ANNUAL REPORT

2018-2019

(1st April 2018 to 31st March 2019)

TATA POWER-DDL

TATA POWER DELHI DISTRIBUTION LIMITED

(A Tata Power and Delhi Government Joint Venture)

formerly North Delhi Power Limited

Regd. Offc. : NDPL House, Hudson Lines,
Kingsway Camp, Delhi – 110009

Board of Directors

Mr. Praveer Sinha
Chairman

Mr. Nawshir H. Mirza
Independent Director

Mr. Amarjit Chopra
Independent Director

Mr. Ajay Shankar
Independent Director

Mr. Minesh S Dave
Non-Executive Director

Mr. Arup Ghosh
Non-Executive Director

Ms. Satya Gupta
Non-Executive Director

Mr. Ramesh N. Subramanyam
Non-Executive Director

Mr. Sanjay Kumar Banga
Chief Executive Officer

CONTENTS

Annual General Meeting		
Day & Date	:	**Friday, 17th May 2019**
Time	:	**12:00 noon**
Venue	:	**TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector - 15, Rohini, adjacent to RG-05 Grid, Delhi - 110085**

TATA POWER DELHI DISTRIBUTION LIMITED

BOARD OF DIRECTORS

Mr. Praveer Sinha	Chairman and Director (w.e.f. 4th May 2018)
Mr. Ajay Shankar	Independent Director
Mr. Amar Jit Chopra	Independent Director
Mr. Nawshir Mirza	Independent Director
Mr. Arup Ghosh	Non- Executive Director
Mr. Ramesh Narayanswamy Subramanyam	Director (w.e.f 16th June 2018)
Mr. Minesh Shrikrishna Dave	Director (w.e.f 16th June 2018)
Ms. Satya Gupta	Additional Director (w.e.f 18th July 2018)

REGISTERED OFFICE:

NDPL House, Hudson Lines, Kingsway Camp, Delhi 110009

CORPORATE IDENTITY NUMBER (CIN):

U40109DL2001PLC111526

STATUTORY AUDITORS:

Messrs Walker Chandiok & Co., LLP, Chartered Accountants (LLP Identification No. AAC-2085, ICAI Firm Registration No.- 001076N/N500013)

SECRETARIAL AUDITORS:
Messrs Siddiqui & Associates, Company Secretaries (FCS 2229, CP No. 1284)

INTERNAL AUDITORS:
Mr. Brajamohan Panigrahi

COST AUDITORS:
Messrs Ramanath Iyer & Company, Cost Accountants (Firm Registration No. 000019)

BANKERS:

Allahabad Bank	HDFC Bank	Punjab & Sind Bank
Axis Bank	IDFC Bank Ltd	State Bank of India
Canara Bank	Indian Bank	Union Bank of India
Dena Bank	Punjab National Bank	Yes Bank

TATA POWER DELHI DISTRIBUTION LIMITED

NOTICE

NOTICE is hereby given that the eighteenth Annual General Meeting of the members of Tata Power Delhi Distribution Limited will be held on Friday, the 17th May 2019 at 12:00 noon at TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector - 15, Rohini, adjacent to RG-05 Grid, Delhi - 110085, to transact the following business (es):

Ordinary Business:

1. To receive, consider and adopt:
   (a) the audited standalone financial statements of the company for the financial year ended 31st March 2019 together with the reports of the board of directors and the auditors thereon.
   (b) the audited consolidated financial statements of the company for the financial year ended 31st March 2019 together with the reports of the auditors thereon.

2. To declare a dividend on equity shares for the financial year ended 31st March 2019.

3. To appoint a director in place of Mr. Arup Ghosh (DIN: 06711047), who retires by rotation and being eligible, offers himself for re-appointment.

4. **Re-appointment of Statutory Auditors of the company**

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

   "**RESOLVED** that pursuant to the provisions of sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s Walker Chandiok & Co LLP (Firm Registration. No. 001076N/N500013, LLP Identification No. AAC-2085), be and are hereby re-appointed as statutory auditors of the company for second term of two years, to hold office from the conclusion of this, the eighteenth Annual General Meeting till the conclusion of twentieth Annual General Meeting of the company (i.e. from FY 2019-20 to FY 2020-21), to examine and audit the accounts of the company, on such remuneration plus applicable taxes and out of pocket expenses, as may be determined and recommended by the Audit committee in consultation with the Statutory auditors and duly approved by the Board of directors of the company."

   Special Business:

5. **Appointment of Ms. Satya Gupta as a director**

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

   "**RESOLVED** that Ms. Satya Gupta (DIN: 08172427), who was appointed as an additional director of the company with effect from 18th July 2018, by the board of directors and who holds office upto the date of this Annual General Meeting of the company under second proviso of section 149(1) read with section 161(1) of the Companies Act, 2013 (the Act), but who is eligible for appointment and in respect of whom the company has received a notice in writing under section 160 (1) of the Act from a member proposing her candidature for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation."

6. **Ratification of Cost Auditor's remuneration**

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

"**RESOLVED** that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the company hereby ratifies the remuneration of ₹ 2,18,900/- (plus other applicable taxes, traveling and out-of-pocket expenses) payable to M/s Ramanath Iyer & Co., who are appointed as cost auditors to conduct the audit of cost records maintained by the company for the financial year 2019-20."

NOTES: (1) The relative explanatory statement pursuant to subsection (1) of section 102 of the Companies Act, 2013 (the Act) and the rules made thereunder, in regard to the business set out in item nos. 5 and 6 and the relevant details of the directors of the company seeking re-appointment/ appointment as set out in item nos. 3 and 5 at this annual general meeting is annexed hereto.

(2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. Proxies in order to be effective should be duly filled, stamped, signed and completed and must be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

An instrument of proxy shall be valid only if it is properly stamped as per the applicable law. Undated proxies and proxies which does not state the name of proxy shall be considered invalid.

Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

(3) Corporate members intending to send their authorised representatives to attend the annual general meeting ("AGM") are requested to send to the company a certified true copy of the board resolution authorising their representative to attend and vote on their behalf at the AGM.

(4) In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

(5) The relevant documents/records are available for inspection by the shareholders at the registered office of the company at any time during the working hours till the date of annual general meeting.

(6) Route–map to the venue of the meeting is annexed.

(7) The notice of the AGM along with the annual report 2018-19 is being sent by electronic mode to members entitled to receive such e-mail as per records of the company.

(8) Members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses for receiving all communication including annual reports, notices, circulars, etc. from the company electronically.

(9) Members are requested to bring their copy of annual report with them at AGM.

(10) Members desiring any information with regard to accounts/reports are requested to submit their queries addressed to the director(s) at least 10 days in advance of the meeting so that the information called for can be made available at the meeting.

(11) Updation of members' details:
The format of the register of members prescribed by the Ministry of Corporate Affairs under the Act, requires the company/ registrars and share transfer agents to record additional details of members, including their PAN details, e-mail address, bank details for payment of dividend, etc. A form for capturing additional details is appended at the end of this annual report. Members holding shares in physical form are requested to submit the filled in form to the company or its registrars and share transfer agents. Members holding shares in electronic form are requested to submit the details to their respective DPs.

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

Delhi, 18th April 2019
Corporate Identity No. :
U40109DL2001PLC111526

Sd/-
(Ajay Kalsie)
Company Secretary
Membership No. 13810

Registered Office:
NDPL House, Hudson Lines,
Kingsway Camp, Delhi 110 009
Tel:01166112222
Fax No: 01127468042
email: TPDDL@tatapower-ddl.com
Website: http://www.tatapower-ddl.com/

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 4, 5 and 6 of the accompanying notice dated 18th April 2019.

Item no. 4: This explanatory statement is provided though strictly not required as per section 102 of the Act.

DERC in March 2013 had directed the company that services of CAG empanelled statutory auditor may be availed for a maximum period of three years i.e. statutory auditors be rotated after every three years. Based on the aforesaid directions of DERC in March 2013, M/s Walker Chandiok & Co LLP (Firm Registration. No. 001076N/N500013, LLP Identification No. AAC-2085), Chartered Accountants were appointed as the Statutory Auditors of the company for a period of three years, to examine and audit the accounts of the company including audit of consolidated financial statements w.e.f 1st April 2016 to 31st March 2019.

Subsequently, DERC vide its letter no. F.6 (10) AF/DERC/2012-13/3781/956 dated 25th May 2018, had directed that:

i) Services of the same statutory auditor may be availed for a maximum period of 5 years instead of 3 years.
ii) In case, any DISCOM desires to avail the services of the existing statutory auditor services, the further extension of services of the auditor (based on the service already availed and balance to be availed) is tabulated as under:

Auditor already completed number of years	Balance period for extension	Aggregate period which the Auditor would complete in the same company in view of Column I and II
I	II	III
3	2	5
2	3	5
1	4	5

iii) Appointment of auditors be done from amongst the list of C&AG empanelled auditors.

As per the directions of DERC, your company can avail the services from statutory auditor for a second term of two years.

M/s Walker Chandiok & Co LLP, statutory auditors have conducted the statutory audit of the company from FY 2016-17 to FY 2018-19 and their performance was found to be satisfactory.

The board of directors recommends to re-appoint M/s Walker Chandiok & Co LLP (Firm Registration. No. 001076N/N500013, LLP Identification No. AAC-2085), as statutory auditors for second term of two years to hold office from the conclusion of eighteenth Annual General Meeting upto the conclusion of twentieth Annual General Meeting of the company (i.e. from FY 2019-20 to FY 2020-21).

The company has received written consent and eligibility certificate from M/s Walker Chandiok & Co LLP, Chartered Accountants to act as statutory auditors of the company along with a confirmation that, their re-appointment, if made, would be within the limits prescribed under the Act.

Accordingly, approval of the members is being sought for the proposal contained in the resolution set out at item no. 4 of the accompanying notice.

The board commends the resolution at item no.4 of the accompanying notice for approval by the members of the company.

None of the directors or key managerial personnel (KMP) of the company or their respective relatives are concerned or interested in the resolution set out at item no. 4 of the accompanying notice.

Item no. 5: Consequent upon resignation of Ms. Shalini Yogendranath Singh (DIN: 07252909) vide her letter dated 15th June 2018 and based on the recommendation of the Nomination and Remuneration Committee (NRC), Ms. Satya Gupta (DIN:08172427), Head-IT and Chief Information Security Officer (CISO) at Tata Power-DDL, was appointed as an additional (woman) director on the board of the company with effect from 18th July 2018 in terms of Article 96 of Company's Articles of Association and second proviso of section 149(1) read with section 161(1) of the Act and the rules made thereunder, as amended from time to time.

In terms of section 161(1) of the Act, Ms. Gupta holds office only upto the date of the forthcoming AGM of the company but is eligible for appointment as a director. A notice under section 160(1) of the Act has been received from a member signifying his intention to propose Ms. Gupta's appointment as a director.

Ms. Satya Gupta has vast experience of more than four decades out of which almost 18 years are in Power Sector and she has been with Tata Power Delhi Distribution Limited (Tata Power-DDL) since December, 2002. She has rich experience in handling large software development and implementation projects in IT department of various organizations, automation of various processes, digitalization by identification and implementation of right technology, handling change management, business process re-engineering for automation of various processes.

Ms. Gupta provides her professional expertise to the company on several strategic initiatives and oversees the Information Technology. Prior to this as Head-IT and Chief Information Security Officer (CISO) at Tata Power-DDL, she has been instrumental in implementation of various automation technologies/ software applications, SAP practices, setting up IT infrastructure, integration of information and operational technologies. Ms. Gupta has anchored the challenging journey of turning around a state owned loss making utility with no computerization into almost fully automated organization with more than 90% of its processes automated and fully integrated. She is also advising and assisting The Tata Power Company Limited on its integration of technologies and getting a long term road map prepared for realizing its objectives.

Ms. Gupta is considered as an expert in cyber security in power sector and is the recipient of the 'Top 100 CISO' award for five consecutive years instituted by InfoSecurity Magazine and also DSCI Excellence Award 2016 in the category – 'Security in Energy Sector- Power' at NASSCOM-DSCI Annual Information Security Summit in December 2016. Under her leadership, Tata Power-DDL became the only utility at global level to get the appraisal done successfully for CMMI Level 3 and is the first utility to get ISO 27001-2013 certification for both of its IT&OT systems.

Ms. Gupta also received award for 'Leading Woman in Energy' & 'Leading Woman Owned Innovative Project' for the year 2011 and 'SAP ACE Woman CIO (Chief Information Officer) of the year 2015' Award. Her deep knowledge of various technologies, cyber security, utility business processes and regulatory environment makes her a speaker of choice in several seminars/workshops/panel discussions at national and international level.

Ms. Satya Gupta is an alumnus of IIT Delhi and Delhi University. Additionally Ms Satya Gupta is also a qualified TBEM assessor in the TBEM, Tata Business Excellence Model, system based on Malcolm Baldridge model of USA, a unique assessment model adopted by the Tata Group for promoting strong participative culture, focussed on change management and Innovation and is instrumental in driving ethics movement in the company as a member of Ethics Apex Committee. She is the chairperson of POSH (Prevention of Sexual Harassment at work place) committee from last many years.

In the opinion of the board, Ms. Satya Gupta fulfills the conditions specified in the Act and the rules made thereunder for appointment as a director.

In compliance with the applicable provisions of the Act, the appointment of Ms. Satya Gupta as a director is now being placed before the members for their approval.

The board commends the resolution at item no. 5 of the accompanying notice for the approval by the members of the company.

Other than Ms. Gupta, none of the directors, key managerial personnel (KMP) or their respective relatives are concerned or interested in the resolution at item no. 5 of the accompanying notice.

Ms. Gupta is not related to any other director or KMPs of the company.

Item No. 6: Pursuant to the provisions of section 148 of the Act, the company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of Audit committee of directors, the board of directors have approved the re-appointment of M/s Ramanath Iyer & Co as the Cost auditors of the company to conduct audit of cost records maintained by the company (Generation and Distribution business) for the financial year 2019-20, at a remuneration of ₹ 2,18,900/- (plus other applicable taxes, traveling and out-of-pocket expenses).

M/s Ramanath Iyer & Co, have furnished a certificate regarding their eligibility for appointment as cost auditors of the company. They have vast experience in the field of cost audit and have conducted the audit of cost records of the company for the previous year under the provisions of the Act.

The board commends the resolution at item no. 6 of the accompanying notice for ratification of the cost auditors' remuneration for FY 2019-20, by the members of the company.

None of the directors, key managerial personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 6 of the accompanying notice.

By order of the board
for **Tata Power Delhi Distribution Limited**

Sd/-
(Ajay Kalsie)
Company Secretary
Membership No. 13810

Delhi, 18th April 2019
Corporate Identity No.
U40109DL2001PLC111526
Registered Office:
NDPL House, Hudson Lines,
Kingsway Camp, Delhi 110009
Tel:01166112222 Fax No:01127468042
email: TPDDL@tatapower-ddl.com
Website: http://www.tatapower-ddl.com/

Details of the directors, seeking re-appointment/appointment at the forthcoming Annual General Meeting:

Name of director	**Mr. Arup Ghosh**	**Ms. Satya Gupta**
Date of birth	8th November 1955	18th March 1955
Date of appointment	1st December 2015	18th July 2018
Expertise in functional areas	Mr. Ghosh is a power sector veteran of 41 years. He has been extensively engaged in all facets of transmission and distribution operations including restructuring and institutional strengthening of electricity utilities to enable them to cope with regulatory controls. He has worked with electricity utilities in India and Mauritius. Initially as Chief Operating Officer, he actively supported the Chief Executive Officer & Managing Director in leading the company to script at Delhi hitherto unmatched reforms of the electricity distribution business. As Chief Technical Officer, he supported the Chief Executive Officer & Managing Director on strategic decisions and oversees operations, projects, engineering, business development, contracts, safety, generation, human resource, civil, vigilance, security, enforcement, information technology and health services. Prior to joining the company, Mr. Ghosh was employed with Central Electricity Board, Mauritius; CESC Ltd., The National Insulated Cable Co. of India Ltd. and Crompton Greaves Ltd., all at Kolkata, India.	Ms. Satya Gupta has vast experience of more than four decades out of which almost 18 years are in Power Sector and she has been with Tata Power Delhi Distribution Limited (Tata Power-DDL) since December, 2002. She has rich experience in handling large software development and implementation projects in IT department of various organizations, automation of various processes, digitalization by identification and implementation of right technology, handling change management, business process re-engineering for automation of various processes. Ms. Gupta provides her professional expertise to the company on several strategic initiatives and oversees the Information Technology. Prior to this as Head-IT and Chief Information Security Officer (CISO) at Tata Power-DDL, she has been instrumental in implementation of various automation technologies/ software applications, SAP practices, setting up IT infrastructure, integration of information and operational technologies. Ms. Gupta has anchored the challenging journey of turning around a state owned loss making utility with no computerization into almost fully automated organization with more than 90% of its processes automated and fully integrated. She is also advising and assisting The Tata Power Company Limited on its integration of technologies and getting a long term road map prepared for realizing its objectives. Ms. Gupta is considered as an expert in cyber security in power sector and is the recipient of the 'Top 100 CISO' award for five consecutive years instituted by InfoSecurity Magazine and also DSCI Excellence Award 2016 in the category – 'Security in Energy Sector- Power' at NASSCOM-DSCI Annual Information Security Summit in December 2016. Under her leadership, Tata Power-DDL became the only utility at global level to get the appraisal done successfully for CMMI Level 3 and is the first utility to get ISO 27001-2013 certification for both of its IT&OT systems. Ms. Gupta also received award for 'Leading Woman in Energy' & 'Leading Woman Owned Innovative Project' for the year 2011 and 'SAP ACE Woman CIO (Chief Information Officer) of the year 2015' Award. Her deep knowledge of various technologies, cyber security, utility business processes and regulatory environment makes her a speaker of choice in several seminars/workshops/panel discussions at national and international level.
Qualifications	Mr. Ghosh is an alumnus of Indian Institute of Technology, Kharagpur. Subsequently, he received formal training in general management at Administrative Staff College of India, Hyderabad (MDP), Indian Institute of Management, Kolkata (EDP) and Xavier Labour Relations Institute, Jamshedpur (EDP). He has also received training in	Ms. Satya Gupta is an alumnus of IIT Delhi and Delhi University. Additionally Ms Satya Gupta is also a qualified TBEM assessor in the TBEM, Tata Business Excellence Model, system based on Malcolm Baldridge model of USA, a unique assessment model adopted by the Tata Group for promoting strong participative culture, focussed on change management and innovation and is instrumental in driving ethics movement in the company as a member of Ethics Apex Committee. She is the chairperson of POSH

Name of director	Mr. Arup Ghosh	Ms. Satya Gupta
	regulatory matters from Institute of Public-Private Partnerships Inc (IP3), Washington D.C.	(Prevention of Sexual Harassment at work place) committee from last many years.
Terms & conditions of appointment	Appointed as a non-executive director	Appointed as an Additional (Woman) director
Remuneration	Nil	Only sitting fee is paid.
Directorships held in other companies (excluding foreign companies)	• Director of the following companies: 1. Tata Power Jamshedpur Distribution Limited 2. TP Ajmer Distribution Limited 3. NDPL Infra Limited	Nil
Committee positions held in other companies	• Member of the following committee: 1. NDPL Infra Limited-Corporate Social Responsibility Committee	Nil
Number of Shares held	Nil	Nil

Board's Report

To the members,

The directors are pleased to present the eighteenth annual report on the business, operations and the statements of account for the year ended 31st March 2019 of Tata Power Delhi Distribution Limited (Company).

1. FINANCIAL RESULTS

(Figures in ₹ crore)

Particulars	Standalone		Consolidated	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Revenue from operations	7600	7104	7611	7113
Add: Other income	108	65	109	65
Total income	7708	7169	7720	7178
Expenditure (Excl. Depreciation, Interest & Tax)	6685	5920	6690	5924
Interest	349	347	349	347
Depreciation	310	290	310	290
Total Expenditure	7344	6557	7348	6561
Profit before tax and rate regulated activities	364	612	371	617
Net movement in regulatory deferral account balance	179	(174)	179	(174)
Profit before tax	543	438	550	444
Less: Exceptional Items: Impairment of Property , Plant and Equipment	18	38	18	38
Less: Exceptional Items: Impairment loss on assets classified as held for sale	88	-	88	-
Less: Provision for Taxes Current Income Tax Deferred income tax	101	95	102	96
Profit for the year	336	305	342	309
Other Comprehensive Income	-1	1	-1	1
Less: Statutory Appropriations				
Balance Profits available for appropriation	335	306	341	310
Add: Balance brought forward from the previous year	2310	2044	2325	2055
Total Profit available in P&L Account, which the directors have appropriated as under to: i) Dividend paid and distribution tax thereon ii) Capital Redemption Reserve	2645 106 500	2350 40 -	2666 106 500	2365 40 -
Leaving a balance to be carried forward	2039	2310	2060	2325

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

2. DIVIDEND

The board has proposed a final dividend of 18% (₹ 1.80/share) per equity share of ₹ 10 each on the equity shares for the financial year 2018-19.

The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting.

3. STATE OF COMPANY'S AFFAIRS

- **FINANCIAL HIGHLIGHTS**

Tata Power Delhi Distribution Limited (Tata Power-DDL) had revenues from operations aggregating to ₹ 7,600 crore during the financial year 2018-19 (FY19), a growth of about 7% over the previous year revenues of ₹ 7,104 crore. The company, however, earned a profit of ₹ 364 crore in FY 19 as compared to a profit of ₹ 612 crore in FY 18, prior to accounting for regulatory income amounting to ₹ 179 crore in FY 19 as against regulatory expense of ₹ 174 crore in FY 18. This amount reflects the adjustment in the company's revenues billed at current tariffs and those chargeable by it to its consumers based on costs incurred during the year. The same has been recognized as regulatory income of the current year on the basis of treatment specified in Guidance Note on Rate Regulated Activities issued by ICAI and Ind AS 114. Consequently, on recognizing the regulatory income of ₹ 179 crore (₹174 crore regulatory expense in FY 18), the resultant profit before tax (PBT) is ₹ 543 crore in FY 19 as compared to ₹ 438 crore in FY 18, reflecting an increase of 24% over the previous year. However, profit before tax subsequent to exceptional item of ₹ 18 Cr [impairment of Property Plant and Equipment (PPE)] and ₹ 88 Cr [Impairment loss on assets classified as held for sale] in FY 19 is ₹ 437 crore. The profit after tax (PAT) for FY 19 is ₹ 335 crore as compared to ₹ 306 crore in FY 18, thereby reflecting 9.48% increase over the previous year.

Redemption of 12% Cumulative Redeemable Preference shares

During the current year ended 31st March 2019, the Company had redeemed 500 lakh 12% Cumulative Redeemable Preference shares of ₹100 each on 27th February 2019, pursuant to approval of the Board of Directors accorded in its meeting held on 23rd October 2018.

₹500 crore was transferred from retained earnings to capital redemption reserve account on redemption of the preference shares.

- **Business Environment**

Industry Structure and Developments

Generation, transmission, distribution and trading of power are the four distinct components of the electricity sector, which are governed by the provisions of the Electricity Act, 2003 and various regulations issued by the CERC (Central Electricity Regulatory Commission) and SERCs (State Electricity Regulatory Commissions).

Your company operates in the retail end of the electricity chain and it is a power distribution company. The company also owns a 108 MW combined cycle gas based power plant which has been established in Rithala, North Delhi.

Power Distribution

The distribution sector, by the virtue of being at the revenue generation end of the entire electricity value chain, is the cornerstone for the financial viability of the entire sector. The sector, despite its opening up to private sector participation in the year 1999 with privatization of Orissa Distribution Utilities, continues to be largely Government owned, having negligible private sector participation with Delhi, Mumbai and some urban centres being notable exceptions. The national average Aggregate Technical & Commercial (AT&C) Losses still hover around 24% **(*Source: - PFC Report on the Performance of State Power Utilities 2013-14 to 2015-16)***. However, as on 31st December 2018, the AT&C losses for states covered under the UDAY scheme (data available for 26 states) stood at ~20% (Source:-UDAY Dashboard). Additionally, absence of cost reflective tariffs, inadequate subsidy reimbursements by the State Governments and increasing power procurement costs is adding to the financial woes of the sector.

The aggregate losses (without accounting for subsidy) for all the utilities was reported at ₹ 1,47,298 crore in the year 2015-16. The average cost of supply increased from ₹ 5.19 /kwh in the year 2013-14 to ₹ 5.21/kwh in 2014-15 and to ₹ 5.43kwh in 2015-16. The average revenue (without considering subsidy booked) increased from ₹ 4.00/kwh in the year 2013-14 to ₹ 4.15/kwh in 2014-15 and to ₹ 4.23/kwh in 2015-16. ***(Source: PFC-Report on the Performance of State Power Utilities 2013-14 to 2015-16)***

- **Operations**

Power Procurement

As in the past years, Tata Power-DDL had procured sufficient quantity of power during the period under review for meeting 100% peak demand of its consumers. However, this procurement has its challenges as variance in demand due to seasonal weather fluctuations are unpredictable and surplus power during off peak hours has to be disposed of at the prices prevailing at that point in time.

The company procured 9631 MUs as of 31st March 2019, to ensure that the consumers are provided with 24x7 power supply.

The company sustained system reliability at 99.61% and touched the peak load at 1967 MW during the year. Further, street light functionality is 99.50%, there were 3758 collection avenues, customer satisfaction index was 94%, billing efficiency and collection efficiency were at 92.10% and 99.98% respectively, as on 31st March 2019.

The company has collaborated with 52 partners from technology, institutions and funding agencies across the globe to take technology and service delivery to the next levels. The company has also moved forward in implementing the Smart Grid road map developed with Quanta and has rolled out Advanced Distribution Management System in its area of operations. The company is pursuing Solar Rooftop project implementation in Delhi and has installed 23.15 MWp till date. The company has established two Microgrids in Bihar for rural upliftment by providing access to electricity, with its collaboration partner MIT and GE.

Tariff Related Matters

The tariffs chargeable to consumers by Power Distribution Utilities are determined by their respective State Electricity Regulatory Commissions, which in case of Tata Power-DDL, is the Delhi Electricity Regulatory Commission (DERC). DERC issues Tariff Regulations in order to determine the Retail Tariff. Tariff Regulations provided recovery of Annual Revenue Requirement comprising expenditure on account of power purchase cost, operation and maintenance expenses, financing cost and an assured return on eligible investment. The Utilities are also eligible to claim additional incentives subject to the achievement of targets as laid down by the DERC in its Business Plan Regulations.

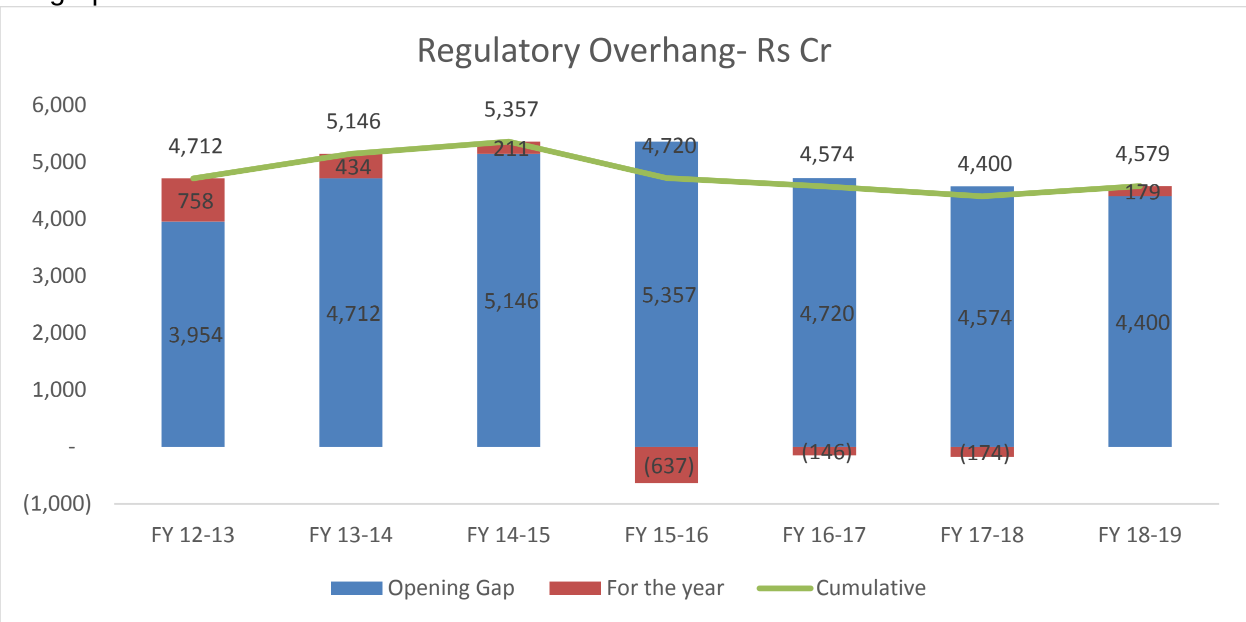
DERC on 31st January 2017 has notified the Delhi Electricity Regulatory Commission (Composite Terms and Conditions for Tariff) Regulations, 2017 for determination of Annual Revenue Requirement and on 1st September 2017 has notified Business Plant Regulations, 2017 for 3rd MYT control period applicable from FY 2017-18 onwards.

Based on the aforesaid regulations, DERC on 28th March 2018 had issued tariff order for truing up of FY 2016-17 and ARR for FY 2018-19. Further, in order to create conditions conducive for competition in retail supply of electricity, DERC has simplified the tariff structure and also restructured the portion of fixed charges and energy charges applicable from 1st April 2018.

For FY 2018-19, actual Power Purchase Costs constitute around 76% of total costs, Operation & Maintenance expenses (inclusive of Establishment Cost, Administrative & General Expenses and Repair & Maintenance Expenses) constitute around 10% with Depreciation around 3%, Interest on Loans for capital investment around 3%, Return on Equity (RoE) deployed in the business constituting only around 2-3% of the total cost and balance towards carrying cost. The total cost needs to be recovered through retail tariff determined by the DERC and chargeable to the consumers.

During FY 18-19 Power Purchase cost of the company increased to ₹ 6.14/unit against the approved Power Purchase Cost of ₹ 5.30/unit. To meet out such increase in power purchase cost, the company has provisionally charged @ 4.5% Power Purchase Cost Adjustment Charge on Retail Tariff from the mid of August 2018 as per the methodology provided in Tariff Order and Business Plan Regulations. Still, there is huge unrealized gap of power purchase cost due to which revenue gap for the year increased.

During the current year revenue gap has increased by ₹ 179 crore, which is evident from the graph below.



C&AG AUDIT

The judgment of Hon'ble High Court at Delhi quashed the audit decision, audit exercise and rendered all actions taken pursuant to such exercise by the CAG as void and null. The batch of matters comprising civil appeals filed by the CAG, GNCTD, URJA and Tata Power-DDL against the Delhi High Court judgment quashing the audit exercise and the draft audit report prepared by CAG was listed before Hon'ble Supreme Court. No Stay has been granted against the impugned judgment dated 30.10.2015 of the Hon'ble High Court.

In the Petition filed against the CAG audit of DISCOMS, it was directed by the Court on the last date that the matter need not be referred to the Constitution Bench or deferred till the decision of the Constitution Bench in pending matters of Art 239AA.The matter is to be listed before an appropriate bench.

COMMERCIAL

Key Achievements

AT&C Loss Reduction: One of the most significant measures of operational efficiency in power distribution sector is Aggregate Technical & Commercial (AT&C) Loss reduction. AT&C Losses refer to the difference between energy input and energy for which revenue is realized. Tata Power-DDL has consistently over-achieved its Regulatory AT&C Loss Reduction Targets including the one in FY18-19, thereby mitigating increases in retail tariffs through operational efficiency despite steep increase in input costs and also maintained its edge over competition through demonstrated excellence. However, having reached higher levels of efficiency, further steep reduction of AT&C losses, in particular technical losses, is becoming increasingly more difficult without significant capital investment, which is a challenge in view of large accumulated revenue gaps, associated financing and impact on tariff. During the year, your company's AT&C loss was at 7.92% which is much ahead of regulatory target of 8.65%.

Standards of Performance

The DERC has specified stringent performance assurance standards with respect to consumer service delivery. As in the past, the company's compliance with assurance time lines in FY18-19 continued to be in the range of 100% with certain key services such as providing new connections (in average 2 to 3 days against DERC allowed 7 days), PA compliance for Operations is 99.62 for FY 18-19, replacement of defective meters (5 days against 15 days allowed by DERC), being provided in significantly lesser (faster) time than stipulated by DERC. Tata Power-DDL has also implemented Filed Force Automation which will further help in reducing the timelines.

Customer Services

Tata Power-DDL has consistently implemented new technologies and process to improve its customer's satisfaction. Tata Power-DDL started the installation of Smart Meters which will enable host of services for its consumer i.e. instant information on consumption, Customized alerts on low power factor, High MDI and Faster response by utility during power supply failure. Tata Power-DDL has also started FIRST "ALL WOMEN" Customer Care Centre at its Pitampura and Civil Line Districts, SAMMAN meet to connect with Golden Age Customers, Short Code Toll Free Helpline Number (19124), Automated E-kiosks at Customer Care Centres for creating or checking the status of requests, complaints, bill details or payment etc. The company has also started the revamped Hindi version of its website for improving ease of reading and also revamped its website by including new facility for online new connections registration, document submission, tracking of request status and demand note payment etc.

Capital Expenditure

Tata Power-DDL has executed distribution related capital expenditure works (CAPEX) amounting ₹ 638 crore in the current year (previous year capex ₹ 568 crore). This amount has been judiciously utilized for enhancement of reliability of system through network improvements, reduction of AT&C losses and improvement in consumer services.

During the year 2018-19, the total capitalisation was ₹ 570 crore (previous year capitalisation was ₹ 479 crore).

- **Generation Initiatives**

Rithala CCPP

The company has filed a petition with the DERC for approval of Terms of Agreement for supply of power from Rithala Generation Plant to the company at tariffs to be determined by the DERC. Another petition has been filed for determination of final tariffs based on audited accounts and a third petition has been filed with respect to usage of land for Rithala Plant. All these petitions were disposed by Hon'ble DERC with a considerable lag on 31st August 2017. The DERC order has allowed the plant to function only till 31st March 2018 subsequent to which the company is exploring options for disposal of the plant.

While the Rithala Plant had been allocated 0.4 million metric standard cubic meters per day (MMSCMD) from the Krishna Godavari (KG) Basin, the supply of KG D6 Basin gas has been completely curtailed to the plant since 1st March 2013, owing to continuous decline in production of Gas and in line with the Gas Utilization Policy of Ministry of Petroleum and Natural Gas (MoPNG) which provides a higher priority to Fertilizer and LPG sectors on usage of KG D6 gas. Tata Power-DDL had Spot RLNG contract with GAIL till 31st March 2018 to ensure continued availability of Rithala Plant. Subsequent to 31st March 2018, the company is no longer declaring the availability of the Rithala Plant in line with the DERC order.

Currently, the True Up Petition for the years FY 10-11 to FY 17-18 is being pursued at DERC.

Solar Projects

Solar & New Business Initiatives:

Tata Power-DDL became the first and only power utility to be awarded by Ministry of New & Renewable Energy, Govt. of India with National Award for "Utility Enabler for Rooftop Solar Project". Tata Power-DDL has empaneled 11 turnkey solar project installation agencies for installing roof top solar plants for Tata Power-DDL consumers at costs much lower than MNRE/SECI declared rates. A total of 588 cases of solar net meters have been installed till FY 2018-19 with a capacity of 22.98 MWp. Awareness campaigns were done for RWAs, IWAs and Educational Institutes etc. covering 1500 potential consumers.

Tata Power-DDL has also installed 17 nos. of Rooftop Solar Plants on its different buildings having capacity of 1.79 MWp. In FY 18-19, a total of 1.73 MUs were generated through these solar plants. LOA has been received from different states like Assam for Rooftop Solar Projects in association with RECPDCL. Tata Power-DDL has also collaborated with Tata Trust, GE and MIT for setting up two Solar Micro-Grid Projects in Bihar. Objective of setting up of these Solar Micro-Grids is to create a sustainable model for providing reliable supply to un-electrified households. Tata Power-DDL is also involved in the Off Grid Solar Installation of 13179 Nos. of 300MWp Solar Home Power Packs and 4184 Nos. of 40MWp Solar Street Lights for electrification of 895 Nos. of Off-Grid Villages in Arunachal Pradesh under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) alongwith RECPDCL.

Recently, Tata Power-DDL has also associated with International Solar Alliance and has submitted proposal for setting up of 1 MWp Rooftop Solar Demonstration Projects in 15 member countries in association with MyWay Solar (a RESCO Project Developer, partner with YES Bank).

SCADA EMS, DMS OMS Getting Upgraded to ADMS

Tata Power-DDL had implemented SCADA EMS (Energy Management System) with GSAS (Grid S/Stn Automation System) to control and monitor the 66/33 KV network with the main objective of improving operational efficiency from 2007 onwards. Tata Power-DDL has been pioneer Discom in India to operate the entire network from a central location with all load management decisions being based on real time power flow information from the system. As of now, all 65 grids have been automated and are unmanned.

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

All the above stated technologies have been unique and path breaking at the time of implementation, however, these needed to be upgraded and made suitable for upcoming smart technologies. As a part of upgrade, Tata Power-DDL is implementing Advanced Distribution Management System (ADMS). This will make Tata Power-DDL the 1st utility in India to deploy ADMS, a real time power distribution management system that operates by unifying SCADA, Advanced Distribution Management Applications & Outage Management System (OMS) functionality in a single modular solution taking network data directly from GIS in an integrated manner along with SAP-PM/ISU/CRM extending its seamless benefits to the consumers providing synchronous operation for a utility. ADMS has been fully rolled out in March 2018, making it first such kind of installation in Asia and biggest in size in the world.

Smart Grid

Tata Power-DDL endeavours to shift its orbit to the next level by developing its 'Smart Grid' Technology Roadmap. Smart Grid is an integration of automation systems of the entire electricity value chain from generation to the consumer end by utilization and integration of information and operational technologies. Smart Grids address issues of Reliability of Supply, Demand Side Management and integration of infirm renewable power (Solar/Wind) with the Grid. It facilitates consumers in monitoring their power consumption in real time, thereby empowering them to take informed decisions with respect to timing and quantity of consumption. It can also contribute in effective power and peak load management. In Tata Power-DDL's quest to promote technology, Smart Grid Lab is an endeavor to demonstrate actual implementation of different technologies to all the stakeholders. Smart Grid Lab was inaugurated in February 2016 at Sector 15, Rohini.

Tata Power-DDL Smart Grid Lab provides a test bed to demonstrate the Smart Grid Technologies and the benefits of convergence of IT and OT technologies for distribution utilities in the Indian context. The focus is on "hands-on" demonstration of various technologies, products and solutions for power distribution utilities and how these technologies help in providing an improved connectivity, efficiency and reliability that is both sustainable and scalable.

Further, as a part of digitizing the work force, Field Force Automation has been rolled out in December 2018. This system takes the jobs from the sources (SAP and ADMS) and automatically schedules the same based on intelligent logics like proximity to the customer, adherence to performance assurances, traffic etc., to the field crew on his mobile. This is first such implantation in an Electrical Utility in India. This will enable faster resolution of customer issues.

AMI Project

Tata Power-DDL initiated Advanced Meter Infrastructure (AMI) project in 2015, which includes RF communications network and equipment, head-end data collection system, Meter Data Management System (MDMS) and smart meters. The head-end system shall support NOC and admin activity with role based user access for outage, RF network deployment, network monitoring, alerts / notification, reading data, remote configuring, network reporting etc. Meter Data Management System will support reading extraction, integration with different IT / OT systems, analytical report extraction.

As per the mandate from the regulator, Tata Power-DDL initiated smart meter deployment using Radio Frequency Mesh Communication technology in its licensed area of 510 sq. km in North and North-West Delhi. In addition to providing real time communication and monitoring capability, this initiative will also provide accurate information on energy consumption patterns, enhanced monitoring and control points throughout network on real time basis and reduced commercial losses.

Tata Power-DDL is working with Landis + Gyr, RF technology provider and Siemens, Meter Data Management Provider. This covers design, supply, installation, testing, commissioning and AMC of a single RF mesh platform that can support multiple applications like AMI (Advance Metering Infrastructure), DA (Distribution Automation), ADR (Automated Demand Response), Distributed Energy Resources (rooftop or ground mount Solar, EV), Street Light Management, Grid Substation Automation Solution (GSAS) Backup Communication.

Currently Tata Power-DDL is in process of stabilization of communication and so far 50000+ Smart Meters have been installed.

The company has implemented India's first ever integrated ADR and AMI project. This aims to reduce peak demand at the time of critical grid stress conditions like peak demand, peak pricing and grid collapse etc. through shedding of identified non critical load at the consumer premise. The project has yet covered 161 commercial & industrial consumers having sanctioned load of above 100 KW to achieve a cumulative shed potential of 17 MW.

The integrated project would not only lead to improvement in reliability of supply but would also empower the participating consumers to analyze their consumption patterns closely to optimize their energy consumption. DERC has also given an in principle approval for providing incentives to consumers enrolling for this program in March 2016, providing an impetus for large scale deployment of this project.

4. RESERVES

There has been no transfer to general reserves during FY 2018-19 (Previous year - Nil).

5. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

During FY 2018-19, neither of the existing subsidiary ceased to be a subsidiary of the company. There has been no major change in the nature of business of your company and its subsidiary. Currently, there is no joint venture and associate company of the company.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

- **Policy on board diversity and director attributes and Remuneration policy for the directors, key managerial personnel and other employees**

  In terms of the provisions of section 178(3) of the Companies Act, 2013 (“Act”), the Nomination and Remuneration committee (“NRC”) is responsible for formulating the criteria for determining qualifications, positive attributes and independence of a director. The NRC is also responsible for recommending to the board a policy relating to the remuneration of the directors, key managerial personnel and other employees.

