ANNUAL REPORT

2017-2018

(1st April 2017 to 31st March 2018)

TATA POWER-DDL

TATA POWER DELHI DISTRIBUTION LIMITED

(A Tata Power and Delhi Government Joint Venture)

formerly North Delhi Power Limited

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

TATA

LEADERSHIP WITH TRUST
SINCE 1868

₹ 656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.

- Jamsetji Tata

695,699 EMPLOYEES

₹ 27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata; Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

Board of Directors

Mr. Praveer Sinha
Chairman & Additional Director

Mr. Nawshir H. Mirza
Independent Director

Mr. Amarjit Chopra
Independent Director

Mr. Ajay Shankar
Independent Director

Mr. Arup Ghosh
Non-Executive Director

Mr. Minesh S Dave
Additional Director

Mr. Ramesh N. Subramanyam
Additional Director

CONTENTS

Annual General Meeting		
Day & Date	**:**	**Wednesday, 18th July, 2018**
Time	**:**	**2:30 p.m.**
Venue	**:**	**Conference Room, Ground Floor, Tata Power Delhi Distribution Limited, CENNET Building, behind Netaji Subhash Place, Pitampura, Delhi – 110034**

TATA POWER DELHI DISTRIBUTION LIMITED

BOARD OF DIRECTORS

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

REGISTERED OFFICE:

NDPL House, Hudson Lines, Kingsway Camp, Delhi 110009

CORPORATE IDENTITY NUMBER (CIN):

U40109DL2001PLC111526

STATUTORY AUDITORS:

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

SECRETARIAL AUDITORS:

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

INTERNAL AUDITORS:

Mr. Brajamohan Panigrahi

COST AUDITORS:

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

BANKERS:

State Bank of India	Punjab National Bank	HDFC Bank	Karnataka Bank
Canara Bank	YES Bank	Axis Bank	Allahabad Bank
Dena Bank	Aditya Birla Finance Ltd.	IDFC Bank	Indian Bank
Punjab & Sind Bank			

TATA POWER DELHI DISTRIBUTION LIMITED

NOTICE

NOTICE is hereby given that the seventeenth Annual General Meeting of the members of Tata Power Delhi Distribution Limited will be held on Wednesday, the 18th July, 2018 at 2:30 p.m. at Conference Room, Ground Floor, Tata Power Delhi Distribution Limited, CENNET Building, behind Netaji Subhash Place, Pitampura, Delhi – 110034, to transact the following business (es):

Ordinary Business:

1. To receive, consider and adopt:
   (a) the audited standalone financial statements of the company for the financial year ended 31st March 2018 together with the reports of the board of directors and the auditors thereon.
   (b) the audited consolidated financial statements of the company for the financial year ended 31st March 2018 together with the reports of the auditors thereon.

2. To declare a dividend on 12% cumulative redeemable preference shares for the financial year ended 31st March, 2018.

3. To declare a dividend on equity shares for the financial year ended 31st March, 2018.

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

Special Business:

5. **Re-appointment of Mr. Nawshir H. Mirza as an independent director**

   To consider and, if thought fit, to pass the following resolution as a special resolution:-

   "**RESOLVED** that pursuant to the provisions of sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, Mr. Nawshir H. Mirza (DIN: 00044816), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for re-appointment and in respect of whom the company has received a notice in writing under section 160 (1) of the Act from a member proposing his candidature for the office of director, be and is hereby re-appointed as an independent director on the board of the company, to hold office for a second term of two years from 24th March, 2018 to 23rd March, 2020 and he shall not be liable to retire by rotation."

6. **Appointment of Mr. Praveer Sinha as a director**

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

   "**RESOLVED** that Mr. Praveer Sinha (DIN: 01785164), who was appointed as an additional director of the company with effect from 4th May, 2018, by the board of directors and who holds office upto the date of this Annual General Meeting of the company under section 161(1) of the Companies Act, 2013 (the Act), but who is eligible for appointment and in respect of whom the company has received a notice in writing under section 160 (1) of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation."

7. **Appointment of Mr. Minesh Shrikrishna Dave as a director**

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

"**RESOLVED** that Mr. Minesh Shrikrishna Dave (DIN: 07604493), who was appointed as an additional director of the company with effect from 16th June, 2018, by the board of directors and who holds office upto the date of this Annual General Meeting of the company under section 161(1) of the Companies Act, 2013 (the Act), but who is eligible for appointment and in respect of whom the company has received a notice in writing under section 160 (1) of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation."

8. **Appointment of Mr. Ramesh Narayanswamy Subramanyam as a director**

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

"**RESOLVED** that Mr. Ramesh Narayanswamy Subramanyam (DIN: 02421481), who was appointed as an additional director of the company with effect from 16th June, 2018, by the board of directors and who holds office upto the date of this Annual General Meeting of the company under section 161(1) of the Companies Act, 2013 (the Act), but who is eligible for appointment and in respect of whom the company has received a notice in writing under section 160 (1) of the Act from a member proposing his candidature for the office of director, be and is hereby appointed as director of the company, liable to retire by rotation."

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

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

"**RESOLVED** that pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the company hereby ratifies the remuneration of ₹ 1.99 lacs (plus other applicable taxes, traveling and out-of-pocket expenses) payable to M/s Ramanath Iyer & Co., who are appointed as cost auditors to conduct the audit of cost records maintained by the company for the financial year 2018-19."

NOTES: (1) The relative explanatory statement pursuant to subsection (1) of section 102 of the Companies Act, 2013 (the Act) and the rules made thereunder, in regard to the business set out in item nos. 5 to 9 and the relevant details of the directors of the company seeking re-appointment/ appointment as set out in item nos. 4 to 8 at this annual general meeting is annexed hereto.

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

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

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

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

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

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

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

(7) The notice of the AGM along with the annual report 2017-18 is being sent by electronic mode to members entitled to receive such e-mail as per records of the company.

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

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

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

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

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

Delhi, 18th June, 2018
Corporate Identity No. :
U40109DL2001PLC111526

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

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

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT

As required by section 102 of the Companies Act, 2013 (the Act), the following explanatory statement sets out all material facts relating to the business mentioned under item nos. 5 to 9 of the accompanying notice dated 18th July, 2018.

Item no. 5: Mr. Nawshir H. Mirza (DIN: 00044816) was appointed as an independent director of the company, not liable to retire by rotation, for a period of three years, with effect from 24th March, 2015 to 23rd March, 2018. His first term of three years ended on 23rd March, 2018.

As per section 149(10) of the Companies Act, 2013 ("Act"), an independent director shall hold office for a term upto five consecutive years on the board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the board's report. Further, as per schedule IV to the Act, the re-appointment of independent director shall be on the basis of report of performance evaluation.

The board had evaluated Mr. Mirza's performance and found it to be satisfactory.

In view of his performance and in terms of Governance Guidelines adopted by the company, based on the recommendation of Nomination and Remuneration committee and subject to the approval of shareholders at the forthcoming AGM, the board has approved re-appointment of Mr. Nawshir H. Mirza as an independent director of the company, not liable to retire by rotation, for a second term of two years, with effect from 24th March, 2018 to 23rd March, 2020, pursuant to the provisions of sections 149, 178 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder.

The company has received a declaration from Mr. Mirza to the effect that he meets the criteria of independence as provided under section 149(6) of the Act. A notice under section 160(1) of the Act has been received from a member signifying its intention to propose Mr. Mirza's appointment as a director.

In the opinion of the board, Mr. Mirza fulfills the conditions specified in the Act and the rules made thereunder for re-appointment as an independent director and he is independent of the management.

Mr. Mirza is a Chartered Accountant who spent 36 years with S. R. Batliboi & Co. Most of that experience was in the audit and assurance domains. He is currently on the boards of Exide Industries Limited, Thermax Limited and Centre for Advancement of Philanthropy. He is deeply involved in the movement for improved governance in corporations and speaks frequently on the topic.

He is also a director on the boards of The Tata Power Company Limited, Coastal Gujarat Power Limited and Tata Power Renewable Energy Limited.

In view of the above and pursuant to the provisions of section 149 read with Schedule IV to the Act, the re-appointment of Mr. Mirza as an independent director is now being placed before the members for their approval.

The terms and conditions of re-appointment of Mr. Mirza shall be open for inspection at the registered office of the company by any member during normal business hours. The terms and conditions of his re-appointment are disclosed on the company's website.

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

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

Mr. Mirza is not related to any other director or KMPs of the company.

Item no. 6: Consequent upon his appointment as the Chief Executive Officer & Managing Director of The Tata Power Company Limited (Tata Power) w.e.f. 1st May 2018, Mr. Praveer Sinha (DIN: 01785164) had submitted his resignation from the services of Tata Power Delhi Distribution Limited (Tata Power-DDL) with effect from close of working hours of 30th April, 2018.

Subsequently, Tata Power had nominated Mr. Praveer Sinha as an additional director on the board of the company, with effect from 4th May, 2018.

Mr. Sinha was also appointed as chairman of the board of directors of the company with effect from 4th May, 2018.

In view of the above, Mr. Praveer Sinha was appointed as an additional director of the company with effect from 4th May, 2018, by the board of directors under section 161 of the Act and Article 96 of the company's Articles of Association. In terms of section 161(1) of the Act, Mr. Sinha holds office only upto the date of the forthcoming AGM of the company but is eligible for appointment as a director. A notice under section 160(1) of the Act has been received from a member signifying its intention to propose Mr. Sinha's appointment as a director.

Mr. Praveer Sinha has over three decades of experience in the power sector and has been credited with transforming the power distribution sector and development and setting up of greenfield and brownfield power plants in India and abroad. Apart from this, he has actively contributed in bringing about huge socio-economic development and empowerment programs for youth and children in these project sites.

Mr. Sinha holds a Master's Degree in Business Law from National Law School, Bengaluru and is also professionally trained as an Electrical Engineer. He is also a member of the Faculty Board at Faculty of Management Studies and a member of Board of Governors at the Indraprastha Institute of Information Technology, Delhi. He is a Research Scholar at the Indian Institute of Technology, Delhi and is also a visiting Scholar at Massachusetts Institute of Technology, Boston, USA.

Mr. Sinha is also director on the boards of Tata Power Renewable Energy Limited, Tata Power Solar Systems Limited and Tata Power Trading Company Limited.

In the opinion of the board, Mr. Praveer Sinha fulfills the conditions specified in the Act and the rules made thereunder for appointment as a director.

In compliance with the applicable provisions of the Act, the appointment of Mr. Praveer Sinha as a director is now being placed before the members for their approval.

The board commends the resolution at item no. 6 of the accompanying notice for the approval by the members of the company.

Other than Mr. Sinha, none of the directors, key managerial personnel (KMP) or their respective relatives are concerned or interested in the resolution at item no. 6 of the accompanying notice.

Mr. Sinha is not related to any other director or KMPs of the company.

Item no. 7: Mr. Minesh Shrikrishna Dave (DIN: 07604493) was appointed as an additional director of the company with effect from 16th June, 2018, by the board of directors under section 161 of the Act and Article 96 of the company's Articles of Association. In terms of section 161(1) of the Act, Mr. Dave holds office only upto the date of the forthcoming AGM of the company but is eligible for appointment as a director. A notice under section 160(1) of the Act has been received from a member signifying its intention to propose Mr. Dave's appointment as a director.

Mr. Dave was nominated as an additional director on the board of the company with effect from 16th June, 2018, by The Tata Power Company Limited (Tata Power).

Mr. Dave heads Tata Power's business development activities (includes M&A and divestment) across the globe in the areas of power generation, transmission, distribution, resources and services business. In the past, he has headed the business development in the ASEAN region and has also been the Chief Representative Officer of Tata Power in Indonesia.

He is a member of Apex Leadership team of Tata Power. He is also a nominee director on the board of other companies.

He joined Tata Power in November 1982. With a career spanning over 35 years, he has handled various functions including engineering, planning, fuel procurement, project development & management, regulatory affairs, business development and strategy. He is a Bachelor of Engineering (Mechanical, 1980) and Master in Technology (Heat, Power & Refrigeration, 1982) from IIT Bombay.

In the opinion of the board, Mr. Dave fulfills the conditions specified in the Act and the rules made thereunder for appointment as a director.
In compliance with the applicable provisions of the Act, the appointment of Mr. Minesh Shrikrishna Dave as a director is now being placed before the members for their approval.
The board commends the resolution at item no. 7 of the accompanying notice for the approval by the members of the company.

Other than Mr. Dave, none of the directors, key managerial personnel (KMP) or their respective relatives are concerned or interested in the resolution at item no. 7 of the accompanying notice.

Mr. Dave is not related to any other director or KMPs of the company.

Item no. 8: Mr. Ramesh Narayanswamy Subramanyam (DIN: 02421481) was appointed as an additional director of the company with effect from 16th June, 2018, by the board of directors under section 161 of the Act and Article 96 of the company's Articles of Association. In terms of section 161(1) of the Act, Mr. Subramanyam holds office only upto the date of the forthcoming AGM of the company but is eligible for appointment as a director. A notice under section 160(1) of the Act has been received from a member signifying its intention to propose Mr. Subramanyam's appointment as a director.

Mr. Subramanyam was nominated as an additional director on the board of the company with effect from 16th June, 2018, by The Tata Power Company Limited (Tata Power).

Mr. Ramesh Subramanyam is a graduate in Commerce from Nagpur University. He is a member of the Institute of Cost Accountants of India and Institute of Company Secretaries of India. He has also passed the CPA (Certified Public Accountants) examination of the American Institute of Certified Public Accountants (AICPA).

He has more than 23 years of experience in diverse organisations like Lloyds Steel Limited, Hindustan Unilever Limited, Monsanto India Limited and Siemens AG. After joining The Tata Power Company Limited in 2007, he has held various positions within Tata Power. He was Chief Financial Officer for Coastal Gujarat Power Limited (Mundra UMPP), Chief of Finance and Accounting for Indian Subsidiaries of Tata Power and Financial Controller of Tata Power before being appointed as CFO of Tata Power. He is also the member of core committee of power sector financing of CII.

Mr. Subramanyam is also director on the boards of Coastal Gujarat Power Limited, Walwhan Renewable Energy Limited, Tata Power Solar Systems Limited, Tata Power Renewable Energy Limited and TP Ajmer Distribution Limited.

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

In compliance with the applicable provisions of the Act, the appointment of Mr. Ramesh Narayanswamy Subramanyam as a director is now being placed before the members for their approval.

The board commends the resolution at item no. 8 of the accompanying notice for the approval by the members of the company.

Other than Mr. Subramanyam, none of the directors, key managerial personnel (KMP) or their respective relatives are concerned or interested in the resolution at item no. 8 of the accompanying notice.

Mr. Subramanyam is not related to any other director or KMPs of the company.

Item No. 9: Pursuant to the provisions of section 148 of the Act, the company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of Audit committee of directors, the board of directors has approved the re-appointment of M/s Ramanath Iyer & Co as the Cost auditors of the company to conduct audit of cost records maintained by the company (Generation and Distribution business) for the financial year 2018-19, at a remuneration of ₹ 1.99 lacs (plus other applicable taxes, travel and actual out-of-pocket expenses).

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

The board commends the resolution at item no. 9 of the accompanying notice for ratification of the cost auditors' remuneration for FY 2018-19, by the members of the company.

None of the directors, key managerial personnel or their respective relatives is concerned or interested, financial or otherwise, in the resolution set out at item no. 9 of the accompanying notice.

