|-------------------|
| | | Leave Encashment | Gratuity (Funded) | Leave Encashment | Gratuity (Funded) |
| a | 0 to 1 Year | 7.03 | 11.54 | 7.42 | 9.18 |
| b | 1 to 2 Year | 1.21 | 6.26 | 0.73 | 4.47 |
| c | 2 to 3 Year | 1.01 | 5.83 | 0.78 | 5.43 |
| d | 3 to 4 Year | 0.93 | 6.45 | 0.67 | 5.10 |
| e | 4 to 5 Year | 0.59 | 4.25 | 0.71 | 5.69 |
| f | 5 to 6 Year | 0.81 | 5.63 | 0.37 | 3.66 |
| g | 6 Year onwards | 18.02 | 107.83 | 20.15 | 97.42 |

ix) Sensitivity Analysis of the Defined Benefit Obligation:-

| S. No. | Particulars | Leave Encashment | Gratuity (Funded) |
|--------|--|------------------|-------------------|
| | | 2023-24 | |
| 1 | Impact of change in discount rate | | |
| | Present value of obligation at the end of the year | 55.74 | 147.80 |
| | a) Impact due to increase of 0.50% | (2.71) | (7.51) |
| | b) Impact due to decrease of 0.50% | 3.52 | 7.49 |
| 2 | Impact of change in salary rate | | |
| | Present value of obligation at the end of the year | 55.74 | 147.80 |
| | a) Impact due to increase of 0.50% | 3.51 | 7.50 |
| | b) Impact due to decrease of 0.50% | (2.71) | (7.55) |

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows -

- a) **Salary Increases** - Actual salary increases will increase the plan's liability. Any increase in the rate of salary increment will also lead to increase in liability.
- b) **Investment Risk** - If plan is funded, the asset - liability mismatch and a lower return on investment vis-a-vis assumed discount rate at the last valuation date, can impact the liability.
- c) **Discount Rate** - Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) **Mortality & Disability** - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e) **Withdrawals** - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Note-58 :- Category Wise details of Revenue Billed and Revenue Collected during the financial year 2023-24 and 2022-23 In compliance to Directive 6.10 (j) specified in DERC Tariff Order dated September 30, 2021 are given in tables below :