  Based on the recommendations of the NRC and as per the requirements of the Act and the rules made thereunder, the board had approved and adopted the remuneration policy for directors, key managerial personnel and other employees. The philosophy for remuneration of directors, KMP and all other employees of Tata Power-DDL is based on commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

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

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

  Diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

In line with this requirement, the board has adopted the policy on board diversity and director attributes, which is reproduced as per Annexure-III and remuneration policy for directors, key managerial personnel and other employees of the company, which is reproduced as per Annexure-IV.

The company has also placed a copy of policy on board diversity and director attributes and remuneration policy for directors, key managerial personnel and other employees of the company on the website of the company, and the web-link of such policies is:
https://www.tatapower-ddl.com/Editor_UploadedDocuments/Content/TPDDL_company's_policy_on_directors'_appointment_&_remuneration.pdf

Directors take no commission from the venture. Except for the nominated woman director no other Tata Power nominee director on the board draws any sitting fee nor commission from Tata Power-DDL.

Governance Guidelines:

The company has also adopted governance guidelines on board effectiveness. The governance guidelines cover aspects related to:

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

- **Additions/ Retirements/Resignations of Directors**

Presently, the company has three independent directors i.e. Mr. Nawshir H. Mirza, Mr. Ajay Shankar and Mr. Amar Jit Chopra.

Mr. Anil Kumar Sardana (DIN: 00006867) has stepped down as Chairman and Director of Tata Power-DDL w.e.f close of working hours on 30th April 2018.

Mr. Praveer Sinha (DIN:01785164) had been elevated as Chief Executive Officer and Managing Director ("CEO&MD") of The Tata Power Company Limited w.e.f. 1st May 2018 and hence stepped down as CEO&MD of Tata Power-DDL w.e.f. close of working hours of 30th April 2018.

Ms. Shalini Yogendranath Singh (DIN: 07252909) has submitted her resignation as Director of the company w.e.f close of working hours on 15th June 2018.

Based on the recommendation of Nomination and Remuneration Committee, the board appointed Mr. Praveer Sinha as an additional director and chairman of the Board of Directors of the company with effect from 4th May 2018, Mr. Minesh Shrikrishna Dave (DIN: 07604493) and Mr. Ramesh Narayanswamy Subramanyam (DIN: 02421481) as additional directors, both w.e.f. 16th June 2018 and Ms. Satya Gupta (DIN: 08172427) as an additional director w.e.f. 18th July 2018 under the provisions of section 161 of the Act and Article 96 of the Company's Articles of Association.

None of the company's directors are disqualified from being appointed as directors as specified in section 164 of the Act.

In accordance with the requirements of the Act and company's Articles of Association, Mr. Arup Ghosh (DIN: 06711047) retires by rotation and is eligible for reappointment.

The company has received notice under section 160(1) of the Act from shareholders proposing the name of Ms. Satya Gupta for her appointment for the office of director at the forthcoming annual general meeting.

The board places on record its appreciation for the valuable contribution made by the outgoing directors as members of the board and welcomes the new director(s) on the board.

Key Managerial Personnel (KMP): Mr. Sanjay Kumar Banga is the Chief Executive Officer, Mr. Hemant Goyal is the Chief Financial Officer and Mr. Ajay Kalsie is the Company Secretary of the company. They are the key managerial personnel (KMPs) of Tata Power-DDL as on 31st March 2019.

During the financial year 2018-19, Mr. Praveer Sinha had stepped down as Chief Executive Officer and Managing Director of Tata Power-DDL w.e.f close of working hours on 30th April 2018. Mr. Ajay Kapoor had stepped down as CFO & Chief (Commercial, Legal & Regulatory), Tata Power-DDL w.e.f close of working hours on 30th April 2018.

Mr. Sanjay Kumar Banga was appointed as Chief Executive Officer and Mr. Hemant Goyal was appointed as Chief Financial Officer of the company, both w.e.f 1st May 2018.

- **Number of board meetings and dates**:

Meetings are scheduled well in advance and minimum 7 days advance notice of each board meeting is given in writing to each director. The board meets atleast 4 times in a year to review quarterly performance and financial results.

The company secretary in consultation with the Chairman and Director, Chief Executive Officer (CEO) prepares a detailed agenda for the meetings. The board papers comprising the agenda and other explanatory notes are circulated to the directors in advance. The members of the board have complete access to all information of the company. The members of the board are also free to recommend inclusion of any matter in the agenda for discussion. Senior Management is invited to attend the board meetings so as to provide additional inputs to the items being discussed by the board as well as get board's first hand perspective on critical issues. The directions of the board are further communicated down the line by the senior management through various town hall meetings and dialogue sessions.

Four meetings of the board of directors were held during the year 2018-19 and the gap between two meetings did not exceed 120 days. The meetings were held on [19th April 2018 (Original) and 26th April 2018 (Adjourned)]; [11th July 2018 (Original) and 18th July 2018 (Adjourned)]; [16th October 2018 (Original) and 23rd October 2018 (Adjourned)], [17th January 2019 (Original) and 24th January 2019 (Adjourned)]. One separate meeting of independent directors was also held on 26th April 2018 which was attended by all the independent directors.

The last annual general meeting of the company was held on 18th July 2018.

The attendance of each director at the board meetings and last Annual General Meeting held during the year is listed below:

S. No.	Name of the directors	Business Relationship	No. of board meetings held	No. of board meetings attended	Attendance at the 17th AGM
1.	Mr. Praveer Sinha (appointed w.e.f 4th May 2018)	Chairman Non-executive director (Nominee of Tata Power)	4	4	Yes
2.	Mr. Nawshir H. Mirza	Independent director	4	4	Yes
3.	Mr. Ajay Shankar	Independent director	4	3	No
4.	Mr. Amar Jit Chopra	Independent director	4	4	Yes
5.	Mr. Arup Ghosh	Non-executive director (Nominee of Tata Power)	4	4	Yes
6.	Mr. Minesh Shrikrishna Dave (appointed w.e.f 16th June 2018)	Non-executive director (Nominee of Tata Power)	4	3	Yes
7.	Mr. Ramesh Narayanswamy Subramanyam (appointed w.e.f 16th June 2018)	Non-executive director (Nominee of Tata Power)	4	2	Yes
8.	Ms. Satya Gupta (appointed w.e.f 18th July 2018)	Woman director (Nominee of Tata Power)	4	3	No
9.	Mr. Anil Sardana (ceased w.e.f 30th April 2018)	Non-executive director (Nominee of Tata Power)	4	1	No
10.	Ms. Shalini Singh (ceased w.e.f 15th June 2018)	Woman director (Nominee of Tata Power)	4	1	No

- **A statement on declaration given by independent directors under sub-section 149 (7):** Mr. Nawshir H. Mirza, Mr. Ajay Shankar and Mr. Amar Jit Chopra, independent directors of the company have confirmed that they comply with the requirements specified under section 149 of the Act and Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, for being independent, non- executive directors of the company.

- **Statement indicating all pecuniary relationship or transactions of the non-executive directors (NED) vis-à-vis the company:** None of the NEDs had any pecuniary relation or transactions with the company other than the sitting fees received by them.

- **Meeting of Independent Directors**

  During the year, the independent directors of the company met once on 26th April 2018, without the presence of executive directors and other members of management. The independent directors reviewed the performance of non-independent directors, the chairman and the board as a whole. They also assessed the quality and adequacy of the information between the company's management and the board.

- **COMMITTEES OF THE BOARD:**

  (i) Audit committee:

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

  The company complies with the provisions of section 177 of the Act, pertaining to Audit committee and its functioning.

  The board also approved and adopted charter of Audit committee.

  Currently, Audit committee comprises of the following directors:
  1. Mr. Amar Jit Chopra, Chairman, Independent Director
  2. Mr. Nawshir H. Mirza, Member, Independent Director
  3. Mr. Ajay Shankar, Member, Independent Director
  4. Mr. Minesh Shrikrishna Dave, Member, Non Independent Director

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

  The Audit committee met 4 times during the year. These meetings were held on 25th April 2018, 18th July 2018, 23rd October 2018 and 24th January 2019.

  The number and attendance of Audit committee meetings is as follows:

Sl. No.	Name of the director	Category	No. of meetings attended
1.	Mr. Amar Jit Chopra	Independent, Non-Executive	4
2.	Mr. Nawshir H. Mirza		4
3.	Mr. Ajay Shankar		3
4.	Mr. Minesh Shrikrishna Dave*	Non Independent, Non-Executive	2

* Mr. Minesh Shrikrishna Dave was appointed as a member of the Audit Committee w.e.f. 27th September 2018.

In addition to Mr. Sanjay Kumar Banga, Chief Executive Officer, Mr. Hemant Goyal, Chief Financial Officer, Mr. Arup Ghosh, Non-Executive Director and Mr. B.M.Panigrahi, company's internal auditor attended Audit committee meetings held during the year. The Audit committee invites such of the other executives as it considers appropriate to be present at its meetings. The statutory, internal and cost auditors are also invited to the meetings.

(ii) Corporate Social Responsibility Committee

The company has adopted a CSR policy which indicates the activities to be undertaken by the company as specified in schedule VII to the Act. The policy, including overview of projects or programs proposed to be undertaken, is provided on the company website: http://www.tatapower-ddl.com.

The broad terms of reference of the committee are as under:

a) Formulate and recommend to the board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in schedule VII to the Act or may be prescribed by the rules thereto;

b) Recommend the amount of expenditure to be incurred on the activities referred to in the above clause; and

c) Monitor the CSR Policy of the company from time to time.

Currently, CSR committee comprises of the following directors:

1. Mr. Ajay Shankar, Chairman, Independent Director
2. Mr. Arup Ghosh, Member, NED
3. Mr. Minesh Shrikrishna Dave, Member, NED

The committee met twice during the financial year 2018-19. The meetings were held on 23rd October 2018 and 24th January 2019.

The number and attendance of CSR committee meetings is as under:

Sl. No.	Name of the director	Category	No. of meetings attended
1.	Mr. Ajay Shankar	Independent, Non-Executive	2
2.	Mr. Arup Ghosh	Non Independent, Non-Executive	2
3.	Mr. Minesh Shrikrishna Dave*		2

* Mr. Minesh Shrikrishna Dave was appointed as a member of the CSR Committee w.e.f. 18th July 2018.

The minutes of the meetings of the CSR committee were placed before the board.

(iii) Nomination and Remuneration Committee:

Terms of Reference

The committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board their appointment and removal and shall carry out evaluation of every director's performance.

The committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

The board also approved and adopted charter of NRC.

Currently, NRC comprises of the following directors:

1. Mr. Nawshir H. Mirza, Chairman, Independent Director
2. Mr. Ajay Shankar, Member, Independent Director
3. Mr. Praveer Sinha, Member, Non-Executive Director and Chairman, Tata Power-DDL

The committee met once during the financial year 2018-19 on 26th April 2018.

The number and attendance of NRC meeting is as under:

Sl. No.	Name of the director	Category	No. of meeting attended
1.	Mr. Nawshir H. Mirza	Independent, Non-Executive	1
2.	Mr. Ajay Shankar		1
3.	Mr. Praveer Sinha*	Non Independent, Non-Executive Director	Nil
4.	Mr. Anil Sardana**		1

* Mr. Praveer Sinha was appointed as member of Nomination and Remuneration Committee w.e.f. 18th July 2018.
** Mr. Anil Sardana ceased to be a member of Nomination and Remuneration Committee w.e.f. 30th April 2018.

(iv) Operations Review Committee

The Operations Review committee regularly reviews progress on all important issues pertaining to operational aspects of the company and such other matters as may be delegated to it by the board of directors from time to time.

Currently, Operations Review committee comprises of the following directors:

1. Mr. Minesh Shrikrishna Dave
2. Mr. Arup Ghosh

3. Mr. Ramesh Narayanswamy Subramanyam

The committee met once during the financial year 2018-19 on 15th October 2018.

The number and attendance of ORC meeting is as under:

Sl. No.	Name of the director	Category	No. of meeting attended
1.	Mr. Minesh Shrikrishna Dave	Non-Independent, Non-Executive	1
2.	Mr. Arup Ghosh		1
3.	Mr. Ramesh Narayanswamy Subramanyam		Nil

Mr. Minesh Shrikrishna Dave, Mr. Arup Ghosh and Mr. Ramesh Narayanswamy Subramanyam were appointed as member(s) of Operations Review committee w.e.f 18th July 2018.

(v) Long Term Loans and Borrowings Committee

The Long Term Loans and Borrowings committee reviews and approves terms and conditions pertaining to all long term loans and borrowings and such other matters as may be delegated to it by the board of directors from time to time.

Currently, Long Term Loans and Borrowings committee comprises of the following directors:

1. Mr. Nawshir H. Mirza, Chairman, Independent Director
2. Mr. Praveer Sinha, Member

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

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

The company has instituted a process for evaluation of the performance of the board, statutory committees of the board and of individual directors by various governance organs - the full board, the NRC and independent directors. The evaluation requires each director to make an assessment confidentially of the performance of the board as a body and of each individual director. The assessments so made are collated and the blended opinion of the directors who have responded is discussed in the various aforementioned governance organs, as statutorily mandated. In the case of statutory committees, assessments are made by the committee members and a report based on them is presented to the board. Feedback was provided to the directors, as appropriate. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

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

9. REGULATORY & LEGAL –

REGULATORY ENVIRONMENT

- **CHANGES TO LAW AND REGULATORY GUIDELINES**

1. Delhi Pollution Control Committee has issued strict directions in FY 2018-19 under the Air (Prevention and Control of Pollution) Act, 1981, Water (Prevention and Control Of Pollution) Act, 1974 to Tata Power-DDL vide letter dated 12.11.2018 which were reiterated in letter dated 13.03.19. These directions cover ensuring disconnection of industrial activity electricity connections in non-confirming areas, residential areas; ensuring grant of industrial electricity connections only after seeking consent to establish, consent to operate from DPCC. TPDDL has been directed to disconnect connections where such aforesaid conditions are not met.

2. Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) (Fourth Amendment) Regulations, 2018 which were introduced w.e.f. 20.11.2018 , provided impractical, stringent timelines for ensuring compliance were challenged before Delhi high court by Tata Power-DDL for quashing/setting-aside the Regulations 7(1), 7(10) and 7(11a).

3. Delhi Electricity Regulatory Commission Supply Code Performance and Standard 3rd Amendment Regulations, 2018 providing automatic compensation were introduced w.e.f. 18th December, 2018 in FY 2018 -19 which were challenged by Tata Power-DDL before Delhi High Court.

10. RISK MANAGEMENT FRAMEWORK

Risk management committee/framework/policy/review mechanism

Enterprise Risk Management at Tata Power-DDL is monitored by the CLRMC and is reviewed by audit committee and board. Based on the suggestions of the audit committee, a comprehensive model covering the qualitative / quantitative impact of risks has been adopted. Tata Power-DDL has developed in house web based application for risk management to register and monitor risks. The frequency of reviews is bimonthly. The Audit committee and board reviews the actions taken by the company to value and mitigate these risks.

Top risks of Tata Power-DDL are:

1. Rithala disallowance of Fixed and Variable Costs
2. Under funding of opening liability towards Retiral Benefits and Medical and LTA
3. Amount Recoverable from DERC (Regulatory Overhang)
4. Outcome of CAG Audit

INTERNAL CONTROL OVER FINANCIAL REPORTING

Under the supervision of the company's chief executive officer and chief financial officer and effected by the company's board of directors, management, and other personnel, the company has a robust system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

- The Audit committee of the board of directors, comprising of majority of independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- Reinforcement of Tata Code of Conduct is prevalent across the organization. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns etc.
- Anti-Fraud programs such as proactive vigilance, vigil mechanism are operative across the organization.
- A comprehensive delegation of power exists for smooth decision making which is being reviewed periodically to align it with changing business environment.
- A well established, independent, multi-disciplinary internal audit team operates in line with governance best practices. In order to ensure that adequate checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits (based on annual audit plans approved by Audit committee) are conducted by the team and significant observations are presented to management and Audit committee periodically about compliance with internal controls and efficiency and effectiveness of the operations.
- Detailed business plan including capital expenditure, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions.
- Majority of organizations' 370+ documented processes are configured suitably with the state-of-the-art SAP enterprise resource planning system. The access rights and segregation of duties violations are periodically monitored through SAP GRC system and necessary corrective/preventive action taken, if deemed necessary. The company also maintains a comprehensive information security policy and undertakes continuous upgrades of its IT systems.

11. SUSTAINABILITY

11.1 SAFETY – CARE FOR OUR PEOPLE

Sl. No.	Safety Parameters (Employees and contractors)	FY 18	FY 19
1	Fatality (Number)	0	1
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.568	0.373
3	Total Injuries Frequency Rate (TIFR) (Number of Injuries per million man hours)	0.568	0.373
4	First Aid Cases (Number)	15	13

11.2 CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

CORPORATE SOCIAL RESPONSIBILITY

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

Tata philosophy "to give back to the community manifold" and Tata power-DDL's Mission Statement "Reach Out to communities we operate in" provide the necessary direction and the rationale to create an environment supporting these communities.

Further, a corporate social responsibility committee comprising of board of directors was constituted on 1st February, 2013 pursuant to section 135 of Companies Act, 2013 and the rules made there under.

Tata Power-DDL's innovative processes of integrating Corporate social responsibility with its business goal of loss reduction strategy is one of its kinds in the industry and has won CMO Asia Award for commendable work in Women Empowerment.

Tata Power-DDL as part of its CSR activities has been running women literacy programs, entrepreneurship development, vocational training programs, tutorial classes mobile dispensary, drug de-addiction camps, providing potable drinking water at JJ clusters & Govt. schools, education support program for SC/ST students and wards of WLC and VT beneficiaries etc. Every year more than 21,000 women are benefitted and empowered by the initiative of imparting education through 350 women literacy centers. 6,267 youths have been trained at 21 vocational training centers (2 in Business Development Location – Ranchi & Lucknow). 3,00,403 students & individuals get potable water every day from 64 RO water plants installed at Govt. schools, JJ clusters and Delhi Metro stations. More than 112637JJ cluster residents have benefitted from health services provided by 4 mobile dispensary vans.

During FY 18-19 following were the thrust areas in terms of schedule VII and section 135 of the Act and the rules thereunder:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

Prescribed CSR expenditure of two per cent of the net profits of the company was ₹ 7.00 crore and company has spent ₹ 7.87 crore during the FY 18-19 till 31st March 2019 as per the requirements of the Act and the rules made thereunder. The details of CSR spend are provided under Annexure V.

11.3 AFFIRMATIVE ACTION

Company's journey in the realm of Affirmative Action began with the signing of the code for Affirmative Action on 3rd February 2007. The "Policy on Affirmative Action for Scheduled Caste & Scheduled Tribe Communities" was approved by the board of directors on 18th July 2007. In order to supplement efforts of the government to improve condition of socially and economically underprivileged SC/STs and to create a level playing field, concrete steps for giving better opportunities in the private sector were initiated. Company's Affirmative Actions aiming towards upliftment of Schedule castes and Schedule tribe communities are classified under 4Es, viz. Education, Employability, Employment and Entrepreneurship. 1200 students have been supported from 48 Govt. schools and 507 students from ITI, Polytechnic, Engg. & Graduation colleges have been supported during FY 18-19.

Soft Skill Training for Girl Students: More than 4012 girl students from AA community have been benefited since inception of the program. 2006 SC/ST students were benefitted this year through the program.

Tata Power-DDL is in the score band of 601 – 625 during the Tata Affirmative Action Program (TAAP) External Assessment 2019 and has qualified for Jury Award.

More than 5.25 lakh people benefited under various CSR initiatives in FY 18-19.

12. HUMAN RESOURCES

- **<u>Organizational Workforce</u>**

Tata Power-DDL recruited people from various technical and non - technical colleges at trainee level and also enhanced its bench strength to cater to manpower requirements at various business development (BD) projects. The employee strength of FY 2018-19 was 3699 (including 398 employees deputed at BD and its projects).

- **<u>Diversity & Inclusion</u>**

29 % Female Recruitment was done during FY 2018-19. Women oriented initiatives like "Break in Service", "Protection of Performance Ratings while proceeding on Maternity Leave", "Re-orientation Programs post Maternity Leave", "Customized Leadership Program for Women Employees", "Flexible Working Hours", etc. have been implemented for women employees to promote equality and provide career development opportunities.

Recruitment under Affirmative Action during FY 2018-19 has been 9.4%.

- **<u>Employee Connect & Engagement</u>**

To capture the employee voices and perceptions, Employee Engagement and Happiness - Pulse Survey 2018-19 was conducted in November - December 2018. The employee participation was 94% which truly reflects the employees' trust in the feedback system and also their commitment to bring about meaningful change in Organizational Policies and Processes. Employee Engagement and Happiness score for FY 2018-19 is 84.8% as compared to 83.3% in FY 2016-17.

The survey result reaffirms that the employees are willing to contribute their best towards organization's success and are aligned with the organizational objectives. The results will now be analyzed and Action Plans will be formulated for sustaining and enhancing the Engagement levels in the organization.

The Employee Grievance Redressal Index of HR Connect is 100% in FY 18-19. This year new reward schemes, “Zone-a-thon”, “Champion Rewards for BD Projects” and “Peer to Peer recognition” were launched.

- **<u>360 Degree Feedback</u>**

‘Pratibimb’- Leadership Development Program was introduced for HoDs and above in November 2018 in partnership with Deloitte. In this development journey, leaders received 360 degree feedback from reporting officer, subordinates and peers. It also includes one to one coaching sessions with expert coach for preparing Individual Development Plans (IDPs).

- **<u>Capability Development</u>**

In order to increase engagement levels of employees and develop them, about 26.9% employees in Executive Cadre and 25.8% employees in Non-Executive Cadre have been given job rotation/enrichment in the FY 2018-19. About 86% of employees in executive cadre, who have spent five years or more in the same profile have been given a change in profile/ enrichment.

Functional Competency Assessments have been done for 900+ employees and the inputs from the same are being used for developing Functional Based development trainings.

Learning Enhancement Action Program (L.E.A.P.) is a platform for providing cross-functional hands-on learning to our young employees. Under this initiative, an employee can choose to work in a different department/s for a short period to upgrade his / her knowledge and learn new skills, in addition to the existing Job Role.

- **<u>Talent Management & Succession Planning</u>**

A conscious approach is undertaken to develop and retain people with aptitude and abilities to meet the current and future organizational requirements. In view of this, 176 positions have been identified that form a part of the succession planning within the organization with identified successors who can take over immediately and after 3-5 years respectively.

“Achieving your Leadership Potential” Program was held for young leaders by expert faculty of TMTC, Pune. The programs focused on Business Case Development, Negotiation Skills, Decision Making and Effective Leadership.

Tata Power-DDL organized a Capacity Building Program on Integration of Renewable Energy Resources for the Higher Management Batch of North Eastern Regional Power Committee (NERPC) at Delhi, Germany & Spain from 18th – 28th August 2018. The program addressed various challenges & expectations in achieving the capacity building for the integration of Renewable Energy Resources, their integration in smart grids and their future prospects.

The Higher Education courses introduced during the year are as follows:

1. One-year Program in Business Analytics & Business Intelligence from Great Lakes Institute of Management.
2. Certified Management Accountants and Certified Public Accountants.

3. 1-year Diploma course of Disaster Management from Red Cross Society under the Higher Education Reward Policy.
4. 2-year MBA- Disaster Management course from IP University.

- **Industrial Relations**

The industrial relations situation in the company continued to be peaceful during the year under review. Management's relation with employees continued to be cordial and cooperative. Joint Interaction Forums, Voice of Employees and HR Nodal Officers have continuously improved direct interface with all employees. 18 Voice of Employee sessions have been conducted across different locations.

- **Prevention of Sexual Harassment**

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

In line with the Act, an internal committee has been constituted to investigate/ redress grievances relating to sexual harassment.

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

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

Summary of sexual harassment issues raised, attended and dispensed during FY 18-19, is as under:
No. of complaints received: 5
No. of complaints disposed of: 4
No. of cases pending: 1 (*received on 14-Mar-19. Under investigation*)
No. of cases pending for more than 90 days: 0
No. of established cases of Sexual Harassment: 0

Pursuant to the provisions of Rule (8)(5)(x) of the Companies (Accounts) Rules, 2014, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Ethics Management

Ethics Management at Tata Power-DDL has been institutionalized through TATA Code of Conduct. To create and sustain an ethical culture, govern and implement ethics management across the organization a three tier structure exists which is revisited depending on requirements. Ethics Management Apex Team (EMAT), led by the CEO in the capacity of Principal Ethics Officer and represented by other senior leadership members of the level of Addln. GM and above, takes the lead role in guiding, reviewing and monitoring ethical issues.

At the 2nd tier, there is a council of Locational Ethics Counsellors (LECs) of the level of Sr. Manager to DGM, led by the Chief Ethics Counselor (CEC), who are mostly members of the middle management situated at key locations across the company and approachable to all employees. The 3rd tier comprising of Ethics Champions (ECs) up to Manager level to address issues at local levels, assist Local Ethics Counsellors and spread awareness among employees, BA employees and other stakeholders.

Company has established a robust Ethical Concern resolution process, centrally controlled by CEC. Concerns are logged and monitored through an online tracking process and resolved in a time bound manner. Based on the concerns raised and found to be valid, necessary corrective actions are taken. Ethical conduct is considered as one of the parameters while finalizing contracts of BAs. Exemplary ethical practices are rewarded by leadership in various forums and R&R ceremonies.

Every alternate year, an Independent Leadership of Business Ethics (LBE) Survey is carried out with the help of Tata Business Excellence Group. The LBE score in last survey has shown an improvement trend.

Various new initiatives were taken in the FY 2018-19 by LBE viz. JRD TATA Memorial Lecture, Combining of Safety and Ethics Oath, Film on Ethics, Strengthening Ethics In Generation Next, Ethics Conclave and other ongoing initiatives.

Vigil Mechanism Policy

As per the requirements of the Act and the rules made thereunder, Tata Power-DDL has also formulated Vigil Mechanism Policy with a view to providing a mechanism for the directors, employees and stakeholders of the company to approach the Chief Ethics Counselor/ Chairman of the Audit committee of the company to report concerns of unethical behavior, actual or suspected, fraud or violation of the company's code of conduct or ethics policy. This mechanism shall provide adequate safeguards against victimization of persons who use such mechanism and shall also ensure direct access to the Chief Ethics Counselor or Chairman of the Audit committee in appropriate or exceptional cases.

Anonymous complaint which does not disclose the identity of the complainant shall be investigated only if it merits appropriate consideration, or contains sufficient leads or particulars to enable the taking of further action.

The company has also placed a copy of Vigil Mechanism on the website of the company, and the web-link of such Vigil Mechanism is https://www.tatapower-ddl.com/images/policies/tpddl-vigil-mechanism.pdf.

Gift Policy

The company has also formulated Gift Policy to align with the commitments towards Tata Code of Conduct.

Further, steps like celebration of ethics week, online quizzes, publication of ethics newsletters and ethics violations update etc. have been undertaken to promote culture of ethics and to reach out to all levels of our stakeholders.

UN Global Compact

Tata Power-DDL is a signatory to United Nations Global Compact and is now a part of a group of reputed organizations worldwide. Tata Power-DDL is committed to upholding the 10 principles in the areas of Human Rights, Labour and Environment & Anti-Corruption. Communication on progress of the activities carried out in this area is annually uploaded on UNGC website.

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

AWARDS AND RECOGNITIONS

Various awards and recognitions have been bestowed on the company and its executives during the year FY 18-19. Some of the awards and recognitions received by the company are as under:

1) 2 Gold awards at the Kaizen Conclave organized by BML Munjal University, Gurugram, 30th June 2018.

   Theme: Creative solutions for Sustainable Business Development through TQM.

2) 2 Awards at 14th ASIAN POWER AWARDS 2018 held at Jakarta, Indonesia: Power Utility of the year, Innovative Technology of the year for ADMS August 2018

3) Safety Innovation Award – 2018 organized by Safety and Quality Forum at New Delhi, September 2018.

4) 11 Excellence Awards at Quality Circle Forum of India (QCFI), Delhi Chapter Convention held at BML Munjal University, Gurugram on 28th September 2018.

5) “OUTSTANDING GREEN CAMPAIGNER” AWARD organized by India Green Energy Awards at New Delhi, September 2018.

6) CII National HR Circle Competition Award in the category “Management of Change & Excellence in HRM” on 28th September 2018.

7) 7 Excellence Awards at "International Convention on Quality Control Circles 2018” held in Singapore (October 2018)

8) 3 Awards at the ICC – 6th Innovation With Impact Awards For Discoms 2018 – November 2018 - Innovation with Impact, Improve Operational Efficiency, Quality of Service

9) 13 Awards at National Convention on Quality Circles (NCQC) 2018 Awards held at Gwalior, Madhya Pradesh. December 2018. Quality Circle – 7 Nos.

10) “Special Recognition” in Tata Power Arpan Award - Best Location for promoting Employee Volunteering – at Tata Power Annual CSR Meet in Mumbai, December 2018.

11) Tata EDGE – Promising Practices (Overall Contribution Award) 2018, November 2018.

12) 3 awards at ISGF Innovation Awards’ 2019, held at New Delhi, March 2019

i) Best Smart Grid project in India by Utility : Gold Award (for ADMS)
ii) Smart Technology of the Year: Diamond Award (for Big Data and Analytics)
iii) Smart Technology of the Year : Certificate of Merit (for Field Force Automation).

13. CREDIT RATING

Company's borrowing facilities (both fund and non-fund based) are rated by ICRA, the credit rating agency. As on 31st March 2019, the company had long term credit rating as AA- with positive outlook and short term rating as A1+.

14. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

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

15. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crore)

Particulars – Standalone	**FY19**	**FY18**
Foreign Exchange Earnings mainly on account of interest, dividend	Nil	Nil
Foreign Exchange Earnings mainly on account of consultancy services	7.68	3.54
Foreign Exchange Outflow mainly on account of:		
Fuel purchase	*Nil*	*Nil*
Interest on foreign currency borrowings, NRI dividends	*Nil*	*Nil*
Purchase of capital equipment, components and spares and other miscellaneous expenses	*Nil*	*Nil*
Foreign consultancy & other expenses	*2.69*	*3.80*
Foreign travelling expenses	*2.14*	*1.08*

16. DISCLOSURE OF PARTICULARS

Particulars of employees who are employed throughout the financial year or part of financial year and were in receipt of remuneration not less than Rupees One Crore and Two Lakh per annum or Rupees Eight lakh and Fifty Thousand per month, respectively - This is not applicable as section 197(12) of the Companies Act, 2013, read with Rule 5(2) of Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014, is applicable only to listed companies.

17. SUBSIDIARIES

Tata Power-DDL has one wholly owned subsidiary NDPL Infra Limited. Pursuant to section 129(3) of the Act and the rules made thereunder, a statement containing salient features of financial statements of the subsidiary of the company in form AOC-1 is attached to financial statements of the company.

During FY 2018-19, neither of the existing subsidiary ceased to be a subsidiary of the company. There has been no major change in the nature of business of your company and its subsidiary. Currently, there is no joint venture and associate company of the company.

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

Financial Highlights and contribution of the subsidiary to the overall performance of the company:

NDPL Infra Limited has earned revenues of ₹ 11.77 crore during financial year 2018-19, an increase of about 13.17% over the previous year revenues of ₹ 10.40 crore from FY 2017-18. The company has earned profit before tax (PBT) of ₹ 7.38 crore for the year ended 31st March 2019 as against ₹ 5.97 crore for the year ended 31st March 2018 and total comprehensive income of ₹ 5.65 crore for the year ended 31st March 2019 as against ₹ 4.28 Crore for the year ended 31st March 2018.

Performance

NDPL Infra Limited will continue to provide consultancy services to M/S VIPL Global Services Limited with 2/3 experts. The services are expected to continue for a further period of six months from March 2019.

18. AUDITORS

Statutory Audit: DERC vide letters no F.6 (10)/AF/DERC/2012-13/6101 dated 22nd February, 2013, had directed the company that services of same statutory auditor may be availed for a maximum period of three years i.e. rotation of statutory auditors was to be done every three years and that they should be empaneled with C&AG.

Based on the above directions of DERC, M/s Walker Chandiok & Co LLP (ICAI Firm Registration No. 001076N/N500013, LLP Identification No. AAC-2085), have conducted the statutory audit of the company from FY 2016-17 to FY 2018-19. They hold office till the conclusion of the forthcoming Annual General Meeting of the Company.

Subsequently, DERC vide its letter no. F.6(10)AF/DERC/2012-13/3781/956 dated 25th May 2018, had directed that:

1. Services of the same statutory auditor may be availed for a maximum period of 5 years instead of 3 years.
2. In case, any DISCOM desires to avail the services of the existing statutory auditor services, the further extension of services of the auditor (based on the service already availed and balance to be availed) is tabulated as under:

Auditor already completed number of years	Balance period for extension	Aggregate period which the Auditor would complete in the same company in view of Column I and II
I	II	III
3	2	5
2	3	5
1	4	5

3. Appointment of auditors be done from amongst the list of C&AG empanelled auditors.

Their performance for the said period was found to be satisfactory.

The board of directors recommends to re-appoint M/s Walker Chandiok & Co LLP, Chartered Accountants, as statutory auditors for second term of two years to hold office from the conclusion of 18th Annual General Meeting (AGM) upto the conclusion of 20th AGM (i.e. from FY 2019-20 to FY 2020-21).

M/s Walker Chandiok & Co LLP, Chartered Accountants have furnished written consent and eligibility certificate from to act as statutory auditors of the company along with a confirmation that, their re-appointment, if made, would be within the limits prescribed under the Act.

Internal Audit: Mr. Brajamohan Panigrahi is Head of Internal Audit of Tata Power-DDL.

Secretarial Audit: Based upon the recommendations of the Audit committee, the board at its meeting held on 18th April 2019 approved the re-appointment of M/s Siddiqui & Associates, Company Secretaries, as the secretarial auditors of the company for the financial year 2019-20.

19. AUDITORS' REPORT

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IndAS) notified under section 133 of the Companies Act, 2013.

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

20. COST ACCOUNTS, COST AUDITOR AND COST AUDIT REPORT

In accordance with the requirement of the Central Government and pursuant to section 148 of the Act and the rules made there under, the company carries out an audit of the cost accounts relating to electricity every year since 2006. Subject to the ratification of remuneration by the members of the company and based on the recommendation of the Audit committee, the board of directors of the company at its meeting held on 18th April 2019 has re-appointed M/s Ramanath Iyer & Company, Cost Accountants (Firm Registration No. 000019) to audit the cost accounts relating to electricity for FY 2019-20. They have, pursuant to section 148 of the Act, furnished a certificate regarding their eligibility for re-appointment as the cost auditors of the company. They have also certified their independence and arm's length relationship with the company.

The Cost Audit Report of the company for the financial year ended 31st March, 2018 was filed with the Central Government, Ministry of Corporate Affairs on 9th August 2018 through Extensive Business Reporting Language (XBRL), before the due date of 30th September 2018.

Pursuant to provisions of Rule 8 (5)(ix) of the Companies (Accounts) Rules, 2014, the company is required to maintain cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and accordingly such accounts and records are made and maintained.

21. SECRETARIAL AUDIT REPORT

M/s Siddiqui & Associates, company secretaries, were re-appointed as secretarial auditor to conduct a secretarial audit of records and documents of the company for FY 2018-19. The secretarial audit report confirms that the company has generally complied with the provisions of the Act, rules, regulations and guidelines.

The secretarial audit report is provided in Annexure-VIII.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

The information on conservation of energy and technology absorption stipulated under section 134 (3) (m) of the Act read with rule 8 of the Companies (Accounts) Rules, 2014, is attached as Annexure II & Annexure I respectively.

23. RELATED PARTY TRANSACTIONS

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

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

24. EXTRACT OF ANNUAL RETURN

Pursuant to section 92 of the Act and rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT-9, is provided in Annexure VII.

The company has also placed a copy of the annual return on the website of the company, and the web-link of such annual return is https://www.tatapower-ddl.com/regulations-and-compliances/business-mis/companies-act-compliances.

25. DEPOSITS

The company did not accept any deposits during the financial year 2018-19.

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

(I) By the auditor in his report (standalone and consolidated financial statements): There are no qualifications, reservations or adverse remarks or disclaimers.

(II) By the company secretary in practice in his secretarial audit report: There are no qualifications, reservations or adverse remarks or disclaimers.

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

28. SECRETARIAL STANDARDS

The company complies with all applicable secretarial standards issued by the Institute of Company Secretaries of India.

29. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

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

30. FRAUD REPORTING

No frauds have been reported to the Audit Committee/ Board during FY 2018-19, therefore, section 134(3)(ca) of the Act pertaining to details of frauds reported by auditors under sub-section (12) of section 143 other than those which are reportable to the Central Government is not applicable to the company.

31. ACKNOWLEDGEMENTS

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

On behalf of the board of directors
For **Tata Power Delhi Distribution Limited**

	Sd/-	Sd/-
	Praveer Sinha	**Arup Ghosh**
	Chairman and Director	**Director**
Delhi, 18th April 2019	(DIN: 01785164)	(DIN: 06711047)

Annexures to Board's Report

ANNEXURE I – TECHNOLOGY ABSORPTION

1	Specific area in which R & D carried out by the company	i. Use of Ester oil to enhance capacity of DTs. ii. Development of self-re-generating breather for DTs. iii. In house oil testing facility. iv. 100% rewinding of failed transformer. v. Oil leakage test & torque management of in-house repaired DT.
2	Benefits derived as a result of the above R & D	i. OPEX/CAPEX optimization. Reduction in DT failure on account of overloading of single phase DTs. ii. Prevention of DT failure. Saving of Manpower on account of maintenance of silica gel breather. iii. Competency in in-house repair & Opex reduction. Life extension of repaired transformers. iv. Improvement in the reliability of network. v. Reduction in AT&C losses through communicable seals.
3	Future plan of action	i. Retro-filling of 80 nos. single phase DTs. ii. Installation of 200nos. self-re-generating breather. iii. Oil Analysis of Power & high rating Distribution Transformers. iv. 100% rewinding of 10 nos. transformer of rating 250KVA & below. v. 100% implementation on in-house repaired transformers.
4	Expenditure on R & D (in ₹ crore) a) Capital b) Recurring c) Total	 a) ₹ 0.15 crore b) ₹ 0.31 crore c) ₹ 0.46 crore

- Technology absorption, adaptation and innovation

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	i. Study of specification and standards for use of ester oil. Site visit and installation of up rated transformers. ii. Study of reference material/standard and development of self-re-generating breather with a local vendor and installation in field. iii. Study on technologies for sectionalizing faults (Trip Savers/Fuse Savers). iv. Designing of communicable seals to reduce and identify meter tempering and theft case booking. v. Designing of compact substations like unitised, trolley mounted, I-type, vertical, & underground submersible substations and site visits for installation of these compact substations.
2	Benefits derived as a result of the above efforts	i. 71 nos. 25KVA single phase DTs retro-filled with ester oil and installed to replace overloaded 25KVA DTs. ii. 25 nos. self-generating breather installed and filed results are positive. iii. Six Installations tested for Trip/Fuse Savers and the performance has been satisfactory. Order for 50 nos. being processed iv. Voice enabled unique meter communicable seals have been developed. This will help to minimize the duplicity of

<table>
<tr><td></td><td></td><td>seals and detection of the same. This will have deterrent effect of meter tampering and pilferage of electricity.
v. The new design of compact substations has been installed at few locations with the help of which space saving of more than 50% has been achieved.</td></tr>
<tr><td>3</td><td>In case of imported technology (imported during the last five years reckoned from the beginning of the financial year), following information may be furnished:
a) Technology Imported
b) Year of Import
c) Has technology been fully absorbed
If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action</td><td>
<table>
<tr><td>(a)
Technology imported</td><td>(b)
Year of Import</td><td>(c)
Has technology been fully absorbed</td></tr>
<tr><td>SAP-HANA</td><td>2016</td><td>Fully Absorbed</td></tr>
<tr><td>Implementation of ADMS infrastructure & changes in related interfaces</td><td>2018</td><td>Fully Absorbed</td></tr>
<tr><td>Field Force Automation</td><td>2018</td><td>Fully Absorbed</td></tr>
</table>
</td></tr>
</table>

On behalf of the board of directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman and Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 18th April 2019

Annexure II – Conservation of Energy

- *The steps taken or impact on conservation of energy*
- *The steps taken by the company for utilizing alternate sources of energy*

Demand Side Management Initiatives for CONSERVATION OF ENERGY

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

Tata Power-DDL has received various public accolades for driving energy efficiency initiatives for its customers:-

1. AC Replacement Scheme

Project Name	Objective	Brief Description	Status/Progress
Replacement of Non Star Rated Air Conditioner (AC) with BEE 5 Star Rated/Inverter AC	-Summer Peak Reduction -To accelerate the adoption of Energy Efficient ACs through the rebate based scheme	Up to 45 % discount offered on MRP (***The rebate offered under the scheme ranges from ₹ 2618 – ₹ 4188/Unit)*** -Participating consumer would be benefitted by the annual reduction of appx. ₹ 5500 in the electricity bill depending upon their usage. -All the old ACs collected under the scheme disposed- off in the environment friendly manner. -Tariff Neutral from year 1	- Scheme launched on July 10, 2015 - Three OEMs participated - Hitachi, Voltas and Godrej (Selected through open tendering) -Total Installed Quantity till now – **19795 Nos** -Deemed Load Reduction – **17.81 MW** -Annual cumulative Energy Savings- **17.65 MUs** -Annual CO2 Reduction - **5877 MT**

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

Project Name	Objective	Brief Description	Status/Progress
UJALA Program-Distribution of Energy efficient LED light and Ceiling Fan at the discounted rates	To evolve a framework to encourage TATA POWER - DDL customers for usage of the Energy Efficiency Appliances through Ujala Yojana	-LED lights (Bulb and Tube light) and BEE 5 star rated Ceiling Fans would be offered at discounted rates in association with EESL -Distribution of 9 watt LED bulb @Rs. 70 - 20 watt LED T8 Tube light @Rs. 220 - BEE 5 star ceiling fan @Rs. 1110 -Tata Power-DDL to facilitate in distribution of the Products through ABHA members on chargeable basis.	-MoU signed between TATA POWER-DDL and EESL about the SOP and commercial part regarding TATA POWER-DDL facilitation charges as TATA POWER-DDL is the only DISCOM allowed by EESL for working as distribution partner. -Scheme launched on 7th February 2017 -Program Targets:- a. Bulbs - 921536 b. Tube lights – 94656 c. Fans – 9281 Cumulative quantity:10,25473 *Total Deemed MW Saving: 7.39 MW* *Total MU savings: 30.91 MUs* *Total CO2 emission reduction:10293.07 MT*

3. Energy Efficiency Services for TATA POWER-DDL consumers – ESCO (Energy Service Company)

Project Name	Objective	Brief Description	Status/Progress
Energy Efficiency Program through ESCO	- To evolve a framework to encourage TATA POWER- DDL and outside TATA POWER-DDL customers for conducting Energy Audits & Implementation of the Energy Efficiency (EE) measures through Discom driven ESCO route. -To optimize TATA POWER- DDL peak load consumption. -To provide value added services to customers. -Single window energy efficiency solution to consumers.	-Empanelled and developed a pool of Grade 1 ESCOs. Customer Specific -An ESCO as company identifies energy improvements, provide capital required, install improvements, offer turn- key installation, monitor and guarantee energy savings. -This service is available for all type of customers segments including domestic, commercial and industrial. Institution Specific -EESL awarded contract to Tata Power DDL for conducting Energy Audit for Government buildings on Pan India basis.	-Empaneled six ESCO agencies for conducting energy audit. -Total audit done of 52.57 MW (37.78 MW from customer specific and 14.79 MW from EESL Energy Audit project). -Energy Efficiency Project implemented of 22.81 MW (8.58 MW from customer specific and 14.23 MW from NDMC streetlight project package 1).