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

Delhi, 18th June, 2018
Corporate Identity No.
U40109DL2001PLC111526
Registered Office:
NDPL House, Hudson Lines,
Kingsway Camp, Delhi 110009
Tel:01166112222 Fax No:01127468042
email: TPDDL@tatapower-ddl.com
Website: http://www.tatapower-ddl.com/

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

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

Name of director	**Mr. Arup Ghosh**	**Mr. Nawshir H. Mirza**	**Mr. Praveer Sinha**	**Mr. Minesh Shrikrishna Dave**	**Mr. Ramesh Narayanswamy Subramanyam**
Date of birth	8th November 1955	4th April 1950	8th April 1962	21st November 1959	27th June 1969
Date of appointment	1st December 2015	24th March 2015 (Re-appointed as an Independent Director for second term of two years w.e.f 24th March, 2018 to 23rd March, 2020)	4th May 2018	16th June 2018	16th June 2018
Expertise in functional areas	Mr. Arup Ghosh is a power sector veteran of 39 years. He has been extensively engaged in all facets of transmission and distribution operations including restructuring and institutional strengthening of electricity utilities to enable them to cope with regulatory controls. He has worked with electricity utilities in India and Mauritius. Initially as Chief Operating Officer, he actively supported the Chief Executive Officer & Managing Director in leading the company to script at Delhi hitherto unmatched reforms of the electricity distribution business. As Chief Technical Officer, he supported the Chief Executive Officer & Managing Director on strategic decisions and oversees operations, projects, engineering, business	Mr. Nawshir H. Mirza is a Chartered Accountant who spent 36 years with S. R. Batliboi & Co. Most of that experience was in the audit and assurance domains. He is deeply involved in the movement for improved governance in corporations and speaks frequently on the topic.	Mr. Praveer Sinha has over three decades of experience in the power sector and has been credited with transforming the power distribution sector and development and setting up of greenfield and brownfield power plants in India and abroad. Apart from this, he has actively contributed in bringing about huge socio-economic development and empowerment programs for youth and children in these project sites.	Mr. Minesh Shrikrishna Dave heads The Tata Power Company Limited's ("Tata Power") business development activities (includes M&A and divestment) across the globe in the areas of power generation, transmission, distribution, resources and services business. In the past, he has headed the business development in the ASEAN region and has also been the Chief Representative Officer of Tata Power in Indonesia. He is a member of Apex Leadership team of Tata Power. He is a nominee director on the board of other companies. He joined Tata Power in November 1982. With a career spanning over 35 years, he has handled various functions including engineering, planning, fuel procurement, project development & management, regulatory affairs, business development and strategy.	Mr. Ramesh Narayanswamy Subramanyam has more than 23 years of experience in diverse organisations like Lloyds Steel Limited, Hindustan Unilever Limited, Monsanto India Limited and Siemens AG. After joining The Tata Power Company Limited in 2007 he has held various positions within Tata Power. He was Chief Financial Officer for Coastal Gujarat Power Limited (Mundra UMPP), Chief of Finance and Accounting for Indian Subsidiaries of Tata Power and Financial Controller of Tata Power before being appointed as CFO of Tata Power. He is also the member of core committee of power sector financing of CII.

Name of director	Mr. Arup Ghosh	Mr. Nawshir H. Mirza	Mr. Praveer Sinha	Mr. Minesh Shrikrishna Dave	Mr. Ramesh Narayanswamy Subramanyam
	development, contracts, safety, generation, human resource, civil, vigilance, security, enforcement, information technology and health services. Prior to joining the company, Mr. Ghosh was employed with Central Electricity Board, Mauritius; CESC Ltd., The National Insulated Cable Co. of India Ltd. and Crompton Greaves Ltd., all at Kolkata, India.				
Qualifications	He is an alumnus of Indian Institute of Technology, Kharagpur. Subsequently, he received formal training in general management at Administrative Staff College of India, Hyderabad (MDP), Indian Institute of Management, Kolkata (EDP) and Xavier Labour Relations Institute, Jamshedpur (EDP). He has also received training in regulatory matters from Institute of Public-Private Partnerships Inc (IP3), Washington D.C.	He is a fellow of the Institute of Chartered Accountants of India.	He holds a Master's Degree in Business Law from National Law School, Bengaluru and is also professionally trained as an Electrical Engineer. He is also a member of the Faculty Board at Faculty of Management Studies and a member of Board of Governors at the Indraprastha Institute of Information Technology, Delhi. He is a Research Scholar at the Indian Institute of Technology Delhi and is also a visiting Scholar at Massachusetts Institute of Technology, Boston, USA.	He is a Bachelor of Engineering (Mechanical, 1980) and Master in Technology (Heat, Power & Refrigeration, 1982) from IIT Bombay.	He is a graduate in Commerce from Nagpur University. He is a member of the Institute of Cost Accountants of India and Institute of Company Secretaries of India. He has also passed the CPA (Certified Public Accountants) examination of the American Institute of Certified Public Accountants (AICPA).
Terms & conditions of appointment	Appointed as a non-executive director	The terms and conditions of re-appointment of Mr. Mirza shall be open for inspection at the registered office of the company by any member during normal business hours and are also disclosed on the company's website.	Appointed as a non-executive director	Appointed as a non-executive director	Appointed as a non-executive director

Name of director	**Mr. Arup Ghosh**	**Mr. Nawshir H. Mirza**	**Mr. Praveer Sinha**	**Mr. Minesh Shrikrishna Dave**	**Mr. Ramesh Narayanswamy Subramanyam**
Remuneration	Nil	Only sitting fee is paid.	Nil	Nil	Nil
Directorships held in other companies (excluding foreign companies)	• Director of the following companies: 1. Tata Power Jamshedpur Distribution Limited 2. TP Ajmer Distribution Limited 3. NDPL Infra Limited	• Director of the following companies: 1. The Tata Power Company Limited 2. Coastal Gujarat Power Limited 3. Thermax Limited 4. Tata Power Renewable Energy Limited 5. Centre for Advancement of Philanthropy 6. Exide Industries Limited	• Chief Executive Officer and Managing Director of the following company: 1. The Tata Power Company Limited • Director of the following companies: 1. Tata Power Renewable Energy Limited 2. Tata Power Solar Systems Limited 3. Tata Power Trading Company Limited	Nil	• Director of the following companies: 1. TP Ajmer Distribution Limited 2. Coastal Gujarat Power Limited 3. Walwhan Renewable Energy Limited 4. Tata Power Solar Systems Limited 5. Tata Power Renewable Energy Limited
Committee positions held in other companies	• Member of the following committee: 1. TP Ajmer Distribution Limited- Audit committee	• Member of the following committees: 1. The Tata Power Company Limited - Risk Management committee 2. Thermax Limited- Corporate Social Responsibility committee 3. Coastal Gujarat Power Limited- Corporate Social Responsibility committee Chairman of the following committees: 1. Exide Industries Limited- Audit committee 2. The Tata Power Company Limited- Audit committee 3. Thermax Limited- Audit committee 4. Coastal Gujarat Power Limited - Audit committee and Nomination and Remuneration committee 5. Tata Power Renewable Energy Limited- Audit committee	• Member of the following committees: 1. The Tata Power Company Limited – Corporate Social Responsibility Committee 2. Tata Power Renewable Energy Limited- Nomination and Remuneration committee	Nil	• Chairman of the following committee: 1. TP Ajmer Distribution Limited- Audit committee • Member of the following committee: 1. TP Ajmer Distribution Limited- Loans and Borrowings committee

Name of director	Mr. Arup Ghosh	Mr. Nawshir H. Mirza	Mr. Praveer Sinha	Mr. Minesh Shrikrishna Dave	Mr. Ramesh Narayanswamy Subramanyam
		and Nomination and Remuneration committee			
Number of Shares held	Nil	Nil	One equity share of ₹ 10/- in the company jointly with The Tata Power Company Limited	Nil	Nil

Board's Report

To the members,

The directors are pleased to present the seventeenth annual report on the business, operations and the statements of account for the year ended 31st March 2018 of Tata Power Delhi Distribution Limited (Company).

1. FINANCIAL RESULTS

(Figures in ₹ crore)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	7104	6745	7113	6755
Add: Other income	65	57	65	57
Total income	7169	6802	7178	6812
Expenditure (Excl. Depreciation, Interest & Tax)	5920	5742	5924	5746
Interest	347	401	347	401
Depreciation	290	193	290	193
Total Expenditure	6557	6336	6561	6340
Profit before tax and rate regulated activities	612	466	617	472
Net movement in regulatory deferral account balance	(174)	(146)	(174)	(146)
Profit before tax	438	320	443	325
Less: Exceptional Items: Impairment of Property , Plant and Equipment	38	-	38	-
Less: Provision for Taxes Current Income Tax Deferred income tax	95	58	96	60
Profit for the year	305	262	309	265
Other Comprehensive Income	1	(1)	1	(1)
Less: Statutory Appropriations				
Balance Profits available for appropriation	306	261	310	264
Add: Balance brought forward from the previous year	2044	1942	2055	1950
Total Profit available in P&L Account, which the directors have appropriated as under to: i) Dividend paid and distribution tax thereon ii) General Reserve	2350 40	2203 159 -	2365 40	2214 159
Leaving a balance of To be carried forward	2310	2044	2325	2055

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

2. DIVIDEND

The directors of your company recommend a dividend of ₹ 12 per share on the 12% cumulative redeemable preference shares of ₹ 100 each for the financial year 2017-18.

The board has also proposed a final dividend of 16% (₹ 1.60/share) per equity share of ₹ 10 each on the equity shares for the financial year 2017-18.

The proposals are subject to the approval of shareholders at the ensuing Annual General Meeting.

3. STATE OF COMPANY'S AFFAIRS

- **FINANCIAL HIGHLIGHTS**

Tata Power Delhi Distribution Limited (Tata Power-DDL) had revenues from operations aggregating to ₹ 7,104 crore during the financial year 2017-18 (FY 18), a growth of about 5.3 % over the previous year revenues of ₹ 6,745 crore. The company, however, incurred a profit of ₹ 612 crore in FY 18 as compared to a profit of ₹ 466 crore in FY 17, prior to accounting for regulatory expense amounting to ₹ 174 crore in FY 18 as against ₹ 146 crore in FY 17. This amount reflects the adjustment in the company's revenues billed at current tariffs and those chargeable by it to its consumers based on costs incurred during the year. The same has been recognized as regulatory expense of the current year on the basis of treatment specified in Guidance Note on Rate Regulated Activities issued by ICAI and Ind AS 114. Consequently, on recognizing the regulatory expense of ₹ 174 crore (₹146 crore in FY 17), the resultant profit before tax (PBT) is ₹ 438 crore in FY 18 as compared to ₹ 320 crore in FY 17, reflecting an increase of 37% over the previous year. However profit before tax subsequent to exceptional item of ₹ 38 Cr [impairment of Property Plant and Equipment (PPE)] in FY 18 is ₹ 400 crore. The profit after tax (PAT) for FY 18 is ₹ 306 crore as compared to ₹ 261 crore in FY 17, thereby reflecting 17.2% increase over the previous year.

- **Business Environment**

Industry Structure and Developments

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

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

Power Distribution

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

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

- **Operations**

Power Procurement

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

The company procured 9402 MUs in FY 2017-18 from external and own generation sources against 9040 MUs procured in FY 2016-17, reflecting an increase of around 4% over the previous year.

The company sustained system reliability at 99.67% and touched the peak load at 1852 MW during the year. Further street light functionality is 99.41%, collection avenues increased to 3,755, customer satisfaction index increased to 91%, billing efficiency and collection efficiency was at 91.83% and 99.75% respectively, as on 31st March 2018.

In the current year, the company received approval from the DERC for scaling up its Demand Response program. Further, the company has collaborated with 43 partners from technology, institutions and funding agencies across the globe to take technology and service delivery to the next levels. The company has also moved forward in implementing the Smart Grid road map developed with Quanta and has rolled out Advanced Distribution Management System in its area of operations. The company is pursuing Solar Rooftop project implementation in Delhi and has a target of implementing 400 MW by 2025 with 15 MW already installed. The company has established two Microgrids in Bihar for rural upliftment by providing access to electricity, with its collaboration partner MIT and GE.

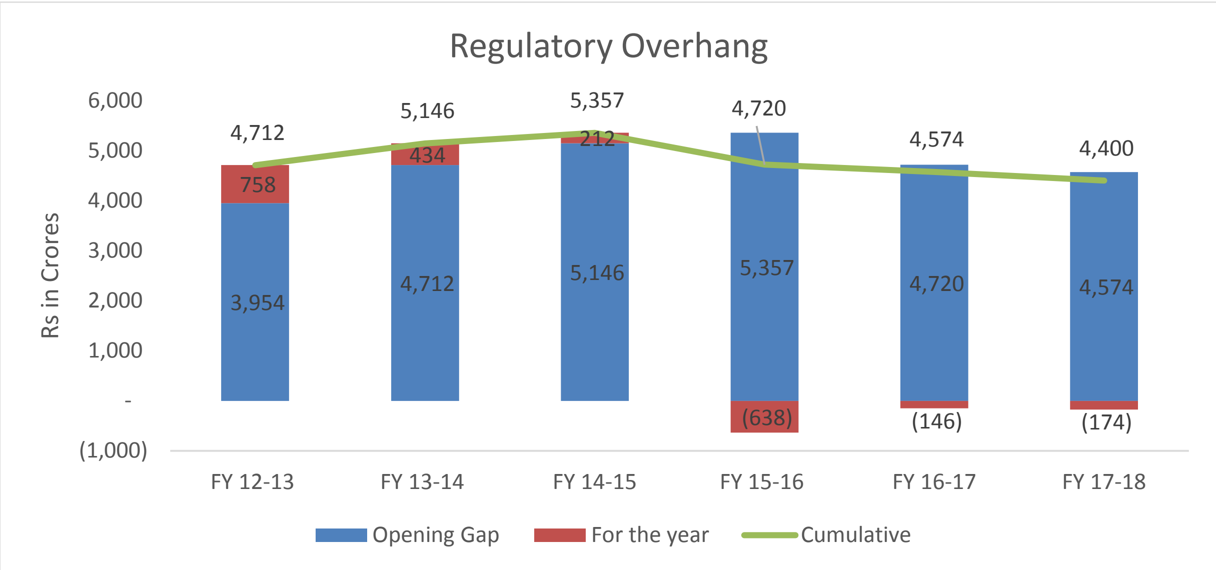
Tariff Related Matters

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

Power Purchase Costs constitute around 75% of total costs, Operation & Maintenance expenses (inclusive of Establishment Cost, Administrative & General Expenses and Repair & Maintenance Expenses) constitute around 11% with Depreciation around 3%, Interest on Loans for capital investment between 2%-3%, Return on Equity (RoE) deployed in the business constituting only around 2-3% of the total cost and balance towards carrying cost. The total cost needs to be recovered through retail tariff determined by the DERC and chargeable to the consumers.

Though the current retail supply tariff is adequate to address the cost of current power supply and has resulted into liquidation of past accumulated revenue gap to some extent, DERC has continued with deficit revenue surcharge of 8% since July 2012 over the retail tariff for recovery of the carrying cost along with liquidation of the past revenue gap.

During the current year revenue gap has decreased by ₹ 174 Cr which is evident from the graph below.



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

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

C&AG AUDIT

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

COMMERCIAL

Key Achievements

AT&C Loss Reduction: One of the most significant measures of operational efficiency in power distribution sector is Aggregate Technical & Commercial (AT&C) Loss reduction. AT&C Losses refer to the difference between energy input and energy for which revenue is realized. Tata Power-DDL has consistently over-achieved its Regulatory AT&C Loss Reduction Targets including the one in FY17-18, thereby mitigating increases in retail tariffs through operational efficiency despite steep increase in input costs and also maintained its edge over competition through demonstrated excellence. However, having reached higher levels of efficiency, further reduction of AT&C losses, in particular technical losses, is becoming increasingly more difficult without significant capital investment, which is a challenge in view of large accumulated revenue gaps, associated financing and impact on tariff. During the year, your company's AT&C loss was at 8.40% which is much ahead of regulatory target of 8.84%.

Standards of Performance

The DERC has specified stringent performance assurance standards with respect to consumer service delivery. As in the past, the company's compliance with assurance time lines in FY17-18 continued to be in the range of 100% with certain key services such as providing new connections (in average 4 to 5 days against DERC allowed 7 days), PA compliance for Operations is 99.50 for FY 17-18, replacement of defective meters (5 days against 15 days allowed by DERC), being provided in significantly lesser (faster) time than stipulated by DERC.

As per a survey conducted by the Ascent Group, an international management consulting firm that specializes in customer service operations and competitive benchmarking, Tata Power-DDL's call centre services are a global benchmark for average handling time per call (from receiving the call to its completion) at 170 seconds against average 313 seconds taken by global utilities.

Customer Services

Tata Power-DDL has consistently implemented new technologies and process to improve its customer's satisfaction. Tata Power-DDL introduced Short Code Toll Free Helpline Number (19124), Automated E-kiosks at Customer Care Centres for creating or checking the status of requests, complaints, bill details or payment etc. The company has launched Mobile App for complaint generation, bill payment and history view etc. The company has also started the Hindi version of its website for improving ease of reading and also revamped its website by including new facility for online new connections registration, document submission, tracking of request status and demand note payment etc.

Capital Expenditure

Tata Power-DDL has executed distribution related capital expenditure works (CAPEX) amounting ₹ 568 crore in the current year (previous year capex ₹ 496 crore). This amount has been judiciously utilized for enhancement of reliability of system through network improvements, reduction of AT&C losses and improvement in consumer services.

During the year 2017-18, the total capitalisation was ₹ 479 crore (previous year capitalisation was ₹ 455 crore).