| (1) Financial Year 2023-24 | | REVENUE BILLED | | | | | | | | | | | | | Total Revenue Billed | Subsidy Disbursed | Total Collection |
|----------------------------|--|------------------|-----------------|-----------------|----------------|-----------------|----------------------|-----------------------|---------------------------------|----------------------------------|----------------|-----------------|------------------|------------------|----------------------|-------------------|------------------|
| | | Energy Sales | Fixed Charges | Energy Charges | Other Charges | PPAC | RA Surcharge (Fixed) | RA Surcharge (Energy) | Pension Trust Surcharge (Fixed) | Pension Trust Surcharge (Energy) | Peak Surcharge | Off Peak Rebate | Electricity Duty | | | | |
| S. No | Particulars | MU | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | |
| 1 | Domestic | 8,437.94 | 487.85 | 3,527.52 | (5.40) | 1,052.17 | 39.04 | 281.88 | 246.63 | 34.16 | - | - | 236.50 | 5,900.35 | 1,590.72 | 4,297.96 | |
| 2 | Non - Domestic | 3,292.31 | 737.38 | 2,818.56 | (26.98) | 928.41 | 59.18 | 227.25 | 198.83 | 51.73 | 52.77 | (35.04) | 185.98 | 5,198.07 | 1.83 | 5,408.84 | |
| 3 | Industrial | 569.23 | 87.93 | 470.47 | (4.80) | 147.46 | 7.05 | 37.75 | 33.06 | 6.16 | 11.02 | (7.42) | 31.50 | 820.18 | - | 816.28 | |
| 4 | Agriculture & Mushroom Cultivation | 23.77 | 5.59 | 3.98 | 0.15 | 2.52 | 0.45 | 0.32 | 0.28 | 0.39 | - | - | 0.28 | 13.96 | 3.11 | 11.04 | |
| 5 | Public Utilities (Public Lighting & DJB) | 386.14 | 54.57 | 265.89 | (3.49) | 83.49 | 4.36 | 21.02 | 18.40 | 3.81 | 2.03 | (2.75) | 13.97 | 461.30 | - | 468.78 | |
| 6 | DIAL-Delhi International Airport Limited | 21.75 | 1.50 | 19.73 | (0.73) | 4.90 | 1.01 | 14.91 | 13.05 | 0.89 | 0.27 | (0.26) | 1.10 | 56.37 | - | 56.03 | |
| 7 | Railway Traction (Other than DMRC) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| 8 | DMRC-Delhi Metro Rail Corporation | 333.36 | 29.09 | 217.29 | (11.12) | 61.51 | 3.46 | 25.00 | 21.87 | 3.03 | 5.26 | (3.46) | 2.07 | 354.00 | - | 356.26 | |
| 9 | Temporary (Refer Note D) | 161.79 | 35.05 | 157.80 | (1.63) | 50.63 | 2.82 | 12.47 | 10.91 | 2.45 | 2.45 | (1.95) | 10.47 | 281.47 | 0.04 | - | |
| 10 | Advertisement & Hoardings | 0.94 | 0.25 | 0.80 | - | 0.27 | 0.02 | 0.06 | 0.06 | 0.03 | - | - | 0.06 | 1.55 | - | 3.38 | |
| 11 | Self Consumption | 20.19 | 0.04 | (0.07) | (0.03) | 0.06 | 0.01 | 0.01 | 0.01 | - | 0.14 | (0.10) | - | 0.07 | - | - | |
| 12 | Charging Points for E- Rickshaw / Vehicle | 86.04 | - | 37.00 | (0.48) | 9.88 | - | 2.94 | 2.57 | - | 0.44 | (0.19) | 2.48 | 54.64 | - | 54.44 | |
| 13 | Enforcement | 47.96 | - | 27.49 | - | 4.22 | - | 2.15 | 1.51 | - | - | - | 1.42 | 36.79 | - | 36.82 | |
| | Sub Total | 13,381.42 | 1,439.26 | 7,646.46 | (64.61) | 2,345.52 | 117.40 | 625.76 | 647.18 | 102.65 | 74.38 | (61.17) | 485.83 | 13,178.75 | 1,595.70 | 11,509.88 | |
| | Add (Deemed Collection): | | | | | | | | | | | | | | | | |
| | Subsidy | | | | | | | | | | | | | | | 1,595.70 | |
| | Consumer Security Deposit Interest | | | | | | | | | | | | | | | 92.87 | |
| | Consumer Security Deposit Adjustment with Arrears | | | | | | | | | | | | | | | 38.39 | |
| | Adjustment of recoverable job deposit | | | | | | | | | | | | | | | 6.58 | |
| | Amount credited to Net Metering consumers | | | | | | | | | | | | | | | 4.10 | |
| | TDS deducted by consumers on Electricity Sale u/s 194Q | | | | | | | | | | | | | | | 1.68 | |
| | Grand Total | | | | | | | | | | | | | 13,178.75 | | 13,249.08 | |

Note:

(A) Net Metering Sales and amount billed are not considered based on Treatment of Net Metering Sales by DERC in its Tariff Order dated September 30, 2021.

1. As per Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014, any net credits which remain unadjusted at the end of each financial year shall be paid for by the distribution licensee to the consumers on Average Power Purchase Cost. Therefore, an amount of ₹ 4.10 Crores credited to Net Metering consumers is included in collection.

2. Electricity Duty on the sales amount is already included in the respective category being recoverable from the consumer.

(B) The collection figure of ₹ 13,249.08 Crores includes the following :-

1. ₹ 27.98 Crores collected towards Late Payment Surcharge (normal consumers) and ₹ 487.35 Crores collected towards Electricity Duty.

2. ₹ 748.52 Crores collected towards RA surcharge for recovery of past accumulated deficit and ₹ 653.82 Crores collected towards Pension Trust surcharge.

3. ₹ 36.8 Crores collected by the Company against the bills raised by "Enforcement Department." The amount of ₹ 36.8 Crores includes Late Payment Surcharge of ₹ 0.03 Crore, Electricity Duty of ₹ 1.42 Crores, RA surcharge of ₹ 2.15 Crores and Pension Trust surcharge of ₹ 1.51 Crores.