4. NDMC streetlight Project

Project Name	Objective	Brief Description	Status/Progress
NDMC streetlight Project	-Replacement of existing HPSV lamps with energy efficient LED light fixtures	- Tata Power-DDL in consortium with Havells awarded the NDMC LED streetlight Project. -Havells as technology partner and Tata Power-DDL as implementation partner as ESCO.	- Till date around 1.58 Lakh LED street lights have been fixed - Estimated load reduction under Tata Power-DDL area is around 18.74 MW

- *The capital investment on energy conservation equipment: NIL*

Annual Energy savings achieved due to implementation of Energy Efficiency improvement measures

S No	DSM Program till date	Scale (Nos)	Annual Energy Savings (MU)	Load Reduction (MW)	Annual CO2 reduction (MT)
1	**LED Lights (DELP Scheme)**	14,00,000	44.1	10.5	14,685
2	**LED Lights & Fan (UJALA Scheme)**	10,25,473	30.91	7.39	10,293
2	**Whole range LED Light with Crompton**	100,000	3.01	2.8	1,003
3	**BEE 5 star Ceiling Fan with Crompton**	60,000	5.4	1	1,798
4	**Non Star AC replacement Scheme**	19795	17.65	17.81	5,877
5	**Energy efficiency Implementation project**	-	-	22.81	2,946
6	**Rooftop Solar through Net Metering of 22.98 MWp**	588	12.69	-	-
	Total	**-**	**113.76**	**62**	**41,963**

On behalf of the board of directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman and Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 18th April 2019

ANNEXURE III - POLICY ON BOARD DIVERSITY & DIRECTOR ATTRIBUTES

1. Objective

1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of Tata Power Delhi Distribution Limited (the company).

1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other non-executive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, thought and perspective results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. Attributes of directors

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

i) Gender diversity:
Having at least one woman director on the Board with an aspiration to reach three women directors.

ii) Age
The average age of board members should be in the range of 60 - 65 years.

iii) Competency
The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the company's businesses, energy commodity markets and other disciplines related to the company's businesses.

iv) Independence
The independent directors should satisfy the requirements of the Act and the listing agreements in respect of the 'independence' criterion.

Additional Attributes

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

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

3.1 The Nomination and Remuneration Committee (‘the NRC’) shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

4. **Review of the Policy**

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

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

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

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

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

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

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

Key principles governing this remuneration policy are as follows:

- **Remuneration for independent directors and non-independent non-executive directors**

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

company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

- **Remuneration for managing director ("MD")/ executive directors ("ED")/ KMP/ rest of the employees**

o The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

o In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  o Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  o Industry benchmarks of remuneration,
  o Performance of the individual.
- The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

- **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:
a) The services rendered are of a professional nature; and
b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

- **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE V– DETAILS OF CORPORATE SOCIAL RESPONSIBILITY SPEND

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: As a part of the Tata Group, Tata Power Delhi Distribution Ltd. believes in the Tata Group's ethos of giving back to society. Rich heritage and unmatchable legacy of Tata Group for holistic development of underprivileged communities, societies & nation becomes the guiding force for adoption of community development initiatives.

   Tata Power-DDL's CSR vision corroborates being a responsible corporate and aims at imbibing social alignment as a key component of all its business processes and strategy. 'Reaching out to communities we operate in' is an integral part of our mission statement. Tata Power-DDL's inclusive approach to reach out to its stakeholders and maintaining equilibrium brings more agility to the business. The community outreach programs, working on the lines of triple bottom line approach, aims to serve key communities in a systematic & planned way.

   There are 200+ listed JJ clusters & resettlement colonies which fall in company's area of operation. The residents of these JJ clusters are basically migrants from different communities, culture, ethnicity and creed who drifted from their native places. These clusters also have a very high representation of SC/ST communities which further emphasizes the need for inducing various developmental initiatives there. Creating avenues for Education, Employability, Health Services, Environment, Entrepreneurship Development and Empowering marginalized societal sections & communities in distress are the focus areas of community development at Tata Power-DDL.

   Tata Power-DDL looks forward for an enhanced and valuable contribution in the lives of communities by the company, create a win-win situation for all stakeholders and strives for achieving the milestones of sustainable development and inclusive growth.

   The company's CSR policy, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company website: https://www.tatapower-ddl.com/images/policies/CSR%20POLICY%202018-19.pdf

2. The Composition of the CSR Committee.
   Mr. Ajay Shankar– Chairman - Independent Director
   Mr. Arup Ghosh – Member- Director
   Mr. Minesh Shrikrishna Dave- Member- Director

3. Average net profit of the company for last three financial years: **₹ 350.41 crore.**

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 as above): **₹ 7 crore**

5. Details of CSR spent during the financial year 2018-19.

   (a) Total amount spent for the financial year - **₹ 7.87 crore**
   (b) Amount unspent, if any; **NA**
   (c) Manner in which the amount spent during the financial year is detailed below:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its board report: **NA**

CSR Expenditure FY 2018-19 in ₹ (Reporting Framework)							
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**
S. No.	**CSR Project/ activity identified**	**Sector**	**Project/Programs** 1. Local area or Others 2. State District	**Amount outlay (budget) project/ programs wise**	**Amount Spent by Project/ Programs** **1. Direct** **2. Overheads**	**Cumulative expenditure spend upto reporting period**	**Amount spent direct/ through implementing agency**
1	Women Literacy Program & Brand Ambassadors (Abha)	(ii)	North,North-West Delhi	3,96,38,400	3,96,38,400	3,96,38,400	3,96,38,400
2	Girl Child Counseling	(ii)	North,North-West Delhi	11,62,000	11,62,000	11,62,000	11,62,000
3	VT cum Tutorial program	(ii)	North, North-West Delhi	1,05,84,879	1,05,84,879	1,05,84,879	1,05,84,879
4	Affirmative Action Program	(ii)	North, North-West Delhi	61,68,018	61,68,018	61,68,018	61,68,018
5	Drug De – Addiction Camps	(i)	North, North-West Delhi	9,00,885	9,00,885	9,00,885	9,00,885
6	Mobile Dispensary Services	(i)	North, North-West Delhi	80,31,719.38	80,31,719.38	80,31,719.38	80,31,719.38
7	Blood Donation Camps	(i)	North, North-West Delhi	1,17,500.76	1,17,500.76	1,17,500.76	1,17,500.76
8	Safe drinking water provisions at Govt. schools & VT Centers	(i)	North, North-West Delhi	4,84,960.1	4,84,960.1	4,84,960.1	4,84,960.1
9	Entrepreneurship-SHG Training Program	(ii)	North, North-West Delhi	18,00,000	18,00,000	18,00,000	18,00,000
10	Support to MSSI / Support to Orphanages/ Old age homes	(ii)	North, North-West Delhi	2,450	2,450	2,450	2,450
11	Support to VMK	(i)	North, North-West Delhi	1,95,875	1,95,875	1,95,875	1,95,875
12	Energy Club	(iv)	North, North-West Delhi	4,09,464.24	4,09,464.24	4,09,464.24	4,09,464.24
13	Tree Plantation	(iv)	North, North-West Delhi	1,08,581	1,08,581	1,08,581	1,08,581
14	Promoting Consumer Awareness (Safety Awareness – Nukkad Natak, Environment, Banners, Flex Etc.)/Socio economic profiling of JJ clusters: payments to DU	(ii)	North, North-West Delhi	20,40,879	20,40,879	20,40,879	20,40,879
15	Spoken English Program – at President's Estate	(ii)	North, North-West Delhi	0	0	0	0
16	CSR Activities in BD Locations		Ranchi & Lucknow	4,50,000	4,50,000	4,50,000	4,50,000

CSR Expenditure FY 2018-19 in ₹ (Reporting Framework)							
1	2	3	4	5	6	7	8
S. No.	**CSR Project/ activity identified**	**Sector**	**Project/Programs** 1. Local area or Others 2. State District	**Amount outlay (budget) project/ programs wise**	**Amount Spent by Project/ Programs** **1. Direct** **2. Overheads**	**Cumulative expenditure spend upto reporting period**	**Amount spent direct/ through implementin g agency**
17	Cable Wire Kerala			66,46,330.48	66,46,330.48	66,46,330.48	66,46,330.48
	Grand Total			7,87,41,942	7,87,41,942	7,87,41,942	7,87,41,942

Responsibility Statement: Pursuant to the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Mr. Ajay Shankar, Independent Director, Chairman, CSR Committee, Mr. Arup Ghosh, Director, Member CSR Committee and Mr. Sanjay Kumar Banga, Chief Executive Officer, do confirm that the implementation and monitoring of CSR Policy, is in compliance with the CSR objectives and Policy of the company.

sd/-
Sanjay Kumar Banga
(Chief Executive Officer)
(DIN: 07785948)
Delhi
18th April 2019

sd/-
Arup Ghosh
(Director)
(Member, CSR Committee)
(DIN: 06711047)
Delhi
18th April 2019

sd/-
Ajay Shankar
(Independent Director)
(Chairman, CSR Committee)
(DIN: 01800443)
Delhi
18th April 2019

ANNEXURE VI– RELATED PARTY TRANSACTIONS

- Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (FORM AOC-2)

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

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transaction	Duration	Salient terms including value	Justification for entering	Date (s) of approval by the Board	Amount paid as advances , if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Details of material contracts or arrangement or transactions at arm's length basis:

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration	Salient terms including value	Date (s) of approval by the Board	Amount paid as advances, if any
1	Tata Power Trading Company Limited	Power Procurement		Both CLP and MPL power is being sourced through TPTCL as per the initial agreement between the parties executed on 20/01/2009 (between Tata Power-DDL and TPTCL) and 10/09/2009 (between Tata Power-DDL, TPTCL and MPL). The tariff of MPL is decided by the CERC while the tariff of CLP was determined under competitive bidding which applies to Tata Power-DDL. Both these PPAs are approved by the DERC which has also	These were approved by the Audit Committee	Nil

Sl. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration	Salient terms including value	Date (s) of approval by the Board	Amount paid as advances, if any
				approved the trading margin applicable for TPTCL ₹ 70895.06 lakh.		

On behalf of the board of directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman and Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 18th April 2019

Annexure VII– EXTRACT OF ANNUAL RETURN

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	U40109DL2001PLC111526
(ii)	Registration Date	:	4th July 2001
(iii)	Name of the Company:	:	Tata Power Delhi Distribution Limited
(iv)	Category / Sub-Category of the Company:	:	Unlisted Public Limited Company Electricity Distribution
(v)	Address of the Registered office and contact details:	:	NDPL House, Hudson Lines, Kingsway Camp, Delhi 110009. Tel: 011-66112222 Fax: 011-27468042
(vi)	Whether listed company Yes / No	:	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Alankit Assignments Limited, 2E/21 Jhandewalan Extension New Delhi – 110055, Tel: 91-11-4254 1234.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sale of power	N.A.	97%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	The Tata Power Company Limited Address: Bombay House 24, Homi Mody Street Mumbai - 400 001	L28920MH1919PLC000567	Holding Company	51%	2(46)
2	NDPL Infra Limited Address : Jeevan Bharati Tower # 1, 10th Floor, 124, Connaught Circus, New Delhi -110001	U40106DL2011PLC223982	Subsidiary Company	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	10	10	0	0	10	10	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	270479994	2	270479996	49	270479994	2	270479996	49	0
d) Bodies Corp.	281519994	0	281519994	51	281519994	0	281519994	51	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	551999988	12	552000000	100	551999988	12	552000000	100	0
(2) **Foreign**									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks//FI									
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	551999988	12	552000000	100	551999988	12	552000000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds									
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
1. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	551999988	12	552000000	100	551999988	12	552000000	100	0

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	The Tata Power	281520000	51%	Nil	281520000	51%	Nil	Nil

	Company Limited							
2	Delhi Power Company Limited	270480000	49%	Nil	270480000	49%	Nil	Nil
	Total	552000000	100%	Nil	552000000	100%	Nil	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change): NO CHANGE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	552000000	100	552000000	100
2	Date wise Increase/ decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g.)	Nil	Nil	Nil	Nil
3	Allotment/transfer/bonus/sweat equity etc):	Nil	Nil	Nil	Nil
4	At the end of the year	552000000	100	552000000	100

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
1	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	At the beginning of the year	N.A.	N.A.	N.A.	N.A.
3	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer/bonus /sweat equity etc):	N.A.	N.A.	N.A.	N.A.
4	At the End of the year (or on the date of separation, if separated during the year)	N.A.	N.A.	N.A.	N.A.

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
1	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	At the beginning of the year	3	Nil	3	Nil
3	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	Nil	Nil
4	At the End of the year	3	Nil	3	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(Amount in ₹)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	24,694,131,524	3,012,755,465		27,706,886,989
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	24,804,812	-		24,804,812
Total (i+ii+iii)	**24,718,936,336**	**3,012,755,465**	**-**	**27,731,691,801**
Change in Indebtedness during the financial year				
• Addition	10,351,200,855	5,850,000,000		16,201,200,855
• Reduction	6,324,113,492	6,422,687,909		12,746,801,401
Net Change	**4,027,087,363**	**(572,687,909)**	**-**	**3,454,399,454**
Indebtedness at the end of the financial year				
i) Principal Amount	28,688,344,409	2,440,067,556		31,128,411,966
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	57,679,290	-		57,679,290
Total (i+ii+iii)	**28,746,023,699**	**2,440,067,556**	**-**	**31,186,091,256**

Notes:-

The difference between opening CC and closing CC has been shown as addition/reduction, whichever is applicable.

Opening Interest accrued has been shown as reduction.

Closing Interest accrued has been shown as addition.

VI. A. REMUNERATION TO MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND/OR MANAGER

(in ₹)

Sl. no.	Particulars of Remuneration	*NAME OF THE MD/WTD/MANAGER*	*Total Amount*
		Mr. Praveer Sinha Chief Executive Officer and Managing Director (upto 30th April 2018)	*Total*
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil
2.	Stock option	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission -as % of profit - others, specify	Nil	Nil
5.	Others, please specify*(Deputation Pay and other benefits)	1,39,95,626/-	1,39,95,626/-
	Total	1,39,95,626/-	1,39,95,626/-

VI.B. REMUNERATION TO OTHER DIRECTORS

DISCLOSURE OF REMUNERATION PAID TO DIRECTORS

Disclosure regarding receipt of commission by a director from the holding or subsidiary of a company, in which such person is a managing or whole time director: Mr. Praveer Sinha, Chairman of Tata Power Delhi Distribution Limited (Tata Power-DDL) receives commission from The Tata Power Company Limited (holding company).

Remuneration of Directors:

Directors take no commission from the venture. Except for the nominated woman director Ms. Satya Gupta, no other Tata Power nominee director on the board draws any sitting fee nor commission from Tata Power-DDL.

Non Executive Directors (NEDs) (except Mr. Praveer Sinha, Mr. Anil Sardana, Mr. Arup Ghosh, Mr. Minesh Shrikrishna Dave, Mr. Ramesh Narayanswamy Subramanyam) were paid remuneration by way of Sitting Fees of ₹ 75000/- (Rupees Seventy Five Thousand only) per meeting of the board, ₹ 75000/- (Rupees Seventy Five Thousand only) per meeting of the independent directors', ₹ 50,000/- per meeting for Audit committee, ₹ 50,000/- per meeting for Nomination and Remuneration committee, ₹ 30,000/- per meeting for Corporate Social Responsibility Committee.

Vide W.P. (C) No. 8190/2015 - Sandeep Tiwari vs. GNCTD & Ors, the high court by the judgment dated 04.08.2016 had quashed the appointment of the nominee directors of DPCL appointed by the GoNCTD on the board of DISCOMs. Hence, Mr. Sanjeev Singh, Mr. Prem Prakash, Mr. Arun Kumar

Garg, Mr. Sudhir Mohan Varma and Mr. Anjani Kumar Sharma, who were earlier directors of the company, were no longer on the board. Shri Sudhir Mohan Varma, former director, aged 62 years, passed away on 3rd December, 2017.

During the period under review 4 Board meetings, 4 Audit Committee Meetings, 2 Corporate Social Responsibility committee meetings and 1 Nomination and Remuneration committee meeting were held. None of the NEDs had any pecuniary relation or transactions with the company other than mentioned below.

(in ₹)

Tata Power Delhi Distribution Limited		
Detail of sitting fees paid to Directors during the period from 01.04.2018 to 31.03.2019		
S. No.	**Name of Directors**	**Fee Amount**
1	Mr. Nawshir Mirza	6,25,000/-
2	Ms. Satya Gupta	2,25,000/-
3	Mr. Amar Jit Chopra	5,75,000/-
4	Mr. Ajay Shankar	5,60,000/-
5	Ms. Shalini Singh	75,000/-
	Total	**20,60,000/-**

Consultancy fees paid to directors for FY 2018-19:

1. Mr. Arup Ghosh ₹ 60,87,620/-
2. Ms. Satya Gupta (w.e.f. 18.07.2018) ₹ 38,21,659/-

VI. C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD: Remuneration Details of Mr. Praveer Sinha who was Chief Executive Officer & Managing Director (upto 30th April 2018) is given in VI. A above.

(in ₹)

S.No	Particulars of Remuneration Key Managerial Personnel	Key Managerial Personnel				
		Company Secretary Mr. Ajay Kalsie	CFO Mr. Ajay Kapoor (upto 30th April 2018)	CFO Mr. Hemant Goyal (w.e.f. 1st May 2018)	CEO Mr. Sanjay Kumar Banga (w.e.f. 1st May 2018)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74,43,576/-	707,295/-	75,05,282/-	-	1,56,56,153/-
2.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	39,600/-	-	-	-	39,600/-

3.	Stock option	Nil	Nil	Nil	Nil	Nil
4.	Sweat equity	Nil	Nil	Nil	Nil	Nil
5.	Commission -as % of profit - others, specify	Nil	Nil	Nil	Nil	Nil
6.	Others, please specify *(Deputation Pay and other benefits)	Nil	Nil	Nil	89,52,863/-	89,52,863/-
	Total	74,83,176/-	7,07,295/-	75,05,282/-	89,52,863/-	2,46,48,616/-

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed Authority	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

On behalf of the board of directors
For **Tata Power Delhi Distribution Limited**

Sd/-
Praveer Sinha
Chairman and Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 18th April 2019

ANNEXURE VIII– SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March 2019

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

To,

The Members,
Tata Power Delhi Distribution Limited
NDPL House,
Hudson Lines, Kingsway Camp,
Delhi 110 009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Power Delhi Distribution Limited** having **CIN U40109DL2001PLC111526** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **Tata Power Delhi Distribution Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2019** complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Tata Power Delhi Distribution Limited** ("the company") for the financial year ended on **31st March 2019** according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
The company has complied with the provisions, rules & regulations of FEMA to the extent applicable. The company is not having any FDI, ODI and ECB.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') including any statutory modification or re-enactment thereof:-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Not Applicable
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable**
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

vi The company has also complied with various provisions of Electricity Laws, Labour Laws, Environment Laws and related laws to the extent applicable to the company.

We have also examined compliance with the applicable clauses of the following:
i. Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standard-1 on the Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings.
ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **Not Applicable**

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as aforesaid.

We further report that
The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Woman Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

The company has redeemed 12% Cumulative Redeemable Preference Shares of Rs. 500,00,00,000/- (Rupees Five Hundred Crore only).

for Siddiqui & Associates
Company Secretaries

Sd/-
K.O.SIDDIQUI
FCS 2229 ; CP 1284

Place: New Delhi
Date: 03rd April 2019

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
L-41 Connaught Circus
New Delhi 110001
India

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Independent Auditor's Report

To the Members of Tata Power Delhi Distribution Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Tata Power Delhi Distribution Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

4. The Company's Board of Directors is responsible for the other information. Other information does not include the financial statements and our auditor's report thereon.

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

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

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (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 the Ind AS specified under section 133 of the Act. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We 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.

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

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

14. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 18 April 2019 as per Annexure B expressed unmodified opinion;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 29 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

ii. Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ☆ CHARTERED ACCOUNTANTS ☆

Place: New Delhi
Date: 18 April 2019

Annexure A to the Independent Auditor's Report of even date to the Members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2019

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not own any land in its name. As regard the buildings, the Company retains the operational right over the buildings used for the purpose of carrying out distribution business under a license granted by Delhi Electricity Regulatory Commission ('DERC'). Thus, verification of title deeds is not applicable on buildings.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investment. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2019 (Continued)

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follow:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹in lacs)	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	1,951.56	1,951.56	2005-06	Assessing Officer
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	0.12	-	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand on account of disallowance of certain expenses and short allowance of TDS and interest thereon	78.39	39.20	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	46.15	23.08	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on short allowance of TDS and excess interest charged	19.59	-	2012-13	Income Tax Appellate Tribunal

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid/provided by the Company in accordance with the requisite approvals mandate by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2019 (Continued)

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 18 April 2019

Annexure B to the Independent Auditor's Report of even date to the Members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2019

Annexure B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Tata Power Delhi Distribution Limited ("the Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A Company's IFCoFR 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 IFCoFR 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.

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Annexure B to the Independent Auditor's Report of even date to the Members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2019

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place: New Delhi
Date: 18 April 2019

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH, 2019

	Notes	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,68,643.34	3,62,558.19
(b) Capital work-in-progress	4	34,720.12	27,922.17
(c) Intangible assets	4	7,405.96	3,879.06
(d) Financial assets			
(i) Investments	5	5.00	5.00
(ii) Loans	6	196.20	136.41
(iii) Other financial assets	7	2.26	34.08
(e) Income tax assets (net)	8	2,263.48	2,307.02
(f) Other non-current assets	9	2,875.98	4,780.15
Total non-current assets		**4,16,112.34**	**4,01,622.08**
(2) Current assets			
(a) Inventories	10	1,306.99	1,199.90
(b) Financial assets			
(i) Trade receivables	11	25,447.20	22,592.26
(ii) Cash and cash equivalents	12	2,425.12	10,197.05
(iii) Bank balances other than (ii) above	12	3,580.97	3,587.88
(iv) Loans	13	239.05	194.64
(v) Other financial assets	14	34,737.62	32,100.67
(c) Other current assets	15	26,934.18	49,087.86
Total current assets		**94,671.13**	**1,18,960.26**
Assets classified as held for sale	35.5.1	2,004.00	-
Total assets before regulatory deferral account balance		**5,12,787.47**	**5,20,582.34**
(3) Regulatory deferral account debit balances	35	4,57,869.26	4,39,985.26
Total assets		**9,70,656.73**	**9,60,567.60**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	55,200.00	55,200.00
(b) Other equity	17	2,63,063.84	2,40,164.92
Total equity		**3,18,263.84**	**2,95,364.92**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	18	2,22,188.07	2,43,933.46
(ii) Other financial liabilities	19	62,856.47	55,530.13
(b) Provisions	20	4,569.98	4,199.55
(c) Deferred tax liabilities (net)	40	18,044.60	10,951.86
Less: Adjustable in future tariff		(18,044.60)	(10,951.86)
		-	-
(d) Capital grants	21	581.49	655.74
(e) Contributions for capital works and service line charges	22	86,464.61	85,902.49
(f) Other non-current liabilities	23	22,580.72	23,870.61
Total non-current liabilities		**3,99,241.34**	**4,14,091.98**
(2) Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	24	35,090.67	31,082.32
(ii) Trade payables	25		
- total outstanding dues of micro enterprises and small enterprises		154.67	191.39
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,24,001.92	1,22,310.44
(iii) Other financial liabilities	26	67,655.92	73,799.51
(b) Provisions	27	1,070.50	1,167.90
(c) Other current liabilities	28	25,177.87	22,559.14
Total current liabilities		**2,53,151.55**	**2,51,110.70**
Total equity and liabilities		**9,70,656.73**	**9,60,567.60**

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

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ☆ CHARTERED ACCOUNTANTS ☆

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

TATA POWER DELHI DISTRIBUTION LIMITED

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

		Notes	Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
I	Revenue from operations	30	7,60,006.70	7,10,351.56
II	Other income	30	10,802.04	6,490.11
III	**Total income**		**7,70,808.74**	**7,16,841.67**
IV	**Expenses**			
	Cost of power purchased (net) (excludes own generation)	31	5,89,686.12	5,13,091.38
	Employee benefits expense (net)	32	46,969.84	47,355.79
	Finance costs	33	34,887.85	34,672.72
	Depreciation and amortisation expense	4	30,964.17	28,995.52
	Other expenses	34	31,893.83	31,544.59
	Total expenses		**7,34,401.81**	**6,55,660.00**
V	**Profit/(Loss) before movement in regulatory deferral account balance, exceptional items and tax**		**36,406.93**	**61,181.67**
	Movement in regulatory deferral account balance (net)	35	17,884.00	(17,385.00)
VI	**Profit/(Loss) before exceptional items and tax**		**54,290.93**	**43,796.67**
	Add/(Less): Exceptional Items			
	Impairment of property, plant and equipment	4,35.5	(1,807.88)	(3,757.05)
	Impairment loss on assets classified as held for sale	35.5	(8,832.34)	-
VII	**Profit/(Loss) before tax**		**43,650.71**	**40,039.62**
VIII	Tax expense			
	(i) Current tax	40	10,056.28	9,451.59
	(ii) Deferred tax			
	Provision for the year	40	7,100.95	11,578.27
	Less: Adjustable in future tariff		(7,100.95)	(11,578.27)
IX	**Profit/(Loss) for the year**		**33,594.43**	**30,588.03**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) of defined benefit plans	20.7	(61.26)	25.96
	(ii) Income tax credit/(charge) relating to items that will not be reclassified to profit or loss			
	(a) Current tax	40	13.20	(5.54)
	(b) Deferred tax			
	Provision for the year	40	8.21	(9.07)
	Less: Adjustable in future tariff		(8.21)	9.07
	Other comprehensive income/(expense) for the year		**(48.06)**	**20.42**
XI	**Total comprehensive income for the year**		**33,546.37**	**30,608.45**
	Earnings per equity share (face value ₹ 10/- each)	37		
(i)	Basic and Diluted earnings per equity share before net movement in regulatory deferral account balance (₹)		3.54	8.02
(ii)	Basic and Diluted earnings per equity share after net movement in regulatory deferral account balance (₹)		6.09	5.54

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

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

A. Equity share capital

Particulars	Amount ₹/Lakhs
(i) Balance as at 1 April, 2017	**55,200.00**
(ii) Changes in equity share capital during the year	-
(iii) Balance as at 31 March, 2018	**55,200.00**
(i) Balance as at 1 April, 2018	**55,200.00**
(ii) Changes in equity share capital during the year	-
(iii) Balance as at 31 March, 2019	**55,200.00**

B. Other equity

₹/Lakhs

Particulars	Reserves and Surplus			Total
	Capital Redemption Reserve	General Reserve	Retained Earnings	
(i) Balance as at 1 April, 2017	-	9,150.00	2,04,392.72	2,13,542.72
(ii) Profit/(Loss) for the year	-	-	30,588.03	30,588.03
(iii) Other comprehensive income/(expense) for the year (net of tax)	-	-	20.42	20.42
(iv) Total comprehensive income	-	-	30,608.45	30,608.45
(v) Dividend paid (including tax on dividend)	-	-	(3,986.25)	(3,986.25)
(vi) Balance as at 31 March, 2018 (i+iv+v)	-	**9,150.00**	**2,31,014.92**	**2,40,164.92**
(i) Balance as at 1 April, 2018	-	9,150.00	2,31,014.92	2,40,164.92
(ii) Profit/(Loss) for the year	-	-	33,594.43	33,594.43
(iii) Other comprehensive income/(expense) for the year (net of tax)	-	-	(48.06)	(48.06)
(iv) Total Comprehensive Income	-	-	33,546.37	33,546.37
(v) Dividend paid (including tax on dividend)	-	-	(10,647.45)	(10,647.45)
(vi) Transfer to capital redemption reserve on redemption of non-convertible cumulative redeemable preference share capital	50,000.00	-	(50,000.00)	-
(vii) Balance as at 31 March, 2019 (i+iv+v+vi)	**50,000.00**	**9,150.00**	**2,03,913.84**	**2,63,063.84**

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

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
A. Cash flow from operating activities			
Profit for the year		33,594.43	30,588.03
Adjustments to reconcile profit for the year to net cash flows:			
Income tax recognised as expense in Statement of Profit and Loss		10,056.28	9,451.59
Depreciation and amortisation expense		30,964.17	28,995.52
Impairment of property, plant and equipment		1,807.88	3,757.05
Impairment loss on assets classified as held for sale		8,832.34	-
Finance costs		34,887.85	34,672.72
Interest income		(627.54)	(437.54)
Net gain on current investments		(647.11)	(62.35)
Loss on disposal of property, plant and equipment		2,790.41	1,716.69
Amortisation of capital grants		(74.25)	(74.25)
Amortisation of contribution for capital works and service line charges		(7,510.83)	(7,160.80)
Obsolete inventory written off/allowance for obsolete inventory		(34.10)	134.05
Bad debts written off		195.18	17.65
Allowance for doubtful debts		40.02	648.66
Operating profit before working capital changes		1,14,274.73	1,02,247.02
Working capital adjustments:			
Adjustments for (increase)/decrease in assets:			
Inventories		(72.99)	(279.37)
Trade receivables		(3,896.24)	(2,342.60)
Loans - current		(44.41)	(59.55)
Loans - non current		(59.79)	21.96
Other financial assets - current		(2,524.25)	(1,219.82)
Other financial assets - non current		31.82	56.93
Other non-current assets		615.12	(17.23)
Other current assets		22,153.68	(32,236.92)
Regulatory deferral account debit balances		(17,884.00)	17,385.00
Adjustments for increase/(decrease) in liabilities:			
Trade payables		1,654.76	6,345.16
Other financial liabilities - current		(1,587.47)	3,359.09
Other financial liabilities - non current		69.68	(71.58)
Other current liabilities		3,852.05	5,346.94
Other non-current liabilities		(1,289.89)	2,644.89
Provision for employee benefits - current		(97.40)	(156.30)
Provision for employee benefits - non current		309.17	690.21
Cash generated from operations		1,15,504.57	1,01,713.83
Taxes paid (including tax deducted at source)		(9,999.54)	(9,372.69)
Net cash from/(used in) operating activities	(A)	**1,05,505.03**	**92,341.14**
B. Cash flow from investing activities			
Purchase of property, plant and equipment (including capital advances)		(61,832.24)	(56,096.46)
Proceeds from sale of property, plant and equipment		942.06	1,121.35
Proceeds from bank deposits		6.91	(4.52)
Interest received		514.84	437.41
Purchase of current investments		(3,81,201.00)	(94,200.00)
Proceeds from sale of current investments		3,81,848.11	94,262.35
Net cash from/(used in) investing activities	(B)	**(59,721.32)**	**(54,479.87)**
C. Cash flow from financing activities			
Redemption of non-convertible cumulative redeemable preference share capital		(50,000.00)	-
Finance cost paid		(28,905.48)	(28,223.69)
Proceeds from short-term borrowings and working capital demand loans		72,900.00	60,000.00
Repayment of short-term borrowings and working capital demand loans		(65,700.00)	(60,000.00)
Net (repayment)/proceeds from cash credit and other credit facilities		(3,191.65)	10,912.89
Proceeds from long-term borrowings		86,000.00	63,490.00
Repayment of long-term borrowings		(55,793.09)	(85,437.08)
Proceeds from contribution for capital works		5,024.52	4,128.27
Proceeds from service line charges		3,048.43	3,217.88
Net (repayment)/proceeds from consumers' security deposits		7,521.75	5,456.69
Dividend paid to preference shareholders (including dividend distribution tax)		(13,812.67)	(7,221.46)
Dividend paid to equity shareholders (including dividend distribution tax)		(10,647.45)	(3,986.25)
Net cash from/(used in) financing activities	(C)	**(53,555.64)**	**(37,662.75)**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	**(7,771.93)**	**198.52**
Cash and cash equivalents at the beginning of the year		10,197.05	9,998.53
Cash and cash equivalents at the end of the year (refer note 12)		**2,425.12**	**10,197.05**

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

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

Note 1

General Information

Tata Power Delhi Distribution Limited (Tata Power-DDL) or (the Company) is a public limited company incorporated and domiciled in India and is primarily engaged in the business of distribution of electricity in North and North-West Delhi. The Company was set up in terms of Delhi Electricity Reforms (Transfer Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi along with the personnel employed therein were transferred to the Company with effect from 1 July, 2002 which also marked the commencement of commercial operations for the Company.
The address of its registered office and principal place of business is NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110009. The Company has been granted a license under Section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The license is valid for a period of twenty-five years. During the period from 1 July, 2002 to the date of grant of license, Tata Power-DDL was a deemed licensee.
The Company is subsidiary of Tata Power Company Limited (TPCL) which holds 51% equity shares and controlling stake and 49% equity shares is held by Delhi Power Company Limited.

Note 2

2.1 **Statement of compliance**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act. As the Company is governed by Electricity Act, 2003 and the saved provisions of Electricity (Supply) Act, 1948, the provisions of the said Acts prevail wherever these are inconsistent with the provisions of the Companies Act, 2013.

2.2 **Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these standalone financial statements is determined on such basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

Note 3
Other significant accounting policies

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

3.1 **Foreign currencies**

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

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 **Current versus non-current classification**

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

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

3.3 **Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.
Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

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3.4 **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.4.1 **Amortised cost**

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

(i) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(ii) contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.4.2 **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

3.4.3 **Financial assets at fair value through other comprehensive income (FVTOCI)**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:

(i) it has been acquired principally for the purpose of selling it in the near term; or

(ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

(iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the Statement of Profit and Loss are included in the 'Other income' line item.

3.4.4 **Impairment of financial asset**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 "Revenue", the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109 "Financial Instruments".

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

3.4.5 **Derecognition of financial asset**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.5 **Financial liabilities and equity instruments**

3.5.1 **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.5.2 **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.5.3 **Compound financial instruments**

The component parts of compound financial instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instruments, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in the Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.5.4 **Financial liability**

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.5.4.1 **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.5.4.2 **Derecoginition of financial liabilities**

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

3.6 **Leasing**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.6.1 **Company as a lessee**

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in that reporting period in which such benefits accrue.

3.7 **Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

3.7.1 **Ind AS 116 - Leases**

Ind AS 116 "Leases" was notified in March 2019 and it replaces Ind AS 17 "Leases". Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

3.7.2 **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

1. The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of resolution of the uncertainty.
2. The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount
3. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

3.7.3 **Ind AS 109 – Prepayment features with negative compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Company does not expect this amendment to have any significant impact on its financial statements.

3.7.4 **Ind AS 19 – Plan amendment, curtailment or settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Company does not expect this amendment to have any significant impact on its financial statements.

3.7.5 **Ind AS 23 – Borrowing Costs**

The amendments clarify that 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 capitalisation rate on general borrowings.

The Company does not expect this amendment to have any significant impact on its financial statements.

3.8 **Dividend**

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

3.9 **Changes in accounting policies and disclosures**

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

3.9.1 **New and amended standards and interpretations**

The Company applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April, 2018. The nature and the impact of each amendment is described below:

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 "Revenue from Contracts with Customers" supersedes Ind AS 11 "Construction Contracts", Ind AS 18 "Revenue" and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The Company has adopted Ind AS 115 with a date of initial application of 1 April, 2018. As a result, the Company has changed its accounting policy for revenue recognition as detailed in Note 30.

The Company has applied Ind AS 115 using the cumulative cumulative catch-up method – i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at 1 April, 2018. Under this transition method, the Company elects to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application. The comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

Based on Company's assessment, the details of the significant changes and quantitative impact of the changes are set out below:

(a) No cumulative effect adjustments were required to made in the opening balance of retained earnings (or other component of equity, as appropriate) of the accounting period that includes the date of initial application.

(b) The Company has bifurcated in the current period "Unbilled Revenue" into two components i.e. unbilled revenue for passage of time and unbilled revenue other than passage of time.

Unbilled revenue for passage of time represents unconditional rights to receive consideration and are disclosed under the head "Other financial assets". Unbilled revenue other than passage of time are contract assets and are disclosed under the head "Other current assets". On adoption of Ind AS 115, unbilled revenue of ₹ 1,115.17 lakhs has been considered as "Other current assets" as at 31 March, 2019. Refer Note 14.2(a) and Note 15(a).

No restatement has been made in comparative period.

3.10 **Critical accounting estimates and judgements**

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimates used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 4
2. Estimated fair value of unquoted securities and impairment of investments - Note 5
3. Estimation of defined benefit obligation - Note 20 ,27 and 32
4. Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) - Note 40
5. Estimation of regulatory deferral account balances - Note 35
6. Estimation of provision and contingent liability - Note 20 ,27 and 29
7. Estimation of impairment of financial assets - Note 11
8. Estimation of unbilled revenue - Note 14.2(a) and 15(a)

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

Note 4
Property, plant and equipment and intangible assets

Accounting policy

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

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

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

As per the new regulations notified on 31 January, 2017 for 3rd Multi Year Control period (MYT) applicable from financial year (FY) 2017-18 onwards, DERC has changed rate of depreciation @ 5.83% up to 12 years of useful life on plant and equipment (comprising of transformers including fixed apparatus, switch gears, lighting arresters, overhead/underground cables) and balance WDV up to 90% over remaining period of useful life of assets instead of equal rate of depreciation applicable in previous regulations. The new regulations have also changed useful life of other class of property, plant and equipment . Accordingly w.e.f. 1 April, 2017 the Company has started charging the depreciation @ 5.83% p.a. on plant and equipment whose useful life has not yet been over up to 12 years, changed useful life of other class of property plant and equipment as per new regulations.

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

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

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

Depreciation for the reporting period in respect of property, plant and equipment used for electricity generation has been provided on straight line method as per rates/ useful life prescribed in new regulations notified by DERC on 31 January, 2017. In case of second hand assets, where DERC is yet to determine the life of such assets, depreciation has been provided based on the life determined by an independent valuer which is average 15 years. The depreciation has been calculated in a manner which has the effect of depreciating 90% of the capitalized cost of each such depreciable asset.

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

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

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

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

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

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

During the current year, the Company has bifurcated the class of assets comprising SCADA into operational assets and IT related assets. Based on the Technical Opinion Report received from Chartered Engineer, the useful life of IT assets used in SCADA comprising software, servers, CPU's, monitors, keyboards, routers, switches etc. has been revised to 6 years being the useful life of other IT equipments. SCADA excluding IT related assets continues to be recorded at 15 years.

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

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

4.2 **Intangible assets**

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

4.3 **Impairment of tangible and intangible assets**

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

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

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

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

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Note 4.4

₹/Lakhs

Particulars	Cost					Accumulated depreciation, Amortisation and Impairment					Carrying amount	
	As at 01.04.2018	Additions	Borrowing costs capitalized	Disposals	As at 31.03.2019	As at 01.04.2018	Depreciation expense	Impairment Charge	Eliminated on disposals	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
4.4.1 Property, plant and equipment												
(a) Buildings - Plant	34,277.15	958.13	3.22	-	35,238.50	11,994.12	626.76	765.36	-	13,386.24	21,852.26	22,283.03
(b) Building - Others	4,069.84	121.07	-	-	4,190.91	2,485.97	165.66	-	-	2,651.63	1,539.28	1,583.87
(c) Plant and equipment	2,88,098.02	23,063.27	71.92	5,732.64	3,05,500.57	1,16,569.79	17,007.83	1,035.03	3,181.23	1,31,431.42	1,74,069.15	1,71,528.23
(d) Transmission lines and cable network	2,57,101.16	26,080.99	190.85	353.11	2,83,019.89	94,834.83	11,441.10	7.49	120.67	1,06,162.75	1,76,857.14	1,62,266.33
(e) Furniture and fixtures	992.86	54.29	-	-	1,047.15	549.81	66.60	-	-	616.41	430.74	443.05
(f) Vehicles	3,493.56	691.80	-	748.52	3,436.84	883.07	283.39	-	344.59	821.87	2,614.97	2,610.49
(g) Office equipment	3,574.60	579.99	-	55.00	4,099.59	1,731.41	290.70	-	38.66	1,983.45	2,116.14	1,843.19
(h) Less: Carrying amount of assets classified as held for sale	-	-	-	-	30,236.69	-	-	-	-	19,400.35	10,836.34	-
Total	**5,91,607.19**	**51,549.54**	**265.99**	**6,889.27**	**6,06,296.76**	**2,29,049.00**	**29,882.04**	**1,807.88**	**3,685.15**	**2,37,653.42**	**3,68,643.34**	**3,62,558.19**
	(5,53,186.71)	(46,070.30)	(366.46)	(8,016.28)	(5,91,607.19)	(2,02,275.35)	(28,194.84)	(3,757.05)	(5,178.24)	(2,29,049.00)	(3,62,558.19)	
4.4.2 Intangible assets												
Computer software	9,256.81	5,136.43	0.95	1,009.67	13,384.52	5,377.75	1,082.13	-	481.32	5,978.56	7,405.96	3,879.06
Total	**9,256.81**	**5,136.43**	**0.95**	**1,009.67**	**13,384.52**	**5,377.75**	**1,082.13**	-	**481.32**	**5,978.56**	**7,405.96**	**3,879.06**
	(7,759.59)	(1,497.22)	(-)	(-)	(9,256.81)	(4,577.07)	(800.68)	(-)	(-)	(5,377.75)	(3,879.06)	
Grand total	**6,00,864.00**	**56,685.97**	**266.94**	**7,898.94**	**6,19,681.28**	**2,34,426.75**	**30,964.17**	**1,807.88**	**4,166.47**	**2,43,631.98**	**3,76,049.30**	**3,66,437.25**
	(5,60,946.30)	(47,567.52)	(366.46)	(8,016.28)	(6,00,864.00)	(2,06,852.42)	(28,995.52)	(3,757.05)	(5,178.24)	(2,34,426.75)	(3,66,437.25)	
4.4.3 Capital work-in-progress (CWIP)	**27,922.17**	**61,586.74**	**658.78**	**55,447.57**	**34,720.12**	-	-	-	-	-	**34,720.12**	**27,922.17**
	(19,008.45)	(52,849.58)	(529.35)	(44,465.21)	(27,922.17)	(-)	(-)	(-)	(-)	(-)	(27,922.17)	

4.4.4 Property plant & equipment and intangible assets (movable and immovable) are hypothecated against secured borrowings of ₹ 1,26,868.20 lakhs (as at 31 March, 2018 ₹ 1,04,463.62 lakhs) {refer note 18.1(i), 18.1(ii), 24.1, 26(b)(i), 26(b)(ii)}.