- **Generation Initiatives**

Rithala CCPP

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

While the Rithala Plant had been allocated 0.4 million metric standard cubic meters per day (MMSCMD) from the Krishna Godavari (KG) Basin, the supply of KG D6 Basin gas has been completely curtailed to the plant since 1st March 2013, owing to continuous decline in production of Gas and in line with the Gas Utilization Policy of Ministry of Petroleum and Natural Gas (MoPNG) which provides a higher priority to Fertilizer and LPG sectors on usage of KG D6 gas. While the company has made adequate arrangements for Spot RLNG, the plant is not being dispatched by the State Load Dispatch Center (SLDC) owing to higher costs associated with spot RLNG. Tata Power-DDL had Spot RLNG contract with GAIL till 31st March 2018 to ensure continued availability of Rithala Plant. Subsequent to 31st March 2018, the company is no longer declaring the availability of the Rithala Plant in line with the DERC order.

Solar Projects

Solar & New Business Initiatives:

Tata Power-DDL became the first and only power utility to be awarded by Ministry of New & Renewable Energy, Govt. of India with National Award for "Utility Enabler for Rooftop Solar Project". Tata Power-DDL has empaneled 11 turnkey solar project installation agencies for installing roof top solar plants for Tata Power-DDL consumers at costs much lower than MNRE/SECI declared rates. A total of 294 cases of net metering have been installed till FY 2017 - 18 with a capacity of 15.08 MWp. Awareness campaigns were done for RWAs, IWAs and Educational Institutes etc. covering 1500 potential consumers. In FY 2017-18, a total of 8.22 MUs were generated through solar plants.

Tata Power-DDL has also installed 15 nos. of Rooftop Solar Plants on its different buildings having capacity of 1.77 MWp. In FY17-18, a total of 2.22 MUs were generated through these solar plants. LOA has been received from different states like Assam for Rooftop Solar Projects in association with RECPDCL. Tata Power-DDL has also collaborated with Tata Trust, GE and MIT for setting up two Solar Micro-Grid Projects in Bihar. Objectives of setting up of these Solar Micro-Grids are to create a sustainable model for providing reliable supply to un-electrified households. Tata Power-DDL is also involved in the Off Grid Solar Installation of 13179 Nos. of 300MWp Solar Home Power Packs and 4184 Nos. of 40MWp Solar Street Lights for electrification of 895 Nos. of Off-Grid Villages in Arunachal Pradesh under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) alongwith RECPDCL.

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

SCADA EMS, DMS OMS Getting Upgraded to ADMS

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

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

All the above stated technologies have been unique and path breaking at the time of implementation, however, these needed to be upgraded and made suitable for upcoming smart technologies. As a part of upgrade Tata Power-DDL is implementing Advanced Distribution Management System (ADMS). This will make Tata Power-DDL the 1st utility in India to deploy ADMS, a real time power distribution management system that operates by unifying SCADA, Advanced Distribution Management Applications & Outage Management System (OMS) functionality in a single modular solution taking network data directly from GIS in an integrated manner along with SAP-PM/ISU/CRM extending its seamless benefits to the consumers providing synchronous operation for a utility. The first phase of ADMS was rolled out in April 2017.

Smart Grid

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

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

Further, as a part of digitizing the work force, Tata Power-DDL has implemented Mobility based Meter Management and Complaint Management and is working on large level implementation of Field Force automation for all functions by February 2018.

AMI Project

Tata Power-DDL initiated Advanced Meter Infrastructure (AMI) in 2015 which includes AMI communications network and equipment, head-end data collection system and smart meters. The head-end system shall support NOC and admin activity with role based user access for outage, network deployment, network monitoring, alerts / notification, reading data, remote configuring, reporting etc.

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

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

The company has implemented India's first ever integrated ADR and AMI project. This aims to reduce peak demand at the time of critical grid stress conditions like peak demand, peak pricing and grid collapse etc. through shedding of identified non critical load at the consumer premise. The project has yet covered 161 commercial & industrial consumers having sanctioned load of above 100 KW to achieve a cumulative shed potential of 17 MW. The integrated project would not only lead to improvement in reliability of supply but would also empower the participating consumers to analyze their consumption patterns closely to optimize their energy consumption. DERC has also given an in principle approval for providing incentives to consumers enrolling for this program in March 2016, providing an impetus for large scale deployment of this project.

4. RESERVES

There has been no transfer to general reserves during FY 2017-18 (Previous year - Nil).

5. SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

During FY 2017-18, neither of the existing subsidiary ceased to be a subsidiary of the company. There has been no major change in the nature of business of your company and its subsidiary. Currently, there is no joint venture and associate company of the company.

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

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

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

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

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

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

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

<u>Governance Guidelines</u>:
The company has also adopted governance guidelines on board effectiveness. The governance guidelines cover aspects related to:

- Composition and role of the board (this includes elements on the size, composition, role of the board, role of the chairman and role of the directors. It also covers definition of independence, directors' term, retirement age and committees of the board)
- Nomination, appointment, induction and development of directors
- Directors remuneration

- Board effectiveness review (this includes aspects related to the process for evaluation of board as a whole, individual directors including Managing Director/Executive Director/ Non-Executive Director/ Independent Director/ Chairman and Board committees)
- Mandates of board committees (this includes the mandate for Audit committee, Nomination and Remuneration committee and CSR committee).

- **Additions/ Retirements of Directors**

Mr. Nawshir H. Mirza (DIN: 00044816) was appointed as an independent director of the company, not liable to retire by rotation, for a period of three years, with effect from 24th March, 2015 to 23rd March, 2018. His first term of three years ended on 23rd March, 2018.

The board had evaluated Mr. Mirza's performance and found it to be satisfactory.

In view of his performance and in terms of Governance Guidelines adopted by the company, based on the recommendation of Nomination and Remuneration committee and subject to the approval of shareholders at the forthcoming AGM, the board has approved re-appointment of Mr. Nawshir H. Mirza as an independent director of the company, not liable to retire by rotation, for a second term of two years, with effect from 24th March, 2018 to 23rd March, 2020, pursuant to the provisions of sections 149, 178 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder.

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

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

Consequent upon the accepting the role of Chief Executive Officer and Managing Director of of The Tata Power Company Limited w.e.f 1st May, 2018, Mr. Praveer Sinha (DIN:01785164) would be stepping down as Chief Executive Officer and Managing Director of Tata Power-DDL w.e.f close of working hours on 30th April, 2018.

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

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

Key Managerial Personnel (KMP): Mr. Praveer Sinha is the Chief Executive Officer and Managing Director, Mr. Ajay Kapoor is the Chief Financial Officer and Mr. Ajay Kalsie is the Company Secretary of the company. They are the key managerial personnel (KMPs) of Tata Power-DDL as on 31st March, 2018.

Mr. Ajay Kapoor (DIN: 00466631) would be stepping down as CFO & Chief (Commercial, Legal & Regulatory), Tata Power-DDL w.e.f close of working hours on 30th April, 2018.

The Nomination and Remuneration committee of Tata Power has proposed to appoint Mr. Hemant Goyal as Chief Financial Officer of the company w.e.f 1st May 2018.

Consequent upon his appointment as Chief Executive Officer and Managing Director of Tata Power w.e.f 1st May, 2018, Mr. Praveer Sinha would be stepping down as Chief Executive Officer and Managing Director of Tata Power-DDL w.e.f close of working hours on 30th April, 2018.

In terms of Article 3.5 of the Shareholders' Agreement executed between Tata Power, Delhi Power Company Limited and Tata Power-DDL, Tata Power has proposed to appoint Mr. Sanjay Kumar Banga (DIN: 07785948) presently Chief (PM, Contracts & BD), Tata Power-DDL as Chief Executive Officer of the company w.e.f 1st May, 2018.

The Nomination and Remuneration committee of Tata Power has also proposed to appoint Mr. Sanjay Kumar Banga as Chief Executive Officer of the company w.e.f 1st May, 2018.

In view of the above changes in senior management, Mr. Sanjay Kumar Banga would be appointed as Chief Executive Officer and Mr. Hemant Goyal would be appointed as Chief Financial Officer of the company, w.e.f 1st May, 2018.

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

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

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

  Five meetings of the board of directors were held during the year 2017-18 and the gap between two meetings did not exceed 120 days. The meetings were held on [28th April 2017 (Original) and 5th May 2017(Adjourned)]; [14th July 2017 (Original) and 21st July 2017 (Adjourned)]; [24th October 2017 (Original) and 31st October 2017 (Adjourned)], [26th January 2018 (Original) and 2nd February 2018 (Adjourned)] and [8th March 2018 (Original) and 15th March 2018 (Adjourned)].Two separate meetings of independent directors were also held on 5th May 2017 and 30th October 2017, respectively, which were attended by all the independent directors.

  The last annual general meeting of the company was held on 21st July, 2017.

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

S. No.	Name of the directors	Business Relationship	No. of board meetings held	No. of board meetings attended	Attendance at the 16th AGM
1.	Mr. Anil Sardana	Chairman Non-executive director (Nominee of Tata Power)	5	4	Yes
2.	Mr. Nawshir H. Mirza	Independent director	5	5	Yes
3.	Mr. Ajay Shankar	Independent director	5	5	Yes
4.	Mr. Amar Jit Chopra	Independent director	5	5	Yes
5.	Mr. Praveer Sinha	Chief Executive Officer & Managing Director (Nominee of Tata Power)	5	5	Yes
6.	Mr. Arup Ghosh	Non-executive director (Nominee of Tata Power)	5	5	Yes
7.	Ms. Shalini Singh	Woman director (Nominee of Tata Power)	5	5	Yes

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

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

- **Meeting of Independent Directors**
  During the year, the independent directors of the company met twice on 5th May 2017 and 30th October 2017, without the presence of executive directors and other members of management. The independent directors reviewed the performance of non-independent directors, the chairman and the board as a whole. They also assessed the quality and adequacy of the information between the company's management and the board.

- **COMMITTEES OF THE BOARD:**
  (i) Audit committee:

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

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

The board also approved and adopted charter of Audit committee.

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

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

The Audit committee met 5 times during the year. These meetings were held on 5th May, 2017, 20th July, 2017, 30th October, 2017, 6th December, 2017 and 2nd February, 2018.

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

Sl. No.	**Name of the director**	**Category**	**No. of meetings attended**
1.	Mr. Amar Jit Chopra	Independent, Non-Executive	5
2.	Mr. Nawshir H. Mirza		5
3.	Mr. Ajay Shankar		5

In addition to Mr. Praveer Sinha, Chief Executive Officer & Managing Director, Mr. Ajay Kapoor, CFO & Chief (Commercial, Legal & Regulatory), Mr. Arup Ghosh, Non-Executive Director and Mr. B.M.Panigrahi, company's internal auditor attended Audit committee meetings held during the year. The Audit committee invites such of the other executives as it considers appropriate to be present at its meetings. The statutory, internal and cost auditors are also invited to the meetings.

(ii) Corporate Social Responsibility Committee

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

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

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

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

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

Currently, CSR committee comprises of the following directors:
1. Mr. Ajay Shankar, Chairman, Independent Director
2. Mr. Praveer Sinha, Member, CEO&MD

3. Mr. Arup Ghosh, Member, NED

The committee met twice during the financial year 2017-18. The meetings were held on 4th May, 2017 and 6th December, 2017.

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

Sl. No.	Name of the director	Category	No. of meetings attended
1.	Mr. Ajay Shankar	Independent, Non-Executive	2
2.	Mr. Praveer Sinha	Non Independent, Executive	2
3.	Mr. Arup Ghosh	Non Independent, Non-Executive	1

(iii) Nomination and Remuneration Committee:

Terms of Reference

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

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

The board also approved and adopted charter of NRC.

Currently, NRC comprises of the following directors:

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

The committee met once during the financial year 2017-18 on 5th May, 2017.

The number and attendance of NRC meeting is as under:

Sl. No.	Name of the director	Designation	No. of meeting attended
1.	Mr. Nawshir H. Mirza	Independent, Non-Executive	1
2.	Mr. Anil Sardana	Non Independent, Non-Executive	1
3.	Mr. Ajay Shankar	Independent, Non-Executive	1

(iv) Operations Review Committee

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

Currently, Operations review committee comprises of the following directors:
1. Mr. Anil Sardana, Chairman, Non-Executive Director and Chairman, Tata Power-DDL
2. Mr. Praveer Sinha, Member, CEO&MD, Tata Power-DDL

(v) Long Term Loans and Borrowings Committee

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

Currently, Long term Loans and borrowings committee comprises of the following directors:
1. Mr. Nawshir H. Mirza, Member, Independent Director
2. Mr. Praveer Sinha, Member, CEO&MD

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

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

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

8. REGULATORY & LEGAL –

REGULATORY ENVIRONMENT

- **CHANGES TO LAW AND REGULATORY GUIDELINES**

DERC Regulations, Amendments, 2017

a) DERC vide gazette notification dated 17.08.2017 notified the Delhi Electricity Regulatory Commission (Supply Code and Performance Standard) Regulations, 2017 which are applicable to all the distribution licenses, deemed licensees and consumers of electricity in NCT of Delhi. Tata Power-DDL’s performance and its standard of performance will be governed by it.

b) DERC vide its order dated 28.03.2018 has notified the tariff order for ARR for FY 2018-19and True up of ARR/Revenue for FY 2016-17. This tariff order is currently under force.

9. RISK MANAGEMENT FRAMEWORK

Risk management committee/framework/policy/review mechanism

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

Top risks of Tata Power-DDL are:

1. Amount Recoverable from future tariff (Regulatory Overhang)
2. Rithala Plant
3. Pension Trust
4. Outcome of CAG Audit

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

- The Audit committee of the board of directors, comprising of majority of independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any.
- Reinforcement of Tata Code of Conduct is prevalent across the organization. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns etc.
- Anti-Fraud programs such as proactive vigilance, vigil mechanism are operative across the organization.
- A comprehensive delegation of power exists for smooth decision making which is being reviewed periodically to align it with changing business environment.
- A well established, independent, multi-disciplinary internal audit team operates in line with governance best practices. In order to ensure that adequate checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits (based on annual audit plans approved by Audit committee) are conducted by the team and significant observations are presented to management and Audit committee periodically about compliance with internal controls and efficiency and effectiveness of the operations.

- Detailed business plan including capital expenditure, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions.
- Majority of organizations' 370+ documented processes are configured suitably with the state-of-the-art SAP enterprise resource planning system. The access rights and segregation of duties violations are periodically monitored through SAP GRC system and necessary corrective/preventive action taken, if deemed necessary. The company also maintains a comprehensive information security policy and undertakes continuous upgrades of its IT systems.

10. SUSTAINABILITY

10.1 SAFETY – CARE FOR OUR PEOPLE

Sl. No.	Safety Parameters (Employees and contractors)	FY 17	FY 18
1	Fatality (Number)	0	1
2	LTIFR (Lost Time Injuries Frequency Rate per million man hours)	0.568	0.185
3	Total Injuries Frequency Rate (TIFR) (Number of Injuries per million man hours)	0.568	0.185
4	First Aid Cases (Number)	15	11

10.2 CARE FOR OUR COMMUNITY/COMMUNITY RELATIONS

CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

Tata Power-DDL as part of its CSR activities has been running women literacy programs, entrepreneurship development, vocational training programs, tutorial classes mobile dispensary, drug de-addiction camps, providing potable drinking water at JJ clusters & Govt. schools, education support program for SC/ST students and wards of WLC and VT beneficiaries etc. Every year more than 21,000 women are benefitted and empowered by the initiative of imparting education through 350 women literacy centers. More than 5087 youths have been trained at 19 vocational training centers. 2,29,640 students & individuals get potable water every day from 50 RO water plants installed at Govt. schools, JJ cluster & Delhi Metro station. More than 107968 JJ cluster residents have benefitted from health services provided by 4 mobile dispensary vans.

During the FY 17-18 following were the thrust areas in terms of schedule VII and section 135 of the Act, and the rules thereunder:

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

Prescribed CSR expenditure of two per cent of the net profits of the company was ₹ 7.26 crore and company has spent 8.0 crore during the FY 17-18 as per the requirements of the Act, and the rules made thereunder. The details of CSR spend are provided under Annexure V.

10.3 AFFIRMATIVE ACTION

Company's journey in the realm of Affirmative Action began with the signing of the code for Affirmative Action on 3rd February 2007. The "Policy on Affirmative Action for Scheduled Caste & Scheduled Tribe Communities" was approved by the board of directors on 18th July 2007. In order to supplement efforts of the government to improve condition of socially and economically underprivileged SC/STs and to create a level playing field, concrete steps for giving better opportunities in the private sector were initiated. Company's Affirmative Action's aiming towards upliftment of Schedule castes and Schedule tribe communities are classified under 4Es, viz. Education, Employability, Employment and Entrepreneurship. 1150 students have been supported from 48 Govt. schools and 483 students from ITI, Polytechnic, Engg. & Graduation colleges have been supported during FY 17-18.

Soft Skill Training for Girl Students: More than 6000 girl's students from AA community have been benefited since inception of the program. 2000 SC/ST students were benefitted this year through the program.