4. The amount of collections through cheques which were in hand or in clearing as on March 31, 2024 and were credited to bank account of the Company subsequent to March 31, 2024.

(C) The collection figures mentioned above excludes the following :-

1. Collection made on account of bulk sale of power i.e. trading energy.

2. Collection from consumers on account of non- energy collection.

(D) Collection against temporary connections is included in respective category of consumers.

(E) Total energy billed of 13381.42 MU mentioned above includes 47.96 MU billed against enforcement cases in line with Regulation 5(10) of DERC (Terms & Conditions for determination of Tariff) Regulation 2017.

| (2) Financial Year 2022-23 | | REVENUE BILLED | | | | | | | | | | | | | | |
|----------------------------|--|------------------|-----------------|-----------------|----------------|-----------------|----------------------|-----------------------|---------------------------------|----------------------------------|----------------|-----------------|------------------|----------------------|-------------------|------------------|
| S. No | Particulars | Energy Sales | Fixed Charges | Energy Charges | Other Charges | PPAC | RA Surcharge (Fixed) | RA Surcharge (Energy) | Pension Trust Surcharge (Fixed) | Pension Trust Surcharge (Energy) | Peak Surcharge | Off Peak Rebate | Electricity Duty | Total Revenue Billed | Subsidy Disbursed | Total Collection |
| | | MU | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs | ₹ Crs |
| 1 | Domestic | 8,447.44 | 471.00 | 3,598.28 | (5.03) | 797.32 | 37.69 | 287.55 | 32.97 | 251.60 | - | - | 229.31 | 5,700.69 | 1,369.21 | 4,355.69 |
| 2 | Non - Domestic | 3,160.61 | 723.35 | 2,713.03 | (24.19) | 674.46 | 58.09 | 220.44 | 50.81 | 192.87 | 51.59 | (34.21) | 170.05 | 4,796.29 | 1.35 | 4,921.23 |
| 3 | Industrial | 547.44 | 86.12 | 453.29 | (4.07) | 106.44 | 6.94 | 37.11 | 6.07 | 32.52 | 10.45 | (6.96) | 28.86 | 756.77 | - | 751.00 |
| 4 | Agriculture & Mushroom Cultivation | 23.47 | 5.48 | 3.87 | 0.15 | 1.85 | 0.44 | 0.31 | 0.38 | 0.27 | - | - | 0.25 | 13.00 | 3.17 | 9.77 |
| 5 | Public Utilities (Public Lighting & DJB) | 356.61 | 50.52 | 246.02 | (3.12) | 57.80 | 4.04 | 19.38 | 3.53 | 16.92 | 1.96 | (2.62) | 12.19 | 406.60 | - | 407.58 |
| 6 | DIAL-Delhi International Airport Limited | 47.11 | 3.28 | 37.73 | (1.58) | 7.78 | 0.89 | 13.26 | 0.78 | 11.60 | 0.09 | (0.08) | 2.13 | 75.88 | - | 74.90 |
| 7 | Railway Traction (Other than DMRC) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 8 | DMRC-Delhi Metro Rail Corporation | 303.04 | 27.14 | 194.87 | (9.25) | 42.51 | 3.22 | 21.85 | 2.81 | 19.12 | 5.01 | (3.58) | 1.23 | 304.93 | - | 336.38 |
| 9 | Temporary (Refer Note D) | 125.08 | 22.64 | 118.29 | (0.89) | 27.60 | 1.81 | 9.35 | 1.59 | 8.19 | 1.65 | (1.43) | 7.45 | 196.25 | 0.04 | 196.25 |
| 10 | Advertisement & Hoardings | 0.88 | 0.24 | 0.75 | - | 0.20 | 0.02 | 0.06 | 0.02 | 0.05 | - | - | 0.05 | 1.39 | - | 3.00 |
| 11 | Self Consumption | 23.20 | 0.12 | 0.09 | (0.19) | 0.34 | 0.02 | 0.12 | 0.01 | 0.11 | 0.22 | (0.18) | 0.03 | 0.69 | - | - |
| 12 | Charging Points for E- Rickshaw / Vehicle | 48.23 | - | 21.24 | (0.12) | 4.23 | - | 1.69 | - | 1.48 | 0.12 | (0.02) | 1.36 | 29.98 | - | 30.80 |
| 13 | Enforcement | 66.36 | - | 31.79 | - | 3.38 | - | 2.46 | - | 1.40 | - | - | 1.59 | 40.62 | - | 40.62 |
| | Sub Total | 13,149.47 | 1,389.89 | 7,419.25 | (48.29) | 1,723.91 | 113.16 | 613.66 | 98.97 | 636.13 | 71.09 | (49.08) | 454.60 | 12,323.09 | 1,373.77 | 10,931.00 |
| | Add (Deemed Collection): | | | | | | | | | | | | | | | |
| | Subsidy | | | | | | | | | | | | | | | 1,373.77 |
| | Consumer Security Deposit Interest | | | | | | | | | | | | | | | 68.30 |
| | Consumer Security Deposit Adjustment with Arrears | | | | | | | | | | | | | | | 55.58 |
| | Adjustment of recoverable job deposit | | | | | | | | | | | | | | | 8.16 |
| | Amount credited to Net Metering consumers | | | | | | | | | | | | | | | 3.50 |
| | TDS deducted by consumers on Electricity Sale u/s 194Q | | | | | | | | | | | | | | | 0.96 |
| | Grand Total | | | | | | | | | | | | | 12,323.09 | | 12,441.41 |