4.4.5 CWIP includes closing capital inventory of ₹ 8,286.09 lakhs (as at 31 March, 2018 ₹ 6,397.90 lakhs).

4.4.6 Carrying amount of capital inventory hypothecated as security for borrowings is ₹ 8,252.78 lakhs (as at 31 March, 2018 ₹ 6,364.59 lakhs) {refer note 18.1(i), 18.1(ii), 24.1, 26(b)(i), 26(b)(ii)}.

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

4.4.8 During the year, the property, plant and equipment relating to Rithala Power Generation Plant has been classified as assets held for sale (refer note 35.5.1).

4.4.9 Due to change in useful life of SCADA IT related assets, the depreciation expense for the current year has increased by ₹ 776.31 lakhs (refer note 4.1).

4.4.10 Figures in bracket represents previous year figures.

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Note 5
Investments - non current

Accounting policy

5.1 **Investments in subsidiary**
A subsidiary is an entity that is controlled by the Company. Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

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

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

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

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

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
5.2 **Investments in equity instruments**		
5.2.1 Investment in subsidiaries - at cost less accumulated impairment, if any		
5.2.1.1 Unquoted		
Investments in fully paid-up equity shares of wholly owned subsidiary company		
NDPL Infra Limited	5.00	5.00
(0.50 lakhs (as at 31 March, 2018 0.50 lakhs) equity shares of ₹ 10 each, fully paid up)		
5.3 Aggregate carrying value of unquoted investments	5.00	5.00
5.4 Aggregate amount of impairment in value of investments	-	-

Note 6
Loans - non current
(Unsecured unless otherwise stated, at amortised cost)

6.1 Security deposits		
(a) Considered good - secured	-	-
(b) Considered good - unsecured	196.20	136.41
(c) Having significant increase in credit risk	-	-
(d) Credit impaired	-	-
	196.20	136.41

Note 7
Other financial assets - non current
(Unsecured and considered good, at amortised cost)

7.1 Recoverable from SVRS Trust (refer note 29.7)	2.26	34.08

Note 8
Income tax assets (net)

Income tax	2,263.48	2,307.02
(net of provision for income tax of ₹ 90,334.69 (as at 31 March, 2018 net of provision of income tax ₹ 80,229.73 lakhs))		

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Note 9
Other non-current assets
(Unsecured and considered good)

		As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a)	Capital advances	448.39	1,737.44
(b)	Income tax paid under protest against demand	2,321.84	2,873.84
(c)	Prepaid expenses	56.81	121.10
(d)	Others	48.94	47.77
		2,875.98	4,780.15

Note 10
Inventories

Accounting policy

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

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

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

		As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a)	Stores and spares	1,523.33	1,446.47
(b)	Loose tools	38.19	38.82
		1,561.52	1,485.29
(c)	Less: Allowance for non-moving inventories	254.53	285.39
		1,306.99	1,199.90

10.2 Inventories are hypothecated as security for borrowings {refer note 18.1(i), 18.1(ii), 24.1, 26(b)(i), 26(b)(ii)}.

Note 11
Trade receivables
(Unsecured unless otherwise stated, at amortised cost)

		31.03.2019	31.03.2018
(a)	Debtors for sale of power in licensed area (refer note 11.1 below)		
	(i) Considered good - secured	7,435.40	8,104.80
	(ii) Considered good - unsecured	7,023.36	8,656.84
	(iii) Receivables having significant increase in credit risk	7,983.18	7,197.69
	(iv) Credit impaired	4,620.61	4,614.94
		27,062.55	28,574.27
	Less: Allowance for doubtful trade receivables	12,603.79	11,812.63
		14,458.76	16,761.64
(b)	Debtors for sale of power other than Tata Power-DDL licensed area		
	(i) Considered good - secured	-	-
	(ii) Considered good - unsecured	2,328.23	218.39
	(iii) Receivables having significant increase in credit risk	-	-
	(iv) Credit impaired	-	-
		2,328.23	218.39
(c)	Other debtors		
	(i) Considered good - secured	-	-
	(ii) Considered good - unsecured	8,660.21	5,612.23
	(iii) Receivables having significant increase in credit risk	37.84	-
	(iv) Credit impaired	7.38	-
		8,705.43	5,612.23
	Less: Allowance for doubtful trade receivables	45.22	-
		8,660.21	5,612.23
		25,447.20	22,592.26

11.1 Government subsidy included in note 11(a) 0.22 1,137.55

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11.2 The average credit period for the trade receivable in 10(a) for distribution of power in license area is 15 clear days. Late payment surcharge (LPSC) is charged at 1.5% per month on principal component for number of days of delay in receiving payment as per DERC regulations.

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

11.3.1 **Ageing of receivables**

Expected credit loss provision matrix

(i) **Debtors for sale of power in licensed area**

Particulars	Expected Credit loss (%)	
	As at 31.03.2019	As at 31.03.2018
(a) Within the credit period	0.56%	0.71%
(b) 1-90 days past due	1.66%	2.16%
(c) 91-182 days past due	5.26%	6.28%
(d) 183 days-1 year past due	11.07%	12.25%
(e) 1-2 year past due	21.59%	23.60%
(f) 2-3 year past due	32.73%	35.56%
(g) >3 years past due	100.00%	100.00%

(ii) **Other debtors**

Particulars	Expected Credit loss (%)	
	As at 31.03.2019	As at 31.03.2018
(a) Within the credit period	0.00%	-
(b) 1-90 days past due	1.57%	-
(c) 91-182 days past due	15.85%	-
(d) 183 days-1 year past due	20.57%	-
(e) 1-2 year past due	23.12%	-
(f) 2-3 year past due	29.72%	-
(g) >3 years past due	100.00%	-

Age of receivables

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Within the credit period	8,926.62	8,759.29
(b) 1-90 days past due	7,947.32	6,585.64
(c) 91-182 days past due	2,279.14	1,838.75
(d) 183 days-1 year past due	4,476.15	3,007.54
(e) 1-2 year past due	2,851.29	2,481.61
(f) 2-3 year past due	2,022.37	2,991.46
(g) >3 years past due	9,593.32	8,740.60

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of the year	11,812.63	10,655.31
Additions/(reversal) in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	(124.04)	234.95
Specific allowance on trade receivables for the year	960.42	922.37
Balance at end of the year (refer note 11.3.3)	12,649.01	11,812.63

11.3.3 As at 31 March, 2019, ₹ 7,259.24 lakhs is due from customers whose dues are under dispute pending for resolution and/or are under litigation. This amount has been fully provided for.

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Delhi Metro Rail Corporation (DMRC)	4,764.29	3,898.48
North Delhi Municipal Corporation (NDMC)	2,222.86	1,758.05

Note 12
Cash and bank balances

Accounting policy

12.1 Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
12.2 Cash and cash equivalents		
(i) Balance with banks - in current accounts	1,284.16	7,430.17
(ii) Cheques, drafts on hand	1,044.30	2,677.65
(iii) Cash on hand	96.66	89.23
	2,425.12	10,197.05

12.2.1 **Reconciliation of liabilities from financing activities:**

₹/Lakhs

Particulars	As at 31.03.2018	Cash Flows		Non-cash transactions	As at 31.03.2019
		Proceeds	Repayment	Amortisation	
(a) Long-term borrowings (including current maturities)	2,95,986.54	86,000.00	(1,05,793.09)	-	2,76,193.45
(b) Short-term borrowings and working capital demand loans	-	72,900.00	(65,700.00)	-	7,200.00
(c) Cash credit and other credit facilities(net)	31,082.32	-	(3,191.65)	-	27,890.67
(d) Consumer contribution for:					
- capital works	67,118.11	5,024.52	-	(4,568.95)	67,573.68
- service line	18,784.38	3,048.43	-	(2,941.88)	18,890.93
(e) Consumer security deposits (net)	59,401.31	7,521.75	-	-	66,923.06
Total	**4,72,372.66**	**1,74,494.70**	**(1,74,684.74)**	**(7,510.83)**	**4,64,671.79**

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
12.3 Other balances with banks		
(i) Deposits with banks with original maturity more than 3 months upto 12 months	66.54	73.45
(ii) Restricted bank deposits (Earmarked pursuant to court order or contractual obligations)	3,514.43	3,514.43
	3,580.97	3,587.88

Note 13
Loans - current
(Unsecured unless otherwise stated, at amortised cost)

13.1 Security Deposits		
(a) Considered good - secured	-	-
(b) Considered good - unsecured	239.05	194.64
(c) Having significant increase in credit risk	-	-
(d) Credit impaired	-	-
	239.05	194.64

Note 14
Other financial assets - current
(Unsecured and considered good, unless otherwise stated, at amortised cost)

14.1 Accruals		
(a) Interest accrued on fixed deposits	126.59	13.89
14.2 Others		
(a) Unbilled revenue	34,492.39	31,897.54
(b) Recoverable from SVRS Trust (refer note 29.7)	100.79	106.68
(c) Other receivables (including recoverable against street light)	197.22	261.93
Less: Allowance for doubtful assets against street light	179.37	179.37
	17.85	82.56
	34,737.62	32,100.67

Note 15
Other current assets
Unsecured and considered good

(a) Unbilled revenue (contract asset)	1,115.17	-
(b) Prepaid insurance	390.03	367.54
(c) Prepaid expenses	1,985.40	1,501.20
(d) Power banking	17,093.61	30,264.00
(e) Advance to vendors	4,503.35	15,824.54
(f) Others	1,846.62	1,130.58
	26,934.18	49,087.86

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	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 16		
Equity share capital		
Authorised		
7,500 lakhs (as at 31 March, 2018 7,500 lakhs) equity shares of ₹ 10/- each with voting rights.	75,000.00	75,000.00
Issued, subscribed and paid up		
5,520 lakhs (as at 31 March, 2018 5,520 lakhs) equity shares of ₹ 10/- each fully paid up with voting rights.	55,200.00	55,200.00

Of the above:

16.1 2,815.20 lakhs (as at 31 March, 2018 2,815.20 lakhs) i.e. 51% (as at 31 March, 2018: 51%) equity shares of ₹ 10/- each with voting rights, are held by Tata Power Company Limited, the holding company.

16.2 2,704.80 lakhs (as at 31 March, 2018 2,704.80 lakhs) i.e. 49% (as at 31 March, 2018: 49%) equity shares of ₹ 10/- each with voting rights, are held by Delhi Power Company Limited.

16.3 The equity shares of the Company have a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

16.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	No. of Shares Lakhs	Amount ₹/Lakhs
Balance as at 1 April, 2018	5,520.00	55,200.00
Fresh issue	-	-
Balance as at 31 March, 2019	**5,520.00**	**55,200.00**

16.5 During the current year, the Company has paid final dividend of ₹ 1.60 per share on fully paid equity shares for FY 2017-18 amounting to ₹ 10,647.45 lakhs (including dividend distribution tax thereon amounting to ₹ 1,815.45 lakhs). During the previous year ended 31 March, 2018, the Company had paid final dividend of ₹ 0.60 per share on fully paid equity shares for FY 2016-17 amounting to ₹ 3,986.25 lakhs (including dividend distribution tax of ₹ 674.25 lakhs).

16.6 For the year ended 31 March, 2019, the Board of Directors at its meeting held on 18 April, 2019 have proposed a final dividend of ₹ 1.80 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been disclosed as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 11,978.37 lakhs (including dividend distribution tax thereon amounting to ₹ 2,042.37 lakhs).

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 17		
Other equity		
(a) Capital redemption reserve		
(i) Opening balance	-	-
(ii) Add : Amount transferred from retained earnings (net)	50,000.00	-
(iii) Closing balance	50,000.00	-
(b) General reserve		
(i) Opening balance	9,150.00	9,150.00
(ii) Add : Amount transferred from retained earnings (net)	-	-
(iii) Closing balance	9,150.00	9,150.00
(c) Retained earnings		
(i) Opening balance	2,31,014.92	2,04,392.72
(ii) Add : Additions during the year	33,546.37	30,608.45
(iii) Less : Transfer to capital redemption reserve	50,000.00	-
(iv) Less : Payment of dividend on equity share capital (refer note 16.5)	8,832.00	3,312.00
(v) Less : Dividend distribution tax on dividend paid on equity shares (refer note 16.5)	1,815.45	674.25
(vi) Closing balance	2,03,913.84	2,31,014.92
	2,63,063.84	2,40,164.92

Nature and purpose of reserves:

Capital Redemption Reserve:

Capital Redemption Reserve represents amounts set aside on redemption of preference shares.

General Reserve

General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purposes. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to statement of profit and loss.

Retained Earnings

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

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	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 18		
Long-term borrowings		
18.1 **Secured - at amortised cost**		
(i) **Term loans from banks**		
(a) Allahabad Bank	13,802.08	19,704.86
(b) Axis Bank	16,811.00	14,584.00
(c) Canara Bank	43,402.77	42,534.73
(d) Dena Bank	10,000.00	1,000.00
(e) HDFC Bank	34,283.33	-
(f) IDFC First Bank	17,500.00	24,500.00
(g) Indian Bank	17,083.33	20,000.00
(h) Karnataka Bank	-	500.00
(i) Punjab National Bank	20,000.00	-
(j) Punjab & Sind Bank	38,125.00	53,914.36
(k) State Bank of India	10,625.00	13,125.00
(l) Union Bank of India	555.56	3,245.51
	2,22,188.07	1,93,108.46
(ii) **Term loans from others**		
(a) Aditya Birla Finance Limited	-	825.00
	-	825.00
18.2 **Unsecured - at amortised cost**		
(i) **Loan from related parties**		
12% non-convertible cumulative redeemable preference share capital		
(a) Tata Power Company Limited	-	25,500.00
(b) Delhi Power Company Limited	-	24,500.00
	-	50,000.00
Total long-term borrowings	2,22,188.07	2,43,933.46

18.3 **Current maturities of long-term borrowings**

For the current maturities of long-term borrowings, refer note 26(b), Other financial liabilities-current. Current maturities of long term borrowings includes repayment to be made before due date of 12 months, due date being a holiday.

18.4 **Terms of repayment**

18.4.1 **Secured - at amortised cost**

₹/Lakhs

S. No.		Name of Bank	Refer note for security	As at 31.03.2019	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-28	FY 28-29 and onwards
- Term loans from banks										
(a)	i	Allahabad Bank	18.7	4,861.11	2,777.78	2,083.33	-	-	-	-
	ii	Allahabad Bank	18.8	14,843.75	3,125.00	3,125.00	3,125.00	3,125.00	2,343.75	-
(b)	i	Axis Bank	18.8	22,919.00	6,108.00	6,108.00	6,108.00	4,595.00	-	-
(c)	i	Canara Bank	18.7	26,597.22	4,861.11	4,861.11	4,861.11	4,861.11	7,152.78	-
	ii	Canara Bank	18.8	25,937.50	4,270.84	5,000.00	5,000.00	3,333.33	8,333.33	-
(d)	i	Dena Bank	18.8	10,000.00	-	1,666.67	1,666.67	1,666.66	5,000.00	-
(e)	i	HDFC Bank	18.7	20,000.00	-	937.50	2,500.00	2,500.00	12,500.00	1,562.50
	ii	HDFC Bank	18.8	17,000.00	2,716.67	3,622.22	3,622.22	3,622.22	3,416.67	-
(f)	i	IDFC First Bank	18.7	5,000.00	625.00	833.33	833.33	833.34	1,875.00	-
	ii	IDFC First Bank	18.8	16,750.00	5,375.00	5,500.00	4,250.00	500.00	1,125.00	-
	iii	IDFC First Bank	18.8	2,000.00	250.00	333.33	333.33	333.34	750.00	-
(g)	i	Indian Bank	18.7	10,000.00	1,250.00	1,250.00	1,250.00	1,250.00	5,000.00	-
	ii	Indian Bank	18.8	10,000.00	1,666.67	1,666.67	1,666.67	1,666.66	3,333.33	-
(h)	i	Punjab National Bank	18.7	20,000.00	-	625.00	2,500.00	2,500.00	12,500.00	1,875.00
(i)	i	Punjab & Sind Bank	18.7	9,539.36	2,039.36	1,250.00	1,250.00	1,250.00	3,750.00	-
	ii	Punjab & Sind Bank	18.8	44,375.00	13,750.00	10,000.00	8,750.00	8,750.00	3,125.00	-
(j)	i	State Bank of India	18.7	13,125.00	2,500.00	2,500.00	2,500.00	2,500.00	3,125.00	-
(k)	i	Union Bank of India	18.7	3,245.51	2,689.95	555.56	-	-	-	-

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

18.6 The rate of interest for term loans from banks ranges from 8.40% to 9.10%. The rate of interest for term loans from banks are subject to reset annually except the term loan from IDFC First Bank referred in f(i) and f(ii) of Note 18.4.1 for which the reset occurs quarterly & half-yearly respectively.

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

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

18.9 For secured loans outstanding from banks amounting ₹ 13,750.00 lakhs (as at 31 March, 2018 ₹ 21,312.50 lakhs) and from other parties amounting ₹ Nil (as at 31 March, 2018 ₹ 3,825.00 lakhs), The Tata Power Company Limited (the holding company) has given undertaking to retain management control and majority representation on the Board of Directors of the Company.

18.10 **12% non-convertible cumulative redeemable preference share capital**

The Company issued 500 lakhs 12% non-convertible cumulative redeemable preference shares of ₹ 100 each in FY 2012-13 out of which 255 lakhs i.e. 51% were held by Tata Power Company Limited, the holding company and 245 lakhs i.e. 49% were held by Delhi Power Company Limited. The maximum term of the aforesaid preference shares was 20 years (i.e. upto 19 March, 2033). However, the Board of Directors of the Company shall have the option to redeem the preference shares at any time after the allotment thereof keeping in view the availability of the profitability/surplus funds.

18.10.1 During the current year ending 31 March, 2019, the Company has redeemed 500 lakhs 12% non-convertible cumulative redeemable preference shares of ₹ 100 each on 27 February, 2019 pursuant to approval from Board of Directors at its meeting held on 23 October, 2018. The dividend of ₹ 12 per share has been paid to all holders of fully paid preference shares upto the date of redemption. The total dividend paid is ₹ 5,457.53 lakhs (for the year ended 31 March, 2018 ₹ 6,000.00 lakhs) and the dividend distribution tax thereon amounting to ₹ 1,121.81 lakhs (for the year ended 31 March, 2018 ₹ 1,233.32 lakhs).

Note 19
Other financial liabilities - non current
(At amortised cost)

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Security deposits		
(a) Consumers' security deposit	62,537.57	55,280.91
(b) Others	318.90	249.22
	62,856.47	55,530.13

Note 20
Provisions - non current

Accounting policy

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Provision for employee benefits		
(a) Compensated absences	4,367.72	3,948.95
(b) Other employee benefits (refer note 20.1)	202.26	250.60
	4,569.98	4,199.55

20.1 Other employee benefits include pension liability to VSS employees.

20.2 There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28 February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating its impact on the financial statement. However, the Company does not expect any significant impact on its financial statements.

20.3 **Defined contribution plan**

(i) **Provident fund plan and employees state insurance scheme**

The Company makes contribution towards provident fund which is a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

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

(ii) **Pension and leave salary contribution**

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

On account of Defined Contribution Plans, a sum of ₹ 3,376.98 lakhs (for the year ended 31 March, 2018 ₹ 5,413.87 lakhs) has been charged to the Statement of Profit and Loss during the year.

20.4 **Defined benefit plan (Gratuity plan)**

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

20.5 **Policy for recognising actuarial gains and losses**

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

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20.6 Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, mortality risk and salary risk.

(a) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

(b) **Interest rate risk:** A decrease in the bond interest rate (discount rate) will increase the plan liability.

(c) **Mortality risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

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

20.7 The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March, 2019:

₹/Lakhs

	Particulars		Gratuity (Funded)	
			As at 31.03.2019	**As at 31.03.2018**
(i)	**Net liability arising from defined benefit obligation**		**9.40**	**243.96**
(ii)	**Change in benefit obligations:**			
	Present value of obligations as at 1 April	A	3,048.03	2,696.59
	Current Service Cost	B	310.67	294.19
	Interest Cost	C	247.50	200.84
	Past Service Cost	D	-	-
	Remeasurement (gains)/losses: Actuarial (gains)/losses	E	54.07	(11.10)
	Benefits Paid	F	205.16	132.49
	Present value of defined benefit obligation as at 31 March	(A+B+C+D+E-F)	**3,455.11**	**3,048.03**
(iii)	**Change in plan assets**			
	Fair Value of Plan Assets as at 1 April	A	2,804.07	2,288.50
	Interest Income	B	219.07	159.11
	Employer's Contribution	C	634.91	474.09
	Remeasurement (gains)/losses:			
	- Return on plan assets (excluding amounts included in net interest expense)	D	(7.19)	14.86
	Benefits Paid	E	205.15	132.49
	Fair value of plan asset as at 31 March	(A+B+C+D-E)	**3,445.71**	**2,804.07**

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

₹/Lakhs

Particulars		Gratuity (Funded)	
		Year ended 31.03.2019	**Year ended 31.03.2018**
Current service cost	A	310.67	294.20
Net interest expense/(income)	B	28.42	41.73
Other adjustment	C	(43.16)	(1.41)
Defined benefit cost recognised in the Statement of Profit and Loss	(A+B+C)	**295.93**	**334.52**

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

₹/Lakhs

Particulars		Gratuity (Funded)	
		Year ended 31.03.2019	**Year ended 31.03.2018**
Actuarial (gains)/losses arising from:			
(a) changes in demographic assumptions	A	-	103.86
(b) changes in financial assumptions	B	2.42	(162.52)
(c) experience adjustments	C	51.65	47.56
Return on plan assets (excluding amounts included in net interest expense)	D	(7.19)	14.86
Components of defined benefit costs recognised in other comprehensive income	(A+B+C-D)	**61.26**	**(25.96)**

(vi) **Principal actuarial assumptions:**

Particulars	Notes	Year ended 31.03.2019	Year ended 31.03.2018
Discount Rate (p.a.)	1.	7.60%	7.60%
Salary escalation rate (p.a.)	2.	8.00%	8.00%

Notes:

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

2. **Salary increase** : The estimates of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Demographic assumptions:		
Retirement age	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.
Withdrawal rate	8% per annum	8% per annum

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

Particulars	As at 31.03.2019	As at 31.03.2018
Government of India Securities	66.76%	63.10%
Debt instruments	25.89%	27.00%
Equity and preference shares	6.94%	7.71%
Other deposits	0.41%	2.19%
	100.00%	**100.00%**

The Company's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance Corporation of India and actuarial valuer is provided for in the financial statements of the Company. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

(viii) **Sensitivity Analysis**

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

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Decrease in defined benefit obligation due to 1% increase in discount rate	252.11	225.56
(b) Increase in defined benefit obligation due to 1% decrease in discount rate	289.22	259.12

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	253.43	226.74
(b) Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	285.24	255.55

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

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

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

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

(ix) **Maturity Profile of Defined Benefit Obligation**

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Weighted average duration of the defined benefit obligation	13 years	13 years
(ii) Duration of defined benefit obligation		
Duration (Years)	**Amount (₹/Lakhs)**	**Amount (₹/Lakhs)**
1	335.12	254.55
2	285.82	273.18
3	277.38	235.22
4	220.65	223.29
5	232.44	178.26
Above 5	2,103.70	1,883.53
Total	**3,455.11**	**3,048.03**
(iii) Duration of defined benefit payments		
Duration (Years)	**Amount (₹/Lakhs)**	**Amount (₹/Lakhs)**
1	347.62	264.05
2	319.02	304.91
3	333.12	282.49
4	285.14	288.55
5	323.20	247.86
Above 5	5,737.62	5,173.01
Total	**7,345.72**	**6,560.87**

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(x) The contribution expected to be made by the Company during the financial year 2019-20 is ₹ 485.15 lakhs.

(xi) The actual return on plan assets is ₹ 211.88 lakhs (for the year ended 31 March, 2018 ₹ 173.97 lakhs).

20.8 **Principal actuarial assumptions for long-term compensated absences**

Particulars	Notes	Year ended 31.03.2019	Year ended 31.03.2018
Discount rate (p.a.)	1.	7.60%	7.60%
Salary escalation rate (p.a.)	2.	8.00%	8.00%

Notes:

1. **Discount rate** : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2. **Salary increase** : The estimates of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Demographic assumptions:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Retirement age	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.
Withdrawal rate	8% p.a.	8% p.a.

Note 21
Capital grants

Accounting policy

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

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

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(i) Opening balance	655.74	729.99
(ii) Add : Additions during the year	-	-
(iii) Less: Amortisation during the year	74.25	74.25
(iv) Closing balance	581.49	655.74

Note 22
Contributions for capital works and service line charges

Accounting policy

Refer note 30.2 for accounting policy on contrbutions for capital works and service line charges.

Deferred revenue

(a) **Capital works**

(i) Opening balance	67,118.11	67,267.96
(ii) Add : Additions during the year	5,024.52	4,128.27
(iii) Less: Amortisation during the year	4,568.95	4,278.12
(iv) Closing balance	67,573.68	67,118.11

(b) **Service line charges**

(i) Opening balance	18,784.38	18,449.18
(ii) Add : Additions during the year	3,048.43	3,217.88
(iii) Less: Amortisation during the year	2,941.88	2,882.68
(iv) Closing balance	18,890.93	18,784.38
Total contribution for capital works and service line charges	**86,464.61**	**85,902.49**

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	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 23		
Other non current liabilities		
Consumers' deposits for works and service line charges	22,580.72	23,870.61
Note 24		
Short-term borrowings		
24.1 **Secured - at amortised cost**		
(a) From Banks		
(i) Cash credit account	3,490.00	954.77
(ii) Working capital demand loan		
- State Bank of India	7,200.00	-
	10,690.00	954.77
24.2 **Unsecured - at amortised cost**		
(b) From Banks		
(i) Axis Bank	17,300.11	15,036.12
(ii) Canara Bank	7,100.56	15,091.43
	24,400.67	30,127.55
	35,090.67	31,082.32

24.3 **Secured credit facilities**

The Company has availed secured cash credit limits of ₹ 14,500 lakhs from four banks i.e. State Bank of India, Punjab National Bank, Yes Bank and HDFC Bank, presently at an interest rate ranging from 8.35% to 10.10% p.a. The cash credit limit from State Bank of India amounting to ₹ 7,250 lakhs is interchangeable with working capital demand loan.These facilities are secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores & spares and third pari-passu charge on all present and future receivables.

24.4 **Unsecured credit facilities**

The Company has unsecured fund based credit facilities of ₹ 20,000 lakhs from Axis Bank and ₹ 15,000 lakhs from Canara Bank, presently at an interest rate of 8.70% and 8.60% p.a. respectively.

24.5 **Unsecured - Term loans - from other parties**

(a) Commercial paper

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

Particulars		Units	FY 2018-19
(i)	Date of issue		06.04.2018
(ii)	Repayment date		05.06.2018
(iii)	Discount rate	% p.a	7.10
(iv)	Amount	₹/Lakhs	29,653.89
(v)	Face value	₹/Lakhs	30,000.00

(b) Short term loan

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

Particulars		Units	FY 2018-19
1.	- HDFC Bank		
(i)	Disbursement taken on		25.05.2018
(ii)	Repayment date		23.08.2018
(iii)	Interest Rate	% p.a	8.10
(iv)	Amount	₹/Lakhs	10,000.00
2.	- HDFC Bank		
(i)	Disbursement taken on		10.08.2018
(ii)	Repayment date		08.11.2018
(iii)	Interest Rate	% p.a	8.30
(iv)	Amount	₹/Lakhs	10,000.00

Note 25

	As at 31.03.2019	As at 31.03.2018
Trade payables (at amortised cost)	1,24,156.59	1,22,501.83

25.1 The average credit period on purchases from long-term power purchase arrangement ranges from 30 days to 60 days. Thereafter, interest is charged which generally ranges from 1.25% p.m. to 1.5% p.m on the unpaid amount. Rebate is generally available @ 2% if payment is made within 2 days from the presentation of bill or @ 1% if payment is made within 30 days from date of presentation. In some cases day wise rebate is also available. In case of short-term power purchase arrangement credit period ranges from 1 day to 30 days.

25.2 Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

₹/Lakhs

	Particulars	**As at 31.03.2019**	**As at 31.03.2018**
(a)	Principal amount remaining unpaid as at 31 March	154.67	191.39
(b)	Interest due thereon as at 31 March	-	-
(c)	The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e)	The amount of interest accrued and remaining unpaid as at 31 March	-	-
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	-	-

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25.2.1 Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

25.2.2 Amounts unpaid to micro and small enterprises vendors on account of retention money, earnest money deposit and security deposit have not been considered for the purpose of interest calculation.

Note 26
Other financial liabilities - current
(At amortised cost)

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a) Security deposits		
(i) Consumers' security deposit	4,385.49	4,120.40
(ii) Others	1,032.00	1,456.00
	5,417.49	5,576.40
(b) Current maturities of long-term borrowings (refer note 18)		
Secured - at amortised cost		
(i) Term loans from banks		
(a) Allahabad Bank	5,902.78	5,902.78
(b) Axis Bank	6,108.00	2,916.00
(c) Canara Bank	9,131.95	9,652.77
(d) HDFC Bank	2,716.67	-
(e) IDFC First Bank	6,250.00	6,812.50
(f) Indian Bank	2,916.67	-
(g) Karnataka Bank	-	2,000.00
(h) Punjab & Sind Bank	15,789.36	16,578.96
(i) State Bank of India	2,500.00	2,500.00
(j) Union Bank of India	2,689.95	2,690.07
	54,005.38	49,053.08
(ii) Term loans from others		
(a) Aditya Birla Finance Limited	-	3,000.00
	-	3,000.00
Total current maturities of long-term borrowings	54,005.38	52,053.08
(c) Interest accrued but not due on borrowings	576.79	248.05
(d) Dividend accrued but not due on non-convertible cumulative redeemable preference shares to related parties	-	6,000.00
(e) Retention money payable	6,259.47	8,235.71
(f) Payables on purchase of property, plant and equipment	362.52	658.67
(g) Earnest money deposits	325.10	372.52
(h) Others	709.17	655.08
	67,655.92	73,799.51

Note 27
Provisions - current

Provision for employee benefits

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a) Compensated absences (refer note 20)	1,005.53	864.17
(b) Defined benefit plans (refer note 20)	9.40	243.96
(c) Other employee benefits (refer note 27.1)	55.57	59.77
	1,070.50	1,167.90

27.1 Other employee benefits include pension liability to VSS employees.

27.2 Refer note 20 for accounting policy on provisions.

Note 28
Other current liabilities

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a) Income received in advance	534.49	145.88
(b) Tax on dividend accrued on non-convertible cumulative redeemable preference shares	-	1,233.32
(c) Statutory dues	8,549.17	9,558.46
(d) Advance from consumers	6,243.11	3,544.43
(e) Advance government subsidy (to be adjusted upon billing)	7,948.48	6,514.18
(f) Payable for Pension Trust Surcharge (including unbilled)	1,510.75	1,420.88
(g) Others	391.87	141.99
	25,177.87	22,559.14

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Note 29
Contingent liabilities and commitments
(to the extent not provided for)

Accounting policy
A contingent liability is disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is disclosed in the financial statements by way of notes of accounts when an inflow of economic benefits is probable.

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
29.1 Claims against the Company not acknowledged as debts:		
(i) Legal cases filed by consumers, employees and others under litigation	3,547.49	3,479.46
(ii) Water charges demand raised by Delhi Jal Board (DJB)	63.17	97.65
(iii) Sales tax authorities	439.00	439.00
29.2 Liabilities arising out of litigation etc. due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
29.3 Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):		
(i) Matters on which decisions with the CIT(A) and various appellate authorities are pending	1,397.61	1,397.61
(ii) Interest demanded (as per demand order and appeal effect order)	908.84	894.97
(iii) Total demand* (i) + (ii)	2,306.45	2,292.58
(iv) Out of the above demand, amount paid under protest/adjusted by Income Tax authorities	2,013.84	2,013.84
*No provision is considered necessary since the Company expects favourable decisions.		
The above does not include any amount where the Income Tax department has preferred an appeal against issues already decided in favour of the Company.		
29.4 Interest liability payable on account of GST (Goods & Services Tax) paid under protest	72.91	-
29.5 Claims of power suppliers, not acknowledged as expense and credits	19,922.85	27,273.03
29.6 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	35,508.51	30,933.45

29.7 The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which initially 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Company. They were further entitled to retiral benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Company and the DVB Employees Terminal Benefit Fund, 2002 ('the Trust'). The Trust is of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death, whichever is earlier. On 1 November, 2004, the Company entered into a Memorandum of Understanding with the Government of National Capital Territory of Delhi (GNCTD) and a special trust namely Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRS RTBF, 2004 Trust) was created. This Trust was created to exclusively disburse retiral dues of the SVRS optees till these retirees attain the respective ages of superannuation or death, whichever is earlier, after which their dues were to be paid through the Trust already in existence.

For resolution of the issue through the process of law, the Company had filed a Writ before the Hon'ble Delhi High Court. The Hon'ble Court pronounced its judgement on this issue on 2 July, 2007 whereby while affixing liability on Discoms it has provided two options to the Discoms for paying Retiral benefits to the Trust:

(i) Retiral benefits other than pension (terminal benefits) due to the VSS optees and to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement/death (whichever is earlier) of such VSS optees. In addition, the Discoms shall pay the Retiral Pension to VSS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.

(ii) The Trust to pay the terminal benefits and all dues of the VSS optees and Discoms to pay to the trust an 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries to be appointed within a stipulated period.

The Company considers the second option as more appropriate and also estimates that the liability under this option shall be lower than under the first option which is presently being followed. The Trust has been opposing it and had filed an appeal LPA No.677/2011 before Division Bench which was dismissed on 31 August, 2015. The Pension Trust, GNCTD lost the said LPA in the High Court and have filed an appeal before the Hon'ble Supreme court. The Hon'ble Supreme Court of India by an Order dated 2 January, 2017 was pleased to reject Pension Trust's and Delhi Government's prayers for interim relief. In view of the same, it is now mandatory for the Pension Trust and the Delhi Government to appoint their joint nominee to the Arbitral Tribunal in line with Hon'ble Delhi High Court order. Till date no Arbitral Tribunal of Actuaries has been appointed. Pending computation of the liability by the Arbitral Tribunal of Actuaries due to delay in appointment of the same, no adjustment has been made in these financial statements.

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While the writ petition was pending, the Company had already advanced ₹ 7,774.35 lakhs (as at 31 March, 2018 ₹ 7,774.35 lakhs) to the SVRS Trust for payment of retiral dues to separated employees. In addition to the payment of terminal benefits/residual pension to the Trust, in pursuant to the order of the Hon'ble Delhi High Court dated 2 July, 2007 in WP C 4827/2005, the Company has also paid interest @ 8% per annum, ₹ 801.27 lakhs in FY 2008-09 totalling to ₹ 8,575.62 lakhs (as at 31 March, 2018 ₹ 8,575.62 lakhs) as recoverable from SVRS Trust in case of option "(ii)". As the Company was entitled to get reimbursement against advanced terminal benefit amount on superannuation age, the Company had recovered/adjusted ₹ 8,472.56 lakhs (as at 31 March, 2018 ₹ 8,428.96 lakhs) from monthly pension, leave salary and other contribution, leaving a balance recoverable ₹ 103.05 lakhs as at 31 March, 2019 (as at 31 March, 2018 ₹ 146.66 lakhs) from the SVRS Trust which includes current portion of ₹ 100.79 lakhs for current year (as at 31 March, 2018 ₹ 106.68 lakhs).

29.8 In the Tariff Order of September 2015, August 2017 and March 2018, DERC has allowed power purchase cost of Anta, Auriya and Dadri plants from FY 2012-13 to FY 2016-17 on monthly average rate of exchange on Northern Region (N2) as per CERC Monthly Market Monitoring Report for respective years instead of actual power purchase cost on the premise that approval of the DERC was not obtained for entering into supplementary agreements with these power plants which was challenged in various tariff appeals. Additionally, while approving the quarterly power purchase adjustment surcharge (PPAC), the PPAC from these plants were also disallowed which was challenged in the Hon'ble Supreme Court after APTEL upheld in favour of the DERC. Since in the Tariff Order of March 2018, the DERC considered power purchase from these plants as a consolidated power purchase agreement with NTPC, and allowed power purchase from these plants from FY 2017-18 onwards as a source of power, the Company has withdrawn its appeal filed with the Hon'ble Supreme Court and filed a fresh petition with DERC for allowance of actual costs of Anta, Auriya and Dadri plants for period FY 2012-13 to FY 2016-17. The DERC vide its Order dated 4 July, 2018 has decided the said petition in favour of the Company where the actual cost of power procured from FY 2012-13 to FY 2016-17 has been allowed on the principle of Merit Order. The Company in its Tariff Petition filed on 31 October, 2018 has submitted its differential claim for the power purchase cost of these plants.

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

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Note 30
Revenue recognition

Accounting policy

Effective 1 April, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted i.e. the comparative information continues to be reported under Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The adoption of the standard did not have any material impact on the financial statements of the Company. The details of accounting policies under Ind AS 18 and Ind AS 11 are disclosed separately if they are significantly different from those under Ind AS 115 and the impact of changes are disclosed in Note 3.9.1.
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

30.1 **Sale of power**

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

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

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

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

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

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

30.2 **Contribution for capital works & service line charges**

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

30.3 **Rendering of Services**

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

Input method : The extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress.

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

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
30.4	**Revenue from operations**		
30.4.1	**Revenue from sale of power and open access**		
(a)	Sale of power	7,74,896.84	7,28,382.52
	Less: rebate on no. of bills	(873.93)	-
	Less: energy tax	28,651.15	31,140.28
		7,47,119.62	6,97,242.24
(b)	Income from open access charges	1,009.94	1,149.12
		7,48,129.56	6,98,391.36
30.4.2	**Other operating revenue**		
(a)	Late payment surcharge	1,869.11	1,789.15
(b)	Amortisation of service line charges	2,941.88	2,882.68
(c)	Commission on		
	- DVB arrears collection	1.85	1.57
	- Energy tax collection	843.94	918.70
(d)	Maintenance charges (refer note 30.4.2.1)	1,202.87	1,668.68
(e)	Amortisation of capital grants	74.25	74.25
(f)	Amortisation of consumer contribution for capital works	4,568.95	4,278.12
(g)	Miscellaneous operating income	374.29	347.05
		11,877.14	11,960.20
		7,60,006.70	7,10,351.56

30.4.2.1 Includes incentive on street light maintenance of ₹ 82.02 lakhs pertaining to FY 2018-19 (for the year ended 31 March, 2018 ₹ 134.89 lakhs).

