| | 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.

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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.

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.

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| 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**

| | | |
|---|---|---|
| **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 | - | - |

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).

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| | | 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.

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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 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 |

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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 | 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.

Delhi

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.

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**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 (including current maturities and excluding preference share capital) | 54,005.38 | 1,76,317.24 | 45,870.83 | 2,76,193.45 |
| (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 (including current maturities and excluding preference share capital) | 52,053.08 | 1,57,686.92 | 36,246.54 | 2,45,986.54 |
| (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 |

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**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 |

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₹/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.

Delhi

**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

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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