Tata Power-DDL has been conferred the TAAP Jury Award 2017 for reaching the milestone Score band of 601 – 625 during the Tata Affirmative Action Program (TAAP) External Assessment

More than 4.8 lakh people benefited under various CSR initiatives.

11. HUMAN RESOURCES

- **Great Place to Work Survey – 37th Rank**

The company participated in ‘Best Companies to work for 2017’ assessment conducted by Great Place to Work Institute. The trust index has shown an increase of 4 % points (82 in 2015 vis-à-vis 86 in 2017) compared over last assessment carried out in 2015.

Tata Power -DDL has been ranked 37th amongst 600 + Companies and 2nd Best in ‘Oil, Energy and Gas Sector in ‘Best Companies to Work For 2017’ conducted by Great Place to Work Institute India in collaboration with The Economic Times.

- **Organizational Workforce**

Tata Power-DDL recruited people from various technical and non - technical colleges at trainee level and also enhanced its bench strength to cater to manpower requirements at various business development (BD) projects. The employee strength at the end of the year was 3602 (including 319 employees deputed at BD and its projects).

- **Diversity & Inclusion**

34 % Female Recruitment was done during 2017-18. A Customized Leadership Program for Women Employees - “Women In Leadership League (WILL)’ was introduced which comprised of guest lectures by successful women businesswomen, leaders and academicians.

Recruitment under Affirmative Action during FY 2017-18 has been 15.65%.

- **Employee Connect & Engagement**

Based on Employee Engagement & Happiness Survey 2017, Organization wide action plan and Department level action plans have been prepared based on the findings of **the Survey – PULSE 2017** through two level workshops – (1) 21 Skip Level Workshops with Employees and (2) 16 Workshops with Concerned Heads and HoDs. These action plans shall be implemented across the various locations of the organization in the next two years and shall focus upon the identified critical areas.

Nine Theme based Organisation wide Action plans have been prepared (Enrich, Power Learning. Leadership Connect, Performance Maximiser, We Care, Connexion, Ignite, Power Connect, You Make a Difference) for addressing various areas of engagement drivers (Sr Leadership, Talent Management, PMS, Job Role, Communication etc.).

44 department wise Action Plans have been prepared. Half Yearly Departmental Reviews are conducted along with Quarterly ATRs.

Capability Development

In order to increase engagement levels of employees and develop them, about 31.38% employees in Executive Cadre and 21% employees in Non-Executive Cadre have been given job rotation/enrichment in the FY 2017-18. About 81% of employees in executive cadre, who have spent five years or more in the same profile have been given a change in profile/ enrichment.

Automated Functional Competency Assessment Module (PACE) has been launched, which gives input for stating the specific development areas in terms of "On-the-job Learning" and "Training by Experts". Functional Competency Assessments have been completed by the Reporting officers for 90.44% for the positions of HoG/DM/CSM positions and 84.14% for other employees.

- **Talent Management & Succession Planning**

A conscious and deliberate approach is undertaken to develop and retain people with aptitude and abilities to meet the current and future organizational requirements. In view of this, 187 positions have been identified that form a part of the succession planning within the organization with identified successors who can take over immediately and after 3-5 years respectively.

Following new Higher Education Avenues were created for employees:

a. Post Graduate Diploma Program from Emeritus Institute of Management (a Collaboration between MIT Sloan School of Management, Columbia Business School and Tuck School of business) with 50:50 Course fee sponsorship.
b. New Higher Education Programs introduced with IMT Ghaziabad, MDI Gurgaon, IP University, Delhi School of Management (IIT Delhi).

- **Industrial Relations**

The industrial relations situation in the company continued to be peaceful during the year under review. Management's relation with employees continued to be cordial and cooperative. Joint Interaction Forums, Voice of Employees and HR Nodal Officers have continuously improved direct interface with all employees. Voice of Employee sessions have been conducted across different locations with 100% resolution within time frame.

- **Sexual Harassment**

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

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

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

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

The following is a summary of sexual harassment issues raised, attended and dispensed during FY 17-18

No. of complaints received: 0
No. of complaints disposed of: 0
No. of cases pending for more than 90 days: Nil
Nature of action taken by the employer or District Officer: Not Applicable

Ethics Management

Ethics Management at Tata Power-DDL has been institutionalized through TATA Code of Conduct. To create and sustain an ethical culture, govern and implement ethics management across the organization a three tier structure exists which is revisited depending on requirements. Ethics Management Apex Team (EMAT), led by the CEO in the capacity of Principal Ethics Officer and represented by other senior leadership members, takes the lead role in guiding, reviewing and monitoring ethical issues. At the 2nd tier, there is a council of Locational Ethics Counsellors (LECs), led by the Chief Ethics Counselor (CEC), who are mostly members of the middle management situated at key locations across the company and approachable to all employees. The 3rd tier comprising of Ethics Champions (ECs) to address issues at local levels, assist Local Ethics Counsellors and spread awareness among employees, BA employees and other stakeholders.

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

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

Vigil Mechanism

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

The company has also formulated Gift Policy to align with the commitments towards Tata Code of Conduct. Further, steps like celebration of ethics week, online quizzes, publication of Ethics Newsletters & Ethics Violation Updates, etc. have been undertaken to promote culture of ethics and to reach out to all levels of our stakeholders.

UN Global Compact

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

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

AWARDS AND RECOGNITIONS

Various awards and recognitions have been bestowed on the company and its executives during the year FY 17-18. Some of the awards and recognitions received by the company are as under:

1) “Innovative Financing and ESCO Model” Award at the National Energy Efficiency Circle Competition organized by Confederation of Indian Industry (CII).

2) “Solar innovation and Excellence Awards’2017” under the category “Innovative Project: Rooftop Scale” at the 2nd Annual Conference-Expo-Awards, Roadmap for Innovations in Solar Energy – RISE’2017 at New Delhi.

3) Safety Innovation award’2017 by Institute of Engineers (India).

4) Top 26 Most Innovative Companies Award at the Industrial Innovation Summit’2017 conferred by the Confederation of Indian Industry at New Delhi.

5) “Excellence in Leaning and Development” Award at the 3rd Business World HR EXCELLENCE AWARDS 2017.

6) 6 Excellence Awards (4-Gold and 2-Silver) at the "International Convention on Quality Control Circles” held in Philippines.

7) Tata Power-DDL recognized at “Industry Leader” for surpassing the score of 650 in the TBEM External Assessment’2017.

8) “TAAP Jury Award’2017” for reaching the milestone band 600-625 during the TAAP external assessment.

9) “Top Implementer” and “Highest Contributor” award for Tata Edge for contribution to the EDGE platform, Mumbai.

10) Tata Power-DDL adjudged Runner-up for Excellence in Cyber Security at IFSEC India Awards 2017 for Operation Technology (OT), New Delhi.

11) 'Best Performing Power Distribution Utility' Award at the CBIP Awards’2018, Delhi.

12) “Rooftop Solar Enabler of the Year -Utility” at the 3rd Annual Indian Rooftop Solar Congress’2018, Delhi.

13) 1st Prize at TATA POWER’s T&D Knowledge Fair, Mumbai.

14) PLATINUM AWARD for Best Energy Efficiency Programs/ Projects of the Year at India Smart Grid Innovation Awards 2018.

12. CREDIT RATING

Company's borrowing facilities (both fund and non-fund based) are rated by ICRA, the credit rating agency. As on 31st March, 2018, the company had long term credit rating as AA- with positive outlook and short term rating as A1+.

13. LOANS, GUARANTEES, SECURITIES AND INVESTMENTS

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

14. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crore)

Particulars – Standalone	**FY18**	**FY17**
Foreign Exchange Earnings mainly on account of interest, dividend	Nil	Nil
Foreign Exchange Earnings mainly on account of consultancy services	3.54	1.48
Foreign Exchange Outflow mainly on account of:		
Fuel purchase	*Nil*	*Nil*
Interest on foreign currency borrowings, NRI dividends	*Nil*	*Nil*
Purchase of capital equipment, components and spares and other miscellaneous expenses	*Nil*	*Nil*
Foreign consultancy & other expenses	*3.80*	*0.36*
Foreign travelling expenses	*1.08*	*0.51*

15. DISCLOSURE OF PARTICULARS

Particulars of employees who are employed throughout the financial year or part of financial year and were in receipt of remuneration not less than Rupees One Crore and Two Lakh per annum or Rupees Eight lakh and Fifty Thousand per month, respectively- Since, none of the securities of company are listed on any recognized stock exchanges, therefore, provisions of Section 197(12) of the Companies Act, 2013 shall not be applicable.

16. SUBSIDIARIES

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

During FY18, neither of the existing subsidiary ceased to be a subsidiary of the company. There has been no major change in the nature of business of your company and its subsidiary. Currently, there is no joint venture and associate company of the company.

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

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

NDPL Infra Limited has earned revenues of ₹ 10.04 crore during financial year 2017-18, a decline of about 1.6% over the previous year revenues for FY 2016-17 of ₹ 10.57 crore. The company has earned profit before tax (PBT) of ₹ 5.97 crore for the year ended 31st March, 2018 as against ₹ 5.99 crore for the year ended 31st March, 2017 and total comprehensive income of ₹ 4.28 crore for the year ended 31st March, 2018 as against ₹ 3.17 crore for the year ended 31st March, 2017.

Performance

NDPL Infra Limited has entered into a short–term consultancy services Agreement with M/s VIPL Global Services for providing consultancy services / support of 2 to 3 Experts. The services are likely to end by August' 2018, but may be extended for a further few months.

17. AUDITORS

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

Based on the above directions of DERC, M/s Walker Chandiok & Co LLP (ICAI Firm Registration No. 001076N/N500013, LLP Identification No. AAC-2085), who are the statutory auditors of your company, hold office until the conclusion of the eighteenth AGM to be held in the year 2019, subject to ratification of its appointment at every AGM, if required under the Act.

M/s Walker Chandiok & Co LLP, pursuant to section 139 and 141 of the Act, have furnished a certificate regarding their eligibility appointment as the statutory auditors of the company.

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

Secretarial Audit: Based upon the recommendations of the Audit committee, the board at its meeting dated 26th April, 2018 approved the re-appointment of M/s Siddiqui & Associates, Company Secretaries, as the secretarial auditors of the company for the financial year 2018-19.

18. AUDITORS' REPORT

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

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

19. COST AUDITOR AND COST AUDIT REPORT

In accordance with the requirement of the Central Government and pursuant to section 148 of the Act and the rules made there under, the company carries out an audit of the cost accounts relating to electricity every year since 2006. Subject to the ratification of remuneration by the members of the company and based on the recommendation of the Audit committee, the board of directors of the company has re-appointed M/s Ramanath Iyer & Company, Cost Accountants (Firm Registration No. 000019) to audit the cost accounts relating to electricity for FY 2018-19. They have, pursuant to section 148 of the Act, furnished a certificate regarding their eligibility for re-appointment as the cost auditors of the company. They have also certified their independence and arm's length relationship with the company.

The Cost Audit Report of the company for the financial year ended 31st March, 2017 was filed with the Central Government, Ministry of Corporate Affairs on 9th August, 2017 through Extensive Business Reporting Language (XBRL), before the due date of 30th September 2017.

20. SECRETARIAL AUDIT REPORT

M/s Siddiqui & Associates, company secretaries, were re-appointed as secretarial auditor to conduct a secretarial audit of records and documents of the company for FY 2017-18. The secretarial audit report confirms that the company has generally complied with the provisions of the Act, rules, regulations and guidelines.

The secretarial audit report is provided in Annexure-VIII.

21. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

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

22. RELATED PARTY TRANSACTIONS

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

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

23. EXTRACT OF ANNUAL RETURN

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

24. DEPOSITS

The company did not accept any deposits during the financial year 2017-2018.

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

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

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

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

27. SECRETARIAL STANDARDS

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

28. DIRECTORS' RESPONSIBILITY STATEMENT

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

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

29. ACKNOWLEDGEMENTS

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

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

	Sd/-	Sd/-
	Praveer Sinha	**Arup Ghosh**
	Chief Executive Officer and Managing Director	**Director**
Delhi, 26th April, 2018	(DIN: 01785164)	(DIN: 06711047)

Annexures to Board's Report

ANNEXURE I – TECHNOLOGY ABSORPTION

- Research and Development (R&D)

1	Specific area in which R & D carried out by the company	i. Use of Ester oil to enhance capacity of DTs. ii. Development of Self-re-generating breather for DTs. iii. In house oil testing facility. iv. Development of In house Engineering Lab. v. Development of anti theft design of single phase meter box.
2	Benefits derived as a result of the above R & D	i. OPEX/CAPEX optimization. Reduction in DT failure on account of overloading of single phase DTs. ii. Prevention of DT failure. Saving of Manpower on account of maintenance of silica gel breather. iii. Condition based maintenance and saving of DT from failure. iv. Testing of raw material to ensure reliability of product. v. Reduction in AT&C losses.
3	Future plan of action	i. Retro-filling of 100 nos. single phase DTs. ii. Installation of 50nos. self-re-generating breather. iii. Oil Analysis of Power & high rating Distribution Transformers iv. 500 nos. earthing through chemical compound. v. 5 nos. of additional Hydraulic Sky Lifts.
4	Expenditure on R & D (in ₹ crore) a) Capital b) Recurring c) Total	a) ₹ 0.8 Cr b) ₹ 0.15 Cr c) ₹ 0.95 Cr

- Technology absorption, adaptation and innovation

1	Efforts, in brief, made towards technology absorption, adaptation and innovation	i. Study of specification and standards for use of ester oil. Site visit and installation of up rated transformers. ii. Study of reference material/standard and development of self-re-generating breather with a local vendor and installation in field. iii. Study done for smart tools & thermovision cameras and feedback taken from users for implementation. iv. BA finger Print capture and linking. v. Launch of mobile Apps for AMR meter communication testing, Disconnection & Reconnection process execution and FSE Visits.
2	Benefits derived as a result of the above efforts	i. 71 nos. 25KVA single phase DTs retro-filled with ester oil and installed to replace overloaded 25KVA DTs. ii. 25 nos. self-generating breather installed and filed results are positive. iii. At 90nos. location earthing done through chemical compound and results are satisfactory. iv. Elimination of debarred BA employees. v. Reduction in cycle time and elimination of error, delay due to subsequent manual data entry and optimized output through GPS tracking of the field teams.
3	In case of imported technology (imported during the last five years reckoned from the beginning of the	(a) **Technology imported** | (b) **Year of Import** | (c) **Has technology been fully absorbed**

	financial year), following information may be furnished: a) Technology Imported b) Year of Import c) Has technology been fully absorbed If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action	SAP E-Procurement	2015	Fully Absorbed
		Meter Reading through Smart Mobile Devices	2015	Fully Absorbed
		Auto Attendant S/W for Call center	2015	Fully Absorbed
		SAP-HANA	2016	Fully Absorbed
		SAP licenses Management and role governance - Security Weaver Solution for SAP	2018	Fully Absorbed
		Implementation of ADMS infrastructure & changes in related interfaces	2018	Fully Absorbed

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

Sd/-
Praveer Sinha
Chief Executive Officer and Managing Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 26th April, 2018

Annexure II – Conservation of Energy

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

Demand Side Management Initiatives for CONSERVATION OF ENERGY

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

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

1. *AC Replacement Scheme*

Project Name	Objective	Brief Description	Status/Progress
Replacement of Non Star Rated Air Conditioner (AC) with BEE 5 Star Rated/Inverter AC	-Summer Peak Reduction -To accelerate the adoption of Energy Efficient ACs through the rebate based scheme	Upto 50% discount offered on MRP (***The rebate offered under the scheme ranges from ₹ 4800 – ₹ 7400 /Unit)*** -Participating consumer would be benefitted by the annual reduction of appx. ₹ 5500 in the electricity bill depending upon their usage. -All the old ACs collected under the scheme disposed- off in the environment friendly manner. -Tariff Neutral from year 1	-Scheme launched on July 10, 2015 - Three OEMs participated - Hitachi, Voltas and Godrej (Selected through open tendering) -Total Installed Quantity till now – 17123 (AC replaced in FY'17: 7985 with deemed peak load reduction of 7.55 MW) -Deemed Total Load Reduction - 15.3 MW -Annual cumulative Energy Savings- 10.5 MUs Savings -Annual CO2 Reduction - 3,496 MT - Petition filed to DERC for re- launch of the scheme in 2018; Approval received from DERC.