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
30.5	**Other income**		
(a)	Interest Income	627.54	437.54
(b)	Gain on sale/fair value of mutual fund investment measured at FVTPL	647.11	62.35
(c)	Income other than energy business	9,280.04	5,792.21
(d)	Other non-operating income	247.35	198.01
		10,802.04	6,490.11

30.6 **Disaggregation of revenue**

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

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

₹/Lakhs

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
(A) Revenue from contracts with customers			
- Based on nature of goods/services			
(i) Distribution of power			
(a) Sale of power	7,46,245.69		
Less: Rebate on no. of bills	(873.93)	7,47,119.62	6,97,242.24
(b) Income from open access charges		1,009.94	1,149.12
(c) Late payment surcharge		1,869.11	1,789.15
(d) Amortisation of service line charges		2,941.88	2,882.68
(e) Commission on			
- DVB arrears collection		1.85	1.57
- Energy tax collection		843.94	918.70
(f) Maintenance charges		1,202.87	1,668.68
(g) Amortisation of consumer contribution for capital works		4,568.95	4,278.12
(h) Miscellaneous income		397.96	369.11
(ii) Project management and other consultancy services		9,280.04	5,792.21
		7,69,236.16	**7,16,091.58**
(B) Other revenue			
(i) Distribution of power			
(a) Amortisation of capital grants		74.25	74.25
(b) Others		223.68	175.95
(ii) Others			
(a) Interest income		627.54	437.54
(b) Net gain on investments in mutual funds		647.11	62.35
		1,572.58	**750.09**
Total revenue		**7,70,808.74**	**7,16,841.67**

30.7 **Contract Balances**

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Contract assets		
Unbilled revenue other than passage of time (refer note 15(a))	1,115.17	-
Total contract assets	**1,115.17**	-
Contract liabilities		
Income received in advance (refer note 28(a))	534.49	145.88
Advance from consumers (refer note 28(d))	6,243.11	3,544.43
Deferred revenue from consumers -		
Consumers' deposits for works and service line charges (refer note 23)	22,580.72	23,870.61
Total contract liabilities	**29,358.32**	**27,560.92**
Receivables		
Trade receivables (gross) (refer note 11)	38,096.21	34,404.89
Unbilled revenue for passage of time (refer note 14.2(a))	34,492.39	31,897.54
Less : Allowances for doubtful debts (refer note 11)	12,649.01	11,812.63
Net receivables	**59,939.59**	**54,489.80**
Total	**90,413.08**	**82,050.72**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

30.7.1 Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

₹/Lakhs

Particulars	As at 31.03.2019				As at 31.03.2018		
	Contract Assets	Contract Liabilities			Contract Liabilities		
	Unbilled revenue	Deferred Revenue	Income received in advance	Advance from consumers	Deferred Revenue	Income received in advance	Advance from consumers
Opening balance	748.55	23,870.61	145.88	3,544.43	21,225.72	302.15	3,894.87
Revenue recognised during the year from balance at the beginning of the year	-	-	(105.49)	(2,260.21)	-	(156.27)	(2,892.79)
Advance received during the year not recognised as revenue	-	6,783.06	494.10	4,958.89	9,991.04	-	2,542.35
Revenue recognised during the year apart from above	3,454.39	-	-	-	-	-	-
Transfer from contract liabilities upon satisfaction of performance obligation	-	8,072.95	-	-	7,346.15	-	-
Transfer from contract assets to receivables	(3,087.77)	-	-	-	-	-	-
Closing Balance	**1,115.17**	**22,580.72**	**534.49**	**6,243.11**	**23,870.61**	**145.88**	**3,544.43**

30.8 **Transaction price - remaining performance obligation**

The remaining performance obligation represents disclosure of aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialised.

The aggregate value of performance obligations for project management and other consultancy projects that are unsatisfied or partially satisfied as at 31 March, 2019 is ₹ 21,675.90 lakhs. Out of this, the Company expects to recognise revenue of around 37.31% within next one year and the remaining thereafter on contract-by-contract basis based on extent of progress of the projects.

NOTE 31

Power purchase cost

The Company has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Company has sold/under-drawn 2,088.28 million units (for the year ended 31 March, 2018 1,648.03 million units) of power to/in favour of other utilities. The power purchase cost of ₹ 5,89,686.12 lakhs (for the year ended 31 March, 2018 ₹ 5,13,091.38 lakhs) is net of sale of power/UI receivables ₹ 77,781.12 lakhs (for the year ended 31 March, 2018 ₹ 58,717.72 lakhs), rebate on power purchase ₹ 5,988.95 lakhs (for the year ended 31 March, 2018 ₹ 3,679.66 lakhs) and excludes in-house power generation cost.

The DERC vide notification dated 1 October, 2012 mandated Delhi discoms to meet Renewal Power Purchase obligation (RPO). However, due to non-availability of sufficient renewable power source and being additional cost to consumer for purchase of Renewable Power Certificate (REC) in lieu of renewable power, the Company had filed a petition in DERC seeking relaxation in buying REC/waiver of the penalty. During the course of hearing of the petition, the DERC advised the Company to fulfil its entire pending RPO obligation upto FY 2016-17 by the end of December 2017 and also directed to submit an affidavit in this regard. The Company has fulfilled its pending RPO obligation upto FY 2016-17 for ₹ 29,299.14 lakhs (excluding GST) by purchasing Renewable Power Certificate which will be pass through in power purchase cost and submitted the compliance of the same to the DERC. In view of the above, the DERC vide Order dated 28 February, 2018 has allowed the purchase of REC certificates towards power purchase cost along with the waiver of the penalty of ₹ 2,513 lakhs which was imposed while truing up of FY 2015-16. Further, in the Tariff Order dated 28 March, 2018, the Commission has stated that the impact of waiver of penalty shall be considered in the next tariff order.

Power generation companies such as NTPC have been raising power purchase bills from their coal based generating station to beneficiaries based on the coal price as charged by coal companies, however, Gross Calorific Value (GCV) of coal on received basis used for calculation of Energy Charge Rate (ECR) was not in accordance with the price paid for the coal with a grade slippage to the tune of 5-8 bands. In various judgments by Central Electricity Regulatory Commission (CERC) i.e. in petition no. 33/MP/2014 and 283/GT/2014 on this issue, CERC had ordered that there cannot be significant variation in GCV of coal at the loading point and unloading point at site. The matter of excess charges refund by Gencos had been further taken up by the Company through a separate petition 311/MP/2015 at CERC which is currently under adjudication.

In the GCV matter, NTPC has admitted 5 grade slippage in the Gross Calorific Value (GCV) of coal received from CIL used for calculation of Energy Charge Rate (ECR). Also, in compliance with the CERC directives in petition no. 311/MP/2015, NTPC furnished the invoices for coal and transportation which also substantiated the fact that there was grade slippage to the tune of 4-7 grades. Hence, the Company has computed the difference of estimated excess bill charged by NTPC coal based power generating stations including Aravali Jhajjar (NTPC comprises of around 50% of the total coal station allocation to the company) for the period April, 2014 to August, 2017 (in line with CERC Regulations 14-19) amounting to ₹ 1,48,350 lakhs approx. (unaudited) & the same has been submitted in CERC under affidavit on 24 November, 2017. The Grade slippage matter in Petition No. 311/MP/ 2015 was listed on 11 April,2019 which was adjourned and next date of hearing is yet to be notified.

31.1 **Bilateral Power Purchase Agreement**

The Company has made bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. Power banking transactions both ways were recorded at the rate of ₹ 4 per unit till 15 November, 2018 which was revised at ₹ 2.48 per unit with effect from 16 November, 2018 as per DERC Order wherein it has directed to treat the normative cost of power banking transaction at weighted average variable cost of all long term sources of power purchase of relevant year. Details of power banked during the year ended 31 March, 2019 are as follows:

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
		Receivable MU's	Receivable MU's
Opening balance as at 1 April of the year	(A)	769.23	296.88
Power banked (Outflow)	(B)	701.39	904.17
Power due against banked	(C)	730.90	921.37
Power receipt against opening	(D)	769.23	296.88
Power receipt against current period transactions	(E)	83.41	152.14
Balance receivable	(A+C-D-E)	647.49	769.23

Note 32
Employee benefits expense (net)

Accounting policy
Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

32.1 **Defined contribution plans**
The Company's contribution to provident fund, etc. is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made when services are rendered by the employees. The Company has categorised defined contribution plan for different employees into two categories:

32.1.1 **Erstwhile DVB Employees:**
The Company's contributions into the DVB Employees Terminal benefit Fund 2002 ('the Trust') for the erstwhile DVB Employees as per the Transfer Scheme are defined contribution plans. Provisions for contributions towards all terminal/retirement benefits including gratuity, pension and leave encashment on separation of erstwhile DVB employees are made on the basis of the Fundamental Rules and Service Rules (FRSR Rules) as determined by the trustees of the Trust. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

32.1.2 **Employees other than from Erstwhile DVB:**
The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

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

32.2 **Defined benefit plans**

32.2.1 **Employees other than from Erstwhile DVB:**
The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each reporting period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the reporting period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:
(a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
(b) Net interest expense or income; and
(c) Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Company has taken the group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

The Company contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Company.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

32.3 **Short-term employee benefits**
Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the reporting period in which the related service is rendered. These benefit includes performance incentive, salaries and wages, bonus and leave travel allowance.

32.4 **Other long-term employee benefits**

32.4.1 **Employees other than from Erstwhile DVB employees:**
Benefits comprising compensated absences as per the Company policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

32.4.2 **Erstwhile DVB**
The liability for retirement pension payable to the VSS optees till their respective dates of normal retirement or death (whichever is earlier) is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
(a)	Salaries, allowances and incentives	42,934.83	39,584.68
(b)	Contribution to provident and other funds (refer note 20 and note 27)	4,681.43	5,074.71
(c)	Seventh pay commission revision for previous years paid/provided	-	3,779.35
(d)	Staff welfare expenses	2,623.93	2,576.04
(e)	Other personnel cost	1,678.31	1,358.28
		51,918.50	52,373.06
	Less: Transferred to capital work-in-progress	4,973.64	4,875.00
		46,944.86	47,498.06
(f)	Pension and other payment to VSS and other retirees (refer note 29.7)	24.98	(142.27)
		46,969.84	47,355.79

NOTE 33
Finance costs

Accounting policy

Borrowing Costs
Borrowing costs incurred for qualifying assets are capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.

All other borrowing costs are recognised in the Statement of Profit and Loss in the reporting period in which they accrue.

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
(a)	Interest on term loan (gross)	21,759.68	22,121.81
	Less: Capitalised (refer note 33.1)	925.72	895.81
	Interest on term loans (net)	20,833.96	21,226.00
(b)	Interest on cash credit accounts/short-term borrowings	2,105.72	2,101.23
(c)	Interest on consumer security deposits	5,244.56	4,065.32
(d)	Dividend on non-convertible cumulative redeemable preference shares to related parties	6,579.35	7,233.32
(e)	Other borrowing costs	16.15	45.32
(f)	Other interest	108.11	1.53
		34,887.85	34,672.72

33.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.50% p.a. (for the year ended 31 March, 2018 8.84% p.a.).

33.2 **Interest on Consumer Security Deposit**

As per the provisions of Section 47(4) of the Electricity Supply Act, 2003 interest on consumer security deposits is payable at the bank rate as per the notification by DERC. During the year 2007, DERC had issued Delhi Electric Supply Code and Performance Standards Regulations, which came into force from 18 April, 2007 through notification in the Official Gazette. As per Clause 16(vi) of the Regulations, interest at the rate of 6% per annum is payable on consumer security deposits which has been revised from 1 September 2017 vide DERC (Supply Code and Performance Standards) Regulations, 2017 at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1 April of that financial year.

In view of the fact that the matter of liability on account of opening consumer security deposits in excess of ₹ 1,000 lakhs (Previous Year ₹ 1,000 lakhs) transferred to the Company as per the Transfer Scheme is sub-judice and no stay has been granted on payment of interest on and/or refund of opening consumer security deposits in excess of ₹ 1,000 lakhs (Previous Year ₹ 1,000 lakhs), the Company has provided interest expense aggregating to ₹ 5,244.56 lakhs (for the year ended 31 March, 2018 ₹ 4,065.32 lakhs) during the year on the outstanding consumer security deposits received by the Company since takeover of business in July, 2002 and also on the estimated total consumer security deposits received by the erstwhile DVB as per the Company's records. Out of the above interest expenditure, an amount of ₹ 246.98 lakhs (for the year ended 31 March, 2018 ₹ 217.06 lakhs) would be recoverable from DPCL if the Company's contention is upheld by the Hon'ble High Court that the Company's liability for interest payment/refund on account of opening consumer security deposits is only to the extent of ₹ 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

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		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
NOTE 34			
Other expenses			
Operating and maintenance expenses			
(a)	Stores and spares consumed (net of recoveries)	2,723.25	2,705.57
(b)	Repairs and maintenance:		
	(i) Building	451.95	507.18
	(ii) Plant and equipment	7,842.13	7,821.12
	(iii) Others	6,125.23	5,222.21
(c)	Loss on disposal of property, plant and equipment	2,790.41	1,716.69
		19,932.97	17,972.77
ADMINISTRATIVE AND GENERAL EXPENSES			
(a)	Communication expenses	257.65	232.75
(b)	Printing and stationery	321.52	295.91
(c)	Legal and professional charges (refer note 34.1)	2,197.68	1,797.41
(d)	Travelling and conveyance	904.03	683.39
(e)	Insurance	513.62	506.18
(f)	Advertisement, publicity and business promotion	301.00	714.40
(g)	Corporate Social Responsibility expenses (excluding 5% administrative expenses) (refer note 34.2)	787.42	800.44
(h)	Rent and hire charges	255.73	250.17
(i)	Rates and taxes	2,007.51	3,307.15
(j)	Freight, handling and packing expenses	61.63	43.60
(k)	Bill collection and distribution expenses	1,143.24	1,200.09
(l)	Postage and courier charges	32.45	34.09
(m)	EDP expenses	888.74	1,131.37
(n)	Housekeeping expenses	920.45	893.36
(o)	Foreign exchange fluctuation loss (net)	7.75	2.39
(p)	Bad debts written off	195.18	17.65
(q)	Allowance for doubtful debts	40.02	648.66
(r)	Miscellaneous expenses	1,125.24	1,012.81
		11,960.86	13,571.82
	Total	**31,893.83**	**31,544.59**

34.1 **Auditors remuneration***

Legal and professional charges include auditor's remuneration as follows:

₹/Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(a) For statutory audit	57.00	57.00
(b) For taxation matters	8.92	
(c) For other services	8.10	6.90
(d) For reimbursement of expenses	3.54	3.15
Total	**77.56**	**67.05**

* Exclusive of GST/service tax, as applicable.

34.2 **Corporate social responsibility**

As per Section 135 of the Companies Act, 2013, a company, meeting the eligibility criteria, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Tata Power-DDL's CSR programs/projects focuses on sectors and issues as mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the Company as per the Act.

(a) Gross amount required to be spent by the Company during the year is ₹ 700.83 lakhs.

(b) Amount spent during the year on CSR (excluding 5% administrative expenses):

₹/Lakhs

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	13.37	-	13.37
(ii) On purposes other than (i) above	787.42	-	787.42

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

As per the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 , Clause no. 87 has defined the requirement for the disclosure of water charges, statutory levies and taxes separately. Management considers applicability of the following expenses as covered under Clause 87 :

₹/Lakhs

Particulars	Year ended 31.03.2019
(a) Statutory taxes -	
(i) Impact of GST (unaudited)	3,469.07
(b) Water charges	253.07
(c) Statutory levies -	
(i) Impact of minimum wages (unaudited)	2,198.22
(ii) Impact of 7th Pay Commission (interim relief)	2,967.35
(iii) Provisional impact of 7th Pay Commission (Leave salary contribution/Pension contribution)	1,424.47
(iv) Property tax	199.41
(v) Licensee fees	348.38
(vi) Land licensee fees	1,378.90

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Note 35
Regulatory deferral account balances

Accounting policy

The Company's operations of power distribution are a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the DERC. Accordingly, the Company recognizes Regulatory deferral account balance in respect of difference between allowable controllable/ uncontrollable expenses and revenue actually collected from regulated activities. Debit balance in the Regulatory deferral account balance represents cumulative shortfall in recovery which is allowable to the Company through tariff revision in future periods whereas credit balance in Regulatory deferral account balance represents cumulative excess recovery which is refundable through future tariff reductions.The Company records Regulatory deferral account balance as at the reporting date based on prevailing regulatory guidelines, various judgments given by judicial authorities, past practices and opinion of legal experts. Any change in the Regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to orders/ judgements of regulator, judicial authorities, etc. are recorded in the period of such change.

35.1 As per Ind AS 114 "Regulatory Deferral Accounts", the business of electricity distribution is a rate regulated activity where the Delhi Electricity Regulatory Commission (DERC) determines Retail Supply Tariff (RST) to be charged from consumers based on prevailing regulations in place.

35.2 DERC on 31 January, 2017 has notified the Delhi Electricity Regulatory Commission (Composite Terms and Conditions for Tariff and Accounting) Regulations, 2017 for determination of annual revenue requirement (ARR) for 3rd control period from FY 2017-18 onwards. As part of yearly tariff determination exercise, the Company further filed True-up Petition for FY 2016-17 and ARR for FY 2018-19 on 4 December, 2017 which has been disposed by the DERC and issued Tariff Order on 28 March, 2018.

In the latest tariff order, the DERC has increased the tariff by marginal 2.50% by increasing the fixed charges for all categories of consumers and levelised the same by reduction in variable charges. Further, the DERC has continued to allow additional surcharge at 3.80% for the pension trust from the existing level of 3.70%. The trued up regulatory deferral account balance by the DERC up to 31 March, 2017 is at ₹ 2,39,461 lakhs as against ₹ 4,57,370.26 lakhs as per financial books of account. The difference in regulatory deferral account is due to partial disallowance of power purchase cost from Anta, Auriya & Dadri, which now has been recognised as source of power from these plants from FY 2012-13 and to be accounted for by DERC in the next tariff order, pending true-up order for power purchase from Rithala Power Generation Plant and provisional truing up of capitalisation, disallowance of de-capitalised property, plant and equipment and corresponding impact on return on capital employed (ROCE), income tax and carrying cost. These disallowance have already been challenged in APTEL for the amount disallowed upto FY 2016-17. Further, as a part of yearly tariff determination exercise, the Company has filed Tariff Petition (i.e. True-up for FY 2017-18 and ARR for FY 2019-20) on 31 October, 2018. The DERC vide its order dated 21 February, 2019 has admitted the Tariff Petition.

35.3 **The movement in regulatory deferral account balance as at 31 March, 2019 is as follows:**

₹/Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(A) Opening regulatory deferral account debit balance	4,39,985.26	4,57,370.26
(B) Net movement during the year		
(i) Power purchase cost	5,91,016.00	5,19,540.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	1,86,978.00	1,75,596.00
(iii) Collection available for ARR as per MYT order	7,60,110.00	7,12,521.00
(C) Net movement shown in the Statement of Profit and Loss [(i)+(ii)-(iii)]	17,884.00	(17,385.00)
(D) Closing regulatory deferral account debit balance [(A)+(C)]	**4,57,869.26**	**4,39,985.26**

35.4 The Company on a regular basis evaluates the changes in the DERC regulations and other factors which may trigger the impairment of the regulatory deferral account balances.

35.5 **Rithala Power Generation Plant**

For the period while Rithala plant was operational, DERC had provisionally allowed the power purchase cost at the rate equivalent to the UI rates for units generated during the time when the Company was under-drawing from the grid and at average rate of power purchased during the period when the Company was over-drawing from the grid, instead of the actual cost of generation up to FY 2012-13. Further, no recovery of fixed cost had been allowed for the period when plant was not operational due to non-availability of gas from April 2013.

On 31 August, 2017, the DERC issued the Order fixing the operational norms like station heat rate, auxiliary consumption, plant load factor etc. as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at ₹ 19,770 lakhs against ₹ 30,239 lakhs as per financial books of account. Further, the DERC has recognised tariff of the plant for 6 years from the date of commercial operation (COD) in combined cycle mode upto 31 March, 2018. Therefore, the Company has not considered any billing of Rithala Power Plant from 1 April, 2018. The said order was challenged by the Company in the APTEL on 17 October, 2017 but withdrawn later on with the liberty to approach and redress the grievances again if any arises from the Commission's True-up order.

Further, in the Order of August 2017, the DERC has also directed that the petitioner shall file true up petitions based on the applicable regulations for the aforesaid parameters for finalisation of generation tariff for the respective years. In compliance with the direction of filing True-up petition up to FY 2016-17 for determination of tariff for power purchase from Rithala Power Generation Plant, the Company has filed true up petition with the DERC on 3 October, 2017. Further, amendment application has been moved by the Company before the DERC for including the True-up of the FY 2017-2018 and the same has been admitted by DERC. The True-up petition was listed for hearing on 25 March, 2019. During the said hearing, the Company submitted that bona fide efforts are being taken by the Company towards disposal of the plant. Next date of hearing has been fixed for 23 April, 2019.

As at 31 March, 2018, based on management's analysis and opinion of a legal expert, the Company was carrying the Rithala Plant's capital cost at ₹ 24,000 lakhs and accordingly, the Company had recorded a sum of ₹ 39,035 lakhs towards Rithala Plant billing (including carrying costs) and recorded an impairment loss of ₹ 3,757.05 lakhs against the carrying value of the Rithala Plant.

As the appeal against 31 August, 2017 Order stands withdrawn as of date, the Company has further adjusted a sum of ₹ 7,951 lakhs towards Rithala billing (including carrying costs) and further recorded an impairment loss of ₹ 1,807.88 lakhs in the current year being the difference in carrying value of the Rithala plant of ₹ 24,000 lakhs and ₹ 19,770 lakhs initially allowed in 31 August, 2017 Order. Further, as the Commission has approved capital cost of ₹ 19,770 lakhs and since the asset has been classified under the head " Asset Held for Sale", the remaining unclaimed approved plant cost of ₹ 19,770 lakhs less fair value has been shown as recoverable from future tariff with the assumption that the net sale/scrap proceeds for Rithala Power Generation Plant after recovering the 10% salvage value shall be offered in ARR.

Below is the status of billing done by Rithala plant and power purchase cost provisionally allowed by the DERC and adjustment made.

₹/Lakhs

Particulars	For the period FY 2010-11 to FY 2018-19
Billing done by Rithala Power Generation Plant to Distribution (A)	81,347.00
Allowed by DERC for the period plant was operational (B)	12,195.00
Allowed by DERC for the period plant was not-operational (C)	-
Provisional disallowed power purchase cost/yet to be trued up (D)=(A)-(B)-(C)	69,152.00
Carrying cost recorded (till 31 March, 2019) (E)	42,353.00
Power purchase cost including carrying cost for which tariff is yet to be determined by DERC (F)=(D)+(E)	1,11,505.00
Adjustment made (G)	46,986.00

35.5.1 **Assets classified as held for sale**

Accounting policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company treats sale/distribution of the asset or disposal group to be highly probable when:

(a) the appropriate level of management is committed to a plan to sell the asset (or disposal group),
(b) an active programme to locate a buyer and complete the plan has been initiated (if applicable),
(c) the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
(d) the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
(e) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Asset classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

During the current year, the property, plant and equipment relating to Rithala Power Generation Plant has been classified as assets held for sale pursuant to derecognition of Rithala plant as source of power with effect from 1 April, 2018 and management's intention to sell the plant.

The assets classified as held for sale have been accounted at lower of carrying amount and fair value less costs to sell. The fair value of property, plant and equipment classified as assets held for sale has been determined based on a valuation report given by an expert which has used Level 3 valuation techniques.

As at 31 March, 2019, the carrying value and fair value less costs to sell of Rithala Power Generation Plant classified as assets held for sale is detailed below:

₹/Lakhs

Particulars	As at 31.03.2019		
	Carrying value	Impairment Loss	Fair value less costs to sell
	(A)	(B)	(C)=(A)-(B)
Property, plant and equipment	10,836.34	8,832.34	2,004.00

The significant unobservable input used in the non-recurring fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March, 2019 are as shown below:

Particulars	*Level in fair value hierarchy	Valuation techniques	Date of valuation	Significant unobservable inputs
Assets classified as held for sale	3	Valuation at salvage value	31.03.2019	Salvage value discounted by the estimated cost of removable assets.

* Refer Note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

The disposal group does not constitute a separate major line of business of the Company and therefore, has not been classified as discontinued operations.

Note 36
Segment reporting

The Company is engaged in the business of distribution and generation of power in North and North-west of Delhi. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and accordingly the Company has a single reportable segment.

Note 37
Earnings per equity share (EPS)

Accounting policy

Basic earnings per equity share has been computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period in accordance with Ind AS 33, "Earnings Per Share". Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

The Company also presents Basic earnings per equity share in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

37.1 **EPS - Continuing operations (excluding regulatory income)**

Particulars	Units	Year ended 31.03.2019	Year ended 31.03.2018
Profit for the year from continuing operations		33,594.43	30,588.03
Net movement in regulatory deferral account balance		17,884.00	(17,385.00)
Income-tax attributable to regulatory expenses		(3,853.79)	3,710.24
Net movement in regulatory deferral account balance (net of tax)		14,030.21	(13,674.76)
Profit/(Loss) for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance	₹/Lakhs	19,564.22	44,262.79
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of ₹ 10 each	₹	3.54	8.02
Face value of equity shares	₹	10.00	10.00

37.2 **EPS - Continuing operations (including regulatory income)**

Particulars	Units	Year ended 31.03.2019	Year ended 31.03.2018
Profit/(loss) for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹/Lakhs	33,594.43	30,588.03
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of ₹ 10 each	₹	6.09	5.54
Face value of equity shares	₹	10.00	10.00

37.3 The Company does not have any potential dilutive equity shares.

Note 38
Disclosure pursuant to DERC directive 6.10(h)(ix) specified in Tariff order dated 31 August, 2017.

₹/Lakhs

	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
1.	**Income from "other than energy business"**		
(a)	Consultancy income	8,758.34	5,269.22
(b)	Training income	228.75	331.08
(c)	Others	292.95	191.91
	Total {refer note 30.5(c)}	**9,280.04**	**5,792.21**
2.	**Expenses related to "other than energy business"**		
(a)	Employee benefits expense	3,749.33	3,215.75
(b)	Finance costs	11.13	-
(c)	Other expenses	2,222.66	1,280.85
	Total	**5,983.12**	**4,496.60**

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Note 39
Disclosure pursuant to DERC directive 6.10(h) specified in Tariff order dated 31 August, 2017.

Category-wise billing, collection & subsidy information

39.1 **Billing**

₹/Lakhs

S.No.	Category	Year ended 31.03.2019						
		Revenue Billed	**Surcharge Billed**	**PPAC Billed**	**Electricity Duty**	**Pension Trust Surcharge**	**TOD Surcharge**	**TOD Rebate**
1	Domestic	2,58,059.35	17,525.57	4,550.40	9,210.36	8,316.90	-	-
2	Non-Domestic	1,98,189.97	13,449.35	3,931.70	6,860.76	6,380.19	18,371.00	(17,357.88)
3	Industrial	2,80,617.84	18,877.46	6,031.51	10,553.95	8,952.64	4,420.53	(2,939.54)
4	Agriculture	772.02	52.78	16.01	12.14	24.95	0.01	-
5	Public Utilities	50,382.32	3,404.07	1,071.58	1,720.73	1,613.62	12,271.32	(12,043.31)
6	Advertisement & Hoardings	63.91	4.37	1.14	1.90	2.05	-	-
7	Temporary Supply	6,040.47	407.17	125.19	228.00	192.84	39.66	(27.57)
8	Staff	666.41	45.46	9.58	21.53	21.59	-	-
9	E-Rickshaw/ E-Vehicle	455.75	30.18	12.86	20.92	14.32	3.40	(3.10)
10	Misuse	330.88	22.36	4.76	11.90	11.22	2.74	(1.47)
11	Enforcement	1,713.08	110.81	7.71	71.12	32.35	-	-
12	Other Adjustments	38.98	-	-	1.61	-	-	-
	Grand Total	**7,97,330.98**	**53,929.58**	**15,762.44**	**28,714.92**	**25,562.67**	**35,108.66**	**(32,372.87)**

39.2 **Collection**

₹/Lakhs

S.No.	Category	Year ended 31.03.2019				
		Revenue Collected	**Surcharge Collected**	**PPAC Collected**	**Electricity Duty Collected**	**Pension Trust Surcharge**
1	Domestic	2,60,791.66	17,710.13	4,351.86	9,404.69	8,372.43
2	Non-Domestic	2,01,484.06	13,680.85	3,886.18	7,022.11	6,470.52
3	Industrial	2,81,796.97	18,952.22	5,979.10	10,611.07	8,979.09
4	Agriculture	812.53	54.31	14.87	13.62	25.61
5	Public Utilities	49,570.37	3,442.56	1,067.15	944.38	1,630.05
6	Advertisement & Hoardings	94.30	6.45	1.66	2.84	3.03
7	Staff	654.79	44.84	8.95	21.37	21.29
8	E-Rickshaw/ E-Vehicle	433.77	27.28	11.21	18.85	12.95
9	Enforcement	1,713.08	110.81	7.71	71.12	32.35
10	Other Adjustments	38.97	-	-	-	-
	Grand Total	**7,97,390.50**	**54,029.45**	**15,328.69**	**28,110.05**	**25,547.32**

39.3 **Subsidy Disbursed (including amnesty scheme)**

S.No.	Category	Year ended 31.03.2019 ₹/Lakhs
1	Domestic (including solar generation based incentive)	47,744.57
2	Non-Domestic (Lawyer Chambers)	113.04
	Grand Total	**47,857.61**

39.4 Collection against temporary connection & Misuse is included in respective tariff category.

39.5 The above figures exclude open access billing & collection.

39.6 Revenue billed & collected include energy charges, fixed charges, Etax, surcharge, PPAC, TOD surcharge, pension trust surcharge, TOD rebate etc.

39.7 Revenue collected includes deemed collection on account of subsidy, CD interest etc.

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Note 40
Income tax

Accounting policy
Income tax expense represents the sum of the tax currently payable and deferred tax.

40.1 **Current tax**

The current tax payable is based on taxable profit for the reporting period.
Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are treated differently according to Income Tax Act, 1961. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

40.2 Income tax expense recognised in the Statement of Profit and Loss consists of:

	Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
Income tax expense recognised in the Statement of Profit and Loss :		
a. Current tax		
Current tax expense (refer note 40.4)	18,736.16	17,157.64
Less: MAT credit adjusted during the year	8,679.88	7,706.05
Current tax (net)	10,056.28	9,451.59
b. Deferred tax		
Provision for the year (refer note 40.4)	7,100.95	11,578.27
Less: adjustable from future tariff	(7,100.95)	(11,578.27)
Deferred tax (net)	-	-
Income tax expense recognised in other comprehensive income :		
Income tax relating to items that will not be reclassified to profit or loss:		
c. Current tax expense		
Remeasurement of defined benefit obligation (refer note 40.4)	(13.20)	5.54
d. Deferred tax		
Remeasurement of defined benefit obligation		
Provision for the year (refer note 40.4)	(8.21)	9.07
Less: adjustable from future tariff	8.21	(9.07)
Deferred tax (net)	-	-
Total income tax expense recognised during the year (a+b+c+d)	**10,043.08**	**9,457.13**

40.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
Profit before tax	43,650.71	40,039.62
Enacted income tax rate in India	34.94%	34.61%
Computed expected tax expense	15,253.30	13,856.91
Add/(Less) tax effect on account of :		
Expenses not considered in determining taxable profit	2,587.30	2,780.32
Reversal during tax holiday period	(554.59)	1,777.71
Deduction under chapter VI-A	42.69	(64.51)
Adjustment for MAT credit	(242.99)	2,080.56
Effect on deferred tax balances due to change in income tax rate from 34.61% to 34.94%	-	558.75
Others	71.52	40.12
Income tax expense in respect of current year	**17,157.23**	**21,029.86**
Less: Deferred tax adjustable from future tariff	7,100.95	11,578.27
Income tax expense recognised in the Statement of Profit and Loss	**10,056.28**	**9,451.59**

40.4 The Company has made provision for income tax at the rate of 34.94% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2019 and at the rate of 34.61% for the year ended 31 March, 2018.

The Company has to pay taxes based on the higher of income-tax profit of the Company or MAT at 21.55% (FY 2017-18 21.34%) of book profit for the year 2018-19 and 2017-18.

The provision for deferred tax has been worked upon at the rate of 34.94% (substantially enacted tax rate at balance sheet date) for the year ended 31 March, 2019 and 31 March, 2018.

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40.5 **Deferred tax**

Accounting policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, deferred tax is also recognised in other comprehensive income or directly in equity respectively.

40.6 Deferred tax liabilities/assets (net) as at 31 March, 2019, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2019.

₹/Lakhs

Particulars (2018-19)	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment (refer note 40.8)	62,831.24	(1,237.98)	-	61,593.26
Provision for doubtful debts	(2,675.30)	(21.55)	-	(2,696.85)
Provision for employee benefits	(1,875.60)	(87.20)	(8.21)	(1,971.01)
MAT credit	(47,166.07)	8,436.89	-	(38,729.18)
Others	(162.41)	10.79	-	(151.62)
Deferred tax liabilities/(asset) [net]	**10,951.86**	**7,100.95**	**(8.21)**	**18,044.60**

Deferred tax liabilities/assets (net) as at 31 March, 2018, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2018.

₹/Lakhs

Particulars (2017-18)	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment	60,593.69	2,237.55	-	62,831.24
Provision for doubtful debts	(2,425.09)	(250.21)	-	(2,675.30)
Provision for employee benefits	(1,681.78)	(202.89)	9.07	(1,875.60)
MAT credit	(56,952.68)	9,786.61	-	(47,166.07)
Others	(169.62)	7.21	-	(162.41)
Deferred tax liabilities/(asset) [net]	**(635.48)**	**11,578.27**	**9.07**	**10,951.86**

40.7 As per MYT regulations for determination of tariff, tax expense shall be considered in tariff determination as and when and to the extent of income tax actually paid. Accordingly, the Company has made provision only for the amount of income tax that is actually payable and the deferred tax liability (net) as at 31 March, 2019 of ₹ 18,044.60 lakhs (as at 31 March, 2018 ₹ 10,951.86 lakhs) and deferred tax charge of ₹ 7,092.74 lakhs for the year ended 31 March, 2019 (for the year ended 31 March, 2018 ₹ 11,587.34 lakhs) has been adjusted with a corresponding deferred tax liabilities/assets adjustable in future tariff.

40.8 As at 31 March, 2019, deferred tax liability of ₹ 61,593.26 lakhs on account of property, plant and equipment is net of deferred tax asset of ₹ 2,060.47 lakhs arising on assets classified as held for sale.

40.9 During the current year, the management has reassessed the recoverability of unrecognised MAT credit and accordingly recognised MAT credit amounting to ₹ 38,729.18 lakhs as at 31 March, 2019 (as at 31 March, 2018 ₹ 47,166.07 lakhs).

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Note 41
Financial instruments

41.1 **Capital management and gearing ratio**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return of capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The Company's capital structure consists of net debt and total equity. The Company includes within net debt, interest bearing borrowings, less cash and bank balances as detailed below. The position on reporting date is summarised in the following table:

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Long-term borrowings (including non-convertible cumulative redeemable preference share capital)	2,22,188.07	2,43,933.46
Current maturities of long-term borrowings	54,005.38	52,053.08
Short-term borrowings	35,090.67	31,082.32
Total debt (A)	**3,11,284.12**	**3,27,068.86**
Less: Cash and bank balances (B)	6,006.09	13,784.93
Net debt {(C)=(A)+(B)}	**3,05,278.03**	**3,13,283.93**
Total equity (D)	3,18,263.84	2,95,364.92
Total equity and net debt {(E)=(C)+(D)}	**6,23,541.87**	**6,08,648.85**
Net debt to total equity plus net debt ratio (%) {(F)=(C)/(E)}	**48.96%**	**51.47%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current reporting period.
No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2019 and 31 March, 2018.

41.2 **Categories of financial instruments**

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Financial assets		
(i) Measured at cost		
(a) Investments in equity instruments of wholly owned subsidiary company (unquoted)	5.00	5.00
(ii) Measured at amortised cost		
(a) Trade receivables	25,447.20	22,592.26
(b) Cash and cash equivalents	2,425.12	10,197.05
(c) Bank balances other than cash and cash equivalent above	3,580.97	3,587.88
(d) Loans: Security deposits	435.25	331.05
(e) Unbilled revenue	34,492.39	31,897.54
(f) Others	247.49	237.21
Total	**66,633.42**	**68,847.99**
Financial liabilities		
(i) Measured at amortised cost		
(a) Borrowings (including current maturities and non-convertible cumulative redeemable preference share capital)	3,11,284.12	3,27,068.86
(b) Interest accrued but not due on borrowings	576.79	248.05
(c) Dividend accrued but not due on non-convertible cumulative redeemable preference shares	-	6,000.00
(d) Trade and other payables	1,24,156.59	1,22,501.83
(e) Consumers' security deposit	66,923.06	59,401.31
(f) Retention money payable	6,259.47	8,235.71
(g) Others	2,747.69	3,391.49
Total	**5,11,947.72**	**5,26,847.25**

41.2.1 **Fair value of financial assets and financial liabilities that are not measured at fair value**

(a) The management assessed that the carrying value of cash and cash equivalents, other balances with bank, trade receivables, loans, unbilled revenue, borrowings and interest accrued thereon, consumers' security deposit, retention money payable, trade payables, other financial assets and liabilities approximate their fair value largely due to the short term maturities of these instruments/ buying subject to floating-rate.

(b) Investments in subsidiaries accounted at cost in accordance with Ind AS 27 "Separate Financial Statements".

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41.3 **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks , unbilled revenue and other financial assets that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Corporate Level Risk Management Committee (CLRMC) oversees the management of these risks and appropriate risk governance framework for the Company. The Company's CLRMC is supported by a Finance Risk Management Sub-Committee that reviews the financial risks. The Company's financial risk activities are governed by appropriate policies and procedures (in accordance with ISO 31000:2009 guidelines) and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risk management policy is approved by the Board of Directors.
The Company's focus is to ensure liquidity which is sufficient to meet Company's operational requirements, the management also monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The management reviews and manages these risks, which are summarised below:

41.3.1 **Market risk**

Market risk is the risk that changes in market prices will affect the Company's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk primarily comprises of term borrowings.
Market risks are composed of foreign currency exchange risk and interest rate risk.

(A) Foreign currency exchange risk management

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company does not have significant foreign currency denominated transactions, hence the Company is not exposed to significant foreign currency exchange risk.

(B) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for long term borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the borrowing outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for analysis which represents management's assessment of the reasonably possible change in interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

₹/Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on term borrowings	1,380.97	(1,380.97)	1,229.93	(1,229.93)
Effect on profit before tax	(1,380.97)	1,380.97	(1,229.93)	1,229.93

41.3.2 **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Trade receivables	25,447.20	22,592.26
(b) Unbilled revenue	34,492.39	31,897.54
(c) Loans	435.25	331.05
(d) Other financial assets	247.49	237.21
Total	**60,622.33**	**55,058.06**

Refer note 11 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

Bank balances are held with reputed and creditworthy banking institutions.

As per its investment policy, the Company deploy its short term surplus funds in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits with such companies of the Tata Group as may be approved. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose quarterly Assets Under Management (AUM) are in excess of ₹ 500,000 lakhs and ranks in the first three of CRISIL's latest available Composite Performance Ranking (CPR) at the time of investment. As per policy, the aggregate amounts invested in debt based mutual funds and/or liquid funds with no exposure to equities and in inter-corporate deposits being in nature of investments shall not exceed ₹ 75,000 lakhs at any point of time. However, with effect from 28 February, 2019, the said limit has been revised to ₹ 35,000 lakhs. Further, the Company will restrict the extent of exposure to any asset management company to 20% of its investible corpus (only for investment above ₹ 20,000 lakhs).

41.3.3 **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Company. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Expected contractual maturity for financial liabilities:

₹/Lakhs

Particulars	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2019				
(a) Trade payables	1,24,156.59	-	-	1,24,156.59
(b) Short term borrowings	35,090.67	-	-	35,090.67
(c) Long term borrowings	54,005.38	1,76,317.24	45,870.83	2,76,193.45
(including current maturities and excluding preference share capital)				
(d) Interest accrued but not due on borrowings	576.79	-	-	576.79
(e) Future interest on above long term borrowings	21,823.55	43,896.81	6,762.85	72,483.21
(f) Consumers' security deposit (see note 41.3.3b)	4,385.49	-	62,537.57	66,923.06
(g) Future interest on consumers' security deposit (refer note 41.3.3b)	5,346.96	21,387.85	26,734.81	53,469.62
(h) Retention money payable	6,259.47	-	-	6,259.47
(i) Other financial liabilities	2,428.79	281.53	37.37	2,747.69
	2,54,073.69	**2,41,883.43**	**1,41,943.43**	**6,37,900.55**
As at 31 March, 2018				
(a) Trade payables	1,22,501.83	-	-	1,22,501.83
(b) Short term borrowings	31,082.32	-	-	31,082.32
(c) Long term borrowings	52,053.08	1,57,686.92	36,246.54	2,45,986.54
(including current maturities and excluding preference share capital)				
(d) Interest accrued but not due on above borrowings	248.05	-	-	248.05
(e) Future interest on above long term borrowings	18,989.41	36,815.04	3,819.03	59,623.48
(f) Non-convertible cumulative redeemable preference share capital	-	-	50,000.00	50,000.00
(g) Dividend accrued but not due on above preference shares	6,000.00	-	-	6,000.00
(h) Future dividend on above preference shares (see note 41.3.3a)	7,233.32	28,933.27	72,095.37	1,08,261.96
(i) Consumers' security deposit (see note 41.3.3b)	4,120.40	-	55,280.91	59,401.31
(j) Future interest on consumers' security deposit (refer note 41.3.3b)	4,505.39	18,021.58	22,526.97	45,053.94
(k) Retention money payable	8,235.71	-	-	8,235.71
(l) Other financial liabilities	3,142.27	228.05	21.17	3,391.49
	2,58,111.78	**2,41,684.86**	**2,39,989.99**	**7,39,786.63**

41.3.3a During the current year, the Company has redeemed non-convertible cumulative redeemable preference share capital. Hence, future dividend on such preference share capital has not been worked upon. As at 31 March, 2018, future dividend on non-convertible cumulative redeemable preference share capital has been worked upon considering a tenure of 20 years. It includes dividend distribution tax of ₹ 18,459.22 lakhs.

41.3.3b Consumers' security deposit classified under more than 5 years maturity pertains to permanent connection which are refundable only after surrender of connection subject to clearance of outstanding dues.
Future interest on consumers' security deposit has been considered at 8.55% p.a. (as at 31 March, 2018 8.15% p.a.) which is the prevailing SBI 1 year MCLR rate as at 1 April, 2019. For the purpose of computation of interest, the tenure of consumer security deposit has been taken as 10 years.