Note:

(A) Net Metering Sales and amount billed are not considered based on Treatment of Net Metering Sales by DERC in its Tariff Order dated September 30, 2021.

1. As per Delhi Electricity Regulatory Commission (Net Metering for Renewable Energy) Regulations, 2014, any net credits units which remain unadjusted at the end of each financial year shall be paid for by the distribution licensee to the consumers on Average Power Purchase Cost. Therefore, an amount of ₹ 3.56 Crores credited to Net Metering consumers is included in collection.

2. Electricity Duty on the sales amount is already included in the respective category being recoverable from the consumer.

(B) The collection figure of ₹ 12,441.41 Crores includes the following :-

1. ₹ 33.5 Crores collected towards Late Payment Surcharge (normal consumers) and ₹ 452.8 Crores collected towards Electricity Duty.

2. ₹ 728.6 Crores collected towards RA surcharge for recovery of past accumulated deficit and ₹ 635.9 Crores collected towards Pension Trust surcharge.

3. ₹ 40.6 Crores collected by the Company against the bills raised by "Enforcement Department." The amount of ₹ 40.6 Crores includes Late Payment Surcharge of ₹ 0.03 Crore, Electricity Duty of ₹ 1.59 Crores, RA surcharge of ₹ 2.46 Crores and Pension Trust surcharge of ₹ 1.40 Crores.

4. The amount of collections through cheques which were in hand or in clearing as on March 31, 2023 and were credited to bank account of the Company subsequent to March 31, 2023.

(C) The collection figures mentioned above excludes the following :-

1. Collection made on account of bulk sale of power i.e. trading energy.

2. Collection from consumers on account of non- energy collection.

(D) Collection against temporary connections is included in respective category of consumers.

(E) Total energy billed of 13149.47 MU mentioned above includes 66.36 MU billed against enforcement cases in line with Regulation 5(10) of DERC (Terms & Conditions for determination of Tariff) Regulation 2017.