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

Project Name	Objective	Brief Description	Status/Progress
UJALA Program- Distribution of Energy efficient LED light and Ceiling Fan at the discounted rates	To evolve a framework to encourage TATA POWER - DDL customers for usage of the Energy Efficiency Appliances through Ujala Yojana	-LED lights (Bulb and Tube light) and BEE 5 star rated Ceiling Fans would be offered at discounted rates in association with EESL -Distribution of 9 watt LED bulb @Rs. 70 - 20 watt LED T8 Tube light @Rs. 220 - BEE 5 star ceiling fan @Rs. 1200 -Tata Power-DDL to facilitate in distribution of the Products through ABHA members on chargeable basis.	-MoU signed between TATA POWER-DDL and EESL about the SOP and commercial part regarding TATA POWER-DDL facilitation charges as TATA POWER-DDL only DISCOM allowed by EESL for working as distribution partner. -Scheme launched on 7th Feb,2017 -Program Targets:- a. Bulbs - 635444 b. Tube lights – 83818 c. Fans – 7141 Cumulative quantity:726403 *Total Deemed Saving: 20 MW* *Total MU savings: 21 MUs* *Total CO2 emission reduction: 16926 MT*

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

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

4. NDMC streetlight Project

Project Name	Objective	Brief Description	Status/Progress
NDMC streetlight Project	-Replacement of existing HPSV lamps with energy efficient LED light fixtures	- Tata Power DDL in consortium with Havells awarded the NDMC LED streetlight Project. -Havells as technology partner and Tata Power DDL as implementation partner as ESCO.	- Till date, around 78,120 LED street lights have been fixed. -Estimated load reduction under phase 1: 14.23 MW in Tata Power-DDL area -Estimated load reduction under phase 2 : 9.29MW

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

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

S No	DSM Program till date	Scale (Nos)	Annual Energy Savings (MU)	Load Reduction (MW)	Annual CO2 reduction (MT)
1	**LED Lights**	1,930,000	59.2	15.2	19,714
2	**Whole range LED Light with Crompton**	100,000	3.01	2.8	1003
3	**BEE 5 star Ceiling Fan with Crompton**	60,000	5.4	1	1,798
4	**Non Star AC replacement Scheme**	17,123	10.5	15.3	3,496
5	**Energy efficiency Implementation project**	-	-	22.81	2946
6	**Rooftop Solar through Net Metering of 12.96 MW**	236	6.62		2204
	Total		**84.73**	**57.11**	**31,161**

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

Sd/-
Praveer Sinha
Chief Executive Officer and Managing Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 26th April, 2018

ANNEXURE III - POLICY ON BOARD DIVERSITY & DIRECTOR ATTRIBUTES

1. **Objective**

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

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

2. **Attributes of directors**

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

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

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

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

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

Additional Attributes

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

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

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

4. **Review of the Policy**

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

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

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

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

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

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

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

Key principles governing this remuneration policy are as follows:

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

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

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

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

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

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

o In terms of remuneration mix or composition,

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

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

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

- **Policy implementation**

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

ANNEXURE V– DETAILS OF CORPORATE SOCIAL RESPONSIBILITY SPEND

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

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

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

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

The company's CSR policy, including overview of projects or programs undertaken or proposed to be undertaken, is provided on the Company website: http://tatapower-ddl.com/pdf/policies/TPDDL%20CSR%20Policy.pdf

2. The Composition of the CSR Committee.
   Mr. Ajay Shankar– Chairman - Independent Director
   Mr. Praveer Sinha – Member- Chief Executive Officer and Managing Director
   Mr. Arup Ghosh – Member- Director

3. Average net profit of the company for last three financial years:
   ₹ 363.37 crore

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 as above: **₹ 7.27 crore**

5. Details of CSR spent during the financial year 2017-18.
   (a) Total amount spent for the financial year - **₹ 8.00 crore**
   (b) Amount unspent, if any; **Nil**
   (c) Manner in which the amount spent during the financial year is detailed below:

CSR Expenditure FY 2017-18 in ₹ (Reporting Framework)							
1	2	3	4	5	6	7	8
S.No.	**CSR Project/ activity identified**	**Sector**	**Project/Programs** 1. Local area or Others 2. State District	**Amount outlay (budget) project/ programs wise**	**Amount Spent by Project/ Programs** **1. Direct** **2. Overheads**	**Cumulative expenditure spend upto reporting period**	**Amount spent direct/ through implementing agency**
1	Women Literacy Program & Brand Ambassadors (Abha)	(ii)	North,North-West Delhi	4,38,28000	4,30,84328	4,30,84328	4,30,84328
2	Girl Child Counseling	(ii)	North,North-West Delhi	15,31000	15,34988	15,34988	15,34988
3	VT cum Tutorial program	(ii)	North, North-West Delhi	145,41000	1,24,32156	1,24,32156	1,24,32156
4	Affirmative Action Program	(ii)	North, North-West Delhi	39,94000	39,55870	39,55870	39,55870
5	Drug De - Addiction Camps	(i)	North, North-West Delhi	9,46000	9,33038	9,33038	9,33038
6	Mobile Dispensary Services	(i)	North, North-West Delhi	78,12000	79,05867	79,05867	79,05867
7	Blood Donation Camps	(i)	North, North-West Delhi	1,92000	2,14513	2,14513	2,14513
8	Safe drinking water provisions at Govt. schools & VT Centers	(i)	North, North-West Delhi	22,80000	34,73016	34,73016	34,73016
9	Entrepreneurship-SHG Training Program	(ii)	North, North-West Delhi	35,76000	28,35388	28,35388	28,35388
10	Support to MSSI / Support to Orphanages/ Old age homes	(ii)	North, North-West Delhi	59000	59391	59391	59391
11	Support to VMK	(i)	North, North-West Delhi	1,76000	1,10016	1,10016	1,10016
12	Energy Club	(iv)	North, North-West Delhi	4,40000	4,39848	4,39848	4,39848
13	Tree Plantation	(iv)	North, North-West Delhi	1,51000	1,74308	1,74308	1,74308
14	Promoting Consumer Awareness (Safety Awareness - Nukkad Natak, Environment, Banners, Flex Etc.)/Socio economic profiling of JJ clusters: payments to DU	(ii)	North, North-West Delhi	21,93000	27,24351	27,24351	27,24351

CSR Expenditure FY 2017-18 in ₹ (Reporting Framework)							
1	2	3	4	5	6	7	8
S.No.	**CSR Project/ activity identified**	**Sector**	**Project/Programs** 1. Local area or Others 2. State District	**Amount outlay (budget) project/ programs wise**	**Amount Spent by Project/ Programs** **1. Direct** **2. Overheads**	**Cumulative expenditure spend upto reporting period**	**Amount spent direct/ through implementing agency**
15	Spoken English Program - at President's Estate	(ii)	North, North-West Delhi	1,67000	1,67200	1,67200	1,67200
	Grand Total			**8,18,86000**	**8,00,44278**	**8,00,44278**	**8,00,44278**

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

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

sd/-
Praveer Sinha
(Chief Executive Officer & Managing Director)
(DIN: 01785164)
Delhi
26th April, 2018

sd/-
Ajay Shankar
(Chairman CSR Committee)
(DIN: 01800443)
Delhi
26th April, 2018

ANNEXURE VI– RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

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

Sd/-
Praveer Sinha
Chief Executive Officer and Managing Director
(DIN: 01785164)

Sd/-
Arup Ghosh
Director
(DIN: 06711047)

Delhi, 26th April, 2018

Annexure VII– EXTRACT OF ANNUAL RETURN

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	0	10	10	0	0	10	10	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	270479994	2	270479996	49	270479994	2	270479996	49	0
d) Bodies Corp.	281519994	0	281519994	51	281519994	0	281519994	51	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (1)	551999988	12	552000000	100	551999988	12	552000000	100	0
(2) **Foreign**									
a) NRI Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks//FI									
e) Any other	0	0	0	0	0	0	0	0	0
Sub Total (A) (2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	551999988	12	552000000	100	551999988	12	552000000	100	0
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	0	0	0	0	0	0	0	0	0
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	0	0	0	0	0	0	0	0	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	0	0	0	0	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	551999988	12	552000000	100	551999988	12	552000000	100	0

(ii) Shareholding of Promoters

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

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

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

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

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

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

(v) Shareholding of Directors and Key Managerial Personnel:

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

V. INDEBTEDNESS

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

(Amount in ₹)

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	26,676,010,507	2,134,295,355	-	28,810,305,862
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	13,652,962	-	-	13,652,962
Total (i+ii+iii)	**26,689,663,469**	**2,134,295,355**	-	**28,823,958,824**
Change in Indebtedness during the financial year				
• Addition	6,373,804,812	7,553,460,110	-	13,927,264,922
• Reduction	8,344,531,946	6,675,000,000	-	15,019,531,946
Net Change	**(1,970,727,134)**	**878,460,110**	-	**(1,092,267,024)**
Indebtedness at the end of the financial year				
i) Principal Amount	24,694,131,524	3,012,755,465	-	27,706,886,989
ii) Interest due but not paid	-	-	-	-

	Secured Loans	Unsecured Loans	Deposits	Total Indebtedness
iii) Interest accrued but not due	24,804,812	-	-	24,804,812
Total (i+ii+iii)	**24,718,936,335**	**3,012,755,465**	-	**27,731,691,801**

Notes:-
The difference between opening CC and closing CC has been shown as addition/reduction, whichever is applicable.
Opening Interest accrued has been shown as reduction.
Closing Interest accrued has been shown as addition.
Indebtedness does not include preference share capital and is only for Term Loans and CC facilities from banks.

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

(in ₹)

Sl. no.	Particulars of Remuneration	*NAME OF THE MD/WTD/MANAGER*	*Total Amount*
		Mr. Praveer Sinha Chief Executive Officer and Managing Director	*Total*
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	Nil	Nil
2.	Stock option	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission -as % of profit - others, specify	Nil	Nil
5.	Others, please specify*(Deputation Pay)	3,19,03,391/-	3,19,03,391/-
	Total	3,19,03,391/-	3,19,03,391/-

VI.B. Remuneration to other directors

DISCLOSURE OF REMUNERATION PAID TO DIRECTORS

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

Remuneration of Directors:

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

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

Vide W.P. (C) No. 8190/2015 - Sandeep Tiwari vs. GNCTD & Ors, the high court by the judgment dated 04.08.2016 had quashed the appointment of the nominee directors of DPCL appointed by the GoNCTD on the board of DISCOMs. Hence, Mr. Sanjeev Singh, Mr. Prem Prakash, Mr. Arun Kumar Garg, Mr. Sudhir Mohan Varma and Mr. Anjani Kumar Sharma, who were earlier directors of the company, were no longer on the board. Shri Sudhir Mohan Varma, former director, aged 62 years, passed away on 3rd December, 2017.

During the period under review 5 Board meetings, 5 Audit Committee Meetings, 2 Corporate Social Responsibility committee meetings and 1 Nomination and Remuneration committee meeting were held. None of the NEDs had any pecuniary relation or transactions with the company other than the sitting fees received by them.

(in ₹)

Tata Power Delhi Distribution Limited		
Detail of payments made to directors during the period from 01.04.2017 to 31.03.2018		
S. No.	**Name of Directors**	**Fee Amount**
1	Mr. Nawshir Mirza	8,25,000.00
2	Ms. Shalini Singh	3,75,000.00
3	Mr. Amar Jit Chopra	7,75,000.00
4	Mr. Ajay Shankar	8,85,000.00
	Total	**28,60,000.00**

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

(in ₹)

S.No	Particulars of Remuneration Key Managerial Personnel	Key Managerial Personnel		
		Company Secretary Mr. Ajay Kalsie	CFO Mr. Ajay Kapoor	*Total*
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	67,43,754	1,43,82,560	*2,11,26,314*
2.	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	39,600	39,600	*79,200*
3.	Stock option	Nil	Nil	Nil
4.	Sweat equity	Nil	Nil	Nil
5.	Commission -as % of profit - others, specify	Nil	Nil	Nil
6.	Others, please specify	Nil	Nil	Nil
	Total	**67,83,354**	**1,44,22,160**	***2,12,05,514***

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

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

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

Sd/-	Sd/-
Praveer Sinha	**Arup Ghosh**
Chief Executive Officer and Managing Director	**Director**
(DIN: 01785164)	(DIN: 06711047)

Delhi, 26th April, 2018

ANNEXURE VIII– SECRETARIAL AUDIT REPORT
Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year ended 31st March 2018

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Power Delhi Distribution Limited** having **CIN No. U40109DL2001PLC111526** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of **Tata Power Delhi Distribution Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March 2018** complied with the statutory provisions listed hereunder and also that the company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Tata Power Delhi Distribution Limited** for the financial year ended on **31st March 2018** according to the provisions of:

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

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; **Not Applicable**
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**

d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
Not Applicable

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**

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

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

i. Secretarial Standards issued by The Institute of Company Secretaries of India: Secretarial Standard-1 on the Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings.

ii. The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; **Not Applicable**

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

We further report that

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

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

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

for Siddiqui & Associates
Company Secretaries

Sd/-

Place: New Delhi **K.O.SIDDIQUI**
Date: 13th April 2018 **FCS 2229 ; CP 1284**

Walker Chandiok & Co LLP
L-41 Connaught Circus
New Delhi 110001
India

T +91 11 4278 7070
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Independent Auditor's Report

To the Members of Tata Power Delhi Distribution Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of Tata Power Delhi Distribution Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 April 2018 as per Annexure B expressing our unmodified opinion on adequacy and operating effectiveness of the internal financial controls over financial reporting;

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

i. the Company, as detailed in Note 28 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

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

Walker Chandiok & Co LLP

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

Neeraj Goel

per **Neeraj Goel**
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 26 April 2018

Annexure A to the Independent Auditor's Report of even date to the Members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2018

Annexure A

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

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

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

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

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

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

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

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

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

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

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2018 (Continued)

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

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹in lacs)	Period to which the amount relates (FY)	Forum where dispute is pending
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	1951.56	1951.56	2005-06	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	0.12	-	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Demand on short allowance of TDS and interest thereon	78.39	39.20	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	46.15	23.08	2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Demand on short allowance of TDS and excess interest charged on account of disallowance of certain expenses	19.59	-	2012-13	Commissioner of Income Tax (Appeals)

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

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

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

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

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

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

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

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Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2018 (Continued)

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

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

Walker Chandiok & Co LLP

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

Neeraj Goel

per **Neeraj Goel**
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 26 April 2018

Annexure B to the Independent Auditor's Report of even date to the Members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2018

Annexure B

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

1. In conjunction with our audit of the financial statements of Tata Power Delhi Distribution Limited ("the Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Annexure B to the Independent Auditor's Report of even date to the Members of Tata Power Delhi Distribution Limited, on the financial statements for the year ended 31 March 2018

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Walker Chandiok & Co LLP

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

Neeraj Goel

Per **Neeraj Goel**
Partner
Membership No.: 99514

CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS * WALKER

Place: New Delhi
Date: 26 April 2018

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE BALANCE SHEET AS AT 31 MARCH, 2018

	Note No.	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,62,558.19	3,50,911.36
(b) Capital work-in-progress	4	27,922.17	19,008.45
(c) Intangible assets	4	3,879.06	3,182.52
(d) Financial assets			
(i) Investments	5	5.00	5.00
(ii) Other financial assets	6	170.49	249.38
(e) Income tax assets (net)	7	2,307.02	2,391.46
(f) Deferred tax assets (net)	19	-	635.48
Less: Adjustable in future tariff		-	(635.48)
		-	-
(g) Other non-current assets	8	4,780.15	4,600.87
Total non-current assets		**4,01,622.08**	**3,80,349.04**
(2) Current assets			
(a) Inventories	9	1,199.90	1,054.58
(b) Financial assets			
(i) Trade receivables	10	22,592.26	21,425.50
(ii) Cash and cash equivalents	11(a)	10,197.05	9,998.53
(iii) Bank balances other than (ii) above	11(b)	3,587.88	3,583.36
(iv) Other financial assets	12	32,295.31	31,015.81
(c) Other current assets	13	49,087.86	16,850.94
Total current assets		**1,18,960.26**	**83,928.72**
Total assets		**5,20,582.34**	**4,64,277.76**
(3) Regulatory deferral account debit balances	35	4,39,985.26	4,57,370.26
Total assets and regulatory deferral account debit balances		**9,60,567.60**	**9,21,648.02**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	55,200.00	55,200.00
(b) Other equity	15	2,40,164.92	2,13,542.72
Total equity		**2,95,364.92**	**2,68,742.72**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	16	2,43,933.46	2,54,996.53
(ii) Other financial liabilities	17	55,530.13	50,555.28
(b) Provisions	18	4,199.55	3,535.30
(c) Deferred tax liabilities (net)	19	10,951.86	-
Less: Adjustable in future tariff		(10,951.86)	-
		-	-
(d) Capital grants	20	655.74	729.99
(e) Contributions for capital works and service line charges	21	85,902.49	85,717.14
(f) Other non-current liabilities	22	23,870.61	21,225.72
Total non-current liabilities		**4,14,091.98**	**4,16,759.96**
(2) Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	23	31,082.32	20,169.43
(ii) Trade payables	24	1,22,501.83	1,16,156.67
(iii) Other financial liabilities	25	73,799.51	81,294.70
(b) Provisions	26	1,167.90	1,324.20
(c) Other current liabilities	27	22,559.14	17,200.34
Total current liabilities		**2,51,110.70**	**2,36,145.34**
Total equity and liabilities		**9,60,567.60**	**9,21,648.02**