The Company has access to financing facilities as described in note 41.3.4 below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

41.3.4 **Financing facilities (short term)**

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured credit facilities, reviewed annually and payable at call		
Amount used and outstanding	24,400.67	30,127.55
Amount unused	10,599.33	-
Secured bank loan facilities with various maturity dates through to 31 March, 2020 and which may be extended by mutual agreement		
Amount used and outstanding	10,690.00	954.77
Amount unused	3,810.00	13,545.23

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Note 42
Related party disclosures

42.1 **List of related parties and description of relationship**

A. Holding company
Tata Power Company Limited (TPCL)

B. Company exercising significant influence
Delhi Power Company Limited (DPCL) *(Government related entity)*

C. Subsidiaries (Wholly-owned)
NDPL Infra Limited (NDPLIL)

D. Fellow Subsidiaries (with whom the Company has transactions)
(i) Tata Power Trading Company Limited (TPTCL)
(ii) Tata Power Solar Systems Limited (TPSSL)
(iii) Tata Power International Pte. Limited (TPIPL)
(iv) TP Ajmer Distribution Limited (TPADL)

E. Associates of holding company (with whom the Company has transactions)
(i) Tata Communications Limited (TCL) (ceased w.e.f. 28 May, 2018)
(ii) Tata Projects Limited (TPL)

F. Post retirement employee benefit trust
(i) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
(ii) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)

G. Key management personnel
Chief Executive Officer and Managing Director (CEO & MD)
Mr. Praveer Sinha (ceased w.e.f. 30 April, 2018)

Chief Executive Officer (CEO)
Mr. Sanjay Kumar Banga (appointed w.e.f. 1 May, 2018)

Non-executive directors
(i) Mr. Praveer Sinha (appointed as chairman & director w.e.f. 4 May, 2018)
(ii) Mr. Anil Sardana (ceased w.e.f. 30 April, 2018)
(iii) Mr. Nawshir H. Mirza
(iv) Mr. Arup Ghosh
(v) Mr. Amar Jit Chopra
(vi) Mr. Ajay Shankar
(vii) Mr. Ramesh N. Subramanyam (appointed w.e.f. 16 June, 2018)
(viii) Ms. Shalini Yogendranath Singh (ceased w.e.f. 15 June, 2018)
(ix) Mr. Minesh Shrikrishna Dave (appointed w.e.f 16 June, 2018)
(x) Ms. Satya Gupta (appointed w.e.f. 18 July, 2018)

42.2 **Transactions with related parties**

₹/Lakhs

Name of related party	Nature of transactions	Year ended 31.03.2019	Year ended 31.03.2018
A. Rendering of services			
(i) TPCL	Management contract for deputation of employees	23.41	87.99
	Training	0.66	-
	Management contract for consultancy services	103.86	18.53
(ii) DPCL	Commission earned	1.85	1.57
(iii) NDPLIL	Management contract for consultancy services	333.91	328.94
(iv) TPSSL	Empanelment fee for rooftop solar plants	-	0.25
(v) TPIPL	Management contract for consultancy services	208.52	193.50
(vi) TPADL	Management contract for consultancy services	38.17	137.31
B. Purchase of goods			
(i) TPTCL	Purchase of power	1,12,205.47	70,895.06
	Rebate on power purchase	1,664.55	937.61
(ii) TPSSL	Purchase of spares	-	6.47
(iii) TPL	Purchase of spares	-	3.23
C. Sale of goods			
(i) TPTCL	Sale of power	1,531.87	-
	Rebate on sale of power	30.64	-
D. Receiving of services			
(i) TPCL	Management contract for deputation of key management personnel (KMP)	198.57	368.03
	Management contract for deputation of employees	98.87	-
(ii) TPSSL	Annual maintenance contract of solar plants	15.34	28.99
(iii) TCL	Communication expenses	2.14	13.93
E. Reimbursement of expenses (paid)/received [net]			
(i) TPCL	Travelling and conveyance, fees and subscription, training etc.	58.18	0.73
(ii) NDPLIL	Travelling and conveyance, insurance etc.	65.89	68.92
(iii) TPSSL	Hire charges - vehicles	-	0.02
(iv) TPIPL	Travelling and conveyance, insurance etc.	9.13	6.53
(v) TPADL	Travelling and conveyance etc.	3.66	0.10

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

₹/Lakhs

Name of related party	Nature of transactions	Year ended 31.03.2019	Year ended 31.03.2018
F. Repayment of long term borrowings			
(i) TPCL	Redemption of preference share capital	25,500.00	-
(ii) DPCL	Redemption of preference share capital	24,500.00	-
G. Finance cost			
(i) TPCL	Dividend on preference shares	2,783.34	3,060.00
(ii) DPCL	Dividend on preference shares	2,674.19	2,940.00
H. Equity dividend paid			
(i) TPCL	Dividend on equity shares	4,504.32	1,689.12
(ii) DPCL	Dividend on equity shares	4,327.68	1,622.88
I. Transaction with Trust			
(i) Gratuity Fund	Contribution to trust	634.91	474.09
(ii) SVRS RTBF - 2004	Contribution to trust	61.70	92.43

42.3 **Compensation of key managerial personnel**

₹/Lakhs

Name of the related party	Nature of transaction	Year ended 31.03.2019	Year ended 31.03.2018
A. CEO & MD	Deputation pay and other benefits		
Mr. Praveer Sinha (till 30 April, 2018)		139.96	319.03
B. CEO	Deputation pay and other benefits		
Mr. Sanjay Kumar Banga (w.e.f. 1 May, 2018)		89.53	-
C. Non-executive directors	(i) Sitting fees*	20.60	28.60
	(ii) Consultancy fees -		
	a. Mr. Arup Ghosh	60.88	52.76
	b. Ms. Satya Gupta (w.e.f. 18 July, 2018)	38.22	-

* Exclusive of GST/service tax, as applicable.

42.4 **Balance outstanding with related parties**

₹/Lakhs

Name of the related party	Nature of balances	As at 31.03.2019	As at 31.03.2018
A. Investment in equity shares			
(i) NDPLIL		5.00	5.00
B. Receivables			
(i) TPCL	Trade receivables	61.41	27.72
(ii) NDPLIL	Trade receivables	8.74	17.74
(iii) TPTCL	Other current assets	-	9,521.30
(iv) TPIPL	Trade receivables	65.88	203.87
(v) TPADL	Trade receivables	1.12	51.06
(vi) SVRS RTBF-2004	Other financial assets	103.05	140.76
C. Payables			
(i) DPCL	Trade payables	488.07	604.75
(ii) TPTCL	Trade payables	21,298.37	-
(iii) TPSSL	Trade payables including retention money and earnest money deposit	27.89	52.86
(iv) TCL	Trade payables including security deposit and earnest money deposit	-	24.38
D. Unbilled revenues			
(i) TPCL	Management contract for consultancy services	34.74	-
(ii) NDPLIL	Management contract for consultancy services	95.77	85.92
E. Accrued expenses			
(i) TPCL	Dividend accrued but not due on non-convertible cumulative redeemable preference shares	-	3,060.00
(ii) DPCL	Dividend accrued but not due on non-convertible cumulative redeemable preference shares	-	2,940.00
(iii) TPTCL	Purchase of power	-	0.07
(iv) TCL	Communication expenses	-	3.11
F. Commitments made			
(i) TPSSL		-	1.62

(ii) **Commitments made with TPTCL**

Significant commitments of the Company includes commitment for trading margin with TPTCL.

The Company has entered into a long term power purchase agreement with TPTCL on 10 September, 2009 to draw power from Maithon Power Ltd. (MPL) for 30 years from the date of commissioning (COD) and on 20 January, 2009 to draw power from Jhajjar Power Ltd. (JPL) for 25 years from COD. A trading margin of 4 paise per kWh for the energy scheduled by MPL is payable by Tata Power-DDL to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by Tata Power-DDL to TPTCL.

Note 43
Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 44
Transfer pricing

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Company is required to get a transfer pricing study conducted to determine whether the transactions with related parties were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2019 is currently in progress and hence adjustments, if any, which may arise there from will be considered in the financial statements for the year ended 31 March, 2020. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

Note 45
Approval of financial statements

These financial statements were approved for issue by the board of directors on 18 April, 2019.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP ☆ CHARTERED ACCOUNTANTS ☆

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

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Independent Auditor's Report

To the Members of Tata Power Delhi Distribution Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tata Power Delhi Distribution Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

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

4. The Holding Company's Board of Directors is responsible for the other information. Other information does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

5. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The respective Board of Directors/management of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Group's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the holding company and its subsidiary company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

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

Report on Other Legal and Regulatory Requirements

12. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company, its subsidiary company covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

13. As required by Section 143 (3) of the Act, based on our audit, we report, to the extent applicable, that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 29 to the consolidated financial statements.;

   ii. the Holding Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

   iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company during the year ended 31 March 2019;

   iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place: New Delhi
Date: 18 April 2019

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited on the consolidated financial statements for the year ended 31 March 2019

Annexure A

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Tata Power Delhi Distribution Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary 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 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 the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited on the consolidated financial statements for the year ended 31 March 2019

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel

WALKER CHANDIOK & CO LLP ★ CHARTERED ACCOUNTANTS ★

Neeraj Goel
Partner
Membership No.: 99514

Place: New Delhi
Date: 18 April 2019

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2019

	Notes	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,68,643.34	3,62,558.19
(b) Capital work-in-progress	4	34,720.12	27,922.17
(c) Intangible assets	4	7,405.96	3,879.06
(d) Financial assets			
(i) Loans	5	196.20	136.41
(ii) Other financial assets	6	2.26	34.08
(e) Income tax assets (net)	7	2,448.86	2,442.51
(f) Other non-current assets	8	3,030.90	4,927.70
Total non-current assets		**4,16,447.64**	**4,01,900.12**
(2) Current assets			
(a) Inventories	9	1,306.99	1,199.90
(b) Financial assets			
(i) Investments	10	1,741.23	1,254.72
(ii) Trade receivables	11	25,594.07	22,713.02
(iii) Cash and cash equivalents	12	2,425.28	10,197.25
(iv) Bank balances other than (ii) above	12	3,580.97	3,587.88
(v) Loans	13	239.05	194.64
(vi) Other financial assets	14	34,651.43	32,023.34
(c) Other current assets	15	26,982.65	49,094.95
Total current assets		**96,521.67**	**1,20,265.70**
Assets classified as held for sale	35.5.1	2,004.00	-
Total assets before regulatory deferral account balance		**5,14,973.31**	**5,22,165.82**
(3) Regulatory deferral account debit balances	35	4,57,869.26	4,39,985.26
Total assets		**9,72,842.57**	**9,62,151.08**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	16	55,200.00	55,200.00
(b) Other equity	17	2,65,183.29	2,41,719.84
Total equity attributable to equity holders of the Company		**3,20,383.29**	**2,96,919.84**
(c) Non-controlling interests		-	-
Total equity		**3,20,383.29**	**2,96,919.84**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	18	2,22,188.07	2,43,933.46
(ii) Other financial liabilities	19	62,856.47	55,530.13
(b) Provisions	20	4,569.98	4,199.55
(c) Deferred tax liabilities (net)	38	18,085.41	10,965.15
Less: Adjustable in future tariff		(18,044.60)	(10,951.86)
		40.81	13.29
(d) Capital grants	21	581.49	655.74
(e) Contributions for capital works and service line charges	22	86,464.61	85,902.49
(f) Other non-current liabilities	23	22,580.72	23,870.61
Total non-current liabilities		**3,99,282.15**	**4,14,105.27**
(2) Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	24	35,090.67	31,082.32
(ii) Trade payables	25		
- total outstanding dues of micro enterprises and small enterprises		154.67	191.39
- total outstanding dues of creditors other than micro enterprises and small enterprises		1,24,015.65	1,22,314.95
(iii) Other financial liabilities	26	67,655.92	73,799.51
(b) Provisions	27	1,070.50	1,167.90
(c) Other current liabilities	28	25,189.72	22,569.90
Total current liabilities		**2,53,177.13**	**2,51,125.97**
Total equity and liabilities		**9,72,842.57**	**9,62,151.08**

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2019

		Notes	Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
I	Revenue from operations	30	7,61,058.07	7,11,318.95
II	Other income	30	10,866.24	6,504.77
III	**Total income**		**7,71,924.31**	**7,17,823.72**
IV	**Expenses**			
	Cost of power purchased (net) (excludes own generation)	31	5,89,686.12	5,13,091.38
	Employee benefits expense (net)	32	47,244.89	47,626.75
	Finance costs	33	34,892.63	34,679.27
	Depreciation and amortisation expense	4	30,964.17	28,995.52
	Other expenses	34	31,991.29	31,651.70
	Total expenses		**7,34,779.10**	**6,56,044.62**
V	**Profit/(Loss) before movement in regulatory deferral account balance, exceptional items and tax**		**37,145.21**	**61,779.10**
	Movement in regulatory deferral account balance (net)	35	17,884.00	(17,385.00)
VI	**Profit/(Loss) before exceptional items and tax**		**55,029.21**	**44,394.10**
	Add/(Less): Exceptional Items			
	Impairment of property, plant and equipment	4,35.5	(1,807.88)	(3,757.05)
	Impairment loss on assets classified as held for sale	35.5	(8,832.34)	-
VII	**Profit/(Loss) before tax**		**44,388.99**	**40,637.05**
VIII	Tax expense			
	(i) Current tax	38	10,202.51	9,611.50
	(ii) Deferred tax			
	Provision for the year	38	7,128.47	11,587.92
	Less: Adjustable in future tariff		(7,100.95)	(11,578.27)
IX	**Profit/(Loss) for the year**		**34,158.96**	**31,015.90**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement gain/(loss) of defined benefit plans	20.7	(61.26)	25.96
	(ii) Income tax credit/(charge) relating to items that will not be reclassified to profit or loss			
	(a) Current tax	38	13.20	(5.54)
	(b) Deferred tax			
	Provision for the year	38	8.21	(9.07)
	Less: Adjustable in future tariff		(8.21)	9.07
	Other comprehensive income/(expense) for the year		**(48.06)**	**20.42**
XI	**Total comprehensive income for the year**		**34,110.90**	**31,036.32**
	Profit for the year attributable to:			
	Owners of the Company		34,158.96	31,015.90
	Non-controlling interests		-	-
			34,158.96	**31,015.90**
	Other comprehensive income/(expense) attributable to:			
	Owners of the Company		(48.06)	20.42
	Non-controlling interests		-	-
			(48.06)	**20.42**
	Total comprehensive income for the year attributable to:			
	Owners of the Company		34,110.90	31,036.32
	Non-controlling interests		-	-
			34,110.90	**31,036.32**
Earnings per equity share (face value ₹ 10/- each)		37		
(i)	Basic and Diluted earnings per equity share before net movement in regulatory deferral account balance (₹)		3.65	8.10
(ii)	Basic and Diluted earnings per equity share after net movement in regulatory deferral account balance (₹)		6.19	5.62

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2019

A. Equity share capital

	Particulars	Amount ₹/Lakhs
(i)	**Balance as at 1 April, 2017**	**55,200.00**
(ii)	Changes in equity share capital during the year	-
(iii)	**Balance as at 31 March, 2018**	**55,200.00**
(i)	**Balance as at 1 April, 2018**	**55,200.00**
(ii)	Changes in equity share capital during the year	-
(iii)	**Balance as at 31 March, 2019**	**55,200.00**

B. Other equity

₹/Lakhs

	Particulars	Reserves and Surplus			Total
		Capital Redemption Reserve	General Reserve	Retained Earnings	
(i)	**Balance as at 1 April, 2017**	-	9,150.00	2,05,519.77	2,14,669.77
(ii)	Profit/(Loss) for the year	-	-	31,015.90	31,015.90
(iii)	Other comprehensive income/(expense) for the year (net of tax)	-	-	20.42	20.42
(iv)	**Total comprehensive income**	-	-	31,036.32	31,036.32
(v)	Dividend paid (including tax on dividend)	-	-	(3,986.25)	(3,986.25)
(vi)	**Balance as at 31 March, 2018 (i+iv+v)**	-	**9,150.00**	**2,32,569.84**	**2,41,719.84**
(i)	**Balance as at 1 April, 2018**	-	9,150.00	2,32,569.84	2,41,719.84
(ii)	Profit/(Loss) for the year	-	-	34,158.96	34,158.96
(iii)	Other comprehensive income/(expense) for the year (net of tax)	-	-	(48.06)	(48.06)
(iv)	**Total Comprehensive Income**	-	-	34,110.90	34,110.90
(v)	Dividend paid (including tax on dividend)	-	-	(10,647.45)	(10,647.45)
(vi)	Transfer to capital redemption reserve on redemption of non-convertible cumulative redeemable preference share capital	50,000.00	-	(50,000.00)	-
(vii)	**Balance as at 31 March, 2019 (i+iv+v+vi)**	**50,000.00**	**9,150.00**	**2,06,033.29**	**2,65,183.29**
	Other equity attributable to:				
	Owners of the Company	50,000.00	9,150.00	2,06,033.29	2,65,183.29
	Non-controlling interests	-	-	-	-
		50,000.00	**9,150.00**	**2,06,033.29**	**2,65,183.29**

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

TATA POWER DELHI DISTRIBUTION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2019

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
A. Cash flow from operating activities			
Profit for the year		34,158.96	31,015.90
Adjustments to reconcile profit for the year to net cash flows:			
Income tax recognised as expense in Statement of Profit and Loss		10,230.03	9,621.15
Depreciation and amortisation expense		30,964.17	28,995.52
Impairment of property, plant and equipment		1,807.88	3,757.05
Impairment loss on assets classified as held for sale		8,832.34	-
Finance costs		34,892.63	34,679.27
Interest income		(642.83)	(437.54)
Net gain on current investments		(754.88)	(134.99)
Loss on disposal of property, plant and equipment		2,790.41	1,716.69
Amortisation of capital grants		(74.25)	(74.25)
Amortisation of contribution for capital works and service line charges		(7,510.83)	(7,160.80)
Obsolete inventory written off/allowance for obsolete inventory		(34.10)	134.05
Bad debts written off		195.18	17.65
Allowance for doubtful debts		40.02	648.66
Operating profit before working capital changes		1,14,894.73	1,02,778.36
Working capital adjustments:			
Adjustments for (increase)/decrease in assets:			
Inventories		(72.99)	(279.37)
Trade receivables		(3,922.35)	(2,463.35)
Loans - current		(44.41)	(59.55)
Loans - non current		(59.79)	21.96
Other financial assets - current		(2,515.39)	(1,130.91)
Other financial assets - non current		31.82	56.93
Other non-current assets		607.75	(62.63)
Other current assets		22,112.30	(32,243.47)
Regulatory deferral account debit balances		(17,884.00)	17,385.00
Adjustments for increase/(decrease) in liabilities:			
Trade payables		1,663.98	6,343.75
Other financial liabilities - current		(1,587.47)	3,359.09
Other financial liabilities - non current		69.68	(71.58)
Other current liabilities		3,853.14	5,348.54
Other non-current liabilities		(1,289.89)	2,644.89
Provision for employee benefits - current		(97.40)	(156.30)
Provision for employee benefits - non current		309.17	690.21
Cash generated from operations		1,16,068.88	1,02,161.57
Taxes paid (including tax deducted at source)		(10,195.66)	(9,608.04)
Net cash from/(used in) operating activities	(A)	**1,05,873.22**	**92,553.53**
B. Cash flow from investing activities			
Purchase of property, plant and equipment (including capital advances)		(61,832.24)	(56,096.46)
Proceeds from sale of property, plant and equipment		942.06	1,121.35
Proceeds from bank deposits		6.91	(4.52)
Interest received		530.13	437.41
Purchase of current investments		(3,82,006.66)	(95,917.40)
Proceeds from sale of current investments		3,82,275.03	95,773.53
Net cash from/(used in) investing activities	(B)	**(60,084.77)**	**(54,686.09)**
C. Cash flow from financing activities			
Redemption of non-convertible cumulative redeemable preference share capital		(50,000.00)	-
Finance cost paid		(28,910.26)	(28,230.24)
Proceeds from short-term borrowings and working capital demand loans		72,900.00	60,000.00
Repayment of short-term borrowings and working capital demand loans		(65,700.00)	(60,000.00)
Net (repayment)/proceeds from cash credit and other credit facilities		(3,191.65)	10,912.89
Proceeds from long-term borrowings		86,000.00	63,490.00
Repayment of long-term borrowings		(55,793.09)	(85,437.08)
Proceeds from contribution for capital works		5,024.52	4,128.27
Proceeds from service line charges		3,048.43	3,217.88
Net (repayment)/proceeds from consumers' security deposits		7,521.75	5,456.69
Dividend paid to preference shareholders (including dividend distribution tax)		(13,812.67)	(7,221.46)
Dividend paid to equity shareholders (including dividend distribution tax)		(10,647.45)	(3,986.25)
Net cash from/(used in) financing activities	(C)	**(53,560.42)**	**(37,669.30)**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	**(7,771.97)**	**198.14**
Cash and cash equivalents at the beginning of the year		10,197.25	9,999.11
Cash and cash equivalents at the end of the year (refer note 12)		**2,425.28**	**10,197.25**

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

Note 1

General Information

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

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

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

The Company formed NDPL Infra Limited ('the Subsidiary') as wholly owned subsidiary (jointly referred as 'the Group'). The Subsidiary is a public limited company incorporated on 23 August, 2011 and domiciled in India. The Subsidiary is primarily engaged in the business of providing consultancy and other services in the infrastructure and power sector.

Note 2

2.1 **Statement of compliance**

The financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

As the Group's power generation and distribution business is governed by Electricity Act, 2003 and the saved provisions of Electricity (Supply) Act, 1948, the provisions of the said Acts prevail wherever these are inconsistent with the provisions of the Companies Act, 2013.

2.2 **Basis of preparation and presentation**

The financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

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

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

2.3 **Basis of consolidation**

These consolidated financial statements relate to Tata Power Delhi Distribution Limited and its subsidiary. The financial statements of the Subsidiary used in the consolidation are drawn for the same reporting period as that of the Company i.e. year ended 31 March, 2019.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary). Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Subsidiary is consolidated from the date control commences until the date control ceases.

The financial statements of the Subsidiary are consolidated on a line-by-line basis and intra-group balances and transactions including un-realized gain/loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform policies in use at the Group.

Additional information as required by Schedule III of the Companies Act, 2013 is given below:

Name of the entity in the Group	Net assets i.e., total assets-total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹/Lakhs)	As % of consolidated profit or (loss)	Amount (₹/Lakhs)	As % of consolidated other comprehensive income	Amount (₹/Lakhs)	As % of total comprehensive income	Amount (₹/Lakhs)
Parent: Tata Power-DDL (Indian)	99.34%	3,18,263.84	98.35%	33,594.43	100.00%	(48.06)	98.35%	33,546.37
Subsidiaries (Indian):								
1. NDPL Infra Limited	0.66%	2,124.45	1.65%	564.53	-	-	1.65%	564.53
Sub Total	100.00%	3,20,388.29	100.00%	34,158.96	100.00%	(48.06)	100.00%	34,110.90
Adjustment arising out of consolidation		(5.00)		-		-		-
Total		3,20,383.29		34,158.96		(48.06)		34,110.90

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Note 3
Other significant accounting policies

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

3.1 **Foreign currencies**

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

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

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

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

3.2 **Current versus non-current classification**

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

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

3.3 **Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

3.4 **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3.4.1 **Amortised cost**

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

(i) financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(ii) contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3.4.2 **Financial assets at fair value through profit or loss (FVTPL)**

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the Statement of Profit and Loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

3.4.3 **Financial assets at fair value through other comprehensive income (FVTOCI)**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investments.

A financial asset is held for trading if:
(i) it has been acquired principally for the purpose of selling it in the near term; or
(ii) on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
(iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the Statement of Profit and Loss are included in the 'Other income' line item.

3.4.4 **Impairment of financial asset**

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables and other contractual rights to receive cash or other financial asset not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 "Revenue", the Group always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109 "Financial Instruments".

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Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

3.4.5 Derecognition of financial asset

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

3.5 Financial liabilities and equity instruments

3.5.1 Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.5.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

3.5.3 Compound financial instruments

The component parts of compound financial instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instruments, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in the Statement of Profit and Loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

3.5.4 Financial liability

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

3.5.4.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent reporting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant reporting period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3.5.4.2 Derecoginition of financial liabilities

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

3.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.6.1 Group as a lessee

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in that reporting period in which such benefits accrue.

3.7 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

3.7.1 Ind AS 116 - Leases

Ind AS 116 "Leases" was notified in March 2019 and it replaces Ind AS 17 "Leases". Ind AS 116 is effective for annual periods beginning on or after 1 April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Group is in the process of evaluating the requirements of the standard and its impact on its financial statements.

3.7.2 **Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following:

1. The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of resolution of the uncertainty.

2. The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount

3. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Group does not expect any significant impact of the amendment on its financial statements.

3.7.3 **Ind AS 109 – Prepayment features with negative compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Group does not expect this amendment to have any significant impact on its financial statements.

3.7.4 **Ind AS 19 – Plan amendment, curtailment or settlement**

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Group does not expect this amendment to have any significant impact on its financial statements.

3.7.5 **Ind AS 23 – Borrowing Costs**

The amendments clarify that 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 capitalisation rate on general borrowings.

The Group does not expect this amendment to have any significant impact on its financial statements.

3.8 **Dividend**

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

3.9 **Changes in accounting policies and disclosures**

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

3.9.1 **New and amended standards and interpretations**

The Group applied for the first time certain amendments to the standards, which are effective for annual periods beginning on or after 1 April, 2018. The nature and the impact of each amendment is described below:

Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115 "Revenue from Contracts with Customers" supersedes Ind AS 11 "Construction Contracts", Ind AS 18 "Revenue" and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

The Group has adopted Ind AS 115 with a date of initial application of 1 April, 2018. As a result, the Group has changed its accounting policy for revenue recognition as detailed in Note 30.

The Group has applied Ind AS 115 using the cumulative cumulative catch-up method – i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at 1 April, 2018. Under this transition method, the Group elects to apply this Standard retrospectively only to contracts that are not completed contracts at the date of initial application. The comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

Based on Group's assessment, the details of the significant changes and quantitative impact of the changes are set out below:

(a) No cumulative effect adjustments were required to made in the opening balance of retained earnings (or other component of equity, as appropriate) of the accounting period that includes the date of initial application.

(b) The Group has bifurcated in the current period "Unbilled Revenue" into two components i.e. unbilled revenue for passage of time and unbilled revenue other than passage of time.

Unbilled revenue for passage of time represents unconditional rights to receive consideration and are disclosed under the head "Other financial assets". Unbilled revenue other than passage of time are contract assets and are disclosed under the head "Other current assets". On adoption of Ind AS 115, unbilled revenue of ₹ 1,115.17 lakhs has been considered as "Other current assets" as at 31 March, 2019. Refer Note 14.2(a) and Note 15(a).

No restatement has been made in comparative period.

3.10 **Critical accounting estimates and judgements**

In the application of the Group's accounting policies, the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

1. Estimates used for impairment of property, plant and equipment of certain cash generating units (CGU) - Note 4
2. Estimated fair value of unquoted securities and impairment of investments - Note 10
3. Estimation of defined benefit obligation - Note 20 ,27 and 32
4. Estimation of current tax and deferred tax expense (including Minimum Alternate Tax credit) - Note 38
5. Estimation of regulatory deferral account balances - Note 35
6. Estimation of provision and contingent liability - Note 20 ,27 and 29
7. Estimation of impairment of financial assets - Note 11
8. Estimation of unbilled revenue - Note 14.2(a) and 15(a)

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

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Note 4
Property, plant and equipment and intangible assets

Accounting policy

4.1 **Property, plant and equipment**

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

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

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

As per the new regulations notified on 31 January, 2017 for 3rd Multi Year Control period (MYT) applicable from financial year (FY) 2017-18 onwards, DERC has changed rate of depreciation @ 5.83% up to 12 years of useful life on plant and equipment (comprising of transformers including fixed apparatus, switch gears, lighting arresters, overhead/underground cables) and balance WDV up to 90% over remaining period of useful life of assets instead of equal rate of depreciation applicable in previous regulations. The new regulations have also changed useful life of other class of property, plant and equipment. Accordingly w.e.f. 1 April, 2017 the Group has started charging the depreciation @ 5.83% p.a. on plant and equipment whose useful life has not yet been over up to 12 years, changed useful life of other class of property plant and equipment as per new regulations.

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

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

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

Depreciation for the reporting period in respect of property, plant and equipment used for electricity generation has been provided on straight line method as per rates/ useful life prescribed in new regulations notified by DERC on 31 January, 2017. In case of second hand assets, where DERC is yet to determine the life of such assets, depreciation has been provided based on the life determined by an independent valuer which is average 15 years. The depreciation has been calculated in a manner which has the effect of depreciating 90% of the capitalized cost of each such depreciable asset.

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

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

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

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

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

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

During the current year, the Group has bifurcated the class of assets comprising SCADA into operational assets and IT related assets. Based on the Technical Opinion Report received from Chartered Engineer, the useful life of IT assets used in SCADA comprising software, servers, CPU's, monitors, keyboards, routers, switches etc. has been revised to 6 years being the useful life of other IT equipments. SCADA excluding IT related assets continues to be recorded at 15 years.

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

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

4.2 **Intangible assets**

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

4.3 **Impairment of tangible and intangible assets**

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

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

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

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

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Note 4.4

₹/Lakhs

Particulars	Cost					Accumulated depreciation, Amortisation and Impairment					Carrying amount	
	As at 01.04.2018	Additions	Borrowing costs capitalized	Disposals	As at 31.03.2019	As at 01.04.2018	Depreciation expense	Impairment Charge	Eliminated on disposals	As at 31.03.2019	As at 31.03.2019	As at 31.03.2018
4.4.1 Property, plant and equipment												
(a) Buildings - Plant	34,277.15	958.13	3.22	-	35,238.50	11,994.12	626.76	765.36	-	13,386.24	21,852.26	22,283.03
(b) Building - Others	4,069.84	121.07	-	-	4,190.91	2,485.97	165.66	-	-	2,651.63	1,539.28	1,583.87
(c) Plant and equipment	2,88,098.02	23,063.27	71.92	5,732.64	3,05,500.57	1,16,569.79	17,007.83	1,035.03	3,181.23	1,31,431.42	1,74,069.15	1,71,528.23
(d) Transmission lines and cable network	2,57,101.16	26,080.99	190.85	353.11	2,83,019.89	94,834.83	11,441.10	7.49	120.67	1,06,162.75	1,76,857.14	1,62,266.33
(e) Furniture and fixtures	992.86	54.29	-	-	1,047.15	549.81	66.60	-	-	616.41	430.74	443.05
(f) Vehicles	3,493.56	691.80	-	748.52	3,436.84	883.07	283.39	-	344.59	821.87	2,614.97	2,610.49
(g) Office equipment	3,574.60	579.99	-	55.00	4,099.59	1,731.41	290.70	-	38.66	1,983.45	2,116.14	1,843.19
(h) Less: Carrying amount of assets classified as held for sale	-	-	-	-	30,236.69	-	-	-	-	19,400.35	10,836.34	-
Total	**5,91,607.19**	**51,549.54**	**265.99**	**6,889.27**	**6,06,296.76**	**2,29,049.00**	**29,882.04**	**1,807.88**	**3,685.15**	**2,37,653.42**	**3,68,643.34**	**3,62,558.19**
	(5,53,186.71)	(46,070.30)	(366.46)	(8,016.28)	(5,91,607.19)	(2,02,275.35)	(28,194.84)	(3,757.05)	(5,178.24)	(2,29,049.00)	(3,62,558.19)	
4.4.2 Intangible assets												
Computer software	9,256.81	5,136.43	0.95	1,009.67	13,384.52	5,377.75	1,082.13	-	481.32	5,978.56	7,405.96	3,879.06
Total	**9,256.81**	**5,136.43**	**0.95**	**1,009.67**	**13,384.52**	**5,377.75**	**1,082.13**	-	**481.32**	**5,978.56**	**7,405.96**	**3,879.06**
	(7,759.59)	(1,497.22)	(-)	(-)	(9,256.81)	(4,577.07)	(800.68)	(-)	(-)	(5,377.75)	(3,879.06)	
Grand total	**6,00,864.00**	**56,685.97**	**266.94**	**7,898.94**	**6,19,681.28**	**2,34,426.75**	**30,964.17**	**1,807.88**	**4,166.47**	**2,43,631.98**	**3,76,049.30**	**3,66,437.25**
	(5,60,946.30)	(47,567.52)	(366.46)	(8,016.28)	(6,00,864.00)	(2,06,852.42)	(28,995.52)	(3,757.05)	(5,178.24)	(2,34,426.75)	(3,66,437.25)	
4.4.3 Capital work-in-progress (CWIP)	**27,922.17**	**61,586.74**	**658.78**	**55,447.57**	**34,720.12**	-	-	-	-	-	**34,720.12**	**27,922.17**
	(19,008.45)	(52,849.58)	(529.35)	(44,465.21)	(27,922.17)	(-)	(-)	(-)	(-)	(-)	(27,922.17)	

4.4.4 Property plant & equipment and intangible assets (movable and immovable) are hypothecated against secured borrowings of ₹ 1,26,868.20 lakhs (as at 31 March, 2018 ₹ 1,04,463.62 lakhs) {refer note 18.1(i), 18.1(ii), 24.1, 26(b)(i), 26(b)(ii)}.

4.4.5 CWIP includes closing capital inventory of ₹ 8,286.09 lakhs (as at 31 March, 2018 ₹ 6,397.90 lakhs).

4.4.6 Carrying amount of capital inventory hypothecated as security for borrowings is ₹ 8,252.78 lakhs (as at 31 March, 2018 ₹ 6,364.59 lakhs) {refer note 18.1(i), 18.1(ii), 24.1, 26(b)(i), 26(b)(ii)}.

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

4.4.8 During the year, the property, plant and equipment relating to Rithala Power Generation Plant has been classified as assets held for sale (refer note 35.5.1).

4.4.9 Due to change in useful life of SCADA IT related assets, the depreciation expense for the current year has increased by ₹ 776.31 lakhs (refer note 4.1).

4.4.10 Figures in bracket represents previous year figures.

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		As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs

Note 5
Loans - non current
(Unsecured unless otherwise stated, at amortised cost)

5.1	Security deposits		
	(a) Considered good - secured	-	-
	(b) Considered good - unsecured	196.20	136.41
	(c) Having significant increase in credit risk	-	-
	(d) Credit impaired	-	-
		196.20	136.41

Note 6
Other financial assets - non current
(Unsecured and considered good, at amortised cost)

6.1	Recoverable from SVRS Trust (refer note 29.7)	2.26	34.08

Note 7
Income tax assets (net)

Income tax (net of provision for income tax of ₹ 90,871.48 (as at 31 March, 2018 net of provision of income tax ₹ 81,011.33 lakhs))	2,448.86	2,442.51

Note 8
Other non-current assets
(Unsecured and considered good)

(a)	Capital advances	448.39	1,737.44
(b)	Income tax paid under protest against demand	2,321.84	2,873.84
(c)	Prepaid expenses	56.81	121.10
(d)	Goods and services tax input credit receivable	95.06	81.98
(e)	Goods and services tax refund receivable	56.03	-
(f)	Service tax refund receivable	3.83	65.57
(g)	Others	48.94	47.77
		3,030.90	4,927.70

Note 9
Inventories

Accounting policy

9.1 Inventories of stores and spares and loose tools are valued at lower of cost net of provision for diminution in value or net realisable value. Cost is determined on the 'Weighted Average' basis.

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

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

		As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a)	Stores and spares	1,523.33	1,446.47
(b)	Loose tools	38.19	38.82
		1,561.52	1,485.29
(c)	Less: Allowance for non-moving inventories	254.53	285.39
		1,306.99	1,199.90

9.2 Inventories are hypothecated as security for borrowings {refer note 18.1(i), 18.1(ii), 24.1, 26(b)(i), 26(b)(ii)}.

NOTE 10
Investments - current
(At fair value through profit or loss)

	Investments in mutual funds (unquoted)		
(a)	Axis Liquid Fund - Direct Growth - CFDG (0.03 lakh units (as at 31 March, 2018 - Nil units) at face value of ₹ 1,000 each)	67.15	-
(b)	DSP Low Duration Fund - Direct Plan - Growth (33.60 lakh units (as at 31 March, 2018 - 33.60 lakh units) at face value of ₹ 10 each)	462.91	428.43
(c)	Invesco India Money Market Fund (Formerly Credit Opportunities Fund)- Direct Plan - Growth (0.16 lakh units (as at 31 March, 2018 - 0.16 lakh units) at face value of ₹ 1,000 each)	347.91	322.08
(d)	Invesco India Liquid Fund - Direct Plan - Growth (0.17 lakh unit (as at 31 March, 2018 - 0.21 lakh units) at face value of ₹ 1,000 each)	428.94	504.21
(e)	LIC MF Liquid Fund - Direct Plan- Growth (0.22 lakh units (as at 31 March, 2018 - Nil units) at face value of ₹ 1,000 each)	75.89	-
(f)	Sundaram Money Fund - Direct Plan - Growth (4.42 lakh units (as at 31 March, 2018 - Nil units) at face value of ₹ 10 each)	174.26	-
(g)	Tata Liquid fund Direct Plan- Growth (0.63 lakhs unit (as at 31 March, 2018 - Nil units) at face value of ₹ 1,000 each)	184.17	-
		1,741.23	1,254.72
10.1	Aggregate purchase price of unquoted investments	1,594.54	1,206.95
10.2	Aggregate carrying value of unquoted investments	1,741.23	1,254.72

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		As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 11			
Trade receivables			
(Unsecured unless otherwise stated, at amortised cost)			
(a)	Debtors for sale of power in licensed area (refer note 11.1 below)		
	(i) Considered good - secured	7,435.40	8,104.80
	(ii) Considered good - unsecured	7,178.97	8,795.34
	(iii) Receivables having significant increase in credit risk	7,983.18	7,197.69
	(iv) Credit impaired	4,620.61	4,614.94
		27,218.16	28,712.77
	Less: Allowance for doubtful trade receivables	12,603.79	11,812.63
		14,614.37	16,900.14
(b)	Debtors for sale of power other than Tata Power-DDL licensed area		
	(i) Considered good - secured	-	-
	(ii) Considered good - unsecured	2,328.23	218.39
	(iii) Receivables having significant increase in credit risk	-	-
	(iv) Credit impaired	-	-
		2,328.23	218.39
(c)	Other debtors		
	(i) Considered good - secured	-	-
	(ii) Considered good - unsecured	8,651.47	5,594.49
	(iii) Receivables having significant increase in credit risk	37.84	-
	(iv) Credit impaired	7.38	-
		8,696.69	5,594.49
	Less: Allowance for doubtful trade receivables	45.22	-
		8,651.47	5,594.49
		25,594.07	22,713.02
11.1	Government subsidy included in note 11(a)	0.22	1,137.55

11.2 The average credit period for the trade receivable in 11(a) for distribution of power in license area is 15 clear days. Late payment surcharge (LPSC) is charged at 1.5% per month on principal component for number of days of delay in receiving payment as per DERC regulations.

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

11.3.1 **Ageing of receivables**

Expected credit loss provision matrix

(i) **Debtors for sale of power in licensed area**

Particulars	**Expected Credit loss (%)**	
	As at 31.03.2019	**As at 31.03.2018**
(a) Within the credit period	0.56%	0.71%
(b) 1-90 days past due	1.66%	2.16%
(c) 91-182 days past due	5.26%	6.28%
(d) 183 days-1 year past due	11.07%	12.25%
(e) 1-2 year past due	21.59%	23.60%
(f) 2-3 year past due	32.73%	35.56%
(g) >3 years past due	100.00%	100.00%

(ii) **Other debtors**

Particulars	**Expected Credit loss (%)**	
	As at 31.03.2019	**As at 31.03.2018**
(a) Within the credit period	0.00%	-
(b) 1-90 days past due	1.57%	-
(c) 91-182 days past due	15.85%	-
(d) 183 days-1 year past due	20.57%	-
(e) 1-2 year past due	23.12%	-
(f) 2-3 year past due	29.72%	-
(g) >3 years past due	100.00%	-

Age of receivables

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Within the credit period	8,995.69	8,816.49
(b) 1-90 days past due	8,025.12	6,649.20
(c) 91-182 days past due	2,279.14	1,838.75
(d) 183 days-1 year past due	4,476.15	3,007.54
(e) 1-2 year past due	2,851.29	2,481.61
(f) 2-3 year past due	2,022.37	2,991.46
(g) >3 years past due	9,593.32	8,740.60

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of the year	11,812.63	10,655.31
Additions/(reversal) in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses for the year	(124.04)	234.95
Specific allowance on trade receivables for the year	960.42	922.37
Balance at end of the year (refer note 11.3.3)	12,649.01	11,812.63

11.3.3 As at 31 March, 2019, ₹ 7,259.24 lakhs is due from customers whose dues are under dispute pending for resolution and/or are under litigation. This amount has been fully provided for.