Note-59 Key Financial Ratios

| S.No. | Analytical Ratios | Numerator | Denominator | Year Ended March 31, 2024 | Year Ended March 31, 2023 | Variance % | Remarks |
|-------|--|---|---|---------------------------|---------------------------|------------|----------------|
| 1 | Current Ratio (in times) | Total Current Assets + Regulatory deferral accounts debit balances and related deferred tax balances | Total Current Liabilities | 1.55 | 1.48 | 4.73% | |
| 2 | Debt-Equity Ratio (in times) | Non Current Borrowing + Current Borrowing | Total Equity = Shareholder's Fund + Consumer Contribution for Capital Works + Service Line Deposit + Grant in Aid | 0.14 | 0.19 | -26.32% | Refer Note -i |
| 3 | Debt Service Coverage Ratio (in times) | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Finance Cost + Other Non-cash adjustments | Debt service = Interest on Term Loan & Cash Credit + Movement in accrued Interest + Principal repayments | 5.66 | 5.98 | -5.35% | |
| 4 | Return on Equity (ROE) (in %) | Net Profit after Tax less Preference dividend (if any) | Average Total Equity | 11.00% | 16.00% | -31.25% | Refer Note -ii |
| 5 | Trade Receivable Turnover Ratio (in times) | Net Credit Sale = Gross Energy Sale + Open Access+ Bulk Sale (Non-Cash) | Average Trade Receivables | 12.62 | 12.46 | 1.28% | |
| 6 | Trade Payable Turnover Ratio (in times) | Net Credit Power Purchase | Average Trade Payables (Power Purchase) | 1.13 | 1.05 | 7.62% | |
| 7 | Net Capital Turnover Ratio (in times) | Total Sale (Net Energy Sale + Open Access + Bulk Sale) | Average Working Capital (Total Current Assets + Regulatory deferral accounts debit balances and related deferred tax balances -Total current liabilities) | 2.43 | 2.66 | -8.65% | |
| 8 | Net Profit Ratio (in %) | Net Profit after Tax | Total Sale (Net Energy Sale+ Open Access+ Bulk Sale) | 7.00% | 9.00% | -22.22% | |
| 9 | Return on Capital Employed (in %) | Net Profit before Finance cost and Tax | Capital employed = Total Equity + Total Debts - Intangible Assets | 21.00% | 25.00% | -16.00% | |

- i The variance in Debt- Equity ratio is primarily due to repayment of term loan by ₹ 241 Crores resulting in reduction of debt and accumulation of profit resulting in increase in Other Equity.
- ii The variance in mainly due to decrease in Profit for the year as compared to previous year and increase in Total equity due to accumulation of profit.
- iii Inventory Turnover Ratio and Return on Investment are not given as the same are not applicable to the Company.
- iv Previous year ratios have been recomputed in agreement with current year ratios.

60. Quantitative Information:

(In KWh Million Units)

| S. No. | Particulars | 2023-24 | 2022-23 |
|--------|---|---------|---------|
| A | Purchase of Energy (Including DSM and Banking Transactions) | | |
| | -Purchase Units # | 15786 | 15181 |
| | -Net Metering | 49 | 40 |
| B | Sale of Energy | | |
| | Retail Sale | | |
| | -Billed Units ## | 13333 | 13083 |
| | -Net Metering | 41 | 33 |
| | -Unbilled Units (Net) (Refer Table Below) | 47 | 63 |
| | Bulk Sale excluding Banking Transactions # | 805 | 383 |

Provisional data subject to finalization by SLDC.

Billed units excluding theft units.

Unbilled Units

(In KWh Million Units)

| S. No. | Particulars | 2023-24 | 2022-23 |
|--------|-----------------------------------|---------|---------|
| A | Closing Unbilled Units | 375 | 328 |
| B | Opening Unbilled Units | 328 | 265 |
| | Unbilled Units (Net) for the Year | 47 | 63 |

Notes 1 to 60 form an integral part of the Financial Statements

For and on behalf of the Board of Directors

As per our report of even date

| | | |
|--|---|---|
| K Ravi Kumar Director (DIN 00119753) | Ajit K Ranade Director (DIN 00918651) | Anjani K Sharma Director (DIN 01180722) |
|--|---|---|

For Ravi Rajan & Co. LLP
ICAI Firm Registration No.
009073N / N500320
Chartered Accountants

| | | |
|---|---|--|
| Vijayalakshmy Gupta Director (DIN 08636754) | Shurbir Singh Director (DIN 07331962) | Ashish C Verma Director (DIN 00260070) |
|---|---|--|

Prashant Bhatia
Partner
(M. No. 508452)

| | | |
|--|--|--|
| Virendra S Verma Director (DIN 07843461) | Sateesh Seth Director (DIN 00004631) | Punit N Garg Director (DIN 00004407) |
|--|--|--|

Amal Sinha
Director
(DIN 07407776)

Vineet Sikka
CEO

Place : New Delhi
Date : May 03, 2024

Surya S Banerji
CFO
(FCA - 420131)

Pankaj Tandon
Company Secretary
(FCS- 7248)