See accompanying notes forming part of standalone financial statements (1-47)

In terms of our report attached
For Walker Chandiok & Co LLP
Chartered Accountants

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

per Neeraj Goel
Partner

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Anil Sardana
Chairman
DIN: 00006867

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

	Note No.	Year ended 31.03.2018 Rs./Lakhs	Year Ended 31.03.2017 Rs./Lakhs
INCOME			
1 Revenue from operations	29	7,10,351.56	6,74,542.47
2 Other income	30	6,490.11	5,706.31
3 Total income		7,16,841.67	6,80,248.78
EXPENSES			
4 Cost of power purchased (net) (excludes own generation)	31	5,13,091.38	5,22,376.48
5 Employee benefits expense	32	47,355.79	37,232.52
6 Finance costs	33	34,672.72	40,111.42
7 Depreciation and amortisation expense	4	28,995.52	19,290.07
8 Other expenses	34	31,544.59	14,632.75
9 Total expenses		6,55,660.00	6,33,643.24
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX		**61,181.67**	**46,605.54**
10 Net movement in regulatory deferral account balance	35	(17,385.00)	(14,644.00)
PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		**43,796.67**	**31,961.54**
11 Exceptional Items:			
(i) Impairment of Property, Plant and Equipment	4,35(d)	(3,757.05)	-
PROFIT/(LOSS) BEFORE TAX		**40,039.62**	**31,961.54**
12 Tax expense			
(i) Current tax	40	9,451.59	5,748.19
(ii) Deferred tax			
Provision for the year	19	11,578.27	(52,702.15)
Less: Adjustable in future tariff		(11,578.27)	52,702.15
PROFIT/(LOSS) FOR THE YEAR		**30,588.03**	**26,213.35**
13 Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligation		25.96	(109.63)
- Income tax relating to above			
(i) Current tax		(5.54)	23.40
(ii) Deferred tax			
Provision for the year		9.07	(37.94)
Less: Adjustable in future tariff		(9.07)	37.94
TOTAL OTHER COMPREHENSIVE INCOME		**20.42**	**(86.23)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**30,608.45**	**26,127.12**
EARNINGS PER EQUITY SHARE (FACE VALUE Rs. 10/- EACH)	37		
Basic and Diluted earnings per share before net movement in regulatory deferral account balance (Rs.)		8.69	7.40
Basic and Diluted earnings per share after net movement in regulatory deferral account balance (Rs.)		5.54	4.75

See accompanying notes forming part of standalone financial statements (1-47)

In terms of our report attached
Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
Chartered Accountants

Neeraj Goel

per Neeraj Goel
Partner

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Anil Sardana
Chairman
DIN: 00006867

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

A. EQUITY SHARE CAPITAL

Particulars	Amount Rs./Lakhs
(a) Balance as at 1 April, 2016	**55,200.00**
(b) Changes in equity share capital during the year	-
(c) Balance as at 31 March, 2017	**55,200.00**
(a) Balance as at 1 April, 2017	**55,200.00**
(b) Changes in equity share capital during the year	-
(c) Balance as at 31 March, 2018	**55,200.00**

B. OTHER EQUITY

Rs./Lakhs

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
(a) Balance as at 1 April, 2016	**9,150.00**	**1,94,210.58**	**2,03,360.58**
(b) Dividends on equity share capital for FY 2015-16 approved and paid on equity shares (including dividend distribution tax thereon)	-	(9,301.24)	(9,301.24)
(c) Interim dividend on equity share capital for FY 2016-17 approved and paid on equity shares (including dividend distribution tax thereon)	-	(6,643.74)	(6,643.74)
(d) Profit as per statement of profit and loss for the year ended 31 March, 2017	-	26,213.35	26,213.35
(e) Other comprehensive income (net of income tax) for the year ended 31 March, 2017	-	(86.23)	(86.23)
(f) Total comprehensive income for the year ended 31 March, 2017 (d+e)	-	26,127.12	26,127.12
Balance as at 31 March, 2017 (a+b+c+f)	**9,150.00**	**2,04,392.72**	**2,13,542.72**
(a) Balance as at 1 April, 2017	**9,150.00**	**2,04,392.72**	**2,13,542.72**
(b) Dividends on equity share capital for FY 2016-17 approved and paid on equity shares (including dividend distribution tax thereon)	-	(3,986.25)	(3,986.25)
(c) Profit as per statement of profit and loss for the year ended 31 March, 2018	-	30,588.03	30,588.03
(d) Other comprehensive income (net of income tax) for the year ended 31 March, 2018	-	20.42	20.42
(e) Total comprehensive income for the year ended 31 March, 2018 (c+d)	-	30,608.45	30,608.45
Balance as at 31 March, 2018 (a+b+e)	**9,150.00**	**2,31,014.92**	**2,40,164.92**

See accompanying notes forming part of standalone financial statements (1-47)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Anil Sardana
Chairman
DIN: 00006867

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

TATA POWER DELHI DISTRIBUTION LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
A. Cash flow from operating activities			
Profit for the year		30,588.03	26,213.35
Income tax recognised as expense in statement of profit and loss		9,451.59	5,748.19
Depreciation and amortisation expense		28,995.52	19,290.07
Impairment of property, plant and equipment		3,757.05	-
Finance costs		34,672.72	40,111.42
Interest income		(437.54)	(287.29)
Net gain on current investments		(62.35)	(23.29)
Loss on disposal of property, plant and equipment		1,716.69	827.88
Transfer of capital grants		(74.25)	(50.04)
Transfer of contribution for capital works / service line charges		(7,160.80)	(5,595.86)
Obsolete inventory written off / provision for obsolete inventory		134.05	26.01
Bad debts written off/written back		17.65	100.37
Provision for contingencies		-	(9,059.45)
Provision for doubtful debts		648.66	404.98
Operating profit before working capital changes		1,02,247.02	77,706.34
Adjustments for (increase) / decrease in assets:			
Inventories		(279.37)	216.86
Trade receivables		(2,342.60)	(1,772.11)
Other financial assets - current		(1,279.37)	(1,150.52)
Other financial assets - non current		78.89	(0.21)
Other non-current assets		(17.23)	(85.83)
Other current assets		(32,236.92)	35,878.47
Regulatory deferral account debit balances		17,385.00	14,644.00
Adjustments for increase / (decrease) in liabilities:			
Trade payables		6,345.16	24,216.01
Other financial liabilities - current		3,359.09	2,331.57
Other financial liabilities - non current		(71.58)	115.60
Other current liabilities		5,346.94	1,880.31
Other non-current liabilities		2,644.89	(3,587.08)
Provision for employee benefits - current		(156.30)	183.03
Provision for employee benefits - non current		690.21	575.31
Cash generated from operations		1,01,713.83	1,51,151.75
Taxes paid (including tax deducted at source)		(9,372.69)	(9,904.47)
Net cash from/(used in) operating activities	(A)	**92,341.14**	**1,41,247.28**
B. Cash flow from investing activities			
Purchase of property, plant and equipment		(56,096.46)	(49,603.32)
Proceeds from sale of property, plant and equipment		1,121.35	620.03
Proceeds from bank deposits		(4.52)	177.06
Interest received		437.41	298.20
Purchase of current investments		(94,200.00)	(51,100.00)
Proceeds from sale of current investments		94,262.35	51,123.29
Net cash from/(used in) investing activities	(B)	**(54,479.87)**	**(48,484.74)**
C. Cash flow from financing activities			
Finance cost paid		(28,223.69)	(33,453.80)
Proceeds from short-term borrowings		60,000.00	10,000.00
Repayment of short-term borrowings		(60,000.00)	(10,000.00)
Net (repayment)/proceeds from cash credit and overdraft		10,912.89	3,508.47
Proceeds from long-term borrowings		63,490.00	25,010.00
Repayment of long-term borrowings		(85,437.08)	(81,148.35)
Proceeds from contribution for capital works		4,128.27	11,047.08
Proceeds from service line charges		3,217.88	3,141.99
Net (repayment)/proceeds from consumers' security deposits		5,456.69	(2,709.64)
Dividend paid to preference share holders (including dividend distribution tax)		(7,221.46)	(7,221.46)
Dividend paid to equity share holders (including dividend distribution tax)		(3,986.25)	(15,944.98)
Net cash from/(used in) financing activities	(C)	**(37,662.75)**	**(97,770.69)**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	**198.52**	**(5,008.15)**
Cash and cash equivalents at the beginning of the year		9,998.53	15,006.68
Cash and cash equivalents at the end of the period [see note 11(a)]		**10,197.05**	**9,998.53**

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Reconciliation of liabilities from financing activities:

Particulars	As at 31.03.2017	Cash Flows		Non-cash changes	As at 31.03.2018
		Additions	Repayment	Amortization	
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Long-term borrowings (including current maturities)	3,17,933.62	63,490.00	(85,437.08)	-	2,95,986.54
Short-term borrowings	-	60,000.00	(60,000.00)	-	-
Cash credit and overdraft (net)	20,169.43	-	10,912.89	-	31,082.32
Consumer contribution for capital works	67,267.96	4,128.27	-	(4,278.12)	67,118.11
Consumer contribution for service line charges	18,449.18	3,217.88	-	(2,882.68)	18,784.38
Consumer security deposits (net)	53,944.62	5,456.69	-	-	59,401.31
Total	**4,77,764.81**	**1,36,292.84**	**(1,34,524.19)**	**(7,160.80)**	**4,72,372.66**

See accompanying notes forming part of standalone financial statements (1-47)

In terms of our report attached
Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Anil Sardana
Chairman
DIN: 00006867

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

Note 1
General Information

Tata Power Delhi Distribution Limited (Tata Power-DDL) or (the Company) is a public limited company incorporated and domiciled in India and is primarily engaged in the business of distribution of electricity in North and North-West Delhi. The Company was set up in terms of Delhi Electricity Reforms (Transfer Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi along with the personnel employed therein were transferred to the Company with effect from 1 July, 2002 which also marked the commencement of commercial operations for the Company.

The address of its registered office and principal place of business is NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110009. The Company has been granted a License under Section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The License is valid for a period of twenty five years. During the period from 1 July, 2002 to the date of grant of License, Tata Power-DDL was a deemed Licensee.

The Company is subsidiary of Tata Power Company Limited (TPCL) which holds 51% equity shares and controlling stake and 49% equity shares is held by Delhi Power Company Limited.

Note 2
Application of new and revised Indian Accounting Standard (Ind AS)

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

2.1 Standards issued but not yet effective
On March 28, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' and Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates'. The effective date for adoption is financial periods beginning on or after April 1, 2018.

2.1.1 Ind AS 115- Revenue from Contract with Customers:
Ind AS 115 establish the principles whereby an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity shall be required to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard permits two possible methods of transition:
(A) Retrospective approach - The standard shall be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
(B) Retrospectively with cumulative effect of initial application of the standard recognized at the date of initial application (Cumulative catch-up transition method).

The Company is examining the methods of transition to be adopted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.1.2 Appendix B, Foreign currency transactions and advance consideration to Ind AS 21:
Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will be effective on financial periods beginning on or after April 1, 2018. The Company has evaluated the impact of the amendment and the effects are expected to be insignificant.

Note 3
Significant Accounting Policies

3.1 Statement of compliance
In accordance with the notification dated 16 February, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1 April, 2016.

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

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

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

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

CHANDIOK & CO LLP * WALKER * CHARTERED ACCOUNTANTS

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

3.3 Investments in subsidiary

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

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

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

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

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

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.4.1 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 all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;

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.

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 overacheivement 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'. (see note 3.25)

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 recognized 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).

3.5 Rendering of services

Revenue from a contract to provide consultancy services is recognised by reference to the stage of the completion of the contract. Foreseeable losses on such contracts are recognised when probable.

3.6 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

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

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

Transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of currency prevailing on the date of the transaction. Realised gains or losses on foreign currency transactions during the reporting period are recognised in the statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies, at the reporting period end are translated into Indian rupees at the reporting period end rates and resultant gains or losses on foreign currency translations are recognised in the statement of profit and loss.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.9 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.

3.10 Government grants
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 recognized as deferred income, and amortized over the expected useful life of the asset. Other grants relating to revenue are recognized 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.

3.11 Employee benefits
Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

3.11.1 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:

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.

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.

3.11.2 Defined benefit plans

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.

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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 statment 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 categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- 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.

3.11.3 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.

3.11.4 Other long-term employee benefits

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.

Erstwhile DVB Employees:
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.

3.12 Income Tax
Income tax expense represents the sum of the tax currently payable and deferred tax.

3.12.1 Current tax
The tax currently 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.

3.12.2 Deferred Tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone 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.

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.

3.12.3 Current and deferred tax for the reporting period
Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

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3.13 Property plant and equipment

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

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

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

As per the new regulations notified on 31 January, 2017 for 3rd Multi Year Control period (MYT) applicable from FY 2017-18 onwards, DERC has changed rate of depreciation @ 5.83% up to 12 years of useful life on plant and equipment (comprising of transformers including fixed apparatus, switch gears, lighting arresters, overhead/underground cables) and balance WDV up to 90% over remaining period of useful life of assets instead of equal rate of depreciation applicable in previous regulations. The new regulations have also changed useful life of other class of property, plant and equipment as stated below. Accordingly w.e.f. 1 April, 2017 the Company has started charging the depreciation @ 5.83% p.a. on plant and equipment whose useful life has not yet been over up to 12 years, changed useful life of other class of property plant and equipment as per new regulations and accordingly impact of the same for the year ended 31 March, 2018 has been provided and corresponding amount shown as pass through in the retail supply tariff.

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

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

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

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

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

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

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

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

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

Description/Class of Assets	Existing useful life (years)	Revised useful life (years)
Office buildings, housing colonies	50	50
Temporary structures	5	0
Meters	10	10
General plant & machinery, SCADA (including software), street lightening	15	15
Office furniture & related equipments	15	10
Batteries	5	5
IT equipment including software	3-6	6
Overhead lines, solar PV	25	25
Plant & machinery (not covered in above classes)	25	25
Underground cables	35	35
Motor vehicles	8-10	10

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

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

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3.14 Intangible assets

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

3.15 Impairment of tangible and intangible assets

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

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

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

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

3.16 Inventories

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

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

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

3.17 Provision and contingent liability

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

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.

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.

3.18 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement the profit and loss.

3.19 Financial assets

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

3.19.1 Amortized cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:
- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

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

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

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

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

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

3.20 Financial liabilities and equity instruments

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

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

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

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

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

3.20.4 Financial liability

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

3.20.4.1 Financial liabilities subsequently measured at amortised cost

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

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

3.20.4.2 Derecoginition of financial liabilities

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

3.21 Contribution for capital works and service line charges

Consumer's contribution towards cost of capital assets is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets. 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.

The amount received from consumers on account of service line charges are treated as capital receipt and credited in liabilities until transferred to a separate account on installation of connection. An amount equivalent to the depreciation charge for the reporting period on such assets is appropriated from this account as income to the statement of profit and loss over the useful life of the assets.

3.22 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase.

3.23 Dividend

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

3.24 Earnings per share (EPS)

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.

3.25 Regulatory deferral accounts

The Company's operations of power distribution are a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts". 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.

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3.26 Operating cycle

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

3.27 Use of estimate

The preparation of these standalone financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the reporting periods presented.

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

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets, regulatory deferral accounts, provision and contingent liability and impairment of financial assets.

3.27.1 Valuation of deferred tax

The Company reviews the carrying amount of deferred tax at the end of each reporting period. The policy for the same has been explained under note 3.12.2.

3.27.2 Regulatory deferral accounts

The Company reviews the surplus/deficit in carrying amount of regulatory deferral accounts at the end of each reporting period. The policy for the same has been explained under note 3.25.

3.27.3 Provision and contingent liability

The Company reviews its provisions and contingent liability at the end of each reporting period. The policy for the same has been explained under note 3.17.

3.27.4 Impairment of financial assets

The Company reviews allowance made for doubtful debts as per expected credit loss model at the end of each reporting period. The policy for the same has been explained under note 3.19.4.