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Delhi Metro Rail Corporation (DMRC)	4,764.29	3,898.48
North Delhi Municipal Corporation (NDMC)	2,222.86	1,758.05

Note 12
Cash and bank balances

Accounting policy

12.1 Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
12.2 **Cash and cash equivalents**		
(i) Balance with banks - in current accounts	1,284.32	7,430.37
(ii) Cheques, drafts on hand	1,044.30	2,677.65
(iii) Cash on hand	96.66	89.23
	2,425.28	10,197.25

12.2.1 **Reconciliation of liabilities from financing activities:**

₹/Lakhs

Particulars	As at 31.03.2018	Cash Flows		Non-cash transactions	As at 31.03.2019
		Proceeds	Repayment	Amortisation	
(a) Long-term borrowings (including current maturities)	2,95,986.54	86,000.00	(1,05,793.09)	-	2,76,193.45
(b) Short-term borrowings and working capital demand loans	-	72,900.00	(65,700.00)	-	7,200.00
(c) Cash credit and other credit facilities(net)	31,082.32	-	(3,191.65)	-	27,890.67
(d) Consumer contribution for:					
- capital works	67,118.11	5,024.52	-	(4,568.95)	67,573.68
- service line	18,784.38	3,048.43	-	(2,941.88)	18,890.93
(e) Consumer security deposits (net)	59,401.31	7,521.75	-	-	66,923.06
Total	**4,72,372.66**	**1,74,494.70**	**(1,74,684.74)**	**(7,510.83)**	**4,64,671.79**

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
12.3 **Other balances with banks**		
(i) Deposits with banks with original maturity more than 3 months upto 12 months	66.54	73.45
(ii) Restricted bank deposits (Earmarked pursuant to court order or contractual obligations)	3,514.43	3,514.43
	3,580.97	3,587.88

Note 13
Loans - current
(Unsecured unless otherwise stated, at amortised cost)

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
13.1 Security Deposits		
(a) Considered good - secured	-	-
(b) Considered good - unsecured	239.05	194.64
(c) Having significant increase in credit risk	-	-
(d) Credit impaired	-	-
	239.05	194.64

Note 14
Other financial assets - current
(Unsecured and considered good, unless otherwise stated, at amortised cost)

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
14.1 Accruals		
(a) Interest accrued on fixed deposits	126.59	13.89
14.2 Others		
(a) Unbilled revenue	34,406.20	31,820.21
(b) Recoverable from SVRS Trust (refer note 29.7)	100.79	106.68
(c) Other receivables (including recoverable against street light)	197.22	261.93
Less: Allowance for doubtful assets against street light	179.37	179.37
	17.85	82.56
	34,651.43	32,023.34

Note 15
Other current assets
Unsecured and considered good

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(a) Unbilled revenue (contract asset)	1,115.17	-
(b) Service tax refund receivable	48.27	6.94
(c) Prepaid insurance	390.23	367.69
(d) Prepaid expenses	1,985.40	1,501.20
(e) Power banking	17,093.61	30,264.00
(f) Advance to vendors	4,503.35	15,824.54
(g) Others	1,846.62	1,130.58
	26,982.65	49,094.95

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	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 16		
Equity share capital		
Authorised		
7,500 lakhs (as at 31 March, 2018 7,500 lakhs) equity shares of ₹ 10/- each with voting rights.	75,000.00	75,000.00
Issued, subscribed and paid up		
5,520 lakhs (as at 31 March, 2018 5,520 lakhs) equity shares of ₹ 10/- each fully paid up with voting rights.	55,200.00	55,200.00

Of the above:

16.1 2,815.20 lakhs (as at 31 March, 2018 2,815.20 lakhs) i.e. 51% (as at 31 March, 2018: 51%) equity shares of ₹ 10/- each with voting rights, are held by Tata Power Company Limited, the holding company.

16.2 2,704.80 lakhs (as at 31 March, 2018 2,704.80 lakhs) i.e. 49% (as at 31 March, 2018: 49%) equity shares of ₹ 10/- each with voting rights, are held by Delhi Power Company Limited.

16.3 The equity shares of the Company have a par value of ₹ 10/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

16.4 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	**No. of Shares Lakhs**	**Amount ₹/Lakhs**
Balance as at 1 April, 2018	5,520.00	55,200.00
Fresh issue	-	-
Balance as at 31 March, 2019	**5,520.00**	**55,200.00**

16.5 During the current year, the Company has paid final dividend of ₹ 1.60 per share on fully paid equity shares for FY 2017-18 amounting to ₹ 10,647.45 lakhs (including dividend distribution tax thereon amounting to ₹ 1,815.45 lakhs). During the previous year ended 31 March, 2018, the Company had paid final dividend of ₹ 0.60 per share on fully paid equity shares for FY 2016-17 amounting to ₹ 3,986.25 lakhs (including dividend distribution tax of ₹ 674.25 lakhs).

16.6 For the year ended 31 March, 2019, the Board of Directors at its meeting held on 18 April, 2019 have proposed a final dividend of ₹ 1.80 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been disclosed as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 11,978.37 lakhs (including dividend distribution tax thereon amounting to ₹ 2,042.37 lakhs).

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 17		
Other equity		
(a) Capital redemption reserve		
(i) Opening balance	-	-
(ii) Add : Amount transferred from retained earnings (net)	50,000.00	-
(iii) Closing balance	50,000.00	-
(b) General reserve		
(i) Opening balance	9,150.00	9,150.00
(ii) Add : Amount transferred from retained earnings (net)	-	-
(iii) Closing balance	9,150.00	9,150.00
(c) Retained earnings		
(i) Opening balance	2,32,569.84	2,05,519.77
(ii) Add : Additions during the year	34,110.90	31,036.32
(iii) Less : Transfer to capital redemption reserve	50,000.00	-
(iv) Less : Payment of dividend on equity share capital (refer note 16.5)	8,832.00	3,312.00
(v) Less : Dividend distribution tax on dividend paid on equity shares (refer note 16.5)	1,815.45	674.25
(vi) Closing balance	2,06,033.29	2,32,569.84
	2,65,183.29	2,41,719.84

Nature and purpose of reserves:

Capital Redemption Reserve:

Capital Redemption Reserve represents amounts set aside on redemption of preference shares.

General Reserve

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

Retained Earnings

Retained Earnings are the profits of the Group earned till date net of appropriations.

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	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 18		
Long-term borrowings		
18.1 **Secured - at amortised cost**		
(i) **Term loans from banks**		
(a) Allahabad Bank	13,802.08	19,704.86
(b) Axis Bank	16,811.00	14,584.00
(c) Canara Bank	43,402.77	42,534.73
(d) Dena Bank	10,000.00	1,000.00
(e) HDFC Bank	34,283.33	-
(f) IDFC First Bank	17,500.00	24,500.00
(g) Indian Bank	17,083.33	20,000.00
(h) Karnataka Bank	-	500.00
(i) Punjab National Bank	20,000.00	-
(j) Punjab & Sind Bank	38,125.00	53,914.36
(k) State Bank of India	10,625.00	13,125.00
(l) Union Bank of India	555.56	3,245.51
	2,22,188.07	1,93,108.46
(ii) **Term loans from others**		
(a) Aditya Birla Finance Limited	-	825.00
	-	825.00
18.2 **Unsecured - at amortised cost**		
(i) **Loan from related parties**		
12% non-convertible cumulative redeemable preference share capital		
(a) Tata Power Company Limited	-	25,500.00
(b) Delhi Power Company Limited	-	24,500.00
	-	50,000.00
Total long-term borrowings	2,22,188.07	2,43,933.46

18.3 **Current maturities of long-term borrowings**

For the current maturities of long-term borrowings, refer note 26(b), Other financial liabilities-current. Current maturities of long term borrowings includes repayment to be made before due date of 12 months, due date being a holiday.

18.4 **Terms of repayment**

18.4.1 **Secured - at amortised cost**

₹/Lakhs

S. No.		Name of Bank	Refer note for security	As at 31.03.2019	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-28	FY 28-29 and onwards
- Term loans from banks										
(a)	i	Allahabad Bank	18.7	4,861.11	2,777.78	2,083.33	-	-	-	-
	ii	Allahabad Bank	18.8	14,843.75	3,125.00	3,125.00	3,125.00	3,125.00	2,343.75	-
(b)	i	Axis Bank	18.8	22,919.00	6,108.00	6,108.00	6,108.00	4,595.00	-	-
(c)	i	Canara Bank	18.7	26,597.22	4,861.11	4,861.11	4,861.11	4,861.11	7,152.78	-
	ii	Canara Bank	18.8	25,937.50	4,270.84	5,000.00	5,000.00	3,333.33	8,333.33	-
(d)	i	Dena Bank	18.8	10,000.00	-	1,666.67	1,666.67	1,666.66	5,000.00	-
(e)	i	HDFC Bank	18.7	20,000.00	-	937.50	2,500.00	2,500.00	12,500.00	1,562.50
	ii	HDFC Bank	18.8	17,000.00	2,716.67	3,622.22	3,622.22	3,622.22	3,416.67	-
(f)	i	IDFC First Bank	18.7	5,000.00	625.00	833.33	833.33	833.34	1,875.00	-
	ii	IDFC First Bank	18.8	16,750.00	5,375.00	5,500.00	4,250.00	500.00	1,125.00	-
	iii	IDFC First Bank	18.8	2,000.00	250.00	333.33	333.33	333.34	750.00	-
(g)	i	Indian Bank	18.7	10,000.00	1,250.00	1,250.00	1,250.00	1,250.00	5,000.00	-
	ii	Indian Bank	18.8	10,000.00	1,666.67	1,666.67	1,666.67	1,666.66	3,333.33	-
(h)	i	Punjab National Bank	18.7	20,000.00	-	625.00	2,500.00	2,500.00	12,500.00	1,875.00
(i)	i	Punjab & Sind Bank	18.7	9,539.36	2,039.36	1,250.00	1,250.00	1,250.00	3,750.00	-
	ii	Punjab & Sind Bank	18.8	44,375.00	13,750.00	10,000.00	8,750.00	8,750.00	3,125.00	-
(j)	i	State Bank of India	18.7	13,125.00	2,500.00	2,500.00	2,500.00	2,500.00	3,125.00	-
(k)	i	Union Bank of India	18.7	3,245.51	2,689.95	555.56	-	-	-	-

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

18.6 The rate of interest for term loans from banks ranges from 8.40% to 9.10%. The rate of interest for term loans from banks are subject to reset annually except the term loan from IDFC First Bank referred in f(i) and f(ii) of Note 18.4.1 for which the reset occurs quarterly & half-yearly respectively.

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

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

18.9 For secured loans outstanding from banks amounting ₹ 13,750.00 lakhs (as at 31 March, 2018 ₹ 21,312.50 lakhs) and from other parties amounting ₹ Nil (as at 31 March, 2018 ₹ 3,825.00 lakhs), The Tata Power Company Limited (the holding company) has given undertaking to retain management control and majority representation on the Board of Directors of the Company.

18.10 **12% non-convertible cumulative redeemable preference share capital**

The Group issued 500 lakhs 12% non-convertible cumulative redeemable preference shares of ₹ 100 each in FY 2012-13 out of which 255 lakhs i.e. 51% were held by Tata Power Company Limited, the holding company and 245 lakhs i.e. 49% were held by Delhi Power Company Limited. The maximum term of the aforesaid preference shares was 20 years (i.e. upto 19 March, 2033). However, the Board of Directors shall have the option to redeem the preference shares at any time after the allotment thereof keeping in view the availability of the profitability/surplus funds.

18.10.1 During the current year ending 31 March, 2019, the Group has redeemed 500 lakhs 12% non-convertible cumulative redeemable preference shares of ₹ 100 each on 27 February, 2019 pursuant to approval from Board of Directors at its meeting held on 23 October, 2018. The dividend of ₹ 12 per share has been paid to all holders of fully paid preference shares upto the date of redemption. The total dividend paid is ₹ 5,457.53 lakhs (for the year ended 31 March, 2018 ₹ 6,000.00 lakhs) and the dividend distribution tax thereon amounting to ₹ 1,121.81 lakhs (for the year ended 31 March, 2018 ₹ 1,233.32 lakhs).

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 19		
Other financial liabilities - non current		
(At amortised cost)		
Security deposits		
(a) Consumers' security deposit	62,537.57	55,280.91
(b) Others	318.90	249.22
	62,856.47	55,530.13

Note 20

Provisions - non current

Accounting policy

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Provision for employee benefits		
(a) Compensated absences	4,367.72	3,948.95
(b) Other employee benefits (refer note 20.1)	202.26	250.60
	4,569.98	4,199.55

20.1 Other employee benefits include pension liability to VSS employees.

20.2 There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28 February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group is evaluating its impact on the financial statement. However, the Group does not expect any significant impact on its financial statements.

20.3 **Defined contribution plan**

(i) **Provident fund plan and employees state insurance scheme**

The Group makes contribution towards provident fund which is a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employees Provident Fund is deposited under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

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

(ii) **Pension and leave salary contribution**

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

On account of Defined Contribution Plans, a sum of ₹ 3,376.98 lakhs (for the year ended 31 March, 2018 ₹ 5,413.87 lakhs) has been charged to the Statement of Profit and Loss during the year.

20.4 **Defined benefit plan (Gratuity plan)**

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

20.5 **Policy for recognising actuarial gains and losses**

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

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20.6 Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, mortality risk and salary risk.

(a) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

(b) **Interest rate risk:** A decrease in the bond interest rate (discount rate) will increase the plan liability.

(c) **Mortality risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

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

20.7 The following tables set out the funded status of the gratuity plan and amounts recognised in the Group's financial statements as at 31 March, 2019:

₹/Lakhs

	Particulars		Gratuity (Funded)	
			As at 31.03.2019	As at 31.03.2018
(i)	**Net liability arising from defined benefit obligation**		**9.40**	**243.96**
(ii)	**Change in benefit obligations:**			
	Present value of obligations as at 1 April	A	3,048.03	2,696.59
	Current Service Cost	B	310.67	294.19
	Interest Cost	C	247.50	200.84
	Past Service Cost	D	-	-
	Remeasurement (gains)/losses: Actuarial (gains)/losses	E	54.07	(11.10)
	Benefits Paid	F	205.16	132.49
	Present value of defined benefit obligation as at 31 March	(A+B+C+D+E-F)	**3,455.11**	**3,048.03**
(iii)	**Change in plan assets**			
	Fair Value of Plan Assets as at 1 April	A	2,804.07	2,288.50
	Interest Income	B	219.07	159.11
	Employer's Contribution	C	634.91	474.09
	Remeasurement (gains)/losses:			
	- Return on plan assets (excluding amounts included in net interest expense)	D	(7.19)	14.86
	Benefits Paid	E	205.15	132.49
	Fair value of plan asset as at 31 March	(A+B+C+D-E)	**3,445.71**	**2,804.07**

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

₹/Lakhs

Particulars		Gratuity (Funded)	
		Year ended 31.03.2019	Year ended 31.03.2018
Current service cost	A	310.67	294.20
Net interest expense/(income)	B	28.42	41.73
Other adjustment	C	(43.16)	(1.41)
Defined benefit cost recognised in the Statement of Profit and Loss	(A+B+C)	**295.93**	**334.52**

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

₹/Lakhs

Particulars		Gratuity (Funded)	
		Year ended 31.03.2019	Year ended 31.03.2018
Actuarial (gains)/losses arising from:			
(a) changes in demographic assumptions	A	-	103.86
(b) changes in financial assumptions	B	2.42	(162.52)
(c) experience adjustments	C	51.65	47.56
Return on plan assets (excluding amounts included in net interest expense)	D	(7.19)	14.86
Components of defined benefit costs recognised in other comprehensive income	(A+B+C-D)	**61.26**	**(25.96)**

(vi) **Principal actuarial assumptions:**

Particulars	Notes	Year ended 31.03.2019	Year ended 31.03.2018
Discount Rate (p.a.)	1.	7.60%	7.60%
Salary escalation rate (p.a.)	2.	8.00%	8.00%

Notes:

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

2. **Salary increase** : The estimates of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Demographic assumptions:		
Retirement age	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.
Withdrawal rate	8% p.a.	8% p.a.

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

Particulars	As at 31.03.2019	As at 31.03.2018
Government of India Securities	66.76%	63.10%
Debt instruments	25.89%	27.00%
Equity and preference shares	6.94%	7.71%
Other deposits	0.41%	2.19%
	100.00%	**100.00%**

The Group's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Group are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance Corporation of India and actuarial valuer is provided for in the financial statements of the Group. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

(viii) **Sensitivity Analysis**

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

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Decrease in defined benefit obligation due to 1% increase in discount rate	252.11	225.56
(b) Increase in defined benefit obligation due to 1% decrease in discount rate	289.22	259.12

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate	253.43	226.74
(b) Increase in defined benefit obligation due to 1% increase in expected salary escalation rate	285.24	255.55

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

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

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

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

(ix) **Maturity Profile of Defined Benefit Obligation**

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Weighted average duration of the defined benefit obligation	13 years	13 years
(ii) Duration of defined benefit obligation		
Duration (Years)	**Amount (₹/Lakhs)**	**Amount (₹/Lakhs)**
1	335.12	254.55
2	285.82	273.18
3	277.38	235.22
4	220.65	223.29
5	232.44	178.26
Above 5	2,103.70	1,883.53
Total	**3,455.11**	**3,048.03**
(iii) Duration of defined benefit payments		
Duration (Years)	**Amount (₹/Lakhs)**	**Amount (₹/Lakhs)**
1	347.62	264.05
2	319.02	304.91
3	333.12	282.49
4	285.14	288.55
5	323.20	247.86
Above 5	5,737.62	5,173.01
Total	**7,345.72**	**6,560.87**

(x) The contribution expected to be made by the Group during the financial year 2019-20 is ₹ 485.15 lakhs.

(xi) The actual return on plan assets is ₹ 211.88 lakhs (for the year ended 31 March, 2018 ₹ 173.97 lakhs).

20.8 **Principal actuarial assumptions for long-term compensated absences**

Particulars	Notes	Year ended 31.03.2019	Year ended 31.03.2018
Discount rate (p.a.)	1.	7.60%	7.60%
Salary escalation rate (p.a.)	2.	8.00%	8.00%

Notes:

1. **Discount rate** : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2. **Salary increase** : The estimates of future salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Demographic assumptions:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Retirement age	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.
Withdrawal rate	8% p.a.	8% p.a.

Note 21
Capital grants

Accounting policy

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

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

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
(i) Opening balance	655.74	729.99
(ii) Add : Additions during the year	-	-
(iii) Less: Amortisation during the year	74.25	74.25
(iv) Closing balance	581.49	655.74

Note 22
Contributions for capital works and service line charges

Accounting policy

Refer note 30.2 for accounting policy on contrbutions for capital works and service line charges.

Deferred revenue

(a) **Capital works**

(i) Opening balance	67,118.11	67,267.96
(ii) Add : Additions during the year	5,024.52	4,128.27
(iii) Less: Amortisation during the year	4,568.95	4,278.12
(iv) Closing balance	67,573.68	67,118.11

(b) **Service line charges**

(i) Opening balance	18,784.38	18,449.18
(ii) Add : Additions during the year	3,048.43	3,217.88
(iii) Less: Amortisation during the year	2,941.88	2,882.68
(iv) Closing balance	18,890.93	18,784.38
Total contribution for capital works and service line charges	**86,464.61**	**85,902.49**

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	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 23		
Other non current liabilities		
Consumers' deposits for works and service line charges	22,580.72	23,870.61
Note 24		
Short-term borrowings		
24.1 **Secured - at amortised cost**		
(a) From Banks		
(i) Cash credit account	3,490.00	954.77
(ii) Working capital demand loan		
- State Bank of India	7,200.00	-
	10,690.00	954.77
24.2 **Unsecured - at amortised cost**		
(b) From Banks		
(i) Axis Bank	17,300.11	15,036.12
(ii) Canara Bank	7,100.56	15,091.43
	24,400.67	30,127.55
	35,090.67	31,082.32

24.3 **Secured credit facilities**

The Group has availed secured cash credit limits of ₹ 14,500 lakhs from four banks i.e. State Bank of India, Punjab National Bank, Yes Bank and HDFC Bank, presently at an interest rate ranging from 8.35% to 10.10% p.a. The cash credit limit from State Bank of India amounting to ₹ 7,250 lakhs is interchangeable with working capital demand loan.These facilities are secured against first pari-passu charge on all present and future property, plant and equipment and intangible assets (movable and immovable) including stores & spares and third pari-passu charge on all present and future receivables.

24.4 **Unsecured credit facilities**

The Group has unsecured fund based credit facilities of ₹ 20,000 lakhs from Axis Bank and ₹ 15,000 lakhs from Canara Bank, presently at an interest rate of 8.70% and 8.60% p.a. respectively.

24.5 **Unsecured - Term loans - from other parties**

(a) Commercial paper

During the current year, the Group has issued and repaid commercial paper as follows:

Particulars		Units	FY 2018-19
(i)	Date of issue		06.04.2018
(ii)	Repayment date		05.06.2018
(iii)	Discount rate	% p.a	7.10
(iv)	Amount	₹/Lakhs	29,653.89
(v)	Face value	₹/Lakhs	30,000.00

(b) Short term loan

During the current year, the Group has availed and repaid short term loan as follows:

Particulars		Units	FY 2018-19
1.	- HDFC Bank		
(i)	Disbursement taken on		25.05.2018
(ii)	Repayment date		23.08.2018
(iii)	Interest Rate	% p.a	8.10
(iv)	Amount	₹/Lakhs	10,000.00
2.	- HDFC Bank		
(i)	Disbursement taken on		10.08.2018
(ii)	Repayment date		08.11.2018
(iii)	Interest Rate	% p.a	8.30
(iv)	Amount	₹/Lakhs	10,000.00

Note 25

	As at 31.03.2019	As at 31.03.2018
Trade payables (at amortised cost)	1,24,170.32	1,22,506.34

25.1 The average credit period on purchases from long-term power purchase arrangement ranges from 30 days to 60 days. Thereafter, interest is charged which generally ranges from 1.25% p.m. to 1.5% p.m on the unpaid amount. Rebate is generally available @ 2% if payment is made within 2 days from the presentation of bill or @ 1% if payment is made within 30 days from date of presentation. In some cases day wise rebate is also available. In case of short-term power purchase arrangement credit period ranges from 1 day to 30 days.

25.2 Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Group and the required disclosures are given below:

₹/Lakhs

Particulars		As at 31.03.2019	As at 31.03.2018
(a)	Principal amount remaining unpaid as at 31 March	154.67	191.39
(b)	Interest due thereon as at 31 March	-	-
(c)	The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(d)	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(e)	The amount of interest accrued and remaining unpaid as at 31 March		-
(f)	The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise		-

25.2.1 Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

25.2.2 Amounts unpaid to micro and small enterprises vendors on account of retention money, earnest money deposit and security deposit have not been considered for the purpose of interest calculation.

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 26		
Other financial liabilities - current		
(At amortised cost)		
(a) Security deposits		
(i) Consumers' security deposit	4,385.49	4,120.40
(ii) Others	1,032.00	1,456.00
	5,417.49	5,576.40
(b) Current maturities of long-term borrowings (refer note 18)		
Secured - at amortised cost		
(i) Term loans from banks		
(a) Allahabad Bank	5,902.78	5,902.78
(b) Axis Bank	6,108.00	2,916.00
(c) Canara Bank	9,131.95	9,652.77
(d) HDFC Bank	2,716.67	-
(e) IDFC First Bank	6,250.00	6,812.50
(f) Indian Bank	2,916.67	-
(g) Karnataka Bank	-	2,000.00
(h) Punjab & Sind Bank	15,789.36	16,578.96
(i) State Bank of India	2,500.00	2,500.00
(j) Union Bank of India	2,689.95	2,690.07
	54,005.38	49,053.08
(ii) Term loans from others		
(a) Aditya Birla Finance Limited	-	3,000.00
	-	3,000.00
Total current maturities of long-term borrowings	54,005.38	52,053.08
(c) Interest accrued but not due on borrowings	576.79	248.05
(d) Dividend accrued but not due on non-convertible cumulative redeemable preference shares to related parties	-	6,000.00
(e) Retention money payable	6,259.47	8,235.71
(f) Payables on purchase of property, plant and equipment	362.52	658.67
(g) Earnest money deposits	325.10	372.52
(h) Others	709.17	655.08
	67,655.92	73,799.51
Note 27		
Provisions - current		
Provision for employee benefits		
(a) Compensated absences (refer note 20)	1,005.53	864.17
(b) Defined benefit plans (refer note 20)	9.40	243.96
(c) Other employee benefits (refer note 27.1)	55.57	59.77
	1,070.50	1,167.90

27.1 Other employee benefits include pension liability to VSS employees.

27.2 Refer note 20 for accounting policy on provisions.

	As at 31.03.2019 ₹/Lakhs	As at 31.03.2018 ₹/Lakhs
Note 28		
Other current liabilities		
(a) Income received in advance	534.49	145.88
(b) Tax on dividend accrued on non-convertible cumulative redeemable preference shares	-	1,233.32
(c) Statutory dues	8,561.02	9,569.22
(d) Advance from consumers	6,243.11	3,544.43
(e) Advance government subsidy (to be adjusted upon billing)	7,948.48	6,514.18
(f) Payable for Pension Trust Surcharge (including unbilled)	1,510.75	1,420.88
(g) Others	391.87	141.99
	25,189.72	22,569.90

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Note 29
Contingent liabilities and commitments
(to the extent not provided for)

Accounting policy
A contingent liability is disclosed in the financial statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote. A contingent asset is disclosed in the financial statements by way of notes of accounts when an inflow of economic benefits is probable.

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
29.1 Claims against the Group not acknowledged as debts:		
(i) Legal cases filed by consumers, employees and others under litigation	3,547.49	3,479.46
(ii) Water charges demand raised by Delhi Jal Board (DJB)	63.17	97.65
(iii) Sales tax authorities	439.00	439.00
29.2 Liabilities arising out of litigation etc. due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
29.3 Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Group and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):		
(i) Matters on which decisions with the CIT(A) and various appellate authorities are pending	1,397.61	1,397.61
(ii) Interest demanded (as per demand order and appeal effect order)	908.84	894.97
(iii) Total demand* (i) + (ii)	2,306.45	2,292.58
(iv) Out of the above demand, amount paid under protest/adjusted by Income Tax authorities	2,013.84	2,013.84
*No provision is considered necessary since the Group expects favourable decisions.		
The above does not include any amount where the Income Tax department has preferred an appeal against issues already decided in favour of the Group.		
29.4 Interest liability payable on account of GST (Goods & Services Tax) paid under protest	72.91	-
29.5 Claims of power suppliers, not acknowledged as expense and credits	19,922.85	27,273.03
29.6 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	35,508.51	30,933.45

29.7 The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which initially 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Company. They were further entitled to retiral benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Company and the DVB Employees Terminal Benefit Fund, 2002 ('the Trust'). The Trust is of the view that its liability to pay retiral benefits arises only on the employee attaining the age of superannuation or on death, whichever is earlier. On 1 November, 2004, the Company entered into a Memorandum of Understanding with the Government of National Capital Territory of Delhi (GNCTD) and a special trust namely Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 Trust (SVRS RTBF, 2004 Trust) was created. This Trust was created to exclusively disburse retiral dues of the SVRS optees till these retirees attain the respective ages of superannuation or death, whichever is earlier, after which their dues were to be paid through the Trust already in existence.

For resolution of the issue through the process of law, the Company had filed a Writ before the Hon'ble Delhi High Court. The Hon'ble Court pronounced its judgement on this issue on 2 July, 2007 whereby while affixing liability on Discoms it has provided two options to the Discoms for paying Retiral benefits to the Trust:

(i) Retiral benefits other than pension (terminal benefits) due to the VSS optees and to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement/death (whichever is earlier) of such VSS optees. In addition, the Discoms shall pay the Retiral Pension to VSS optees till their respective dates of normal retirement, after which the Trust shall commence payment to such optees.

(ii) The Trust to pay the terminal benefits and all dues of the VSS optees and Discoms to pay to the trust an 'Additional Contribution' required on account of premature payout by the Trust which shall be computed by an Arbitral Tribunal of Actuaries to be appointed within a stipulated period.

The Company considers the second option as more appropriate and also estimates that the liability under this option shall be lower than under the first option which is presently being followed. The Trust has been opposing it and had filed an appeal LPA No.677/2011 before Division Bench which was dismissed on 31 August, 2015. The Pension Trust, GNCTD lost the said LPA in the High Court and have filed an appeal before the Hon'ble Supreme court. The Hon'ble Supreme Court of India by an Order dated 2 January, 2017 was pleased to reject Pension Trust's and Delhi Government's prayers for interim relief. In view of the same, it is now mandatory for the Pension Trust and the Delhi Government to appoint their joint nominee to the Arbitral Tribunal in line with Hon'ble Delhi High Court order. Till date no Arbitral Tribunal of Actuaries has been appointed. Pending computation of the liability by the Arbitral Tribunal of Actuaries due to delay in appointment of the same, no adjustment has been made in these financial statements.

While the writ petition was pending, the Company had already advanced ₹ 7,774.35 lakhs (as at 31 March, 2018 ₹ 7,774.35 lakhs) to the SVRS Trust for payment of retiral dues to separated employees. In addition to the payment of terminal benefits/residual pension to the Trust, in pursuant to the order of the Hon'ble Delhi High Court dated 2 July, 2007 in WP C 4827/2005, the Company has also paid interest @ 8% per annum, ₹ 801.27 lakhs in FY 2008-09 totalling to ₹ 8,575.62 lakhs (as at 31 March, 2018 ₹ 8,575.62 lakhs) as recoverable from SVRS Trust in case of option "(ii)". As the Company was entitled to get reimbursement against advanced terminal benefit amount on superannuation age, the Company had recovered/adjusted ₹ 8,472.56 lakhs (as at 31 March, 2018 ₹ 8,428.96 lakhs) from monthly pension, leave salary and other contribution, leaving a balance recoverable ₹ 103.05 lakhs as at 31 March, 2019 (as at 31 March, 2018 ₹ 146.66 lakhs) from the SVRS Trust which includes current portion of ₹ 100.79 lakhs for current year (as at 31 March, 2018 ₹ 106.68 lakhs).

29.8 In the Tariff Order of September 2015, August 2017 and March 2018, DERC has allowed power purchase cost of Anta, Auriya and Dadri plants from FY 2012-13 to FY 2016-17 on monthly average rate of exchange on Northern Region (N2) as per CERC Monthly Market Monitoring Report for respective years instead of actual power purchase cost on the premise that approval of the DERC was not obtained for entering into supplementary agreements with these power plants which was challenged in various tariff appeals. Additionally, while approving the quarterly power purchase adjustment surcharge (PPAC), the PPAC from these plants were also disallowed which was challenged in the Hon'ble Supreme Court after APTEL upheld in favour of the DERC. Since in the Tariff Order of March 2018, the DERC considered power purchase from these plants as a consolidated power purchase agreement with NTPC, and allowed power purchase from these plants from FY 2017-18 onwards as a source of power, the Group has withdrawn its appeal filed with the Hon'ble Supreme Court and filed a fresh petition with DERC for allowance of actual costs of Anta, Auriya and Dadri plants for period FY 2012-13 to FY 2016-17. The DERC vide its Order dated 4 July, 2018 has decided the said petition in favour of the Group where the actual cost of power procured from FY 2012-13 to FY 2016-17 has been allowed on the principle of Merit Order. The Group in its Tariff Petition filed on 31 October, 2018 has submitted its differential claim for the power purchase cost of these plants.

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

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Note 30
Revenue recognition

Accounting policy

Effective 1 April, 2018, the Group adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of 1 April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted i.e. the comparative information continues to be reported under Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The adoption of the standard did not have any material impact on the financial statements of the Group. The details of accounting policies under Ind AS 18 and Ind AS 11 are disclosed separately if they are significantly different from those under Ind AS 115 and the impact of changes are disclosed in Note 3.9.1.
Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.
Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

30.1 **Sale of power**

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

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

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

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

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

30.2 **Contribution for capital works & service line charges**

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

30.3 **Rendering of Services**

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

Input method : The extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress.

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

There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
30.4	**Revenue from operations**		
30.4.1	**Revenue from sale of power and open access**		
(a)	Sale of power	7,74,896.84	7,28,382.52
	Less: rebate on no. of bills	(873.93)	-
	Less: energy tax	28,651.15	31,140.28
		7,47,119.62	6,97,242.24
(b)	Income from open access charges	1,009.94	1,149.12
(c)	Income from sale of services	1,051.37	967.39
		7,49,180.93	6,99,358.75
30.4.2	**Other operating revenue**		
(a)	Late payment surcharge	1,869.11	1,789.15
(b)	Amortisation of service line charges	2,941.88	2,882.68
(c)	Commission on		
	- DVB arrears collection	1.85	1.57
	- Energy tax collection	843.94	918.70
(d)	Maintenance charges (refer note 30.4.2.1)	1,202.87	1,668.68
(e)	Amortisation of capital grants	74.25	74.25
(f)	Amortisation of consumer contribution for capital works	4,568.95	4,278.12
(g)	Miscellaneous operating income	374.29	347.05
		11,877.14	11,960.20
		7,61,058.07	7,11,318.95

30.4.2.1 Includes incentive on street light maintenance of ₹ 82.02 lakhs pertaining to FY 2018-19 (for the year ended 31 March, 2018 ₹ 134.89 lakhs).

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
30.5	**Other income**		
(a)	Interest income	642.83	437.54
(b)	Gain on sale/fair value of mutual fund investment measured at FVTPL	754.88	134.99
(c)	Income other than energy business	9,221.18	5,734.23
(d)	Other non-operating income	247.35	198.01
		10,866.24	6,504.77

30.6 **Disaggregation of revenue**

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

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

₹/Lakhs

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
(A) Revenue from contracts with customers			
- Based on nature of goods/services			
(i) Distribution of power			
(a) Sale of power	7,46,245.69		
Less: Rebate on no. of bills	(873.93)	7,47,119.62	6,97,242.24
(b) Income from open access charges		1,009.94	1,149.12
(c) Late payment surcharge		1,869.11	1,789.15
(d) Amortisation of service line charges		2,941.88	2,882.68
(e) Commission on			
- DVB arrears collection		1.85	1.57
- Energy tax collection		843.94	918.70
(f) Maintenance charges		1,202.87	1,668.68
(g) Amortisation of consumer contribution for capital works		4,568.95	4,278.12
(h) Miscellaneous income		397.96	369.11
(ii) Project management and other consultancy services		10,272.55	5,734.23
		7,70,228.67	**7,16,033.60**
(B) Other revenue			
(i) Distribution of power			
(a) Amortisation of capital grants		74.25	74.25
(b) Others		223.68	175.95
(ii) Others			
(a) Interest income		642.83	437.54
(b) Net gain on investments in mutual funds		754.88	134.99
		1,695.64	**822.73**
Total revenue		**7,71,924.31**	**7,16,856.33**

30.7 **Contract Balances**

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

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Contract assets		
Unbilled revenue other than passage of time (refer note 15(a))	1,115.17	-
Total contract assets	**1,115.17**	-
Contract liabilities		
Income received in advance (refer note 28(a))	534.49	145.88
Advance from consumers (refer note 28(d))	6,243.11	3,544.43
Deferred revenue from consumers -		
Consumers' deposits for works and service line charges (refer note 23)	22,580.72	23,870.61
Total contract liabilities	**29,358.32**	**27,560.92**
Receivables		
Trade receivables (gross) (refer note 11)	38,243.08	34,525.65
Unbilled revenue for passage of time (refer note 14.2(a))	34,406.20	31,820.21
Less : Allowances for doubtful debts (refer note 11)	12,649.01	11,812.63
Net receivables	**60,000.27**	**54,533.23**
Total	**90,473.76**	**82,094.15**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

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30.7.1 Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

₹/Lakhs

Particulars	As at 31.03.2019				As at 31.03.2018		
	Contract Assets	Contract Liabilities			Contract Liabilities		
	Unbilled revenue	Deferred Revenue	Income received in advance	Advance from consumers	Deferred Revenue	Income received in advance	Advance from consumers
Opening balance	748.55	23,870.61	145.88	3,544.43	21,225.72	302.15	3,894.87
Revenue recognised during the year from balance at the beginning of the year	-	-	(105.49)	(2,260.21)	-	(156.27)	(2,892.79)
Advance received during the year not recognised as revenue	-	6,783.06	494.10	4,958.89	9,991.04	-	2,542.35
Revenue recognised during the year apart from above	3,454.39	-	-	-	-	-	-
Transfer from contract liabilities upon satisfaction of performance obligation	-	8,072.95	-	-	7,346.15	-	-
Transfer from contract assets to receivables	(3,087.77)	-	-	-	-	-	-
Closing Balance	**1,115.17**	**22,580.72**	**534.49**	**6,243.11**	**23,870.61**	**145.88**	**3,544.43**

30.8 **Transaction price - remaining performance obligation**

The remaining performance obligation represents disclosure of aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Group expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialised.

The aggregate value of performance obligations for project management and other consultancy projects that are unsatisfied or partially satisfied as at 31 March, 2019 is ₹ 22,194.61 lakhs. Out of this, the Group expects to recognise revenue of around 38.77% within next one year and the remaining thereafter on contract-by-contract basis based on extent of progress of the projects.

NOTE 31

Power purchase cost

The Group has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Group has sold/under-drawn 2,088.28 million units (for the year ended 31 March, 2018 1,648.03 million units) of power to/in favour of other utilities. The power purchase cost of ₹ 5,89,686.12 lakhs (for the year ended 31 March, 2018 ₹ 5,13,091.38 lakhs) is net of sale of power/UI receivables ₹ 77,781.12 lakhs (for the year ended 31 March, 2018 ₹ 58,717.72 lakhs), rebate on power purchase ₹ 5,988.95 lakhs (for the year ended 31 March, 2018 ₹ 3,679.66 lakhs) and excludes in-house power generation cost.

The DERC vide notification dated 1 October, 2012 mandated Delhi discoms to meet Renewal Power Purchase obligation (RPO). However, due to non-availability of sufficient renewable power source and being additional cost to consumer for purchase of Renewable Power Certificate (REC) in lieu of renewable power, the Group had filed a petition in DERC seeking relaxation in buying REC/waiver of the penalty. During the course of hearing of the petition, the DERC advised the Group to fulfil its entire pending RPO obligation upto FY 2016-17 by the end of December 2017 and also directed to submit an affidavit in this regard. The Group has fulfilled its pending RPO obligation upto FY 2016-17 for ₹ 29,299.14 lakhs (excluding GST) by purchasing Renewable Power Certificate which will be pass through in power purchase cost and submitted the compliance of the same to the DERC. In view of the above, the DERC vide Order dated 28 February, 2018 has allowed the purchase of REC certificates towards power purchase cost along with the waiver of the penalty of ₹ 2,513 lakhs which was imposed while truing up of FY 2015-16. Further, in the Tariff Order dated 28 March, 2018, the Commission has stated that the impact of waiver of penalty shall be considered in the next tariff order.

Power generation companies such as NTPC have been raising power purchase bills from their coal based generating station to beneficiaries based on the coal price as charged by coal companies, however, Gross Calorific Value (GCV) of coal on received basis used for calculation of Energy Charge Rate (ECR) was not in accordance with the price paid for the coal with a grade slippage to the tune of 5-8 bands. In various judgments by Central Electricity Regulatory Commission (CERC) i.e. in petition no. 33/MP/2014 and 283/GT/2014 on this issue, CERC had ordered that there cannot be significant variation in GCV of coal at the loading point and unloading point at site. The matter of excess charges refund by Gencos had been further taken up by the Group through a separate petition 311/MP/2015 at CERC which is currently under adjudication.

In the GCV matter, NTPC has admitted 5 grade slippage in the Gross Calorific Value (GCV) of coal received from CIL used for calculation of Energy Charge Rate (ECR). Also, in compliance with the CERC directives in petition no. 311/MP/2015, NTPC furnished the invoices for coal and transportation which also substantiated the fact that there was grade slippage to the tune of 4-7 grades. Hence, the Group has computed the difference of estimated excess bill charged by NTPC coal based power generating stations including Aravali Jhajjar (NTPC comprises of around 50% of the total coal station allocation to the Group) for the period April, 2014 to August, 2017 (in line with CERC Regulations 14-19) amounting to ₹ 1,48,350 lakhs approx. (unaudited) & the same has been submitted in CERC under affidavit on 24 November, 2017. The Grade slippage matter in Petition No. 311/MP/ 2015 was listed on 11 April,2019 which was adjourned and next date of hearing is yet to be notified.

31.1 **Bilateral Power Purchase Agreement**

The Group has made bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. Power banking transactions both ways were recorded at the rate of ₹ 4 per unit till 15 November, 2018 which was revised at ₹ 2.48 per unit with effect from 16 November, 2018 as per DERC Order wherein it has directed to treat the normative cost of power banking transaction at weighted average variable cost of all long term sources of power purchase of relevant year. Details of power banked during the year ended 31 March, 2019 are as follows:

Particulars		Year ended 31.03.2019	Year ended 31.03.2018
		Receivable MU's	Receivable MU's
Opening balance as at 1 April of the year	(A)	769.23	296.88
Power banked (Outflow)	(B)	701.39	904.17
Power due against banked	(C)	730.90	921.37
Power receipt against opening	(D)	769.23	296.88
Power receipt against current period transactions	(E)	83.41	152.14
Balance receivable	(A+C-D-E)	647.49	769.23

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Note 32
Employee benefits expense (net)

Accounting policy
Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

32.1 **Defined contribution plans**
The Group's contribution to provident fund, etc. is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made when services are rendered by the employees. The Group has categorised defined contribution plan for different employees into two categories:

32.1.1 **Erstwhile DVB Employees:**
The Group's contributions into the DVB Employees Terminal benefit Fund 2002 ('the Trust') for the erstwhile DVB Employees as per the Transfer Scheme are defined contribution plans. Provisions for contributions towards all terminal/retirement benefits including gratuity, pension and leave encashment on separation of erstwhile DVB employees are made on the basis of the Fundamental Rules and Service Rules (FRSR Rules) as determined by the trustees of the Trust. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

32.1.2 **Employees other than from Erstwhile DVB:**
The Group makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Group's contribution to the Employees Provident Fund is deposited under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised by the Income Tax authorities. The provident fund plan is operated by the Regional Provident Fund Commissioner. Under the scheme, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits.

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

32.2 **Defined benefit plans**

32.2.1 **Employees other than from Erstwhile DVB:**
The Group's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each reporting period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the reporting period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

(a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
(b) Net interest expense or income; and
(c) Remeasurement

The Group presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Group has taken the group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

The Group contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Group.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

32.3 **Short-term employee benefits**
Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the reporting period in which the related service is rendered. These benefit includes performance incentive, salaries and wages, bonus and leave travel allowance.

32.4 **Other long-term employee benefits**

32.4.1 **Employees other than from Erstwhile DVB employees:**
Benefits comprising compensated absences as per the Group policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

32.4.2 **Erstwhile DVB**
The liability for retirement pension payable to the VSS optees till their respective dates of normal retirement or death (whichever is earlier) is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
(a)	Salaries, allowances and incentives	43,209.88	39,855.64
(b)	Contribution to provident and other funds (refer note 20 and note 27)	4,681.43	5,074.71
(c)	Seventh pay commission revision for previous years paid/provided	-	3,779.35
(d)	Staff welfare expenses	2,623.93	2,576.04
(e)	Other personnel cost	1,678.31	1,358.28
		52,193.55	52,644.02
	Less: Transferred to capital work-in-progress	4,973.64	4,875.00
		47,219.91	47,769.02
(f)	Pension and other payment to VSS and other retirees (refer note 29.7)	24.98	(142.27)
		47,244.89	47,626.75

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NOTE 33
Finance costs

Accounting policy

Borrowing Costs
Borrowing costs incurred for qualifying assets are capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset.
All other borrowing costs are recognised in the Statement of Profit and Loss in the reporting period in which they accrue.