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NOTE 4

Rs./Lakhs

Particulars	COST					ACCUMALATED DEPRECIATION, AMORTISATION AND IMPAIRMENT					CARRYING AMOUNT	
	As at 01.04.2017	Additions	Borrowing costs capitalized	Disposals	As at 31.03.2018	As at 01.04.2017	Depreciation expense	Impairment Charge	Eliminated on disposals	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A) PROPERTY, PLANT AND EQUIPMENT												
(a) Buildings - Plant	32,652.43	1,606.97	17.75	-	34,277.15	10,459.73	650.17	884.22	-	11,994.12	22,283.03	22,192.70
(b) Building - Others	4,019.11	50.73	-	-	4,069.84	1,985.31	500.66	-	-	2,485.97	1,583.87	2,033.80
(c) Plant and equipment	2,70,677.37	23,027.38	157.08	5,763.81	2,88,098.02	1,01,826.95	15,827.94	2,805.87	3,890.97	1,16,569.79	1,71,528.23	1,68,850.42
(d) Transmission lines and cable network	2,37,236.11	20,445.11	191.63	771.69	2,57,101.16	84,726.82	10,313.49	66.96	272.44	94,834.83	1,62,266.33	1,52,509.29
(e) Furniture and fixtures	1,404.90	32.61	-	444.65	992.86	830.85	135.25	-	416.29	549.81	443.05	574.05
(f) Vehicles	3,519.32	695.69	-	721.45	3,493.56	927.98	285.19	-	330.10	883.07	2,610.49	2,591.34
(g) Office equipment	3,677.47	211.81	-	314.68	3,574.60	1,517.71	482.14	-	268.44	1,731.41	1,843.19	2,159.76
Total	**5,53,186.71**	**46,070.30**	**366.46**	**8,016.28**	**5,91,607.19**	**2,02,275.35**	**28,194.84**	**3,757.05**	**5,178.24**	**2,29,049.00**	**3,62,558.19**	**3,50,911.36**
	(5,13,776.91)	(43,976.63)	(263.42)	(4,830.25)	(5,53,186.71)	(1,87,105.05)	(18,552.96)	(-)	(3,382.66)	(2,02,275.35)	(3,50,911.36)	
B) INTANGIBLE ASSETS												
Computer software	7,759.59	1,497.22	-	-	9,256.81	4,577.07	800.68	-	-	5,377.75	3,879.06	3,182.52
Total	**7,759.59**	**1,497.22**	-	-	**9,256.81**	**4,577.07**	**800.68**	-	-	**5,377.75**	**3,879.06**	**3,182.52**
	(6,674.60)	(1,270.59)	(-)	(185.60)	(7,759.59)	(4,025.24)	(737.11)	(-)	(185.28)	(4,577.07)	(3,182.52)	
GRAND TOTAL	**5,60,946.30**	**47,567.52**	**366.46**	**8,016.28**	**6,00,864.00**	**2,06,852.42**	**28,995.52**	**3,757.05**	**5,178.24**	**2,34,426.75**	**3,66,437.25**	**3,54,093.88**
	(5,20,451.51)	(45,247.22)	(263.42)	(5,015.85)	(5,60,946.30)	(1,91,130.29)	(19,290.07)	(-)	(3,567.94)	(2,06,852.42)	(3,54,093.88)	
C) CAPITAL WORK - IN - PROGRESS (CWIP)	**19,008.45**	**52,849.58**	**529.35**	**44,465.21**	**27,922.17**	-	-	-	-	-	**27,922.17**	**19,008.45**
	(14,922.78)	(46,825.39)	(228.87)	(42,968.59)	(19,008.45)	(-)	(-)	(-)	(-)	(-)	(19,008.45)	

4.1 Property plant and equipment and intangible assets (movable and immovable) are hypothecated against secured borrowings of Rs. 1,04,463.62 lakhs (as at 31 March, 2017 Rs. 104,694.04 lakhs) [see note 16(A)(i), 16(B)(i), 23(a), 25(b)(A)(i), 25(b)(B)(i)].

4.2 CWIP includes closing capital inventory of Rs. 6,397.90 lakhs (as at 31 March, 2017 Rs. 6,311.33 lakhs).

4.3 Carrying amount of capital inventory hypothecated as security for borrowings is Rs. 6,364.59 lakhs (as at 31 March, 2017 Rs. 6,278.02 lakhs) [see note 16(A)(i), 16(B)(i), 23(a), 25(b)(A)(i), 25(b)(B)(i)]

4.4 Figures in bracket represents previous year figures.

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 5		
INVESTMENTS - NON CURRENT		
Investments (unquoted)		
(at cost)		
Investments in equity instruments of wholly owned subsidiary company		
NDPL Infra Limited	5.00	5.00
0.50 lakhs (as at 31 March, 2017 0.50 lakhs) equity shares of Rs. 10 each, fully paid up		
	5.00	5.00
5.1 Aggregate amount of carrying value of unquoted investments	5.00	5.00
5.2 Aggregate amount of impariment in value of investments	-	-
NOTE 6		
OTHER FINANCIAL ASSETS - NON CURRENT		
Unsecured and considered good		
(at amortised cost)		
(a) Security deposits	136.41	158.37
(b) Recoverable from SVRS Trust (see note 28.6)	34.08	91.01
	170.49	249.38
NOTE 7		
INCOME TAX ASSETS (NET)		
Income tax	2,307.02	2,391.46
(net of provision for income tax of Rs. 80,229.73 lakhs, {as at 31 March, 2017 net of provision of income tax Rs. 70,772.60 lakhs})		
NOTE 8		
OTHER NON CURRENT ASSETS		
Unsecured and considered good		
(a) Capital advances	1,737.44	1,575.39
(b) Income tax paid under protest against demand	2,873.84	2,811.57
(c) Prepaid expenses	121.10	183.99
(d) Others	47.77	29.92
	4,780.15	4,600.87
NOTE 9		
INVENTORIES		
(a) Stores and spares	1,446.47	1,308.86
(b) Loose tools	38.82	56.46
	1,485.29	1,365.32
(c) Less: Provision for non-moving inventories	285.39	310.74
	1,199.90	1,054.58

9.1 Inventories of stores and spares and loose tools are valued at lower of cost or net realisable value.

9.2 Carrying amount of inventories as above hypothecated as security for borrowings [see note 16(A)(i), 16(B)(i), 23(a), 25(b)(A)(i), 25(b)(B)(i)].

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

		As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 10			
TRADE RECEIVABLES			
(at amortized cost)			
(a)	Debtors for billed revenue (see note 10.2)	28,574.27	26,927.43
	Less: Provision for doubtful debts	11,812.63	10,655.31
		16,761.64	16,272.12
(b)	Debtors for sale of power other than Tata Power-DDL license area - unsecured	218.39	374.12
(c)	Other debtors - unsecured	5,612.23	4,779.26
		22,592.26	21,425.50
	Of the above amounts,		
10.1	Considered good	22,592.26	21,425.50
	Considered doubtful (see note 10.5)	11,812.63	10,655.31
10.2	Secured (against consumers' security deposit) [see note 10(a)]	8,104.80	7,596.21
	Unsecured [see note 10(a)]	20,469.47	19,331.22
10.3	Government subsidy included in note 10(a)	1,137.55	1,136.78

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

		As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
10.5	**Movement in expected credit loss allowance**		
	Balance at beginning of the year	10,655.31	9,735.33
	Additions/ (reversal) during the year	1,157.32	919.98
	Balance at end of the year	11,812.63	10,655.31

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

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
Delhi Metro Rail Corporation (DMRC)	3,898.48	3,424.14
North Delhi Municipal Corporation (NDMC)	1,758.05	1,353.99

		As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 11			
CASH AND BANK BALANCES			
(a)	**Cash and cash equivalents**		
	(i) Balance with banks - in current accounts	7,430.17	7,806.74
	(ii) Cheques, drafts on hand	2,677.65	2,098.86
	(iii) Cash on hand	89.23	92.93
		10,197.05	9,998.53
(b)	**Other bank balances**		
	(i) Deposits with banks with original maturity more than 3 months upto 12 months	73.45	68.93
	(ii) Restricted bank deposits (Earmarked pursuant to court order or contractual obligations)	3,514.43	3,514.43
		3,587.88	3,583.36
		13,784.93	13,581.89
NOTE 12			
OTHER FINANCIAL ASSETS - CURRENT			
Unsecured and considered good, unless otherwise stated			
(at amortised cost)			
(a)	Unbilled revenue	31,897.54	30,265.42
(b)	Security deposits	194.64	135.09
(c)	Recoverable from SVRS Trust (see note 28.6)	106.68	103.07
(d)	Interest accrued on fixed deposits	13.89	13.76
(e)	Others (including recoverable against street light)	261.93	677.84
	Less: Provision for doubtful assets against street light	179.37	179.37
		82.56	498.47
		32,295.31	31,015.81
NOTE 13			
OTHER CURRENT ASSETS			
Unsecured and considered good			
(a)	Income tax paid under protest against demand	-	300.00
(b)	Prepaid insurance	367.54	2,451.23
(c)	Prepaid expenses	1,501.20	728.17
(d)	Power banking	30,264.00	11,673.74
(e)	Advance to vendors	15,824.54	1,640.88
(f)	Others	1,130.58	56.92
		49,087.86	16,850.94

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 14		
EQUITY SHARE CAPITAL		
Authorised		
7,500 lakhs (as at 31 March, 2017: 7,500 lakhs) equity shares of Rs. 10 each with voting rights.	75,000.00	75,000.00
	75,000.00	75,000.00
Issued, subscribed and paid up		
5,520 lakhs (as at 31 March, 2017: 5,520 lakhs) equity shares of Rs. 10 each fully paid up with voting rights.	55,200.00	55,200.00
	55,200.00	55,200.00

Of the above:

14.1 2,815.20 lakhs (as at 31 March, 2017: 2,815.20 lakhs) i.e. 51% (as at 31 March, 2017: 51%) equity shares of Rs. 10 each with voting rights, are held by Tata Power Company Limited, the holding company.

14.2 2,704.80 lakhs (as at 31 March, 2017: 2,704.80 lakhs) i.e. 49% (as at 31 March, 2017: 49%) equity shares of Rs. 10 each with voting rights, are held by Delhi Power Company Limited.

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

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

Particulars	No. of Shares Lakhs	Amount Rs./Lakhs
Balance at 1 April, 2017	5,520.00	55,200.00
Fresh issue	-	-
Balance at 31 March, 2018	5,520.00	55,200.00

14.5 During the current year, the Company paid final dividend of Rs. 0.60 per share on fully paid equity shares for FY 2016-17 amounting to Rs. 3,986.25 lakhs (including dividend distribution tax of Rs. 674.25 lakhs). During previous year, final dividend of Rs. 1.40 per share on fully paid equity shares for FY 2015-16 amounting to Rs. 9,301.24 lakhs (including dividend distribution tax of Rs. 1,573.24 lakhs) and interim dividend of Rs. 1.00 per share on fully paid equity shares amounting to Rs. 6,643.74 lakhs (including dividend distribution tax of Rs. 1,123.74 lakhs) were disbursed.

14.6 For the year ended 31 March, 2018, the Board of Directors at its meeting held on 26 April, 2018 have proposed a final dividend of Rs. 1.60 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been disclosed as a liability in these standalone financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 10,647.44 lakhs (including dividend distribution tax thereon amounting to Rs. 1,815.44 lakhs).

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 15		
OTHER EQUITY		
(a) General Reserve		
(i) Opening balance	9,150.00	9,150.00
(ii) Add: Transferred from surplus in the statement of profit and loss	-	-
(iii) Closing balance	9,150.00	9,150.00
(b) Surplus in Statement of Profit and Loss		
(i) Opening balance	2,04,392.72	1,94,210.58
(ii) Add : Additions during the year	30,608.45	26,127.12
(iii) Less : Payment of dividend on equity share capital (see note 14.5)	3,312.00	13,248.00
(iv) Less : Dividend distribution tax on dividend paid on equity shares (see note 14.5)	674.25	2,696.98
(v) Closing balance	2,31,014.92	2,04,392.72
	2,40,164.92	2,13,542.72

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 16		
LONG-TERM BORROWINGS		
(at amortized cost)		
TERM LOANS		
(A) From banks		
(i) Secured		
(a) Punjab & Sind Bank	53,914.36	65,493.32
(b) Union Bank of India	3,245.51	5,935.58
(c) Canara Bank	42,534.73	32,197.49
(d) Dena Bank	1,000.00	-
(e) Karnataka Bank	500.00	2,500.00
(f) Allahabad Bank	19,704.86	25,607.64
(g) Syndicate Bank	-	22,500.00
(h) State Bank of India	13,125.00	15,625.00
(i) IDFC Bank	24,500.00	26,312.50
(j) Indian Bank	20,000.00	5,000.00
(k) Axis Bank	14,584.00	-
	1,93,108.46	2,01,171.53
(B) From other parties		
(i) Secured		
(a) Aditya Birla Finance Limited	825.00	3,825.00
	825.00	3,825.00
LOANS FROM RELATED PARTIES		
- Non-convertible cumulative redeemable preference share capital - unsecured		
(a) Tata Power Company Limited	25,500.00	25,500.00
(b) Delhi Power Company Limited	24,500.00	24,500.00
	50,000.00	50,000.00
Total long-term borrowings	2,43,933.46	2,54,996.53

16.1 For the current maturities of long-term borrowings, see item (b) in Note 25, Other financial liabilities -current. Current maturities of long term loans includes repayment to be made before due date of 12 months, due date being a holiday.

16.2 TERM LOANS - From banks

16.2.1 Secured

S. No.		Bank	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs 31.03.2018	31.03.2017
(a)	i	Punjab & Sind Bank	10,000.00	38 quarterly installment, repayment commenced from 15 April, 2010	Annually	16.4 16.6	8.55%	1,578.88	2,631.52
	ii	Punjab & Sind Bank	5,000.00	38 quarterly installment, repayment commenced from 15 May, 2010	Annually	16.4 16.6	8.40%	789.44	1,315.76
	iii	Punjab & Sind Bank	10,000.00	32 quarterly installment, repayment to commence from 15 April, 2018	Annually	16.4 16.6	8.75%	10,000.00	10,000.00
	iv	Punjab & Sind Bank	30,000.00	24 quarterly installment, repayment commenced from 15 July, 2014	Annually	16.5 16.6	8.75%	11,250.00	16,250.00
	v	Punjab & Sind Bank	30,000.00	32 quarterly installment, repayment commenced from 15 April, 2015	Annually	16.5 16.6	8.75%	18,750.00	22,500.00
	vi	Punjab & Sind Bank	15,000.00	24 quarterly installment, repayment to commence from 15 July, 2017	Annually	16.5 16.6	8.75%	13,125.00	15,000.00
	vii	Punjab & Sind Bank	20,000.00	24 quarterly installment, repayment to commence from 15 April, 2018	Annually	16.5 16.6	8.75%	15,000.00	10,000.00
(b)	i	Union Bank of India	15,000.00	38 quarterly installment, repayment commenced from 15 October, 2010	Annually	16.4 16.6	8.85%	3,157.80	4,736.76
	ii	Union Bank of India	15,000.00 (short closed by 5,000)	36 quarterly installment, repayment commenced from 15 October, 2011	Annually	16.4 16.6	8.85%	2,777.78	3,888.89