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
(a)	Interest on term loan (gross)	21,759.68	22,121.81
	Less: Capitalised (refer note 33.1)	925.72	895.81
	Interest on term loans (net)	20,833.96	21,226.00
(b)	Interest on cash credit accounts/short-term borrowings	2,105.72	2,101.23
(c)	Interest on consumer security deposits	5,244.56	4,065.32
(d)	Dividend on non-convertible cumulative redeemable preference shares to related parties	6,579.35	7,233.32
(e)	Other borrowing costs	16.15	45.32
(f)	Other interest	112.89	8.08
		34,892.63	34,679.27

33.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.50% p.a. (for the year ended 31 March, 2018 8.84% p.a.).

33.2 **Interest on Consumer Security Deposit**

As per the provisions of Section 47(4) of the Electricity Supply Act, 2003 interest on consumer security deposits is payable at the bank rate as per the notification by DERC. During the year 2007, DERC had issued Delhi Electric Supply Code and Performance Standards Regulations, which came into force from 18 April, 2007 through notification in the Official Gazette. As per Clause 16(vi) of the Regulations, interest at the rate of 6% per annum is payable on consumer security deposits which has been revised from 1 September 2017 vide DERC (Supply Code and Performance Standards) Regulations, 2017 at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1 April of that financial year.

In view of the fact that the matter of liability on account of opening consumer security deposits in excess of ₹ 1,000 lakhs (Previous Year ₹ 1,000 lakhs) transferred to the Company as per the Transfer Scheme is sub-judice and no stay has been granted on payment of interest on and/or refund of opening consumer security deposits in excess of ₹ 1,000 lakhs (Previous Year ₹ 1,000 lakhs), the Company has provided interest expense aggregating to ₹ 5,244.56 lakhs (for the year ended 31 March, 2018 ₹ 4,065.32 lakhs) during the year on the outstanding consumer security deposits received by the Company since takeover of business in July, 2002 and also on the estimated total consumer security deposits received by the erstwhile DVB as per the Company's records. Out of the above interest expenditure, an amount of ₹ 246.98 lakhs (for the year ended 31 March, 2018 ₹ 217.06 lakhs) would be recoverable from DPCL if the Company's contention is upheld by the Hon'ble High Court that the Company's liability for interest payment/refund on account of opening consumer security deposits is only to the extent of ₹ 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

NOTE 34
Other expenses

		Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
Operating and maintenance expenses			
(a)	Stores and spares consumed (net of recoveries)	2,723.25	2,705.57
(b)	Repairs and maintenance:		
	(i) Building	451.95	507.18
	(ii) Plant and equipment	7,842.13	7,821.12
	(iii) Others	6,125.23	5,222.21
(c)	Loss on disposal of property, plant and equipment	2,790.41	1,716.69
		19,932.97	17,972.77
Administrative and general expenses			
(a)	Communication expenses	257.65	232.75
(b)	Printing and stationery	321.52	295.91
(c)	Legal and professional charges	2,213.47	1,812.89
(d)	Travelling and conveyance	947.99	727.89
(e)	Insurance	518.00	510.56
(f)	Advertisement, publicity and business promotion	301.00	714.40
(g)	Corporate Social Responsibility expenses (excluding 5% administrative expenses)	799.56	812.60
(h)	Rent and hire charges	255.73	250.17
(i)	Rates and taxes	2,007.58	3,307.17
(j)	Freight, handling and packing expenses	61.63	43.60
(k)	Bill collection and distribution expenses	1,143.24	1,200.09
(l)	Postage and courier charges	32.45	34.09
(m)	EDP expenses	888.74	1,131.37
(n)	Housekeeping expenses	920.45	893.36
(o)	Foreign exchange fluctuation loss (net)	5.41	13.40
(p)	Bad debts written off	195.18	17.65
(q)	Allowance for doubtful debts	40.02	648.66
(r)	Miscellaneous expenses	1,148.70	1,032.37
		12,058.32	13,678.93
	Total	**31,991.29**	**31,651.70**

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Note 35
Regulatory deferral account balances

Accounting policy

The Group's operations of power distribution are a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the DERC. Accordingly, the Group recognises Regulatory deferral account balance in respect of difference between allowable controllable/ uncontrollable expenses and revenue actually collected from regulated activities. Debit balance in the Regulatory deferral account balance represents cumulative shortfall in recovery which is allowable to the Group through tariff revision in future periods whereas credit balance in Regulatory deferral account balance represents cumulative excess recovery which is refundable through future tariff reductions.The Group records Regulatory deferral account balance as at the reporting date based on prevailing regulatory guidelines, various judgments given by judicial authorities, past practices and opinion of legal experts. Any change in the Regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to orders/ judgements of regulator, judicial authorities, etc. are recorded in the period of such change.

35.1 As per Ind AS 114 "Regulatory Deferral Accounts", the business of electricity distribution is a rate regulated activity where the Delhi Electricity Regulatory Commission (DERC) determines Retail Supply Tariff (RST) to be charged from consumers based on prevailing regulations in place.

35.2 DERC on 31 January, 2017 has notified the Delhi Electricity Regulatory Commission (Composite Terms and Conditions for Tariff and Accounting) Regulations, 2017 for determination of annual revenue requirement (ARR) for 3rd control period from FY 2017-18 onwards. As part of yearly tariff determination exercise, the Group further filed True-up Petition for FY 2016-17 and ARR for FY 2018-19 on 4 December, 2017 which has been disposed by the DERC and issued Tariff Order on 28 March, 2018.

In the latest tariff order, the DERC has increased the tariff by marginal 2.50% by increasing the fixed charges for all categories of consumers and levelised the same by reduction in variable charges. Further, the DERC has continued to allow additional surcharge at 3.80% for the pension trust from the existing level of 3.70%. The trued up regulatory deferral account balance by the DERC up to 31 March, 2017 is at ₹ 2,39,461 lakhs as against ₹ 4,57,370.26 lakhs as per financial books of account. The difference in regulatory deferral account is due to partial disallowance of power purchase cost from Anta, Auriya & Dadri, which now has been recognised as source of power from these plants from FY 2012-13 and to be accounted for by DERC in the next tariff order, pending true-up order for power purchase from Rithala Power Generation Plant and provisional truing up of capitalisation, disallowance of de-capitalised property, plant and equipment and corresponding impact on return on capital employed (ROCE), income tax and carrying cost. These disallowance have already been challenged in APTEL for the amount disallowed upto FY 2016-17. Further, as a part of yearly tariff determination exercise, the Group has filed Tariff Petition (i.e. True-up for FY 2017-18 and ARR for FY 2019-20) on 31 October, 2018. The DERC vide its order dated 21 February, 2019 has admitted the Tariff Petition.

35.3 **The movement in regulatory deferral account balance as at 31 March, 2019 is as follows:**

₹/Lakhs

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(A) Opening regulatory deferral account debit balance	4,39,985.26	4,57,370.26
(B) Net movement during the year		
(i) Power purchase cost	5,91,016.00	5,19,540.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	1,86,978.00	1,75,596.00
(iii) Collection available for ARR as per MYT order	7,60,110.00	7,12,521.00
(C) Net movement shown in the Statement of Profit and Loss [(i)+(ii)-(iii)]	17,884.00	(17,385.00)
(D) Closing regulatory deferral account debit balance [(A)+(C)]	**4,57,869.26**	**4,39,985.26**

35.4 The Group on a regular basis evaluates the changes in the DERC regulations and other factors which may trigger the impairment of the regulatory deferral account balances.

35.5 **Rithala Power Generation Plant**

For the period while Rithala plant was operational, DERC had provisionally allowed the power purchase cost at the rate equivalent to the UI rates for units generated during the time when the Group was under-drawing from the grid and at average rate of power purchased during the period when the Group was over-drawing from the grid, instead of the actual cost of generation up to FY 2012-13. Further, no recovery of fixed cost had been allowed for the period when plant was not operational due to non-availability of gas from April 2013.

On 31 August, 2017, the DERC issued the Order fixing the operational norms like station heat rate, auxiliary consumption, plant load factor etc. as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at ₹ 19,770 lakhs against ₹ 30,239 lakhs as per financial books of account. Further, the DERC has recognised tariff of the plant for 6 years from the date of commercial operation (COD) in combined cycle mode upto 31 March, 2018. Therefore, the Group has not considered any billing of Rithala Power Plant from 1 April, 2018. The said order was challenged by the Group in the APTEL on 17 October, 2017 but withdrawn later on with the liberty to approach and redress the grievances again if any arises from the Commission's True-up order.

Further, in the Order of August 2017, the DERC has also directed that the petitioner shall file true up petitions based on the applicable regulations for the aforesaid parameters for finalisation of generation tariff for the respective years. In compliance with the direction of filing True-up petition up to FY 2016-17 for determination of tariff for power purchase from Rithala Power Generation Plant, the Group has filed true up petition with the DERC on 3 October, 2017. Further, amendment application has been moved by the Group before the DERC for including the True-up of the FY 2017-2018 and the same has been admitted by DERC. The True-up petition was listed for hearing on 25 March, 2019. During the said hearing, the Group submitted that bona fide efforts are being taken by the Group towards disposal of the plant. Next date of hearing has been fixed for 23 April, 2019.

As at 31 March, 2018, based on management's analysis and opinion of a legal expert, the Group was carrying the Rithala Plant's capital cost at ₹ 24,000 lakhs and accordingly, the Group had recorded a sum of ₹ 39,035 lakhs towards Rithala Plant billing (including carrying costs) and recorded an impairment loss of ₹ 3,757.05 lakhs against the carrying value of the Rithala Plant.

As the appeal against 31 August, 2017 Order stands withdrawn as of date, the Group has further adjusted a sum of ₹ 7,951 lakhs towards Rithala billing (including carrying costs) and further recorded an impairment loss of ₹ 1,807.88 lakhs in the current year being the difference in carrying value of the Rithala plant of ₹ 24,000 lakhs and ₹ 19,770 lakhs initially allowed in 31 August, 2017 Order. Further, as the Commission has approved capital cost of ₹ 19,770 lakhs and since the asset has been classified under the head " Asset Held for Sale", the remaining unclaimed approved plant cost of ₹ 19,770 lakhs less fair value has been shown as recoverable from future tariff with the assumption that the net sale/scrap proceeds for Rithala Power Generation Plant after recovering the 10% salvage value shall be offered in ARR.

Below is the status of billing done by Rithala plant and power purchase cost provisionally allowed by the DERC and adjustment made.

₹/Lakhs

Particulars	For the period FY 2010-11 to FY 2018-19
Billing done by Rithala Power Generation Plant to Distribution (A)	81,347.00
Allowed by DERC for the period plant was operational (B)	12,195.00
Allowed by DERC for the period plant was not-operational (C)	-
Provisional disallowed power purchase cost/yet to be trued up (D)=(A)-(B)-(C)	69,152.00
Carrying cost recorded (till 31 March, 2019) (E)	42,353.00
Power purchase cost including carrying cost for which tariff is yet to be determined by DERC (F)=(D)+(E)	1,11,505.00
Adjustment made (G)	46,986.00

35.5.1 **Assets classified as held for sale**

Accounting policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each balance sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Group treats sale/distribution of the asset or disposal group to be highly probable when:

(a) the appropriate level of management is committed to a plan to sell the asset (or disposal group),
(b) an active programme to locate a buyer and complete the plan has been initiated (if applicable),
(c) the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
(d) the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
(e) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Asset classified as held for sale are measured at the lower of carrying amount or fair value less costs to sell.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

During the current year, the property, plant and equipment relating to Rithala Power Generation Plant has been classified as assets held for sale pursuant to derecognition of Rithala plant as source of power with effect from 1 April, 2018 and management's intention to sell the plant.

The assets classified as held for sale have been accounted at lower of carrying amount and fair value less costs to sell. The fair value of property, plant and equipment classified as assets held for sale has been determined based on a valuation report given by an expert which has used Level 3 valuation techniques.

As at 31 March, 2019, the carrying value and fair value less costs to sell of Rithala Power Generation Plant classified as assets held for sale is detailed below:

₹/Lakhs

Particulars	As at 31.03.2019		
	Carrying value	Impairment Loss	Fair value less costs to sell
	(A)	(B)	(C)=(A)-(B)
Property, plant and equipment	10,836.34	8,832.34	2,004.00

The significant unobservable input used in the non-recurring fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March, 2019 are as shown below:

Particulars	*Level in fair value hierarchy	Valuation techniques	Date of valuation	Significant unobservable inputs
Assets classified as held for sale	3	Valuation at salvage value	31.03.2019	Salvage value discounted by the estimated cost of removable assets.

* Refer note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

The disposal group does not constitute a separate major line of business of the Group and therefore, has not been classified as discontinued operations.

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Note 36
Segment reporting

The Group is engaged in the business of distribution and generation of power in North and North-west of Delhi. Chief Operating Decision Maker (CODM) reviews the financial information of the Group as a whole for decision making and accordingly the Group has a single reportable segment.

No consumer individually accounted for more than 10% of the billed revenue for the year ended 31 March, 2019 and 31 March, 2018.

Note 37
Earnings per equity share (EPS)

Accounting policy

Basic earnings per equity share has been computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period in accordance with Ind AS 33, "Earnings Per Share". Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

The Group also presents Basic earnings per equity share in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

37.1 **EPS - Continuing operations (excluding regulatory income)**

Particulars	Units	Year ended 31.03.2019	Year ended 31.03.2018
Profit for the year from continuing operations		34,158.96	31,015.90
Net movement in regulatory deferral account balance		17,884.00	(17,385.00)
Income-tax attributable to regulatory expenses		(3,853.79)	3,710.24
Net movement in regulatory deferral account balance (net of tax)		14,030.21	(13,674.76)
Profit/(Loss) for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance	₹/Lakhs	20,128.75	44,690.66
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of ₹ 10 each	₹	3.65	8.10
Face value of equity shares	₹	10.00	10.00

37.2 **EPS - Continuing operations (including regulatory income)**

Particulars	Units	Year ended 31.03.2019	Year ended 31.03.2018
Profit/(loss) for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹/Lakhs	34,158.96	31,015.90
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of ₹ 10 each	₹	6.19	5.62
Face value of equity shares	₹	10.00	10.00

37.3 The Group does not have any potential dilutive equity shares.

Note 38
Income tax

Accounting policy
Income tax expense represents the sum of the tax currently payable and deferred tax.

38.1 **Current tax**

The current tax payable is based on taxable profit for the reporting period.
Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are treated differently according to Income Tax Act, 1961. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.
The Group periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in other comprehensive income or directly in equity respectively.

38.2 Income tax expense recognised in the Statement of Profit and Loss consists of:

	Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
Income tax expense recognised in the Statement of Profit and Loss :		
a. Current tax		
Current tax expense (refer note 38.4 and 38.5)	18,882.39	17,317.55
Less: MAT credit adjusted during the year	8,679.88	7,706.05
Current tax (net)	10,202.51	9,611.50
b. Deferred tax		
Provision for the year (refer note 38.4 and 38.5)	7,128.47	11,587.92
Less: adjustable from future tariff	(7,100.95)	(11,578.27)
Deferred tax (net)	27.52	9.65
Income tax expense recognised in other comprehensive income :		
Income tax relating to items that will not be reclassified to profit or loss:		
c. Current tax expense		
Remeasurement of defined benefit obligation (refer note 38.4 and 38.5)	(13.20)	5.54
d. Deferred tax		
Remeasurement of defined benefit obligation		
Provision for the year (refer note 38.4 and 38.5)	(8.21)	9.07
Less: adjustable from future tariff	8.21	(9.07)
Deferred tax (net)	-	-
Total income tax expense recognised during the year (a+b+c+d)	**10,216.83**	**9,626.69**

38.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31.03.2019 ₹/Lakhs	Year ended 31.03.2018 ₹/Lakhs
Profit before tax	44,388.99	40,637.05
Enacted income tax rate in India	34.94%	34.61%
Computed expected tax expense	15,511.29	14,063.67
Add/(Less) tax effect on account of :		
Expenses not considered in determining taxable profit	2,589.91	2,785.48
Reversal during tax holiday period	(554.59)	1,777.71
Deduction under chapter VI-A	42.69	(64.51)
Adjustment for MAT credit	(242.99)	2,080.56
Effect on deferred tax balances due to change in income tax rate	-	558.88
Overseas taxes	(34.25)	-
Effect of tax on income at different rates (refer note 38.5)	(52.60)	(42.15)
Others	71.52	39.78
Income tax expense in respect of current year	**17,330.98**	**21,199.42**
Less: Deferred tax adjustable from future tariff	7,100.95	11,578.27
Income tax expense recognised in the Statement of Profit and Loss	**10,230.03**	**9,621.15**

38.4 The Company has made provision for income tax at the rate of 34.94% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2019 and at the rate of 34.61% for the year ended 31 March, 2018.

The Company has to pay taxes based on the higher of income-tax profit of the Company or MAT at 21.55% (FY 2017-18 21.34%) of book profit for the year 2018-19 and 2017-18.

The provision for deferred tax has been worked upon at the rate of 34.94% (substantially enacted tax rate at balance sheet date) for the year ended 31 March, 2019 and 31 March, 2018.

38.5 The Subsidiary has made provision for current tax at the rate of 27.82% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2019 and at the rate of 27.55% for the year ended 31 March, 2018 . The provision for deferred tax has been worked upon at the rate of 27.82% (substantially enacted tax rate at balance sheet date) for the year ended 31 March, 2019 and 31 March, 2018.

Overseas taxes of the Subsidiary include taxes paid in foreign jurisdiction, principally in Nigeria. 10% tax is deducted at source at the time of remittance received from customer located in Nigeria. Prior to the introduction of Foreign Tax Credit (FTC) Rules, the Subsidiary was claiming proportionate foreign tax credit relief and portion of tax which was not admissible as relief under Indian tax laws was included in current tax. However, after the clarification on FTC Rules, the Subsidiary is considering full foreign tax credit as per FTC Rule 128(5)(i) i.e. lower of the tax payable under the Income Tax Act on the income offered/assessed to tax in India & the foreign tax paid on such income.

38.6 **Deferred tax**

Accounting policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period.

In the situations where one or more units of the Group are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Group restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, deferred tax is also recognised in other comprehensive income or directly in equity respectively.

38.7 Deferred tax liabilities/assets (net) as at 31 March, 2019, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2019.

₹/Lakhs

Particulars (2018-19)	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment (refer note 38.9)	62,831.24	(1,237.98)	-	61,593.26
Provision for doubtful debts	(2,675.30)	(21.55)	-	(2,696.85)
Provision for employee benefits	(1,875.60)	(87.20)	(8.21)	(1,971.01)
MAT credit	(47,166.07)	8,436.89	-	(38,729.18)
Others	(162.41)	10.79	-	(151.62)
Deferred tax liabilities/(asset) [net]	**10,951.86**	**7,100.95**	**(8.21)**	**18,044.60**

Deferred tax liabilities/assets (net) as at 31 March, 2018, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2018.

₹/Lakhs

Particulars (2017-18)	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment	60,593.69	2,237.55	-	62,831.24
Provision for doubtful debts	(2,425.09)	(250.21)	-	(2,675.30)
Provision for employee benefits	(1,681.78)	(202.89)	9.07	(1,875.60)
MAT credit	(56,952.68)	9,786.61	-	(47,166.07)
Others	(169.62)	7.21	-	(162.41)
Deferred tax liabilities/(asset) [net]	**(635.48)**	**11,578.27**	**9.07**	**10,951.86**

38.8 In respect of Group's power generation and distribution business, as per MYT regulations for determination of tariff, tax expense shall be considered in tariff determination as and when and to the extent of income tax actually paid. Accordingly, the Group has made provision only for the amount of income tax that is actually payable and the deferred tax liability (net) as at 31 March, 2019 of ₹ 18,044.60 lakhs (as at 31 March, 2018 ₹ 10,951.86 lakhs) and deferred tax charge of ₹ 7,092.74 lakhs for the year ended 31 March, 2019 (for the year ended 31 March, 2018 ₹ 11,587.34 lakhs) has been adjusted with a corresponding deferred tax liabilities/assets adjustable in future tariff.

38.9 As at 31 March, 2019, deferred tax liability of ₹ 61,593.26 lakhs on account of property, plant and equipment is net of deferred tax asset of ₹ 2,060.47 lakhs arising on assets classified as held for sale.

38.10 During the current year, the management has reassessed the recoverability of unrecognised MAT credit and accordingly recognised MAT credit amounting to ₹ 38,729.18 lakhs as at 31 March, 2019 (as at 31 March, 2018 ₹ 47,166.07 lakhs).

38.11 Deferred tax liabilities (net) of the Subsidiary as at 31 March, 2019 and 31 March, 2018, as detailed below reflect the quantum of tax liabilities accrued up to 31 March, 2019 and 31 March, 2018 respectively.

₹/Lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
- 2018-19				
Deferred tax liability on account of :				
Investment in mutual funds	13.29	27.52	-	40.81
Deferred tax liability [net]	**13.29**	**27.52**	**-**	**40.81**
- 2017-18				
Deferred tax liability on account of :				
Investment in mutual funds	3.64	9.65	-	13.29
Deferred tax liability [net]	**3.64**	**9.65**	**-**	**13.29**

Note 39
Financial instruments

39.1 **Capital management and gearing ratio**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Group's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Group. In particular, the Group seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and requirements of the financial covenants. From time to time, the Group reviews its policy related to dividend payment to shareholders, return of capital to shareholders or fresh issue of shares. The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.
The Group's capital structure consists of net debt and total equity. The Group includes within net debt, interest bearing borrowings, less cash and bank balances as detailed below. The position on reporting date is summarised in the following table:

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Long-term borrowings (including non-convertible cumulative redeemable preference share capital)	2,22,188.07	2,43,933.46
Current maturities of long-term borrowings	54,005.38	52,053.08
Short-term borrowings	35,090.67	31,082.32
Total debt (A)	**3,11,284.12**	**3,27,068.86**
Less: Cash and bank balances (B)	6,006.25	13,785.13
Net debt {(C)=(A)+(B)}	**3,05,277.87**	**3,13,283.73**
Total equity (D)	3,20,383.29	2,96,919.84
Total equity and net debt {(E)=(C)+(D)}	**6,25,661.16**	**6,10,203.57**
Net debt to total equity plus net debt ratio (%) {(F)=(C)/(E)}	**48.79%**	**51.34%**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current reporting period.
No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2019 and 31 March, 2018.

39.2 **Categories of financial instruments**

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Financial assets		
(i) Measured at fair value through profit or loss		
(a) Investments in mutual funds (unquoted) {refer note 39.2.1(b)}	1,741.23	1,254.72
(ii) Measured at amortised cost		
(a) Trade receivables	25,594.07	22,713.02
(b) Cash and cash equivalents	2,425.28	10,197.25
(c) Bank balances other than cash and cash equivalent above	3,580.97	3,587.88
(d) Loans: Security deposits	435.25	331.05
(e) Unbilled revenue	34,406.20	31,820.21
(f) Others	247.49	237.21
Total	**68,430.49**	**70,141.34**
Financial liabilities		
(i) Measured at amortised cost		
(a) Borrowings (including current maturities and non-convertible cumulative redeemable preference share capital)	3,11,284.12	3,27,068.86
(b) Interest accrued but not due on borrowings	576.79	248.05
(c) Dividend accrued but not due on non-convertible cumulative redeemable preference shares	-	6,000.00
(d) Trade and other payables	1,24,170.32	1,22,506.34
(e) Consumers' security deposit	66,923.06	59,401.31
(f) Retention money payable	6,259.47	8,235.71
(g) Others	2,747.69	3,391.49
Total	**5,11,961.45**	**5,26,851.76**

39.2.1 **Fair value of financial assets and financial liabilities that are not measured at fair value**

(a) The Group assessed that the carrying value of cash and cash equivalents, other balances with bank, trade receivables, investments, loans, unbilled revenue, borrowings and interest accrued thereon, consumers' security deposit, retention money payable, trade payables, other financial assets and liabilities approximate their fair value largely due to the short term maturities of these instruments/ buying subject to floating-rate.

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(b) The Group's investments are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018	Fair Value hierarchy
- Measured at fair value through profit or loss			
Carrying value/fair value of investments in mutual funds (unquoted)	1,741.23	1,254.72	Level 1

Valuation technique and observable key inputs

(i) Level 1: Net asset value of mutual fund investments at reporting date

(ii) Refer note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

39.3 **Financial risk management objectives and policies**

The Group's principal financial liabilities comprise borrowings, consumers' security deposit, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks , unbilled revenue and other financial assets that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Company's Corporate Level Risk Management Committee (CLRMC) oversees the management of these risks and appropriate risk governance framework for the Company. The Company's CLRMC is supported by a Finance Risk Management Sub-Committee that reviews the financial risks. The Company's financial risk activities are governed by appropriate policies and procedures (in accordance with ISO 31000:2009 guidelines) and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risk management policy is approved by the Board of Directors.

The Group's focus is to ensure liquidity which is sufficient to meet Group's operational requirements, the management also monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The management reviews and manages these risks, which are summarised below:

39.3.1 **Market risk**

Market risk is the risk that changes in market prices will affect the Group's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk primarily comprises of term borrowings.

Market risks are composed of foreign currency exchange risk, interest rate risk and price risk.

(A) Foreign currency exchange risk management

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Group does not have significant foreign currency denominated transactions, hence the Group is not exposed to significant foreign currency exchange risk.

(B) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for long term borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the borrowing outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for analysis which represents management's assessment of the reasonably possible change in interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Group's profit in that financial year would have been as below:

₹/Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on term borrowings	1,380.97	(1,380.97)	1,229.93	(1,229.93)
Effect on profit before tax	(1,380.97)	1,380.97	(1,229.93)	1,229.93

(C) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net asset value (NAV) of the financial instruments held.

The Group's price risk is mainly generated with fair value in respect of the investments held in mutual funds. Investments primarily include investment in liquid debt based mutual fund units with high credit-ratings assigned by credit-rating agencies and are managed by asset management companies.

The carrying amount of the Group's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Investments in mutual funds	1,741.23	1,254.72

Price risk sensitivity analysis

For the year ended 31 March, 2019 and 31 March, 2018, every rupee 1 increase / decrease in the NAV of investments, will affect the Group's profit before tax as given in below table:

₹/Lakhs

Particulars	As at 31.03.2019		As at 31.03.2018	
	NAV appreciate by INR 1	NAV depreciate by INR 1	NAV appreciate by INR 1	NAV depreciate by INR 1
Investments in mutual funds	38.47	(38.47)	33.97	(33.97)

In Group's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk and price risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

39.3.2 **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Investments	1,741.23	1,254.72
(b) Trade receivables	25,594.07	22,713.02
(c) Unbilled revenue	34,406.20	31,820.21
(d) Loans	435.25	331.05
(e) Other financial assets	247.49	237.21
Total	**62,424.24**	**56,356.21**

Refer note 11 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Group believes exposure to credit risk to be minimal.

Bank balances are held with reputed and creditworthy banking institutions.

As per its investment policy, the Group deploy its short term surplus funds in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits with such companies of the Tata Group as may be approved. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose quarterly Assets Under Management (AUM) are in excess of ₹ 500,000 lakhs and ranks in the first three of CRISIL's latest available Composite Performance Ranking (CPR) at the time of investment.

39.3.3 **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Group. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Expected contractual maturity for financial liabilities:

₹/Lakhs

Particulars	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2019				
(a) Trade payables	1,24,170.32	-	-	1,24,170.32
(b) Short term borrowings	35,090.67	-	-	35,090.67
(c) Long term borrowings	54,005.38	1,76,317.24	45,870.83	2,76,193.45
(including current maturities and excluding preference share capital)				
(d) Interest accrued but not due on borrowings	576.79	-	-	576.79
(e) Future interest on above long term borrowings	21,823.55	43,896.81	6,762.85	72,483.21
(f) Consumers' security deposit (see note 39.3.3b)	4,385.49	-	62,537.57	66,923.06
(g) Future interest on consumers' security deposit (refer note 39.3.3b)	5,346.96	21,387.85	26,734.81	53,469.62
(h) Retention money payable	6,259.47	-	-	6,259.47
(i) Other financial liabilities	2,428.79	281.53	37.37	2,747.69
	2,54,087.42	**2,41,883.43**	**1,41,943.43**	**6,37,914.28**
As at 31 March, 2018				
(a) Trade payables	1,22,506.34	-	-	1,22,506.34
(b) Short term borrowings	31,082.32	-	-	31,082.32
(c) Long term borrowings	52,053.08	1,57,686.92	36,246.54	2,45,986.54
(including current maturities and excluding preference share capital)				
(d) Interest accrued but not due on above borrowings	248.05	-	-	248.05
(e) Future interest on above long term borrowings	18,989.41	36,815.04	3,819.03	59,623.48
(f) Non-convertible cumulative redeemable preference share capital	-	-	50,000.00	50,000.00
(g) Dividend accrued but not due on above preference shares	6,000.00	-	-	6,000.00
(h) Future dividend on above preference shares (see note 39.3.3a)	7,233.32	28,933.27	72,095.37	1,08,261.96
(i) Consumers' security deposit (see note 39.3.3b)	4,120.40	-	55,280.91	59,401.31
(j) Future interest on consumers' security deposit (refer note 39.3.3b)	4,505.39	18,021.58	22,526.97	45,053.94
(k) Retention money payable	8,235.71	-	-	8,235.71
(l) Other financial liabilities	3,142.27	228.05	21.17	3,391.49
	2,58,116.29	**2,41,684.86**	**2,39,989.99**	**7,39,791.14**

39.3.3a During the current year, the Group has redeemed non-convertible cumulative redeemable preference share capital. Hence, future dividend on such preference share capital has not been worked upon. As at 31 March, 2018, future dividend on non-convertible cumulative redeemable preference share capital has been worked upon considering a tenure of 20 years. It includes dividend distribution tax of ₹ 18,459.22 lakhs.

39.3.3b Consumers' security deposit classified under more than 5 years maturity pertains to permanent connection which are refundable only after surrender of connection subject to clearance of outstanding dues.

Future interest on consumers' security deposit has been considered at 8.55% p.a. (as at 31 March, 2018 8.15% p.a.) which is the prevailing SBI 1 year MCLR rate as at 1 April, 2019. For the purpose of computation of interest, the tenure of consumer security deposit has been taken as 10 years.

The Group has access to financing facilities as described in note 39.3.4 below. The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

39.3.4 **Financing facilities (short term)**

₹/Lakhs

Particulars	As at 31.03.2019	As at 31.03.2018
Unsecured credit facilities, reviewed annually and payable at call		
Amount used and outstanding	24,400.67	30,127.55
Amount unused	10,599.33	-
Secured bank loan facilities with various maturity dates through to 31 March, 2020 and which may be extended by mutual agreement		
Amount used and outstanding	10,690.00	954.77
Amount unused	3,810.00	13,545.23

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Note 40
Related party disclosures

40.1 **List of related parties and description of relationship**

A. Holding company
Tata Power Company Limited (TPCL)

B. Company exercising significant influence
Delhi Power Company Limited (DPCL) *(Government related entity)*

C. Fellow Subsidiaries (with whom the Group has transactions)
(i) Tata Power Trading Company Limited (TPTCL)
(ii) Tata Power Solar Systems Limited (TPSSL)
(iii) Tata Power International Pte. Limited (TPIPL)
(iv) TP Ajmer Distribution Limited (TPADL)

D. Associates of holding company (with whom the Group has transactions)
(i) Tata Communications Limited (TCL) (ceased w.e.f. 28 May, 2018)
(ii) Tata Projects Limited (TPL)

E. Post retirement employee benefit trust
(i) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
(ii) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)

F. Key management personnel
Chief Executive Officer and Managing Director (CEO & MD)
Mr. Praveer Sinha (ceased w.e.f. 30 April, 2018)

Chief Executive Officer (CEO)
Mr. Sanjay Kumar Banga (appointed w.e.f. 1 May, 2018)

Non-executive directors
(i) Mr. Praveer Sinha (appointed as chairman & director w.e.f. 4 May, 2018)
(ii) Mr. Anil Sardana (ceased w.e.f. 30 April, 2018)
(iii) Mr. Nawshir H. Mirza
(iv) Mr. Arup Ghosh
(v) Mr. Amar Jit Chopra
(vi) Mr. Ajay Shankar
(vii) Mr. Ramesh N. Subramanyam (appointed w.e.f. 16 June, 2018)
(viii) Ms. Shalini Yogendranath Singh (ceased w.e.f. 15 June, 2018)
(ix) Mr. Minesh Shrikrishna Dave (appointed w.e.f 16 June, 2018)
(x) Ms. Satya Gupta (appointed w.e.f. 18 July, 2018)

40.2 **Transactions with related parties**

₹/Lakhs

Name of related party	Nature of transactions	Year ended 31.03.2019	Year ended 31.03.2018
A. Rendering of services			
(i) TPCL	Management contract for deputation of employees	23.41	87.99
	Training	0.66	-
	Management contract for consultancy services	103.86	18.53
(ii) DPCL	Commission earned	1.85	1.57
(iii) TPSSL	Empanelment fee for rooftop solar plants	-	0.25
(iv) TPIPL	Management contract for consultancy services	208.52	193.50
(v) TPADL	Management contract for consultancy services	38.17	137.31
B. Purchase of goods			
(i) TPTCL	Purchase of power	1,12,205.47	70,895.06
	Rebate on power purchase	1,664.55	937.61
(ii) TPSSL	Purchase of spares	-	6.47
(iii) TPL	Purchase of spares	6.44	9.60
C. Sale of goods			
(i) TPTCL	Sale of power	1,531.87	-
	Rebate on sale of power	30.64	-
D. Receiving of services			
(i) TPCL	Management contract for deputation of key management personnel (KMP)	198.57	368.03
	Management contract for deputation of employees	98.87	-
(ii) TPSSL	Annual maintenance contract of solar plants	15.34	28.99
(iii) TCL	Communication expenses	2.14	13.93
E. Reimbursement of expenses (paid)/received [net]			
(i) TPCL	Travelling and conveyance, fees and subscription, training etc.	58.18	0.73
(ii) TPSSL	Hire charges - vehicles	-	0.02
(iii) TPIPL	Travelling and conveyance, insurance etc.	9.13	6.53
(iv) TPADL	Travelling and conveyance etc.	3.66	0.10

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

₹/Lakhs

Name of related party	Nature of transactions	Year ended 31.03.2019	Year ended 31.03.2018
F. Repayment of long term borrowings			
(i) TPCL	Redemption of preference share capital	25,500.00	-
(ii) DPCL	Redemption of preference share capital	24,500.00	-
G. Finance cost			
(i) TPCL	Dividend on preference shares	2,783.34	3,060.00
(ii) DPCL	Dividend on preference shares	2,674.19	2,940.00
H. Equity dividend paid			
(i) TPCL	Dividend on equity shares	4,504.32	1,689.12
(ii) DPCL	Dividend on equity shares	4,327.68	1,622.88
I. Transaction with Trust			
(i) Gratuity Fund	Contribution to trust	634.91	474.09
(ii) SVRS RTBF - 2004	Contribution to trust	61.70	92.43

40.3 **Compensation of key managerial personnel**

₹/Lakhs

Name of the related party	Nature of transaction	Year ended 31.03.2019	Year ended 31.03.2018
A. CEO & MD	Deputation pay and other benefits		
Mr. Praveer Sinha (till 30 April, 2018)		139.96	319.03
B. CEO	Deputation pay and other benefits		
Mr. Sanjay Kumar Banga (w.e.f. 1 May, 2018)		89.53	-
C. Non-executive directors	(i) Sitting fees*	20.60	28.60
	(ii) Consultancy fees -		
	a. Mr. Arup Ghosh	60.88	52.76
	b. Ms. Satya Gupta (w.e.f. 18 July, 2018)	38.22	-

* Exclusive of GST/service tax, as applicable.

40.4 **Balance outstanding with related parties**

₹/Lakhs

Name of the related party	Nature of balances	As at 31.03.2019	As at 31.03.2018
A. Receivables			
(i) TPCL	Trade receivables	61.41	27.72
(ii) TPTCL	Other current assets	-	9,521.30
(iii) TPIPL	Trade receivables	65.88	203.87
(iv) TPADL	Trade receivables	1.12	51.06
(v) SVRS RTBF-2004	Other financial assets	103.05	140.76
B. Payables			
(i) DPCL	Trade payables	488.07	604.75
(ii) TPTCL	Trade payables	21,298.37	-
(iii) TPSSL	Trade payables including retention money and earnest money deposit	27.89	52.86
(iv) TCL	Trade payables including security deposit and earnest money deposit	-	24.38
C. Unbilled revenues			
(i) TPCL	Management contract for consultancy services	34.74	-
D. Accrued expenses			
(i) TPCL	Dividend accrued but not due on non-convertible cumulative redeemable preference shares	-	3,060.00
(ii) DPCL	Dividend accrued but not due on non-convertible cumulative redeemable preference shares	-	2,940.00
(iii) TPTCL	Purchase of power	-	0.07
(iv) TCL	Communication expenses	-	3.11
E. Commitments made			
(i) TPSSL		-	1.62

(ii) **Commitments made with TPTCL**

Significant commitments of the Company includes commitment for trading margin with TPTCL.

The Group has entered into a long term power purchase agreement with TPTCL on 10 September, 2009 to draw power from Maithon Power Ltd. (MPL) for 30 years from the date of commissioning (COD) and on 20 January, 2009 to draw power from Jhajjar Power Ltd. (JPL) for 25 years from COD. A trading margin of 4 paise per kWh for the energy scheduled by MPL is payable by the Group to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by the Group to TPTCL.

CHARTERED ACCOUNTANTS

Note 41
Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 42
Transfer pricing

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Company is required to get a transfer pricing study conducted to determine whether the transactions with related parties were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2019 is currently in progress and hence adjustments, if any, which may arise there from will be considered in the financial statements for the year ended 31 March, 2020. However, in the opinion of the management, adjustments, if any, are not expected to be material.

Note 43
Approval of financial statements

These financial statements were approved for issue by the board of directors on 18 April, 2019.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

New Delhi
18 April, 2019

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

1.	Name of the subsidiary	NDPL Infra Limited
2.	The date since when subsidiary was acquired	23 August, 2011
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April, 2018 to 31 March, 2019
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR

Figures (in lakhs)

5.	Share capital	5.00
6.	Reserves and surplus	2,119.45
7.	Total assets	2,285.77
8.	Total Liabilities	161.32
9.	Investments	1,741.23
10.	Turnover	1,051.37
11.	Profit before taxation	738.27
12.	Provision for taxation	173.75
13.	Profit after taxation	564.52
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

Notes:

1. There is no subsidiary which is yet to commence operations.
2. There is no subsidiary which has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors

Praveer Sinha
Chairman
DIN: 01785164

Arup Ghosh
Director
DIN: 06711047

Sanjay Kumar Banga
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

New Delhi
18 April, 2019

Shareholder Information

To,
Company Secretary,
Tata Power Delhi Distribution Limited
NDPL House, Hudson Lines,
Kingsway Camp, Delhi - 110009

Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: *(applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place:
Date:

Signature of Sole/ First holder

ATTENDANCE SLIP

TATA POWER DELHI DISTRIBUTION LIMITED
Registered Office : NDPL HOUSE, HUDSON LINES, KINGSWAY CAMP, DELHI 110009
CIN: U40109DL2001PLC111526

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
(Joint shareholders may obtain additional slip at the venue of the meeting)

Dp id*		Folio No	
Client id*		No of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I have recorded my presence at the eighteenth Annual General Meeting of the members of Tata Power Delhi Distribution Limited held on Friday, the 17th May 2019 at 12:00 noon at TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector - 15, Rohini, adjacent to RG-05 Grid, Delhi – 110085.

*Applicable for investors holding shares in electronic form

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

TATA POWER DELHI DISTRIBUTION LIMITED
Registered Office : NDPL HOUSE, HUDSON LINES, KINGSWAY CAMP, DELHI 110009
CIN: U40109DL2001PLC111526

Name of the member(s)		e-mail Id :	
Registered address		Folio No/*Client Id :	
		*DP Id :	

I/We, being the member(s) of _______________ shares of TATA POWER DELHI DISTRIBUTION LIMITED, hereby appoint:
1) ______________of_______________ having e-mail id -----------------------------------or failing him
2) ______________of_______________ having e-mail id -----------------------------------or failing him
3) ______________of_______________ having e-mail id--

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the eighteenth Annual General Meeting of the members of Tata Power Delhi Distribution Limited held on Friday, the 17th May 2019 at 12:00 noon at TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector - 15, Rohini, adjacent to RG-05 Grid, Delhi – 110085 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sl Resolution No	Description of Resolutions	FOR	AGAINST
Ordinary Business			
1.	Adoption of: (a) the audited standalone financial statements of the company for the financial year ended 31st March 2019 together with the reports of the board of directors and the auditors thereon. (b) the audited consolidated financial statements of the company for the financial year ended 31st March 2019 together with the reports of the auditors thereon.		
2.	Declaration of a dividend on equity shares for the financial year ended 31st March 2019.		
3.	Appointment of director in place of Mr. Arup Ghosh (DIN: 06711047), who retires by rotation and is eligible for re-appointment.		
4.	Re-appointment of Statutory Auditors of the Company.		
Special Business			
5.	Appointment of Ms. Satya Gupta (DIN: 08172427) as a director		
6.	Ratification of remuneration payable to M/s Ramanath Iyer & Co., Cost Accountants.		

Signed this..................... day of..................2019

Affix revenue stamp

(Signature of shareholder)
(Signature of first proxy holder)
(Signature of second proxy holder)
(Signature of third proxy holder)

Notes:

(1) **This form of proxy in order to be elective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting**.

(2) **A Proxy need not be a member of the company.**

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) ** This is only optional. Please put a ‘X’ in the appropriate column against the resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route-map to the venue of the Eighteenth Annual General Meeting:

TPDDL Smart Grid Lab, Dr. K.N. Katju Marg, Sector - 15, Rohini, adjacent to RG-05 Grid, Delhi - 110085