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S. No.		Bank	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs	
								31.03.2018	31.03.2017
(c)	i	Canara Bank	15,000.00	16 quarterly installment, repayment commenced from 1 March, 2014	-	16.4	8.40%	-	2,812.50
	ii	Canara Bank	10,000.00	36 quarterly installment, repayment commenced from 15 July, 2014	Annually	16.4 16.6	8.55%	5,833.33	6,944.44
	iii	Canara Bank	20,000.00	32 quarterly installment, repayment to commence from 1 July, 2016	Annually	16.4 16.6	8.65%	15,000.00	17,500.00
	iv	Canara Bank	10,000.00	32 quarterly installment, repayment to commence from 1 January, 2019	Annually	16.4 16.6	8.30%	10,000.00	10.00
	v	Canara Bank	15,000.00	16 quarterly installment, repayment commenced from 15 July, 2015	Annually	16.5 16.6	8.55%	4,687.50	8,437.50
	vi	Canara Bank	10,000.00	24 quarterly installment, repayment to commence from 1 July, 2016	Annually	16.5 16.6	8.65%	6,666.67	8,333.33
	vii	Canara Bank	20,000.00	24 quarterly installment, repayment to commence from 1 January, 2020	Annually	16.5 16.6	8.30%	10,000.00	-
(d)	i	Dena Bank	10,000.00	24 quarterly installment, repayment to commence from 15 April, 2020	Annually	16.5 16.6	8.30%	1,000.00	-
(e)	i	Karnataka Bank	10,000.00	20 quarterly installment, repayment commenced from 30 August, 2014	Annually	16.5 16.6	8.90%	2,500.00	4,500.00
(f)	i	Allahabad Bank	10,000.00	36 quarterly installment, repayment commenced from 15 January, 2012	Annually	16.4 16.6	8.50%	3,055.56	4,166.67
	ii	Allahabad Bank	15,000.00	36 quarterly installment, repayment commenced from 15 March, 2012	Annually	16.4 16.6	8.50%	4,583.33	6,250.00
	iii	Allahabad Bank	25,000.00	32 quarterly installment, repayment commenced from 15 January, 2016	Annually	16.5 16.6	8.50%	17,968.75	21,093.75
(g)	i	Syndicate Bank	50,000.00	20 quately installment, repayment commenced from 25 September, 2015	-	16.5	8.75%	-	32,500.00
(h)	i	State Bank of India	20,000.00	32 quarterly installment, repayment commenced from 15 August, 2016	Annually	16.4 16.6	8.40%	15,625.00	18,125.00
(i)	i	IDFC Bank	17,500.00	40 quarterly installment, repayment commenced from 15 January, 2009	-	16.4	8.50%	1,312.50	3,062.50
	ii	IDFC Bank	5,000.00	40 quarterly installment, repayment commenced from 15 October, 2010	Annually	16.4 16.6	8.50%	1,250.00	1,750.00
	iii	IDFC Bank	5,000.00	24 quarterly installment, repayment to commence from 15 September, 2019	Annually	16.4 16.6	8.90%	5,000.00	3,000.00
	iv	IDFC Bank	30,000.00	24 quarterly installment, repayment commenced from February, 2016	Annually	16.5 16.6	8.50%	18,750.00	23,750.00
	v	IDFC Bank	2,000.00	24 quarterly installment, repayment to commence from 15 September, 2019	Annually	16.5 16.6	8.50%	2,000.00	2,000.00
	vi	IDFC Bank	3,000.00	24 quarterly installment, repayment to commence from 15 September, 2019	Half Yearly	16.5 16.6	8.35%	3,000.00	-
(j)	i	Indian Bank	10,000.00	32 quarterly installment, repayment to commence from 15 April, 2019	Annually	16.4 16.6	8.75%	10,000.00	4,000.00
	ii	Indian Bank	10,000.00	24 quarterly installment, repayment to commence from 15 April, 2019	Annually	16.5 16.6	8.75%	10,000.00	1,000.00
(k)	i	Axis Bank	20,000.00	18 quarterly installment, repayment to commence from 15 August, 2018	Annually	16.5 16.6	8.30%	17,500.00	-

16.2.2 Unsecured

S. No.		Bank	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs	
								31.03.2018	31.03.2017
(a)	i	Dena Bank	6,000.00	2 equal yearly installment, repayment commenced from 15 April, 2016	-	-	9.70%	-	3,000.00
(b)	i	Canara Bank	60,000.00	16 quarterly installment, repayment commenced from 1 October, 2013	-	-	9.85%	-	3,750.00

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16.3 TERM LOANS - from other parties (Secured)

S. No.		Financial institution	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs	
								31.03.2018	31.03.2017
(a)	i	Aditya Birla Finance Limited	7,500.00	20 quarterly structured installment, repayment commenced from September, 2014	Annually	16.5 16.6	8.65%	3,825.00	5,625.00

16.4 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.

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

16.6 Effective interest rate (EIR) may change on next reset due date of respective loans, however, EIR will remain fixed till the said reset due date.

16.7 For secured loans outstanding from banks amounting Rs. 21,312.50 lakhs (as at 31 March, 2017 Rs. 28,562.50 lakhs) and from other parties amounting Rs. 3,825.00 lakhs (as at 31 March, 2017 Rs. 5,625.00 lakhs), 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.

16.8 Non-convertible cumulative redeemable preference share capital

The Company has issued 500 lakhs 12% Non-convertible cumulative redeemable preference shares of Rs. 100 each in 2012-13 out of which 255 lakhs i.e. 51% are held by Tata Power Company Limited, the holding company and 245 lakhs i.e. 49% are held by Delhi Power Company Limited. The maximum term of the aforesaid preference shares is 20 years (i.e. upto 19th 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.

16.8.1 In respect of the year ended 31 March, 2018, the Board of Directors at its meeting held on 26 April, 2018 has proposed a dividend of Rs. 12 per share be paid on fully paid preference shares. This dividend is subject to approval by shareholders at the Annual General Meeting. This proposed dividend is payable to all holders of fully paid preference shares. The total estimated dividend to be paid is Rs. 6,000.00 lakhs (for the year ended 31 March, 2017 Rs. 6,000.00 lakhs) and the dividend distribution tax thereon amounting to Rs. 1,233.32 lakhs (for the year ended 31 March, 2017 Rs. 1,221.46 lakhs). On accrual concept, preference share dividend for the year ended 31 March, 2018 has already been provided for in financial statements. Only the payment is subject to the recommendation of the Board of Directors and approval of shareholders.

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 17		
OTHER FINANCIAL LIABILITIES - NON CURRENT		
(at amortised cost)		
Security deposits		
(i) Consumers' security deposit	55,280.91	50,234.48
(ii) Others	249.22	320.80
	55,530.13	50,555.28
NOTE 18		
PROVISIONS - NON CURRENT		
- Provision for employees benefits	4,199.55	3,535.30

18.1 Provision for employee benefits includes provision for gratuity, compensated absences and pension liability to VSS employees.

18.2 See note 41.5 for movement in provision for gratuity

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NOTE 19
DEFERRED TAX LIABILITIES/ASSETS (NET)

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.

Rs./Lakhs

Particulars	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(asset) 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**

19.1 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, 2018 of Rs. 10,951.86 lakhs (deferred tax asset (net) as at 31 March, 2017 Rs. 635.48 lakhs) and deferred tax charge of Rs. 11,587.34 lakhs for the year ended 31 March, 2018 (deferred tax reversal of Rs. 52,740.09 lakhs for the year ended 31 March, 2017) has been adjusted with a corresponding deferred asset/liability adjustable in future tariff.

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 20		
CAPITAL GRANTS		
(a) Opening balance	729.99	780.03
(b) Add: Additions during the year	-	-
(c) Less: Transfer to the statement of profit and loss	74.25	50.04
(d) Closing balance	655.74	729.99
NOTE 21		
CONTRIBUTIONS FOR CAPITAL WORKS AND SERVICE LINE CHARGES		
(a) Capital works		
(i) Opening balance	67,267.96	59,078.40
(ii) Add: Additions during the year	4,128.27	11,047.08
(iii) Less: Transfer to the statement of profit and loss	4,278.12	2,857.52
(iv) Closing balance	67,118.11	67,267.96
(b) Service line charges		
(i) Opening balance	18,449.18	18,045.53
(ii) Add: Additions during the year	3,217.88	3,141.99
(iii) Less: Transfer to the statement of profit and loss	2,882.68	2,738.34
(iv) Closing balance	18,784.38	18,449.18
Total contribution for capital works and service line charges	85,902.49	85,717.14

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 22		
OTHER LIABILITIES - NON CURRENT		
Consumers' deposits for works and service line charges	23,870.61	21,225.72
NOTE 23		
SHORT-TERM BORROWINGS		
(at amortized cost)		
(a) From banks - Secured		
Cash credit	954.77	5,576.48
(b) From banks - Unsecured		
(i) Axis Bank Overdraft A/c	15,036.12	14,592.95
(ii) Canara Bank Overdraft A/c	15,091.43	-
	31,082.32	20,169.43

23.1 **Secured - Cash credit**
The Company has availed cash credit limits from consortium of four banks led by State Bank of India presently at an effective interest rate ranging from 8.50% to 9.25% p.a. These cash credits are secured by first pari passu charge over present and future property, plant and equipment and stores and spares of the Company (both present and future), and third pari passu charge over receivables of the Company.

23.2 **Unsecured - Overdraft Account**
The Company has unsecured overdraft facilities to the extent of Rs. 15,000 lakhs each from Axis Bank and Canara Bank presently at an effective interest rate of 8.15% p.a for both.

23.3 **Term loans - From other parties**

Unsecured

(a) Commercial paper
During the current year, the Company has issued and repaid commercial paper as follows:

Date of issue	Amount Rs./Lakhs	Face Value Rs./Lakhs	Discount Rate (%) p.a.	Repayment Date
19.04.2017	9,877.06	10,000.00	6.49	28.06.2017
08.05.2017	14,858.54	15,000.00	6.95	27.06.2017
07.07.2017	9,845.92	10,000.00	6.80	29.09.2017
05.01.2018	19,702.66	20,000.00	6.80	27.03.2018

(b) Short term loan
During the current year, the Company has availed short term loan as follows:

Disbursement taken on	Amount Rs./Lakhs	Interest Rate (%) p.a	Repayment Date
16.05.2017	5,000.00	7.90	14.08.2017

NOTE 24		
TRADE PAYABLES (at amortized cost)	1,22,501.83	1,16,156.67

24.1 Based on the information available with the Company, the balance due to Micro and Small Enterprise as defined under the MSMED Act, 2006 is Rs. 191.39 lakhs (as at 31 March, 2017 Rs. 352.96 lakhs) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006 or otherwise.

24.2 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 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.

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 25		
OTHER FINANCIAL LIABILITIES - CURRENT		
(at amortized cost)		
(a) Security deposits		
(i) Consumers' security deposit	4,120.40	3,710.14
(ii) Others	1,456.00	1,170.33
	5,576.40	4,880.47
(b) Current maturities of long-term borrowings (see note 16)		
(A) From banks		
(i) Secured		
(a) Punjab & Sind Bank	16,578.96	12,203.96
(b) Union Bank of India	2,690.07	2,690.07
(c) Canara Bank	9,652.77	11,840.28
(d) Karnataka Bank	2,000.00	2,000.00
(e) Allahabad Bank	5,902.78	5,902.78
(f) Syndicate Bank	-	10,000.00
(g) State Bank of India	2,500.00	2,500.00
(h) IDFC Bank	6,812.50	7,250.00
(i) Axis Bank	2,916.00	-
	49,053.08	54,387.09
(ii) Unsecured		
(a) Dena Bank	-	3,000.00
(b) Canara bank	-	3,750.00
	-	6,750.00
(B) From other parties		
(i) Secured		
(a) Aditya Birla Finance Limited	3,000.00	1,800.00
(C) Interest accrued but not due on borrowings	248.05	136.53
Total current maturities of long-term borrowings	52,301.13	63,073.62
(c) Dividend accrued but not due on non-convertible cumulative redeemable preference shares	6,000.00	6,000.00
(d) Retention money payable	8,235.71	5,324.14
(e) Payables on purchase of property, plant and equipment	658.67	641.19
(f) Earnest money deposits	372.52	387.15
(g) Others	655.08	988.13
	73,799.51	81,294.70
NOTE 26		
PROVISIONS - CURRENT		
Provision for employees benefits	1,167.90	1,324.20

26.1 Provision for employee benefits includes provision for gratuity, compensated absences and pension liability to VSS employees.

NOTE 27		
OTHER LIABILITIES - CURRENT		
(a) Income received in advance	145.88	302.15
(b) Tax on dividend accrued on non-convertible cumulative redeemable preference shares	1,233.32	1,221.46
(c) Statutory dues	9,558.46	7,924.73
(d) Advance from consumers	3,544.43	3,894.87
(e) Advance government subsidy (to be adjusted upon billing)	6,514.18	3,820.48
(f) Payable for Pension Trust Surcharge (including unbilled)	1,420.88	-
(g) Others	141.99	36.65
	22,559.14	17,200.34

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NOTE 28
CONTINGENT LIABILITIES AND COMMITMENTS
(to the extent not provided for)

	Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
28.1	Claims against the Company not acknowledged as debts:		
	(i) Legal cases filed by consumers, employees and others under litigation	3,479.46	2,402.09
	(ii) Property tax demands raised by municipal authorities	-	4,241.19
	(iii) Water charges demand raised by Delhi Jal Board (DJB)	97.65	111.48
	(iv) Sales tax authorities	439.00	439.00
28.2	Liabilities arising out of litigation etc. due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
28.3	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	1,359.33
	(ii) Interest demanded (as per demand order and appeal effect order)	894.97	1,140.47
	(iii) Total demand* (i) + (ii)	2,292.58	2,499.80
	(iv) Out of the above demand, amount paid under protest/adjusted by Income tax authorities	2,013.84	1,951.56
	*No provision is considered necessary since the Company expects favourable decisions.		
28.4	Claims of power suppliers, not acknowledged as expense and credits	27,273.03	24,647.46
28.5	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	30,933.45	31,304.70

28.6 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. 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 Rs. 7,774.35 lakhs (as at 31 March, 2017 Rs. 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 02.07.2007 in WP C 4827/2005, the Company has also paid interest @ 8% per annum Rs. 801.27 lakhs in FY 2008-09 totaling to Rs. 8,575.62 lakhs (as at 31 March, 2017 Rs. 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 Rs. 8,428.96 lakhs (as at 31 March, 2017 Rs. 8,381.54 lakhs) from monthly pension, leave salary and other contribution, leaving a balance recoverable Rs. 146.66 lakhs as at 31 March, 2018 (as at 31 March, 2017 Rs. 194.08 lakhs) from the SVRS Trust which includes current portion of Rs. 106.68 lakhs (net of pension payable Rs. 5.90 lakhs) for current year (as at 31 March, 2017 Rs. 103.07 lakhs).

28.7 In the tariff order of September, 2015, August, 2017 and March, 2018, DERC has allowed power purchase cost (Rs. 20,378 lakhs) 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 (Rs. 33,102 lakhs) on the premise that approval of the DERC was not obtained for entering into supplementary agreements with these power plants, however the DERC has allowed to purchase the power from these plants at a rate to be determined by the CERC for FY 2017-18. Aggrieved by the September, 2015 order of the DERC, Tata Power-DDL has challenged the aforesaid order in Appeal which is yet to be disposed off. Additionally, while approving the quarterly power purchase adjustment surcharge (PPAC), the PPAC from these plants were also disallowed. The Company had challenged the disallowance of these plants in computation of PPAC before the Hon'ble APTEL which has been decided against the Company by APTEL on 1 June, 2016. Consequent to the judgement of the APTEL, the Company has filed an appeal against the said order with the Hon'ble Supreme Court of India on 6 August, 2016 which has been admitted. The pleadings are to be completed and thereafter, the matter shall be notified for hearing. The Company has already challenged partial allowance of power purchase cost upto FY 2015-16 from Anta, Auria & Dadri and is in the process of filing the appeal against March, 2018 tariff order for FY 2016-17. The Company, as per tariff order of March, 2018, has recorded allowed power purchase cost from Anta, Auriya and Dadri plants for FY 2016-17.

No impact of the above has been taken in these financial statements, on basis of a legal opinion obtained by the management. According to the said legal opinion, it would be appropriate if management takes a view on booking of disallowed power purchase cost from these plants after the outcome of the appeal filed with the Hon'ble Supreme Court of India. As a result, no adjustment has been done in the carrying value of regulatory deferral account balance, impact of the disallowance of the power purchased from these plants amounting to Rs. 12,724 lakhs, cumulative up to 31 March, 2018 excluding carrying cost would be accounted for on the basis of the outcome of our appeal filed before the Hon'ble Supreme Court of India.

28.8 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 Rs. 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 Rs. 6,670.51 lakhs. The Company has been advised that as per the Transfer Scheme, the liability in excess of Rs. 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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		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
NOTE 29			
REVENUE FROM OPERATIONS			
REVENUE FROM SALE OF POWER AND OPEN ACCESS			
(a)	Sale of power	7,28,382.52	6,94,568.70
	Less: rebate on no. of bills	-	1,674.88
	Less: energy tax	31,140.28	29,865.40
		6,97,242.24	6,63,028.42
(b)	Income from open access charges	1,149.12	723.60
		6,98,391.36	6,63,752.02
OTHER OPERATING REVENUE			
(a)	Late payment surcharge collected	1,789.15	1,829.40
(b)	Transfer from service line charges	2,882.68	2,738.34
(c)	Commission on		
	- DVB arrears collection	1.57	1.67
	- Energy tax collection	918.70	878.70
(d)	Maintenance charges (see note 29.1)	1,668.68	2,174.95
(e)	Transfer from capital grants	74.25	50.04
(f)	Transfer from consumer contribution for capital works	4,278.12	2,857.52
(g)	Miscellaneous operating income	347.05	259.83
		11,960.20	10,790.45
		7,10,351.56	6,74,542.47

29.1 Includes incentive on street light maintenance of Rs. 134.89 lakhs pertaining to FY 2017-18 (for the year ended 31 March, 2016 Rs. 143.68 lakhs).

NOTE 30
OTHER INCOME

(a)	Interest income	437.54	287.29
(b)	Net gain/(loss) on investments in mutual funds	62.35	23.29
(c)	Income other than energy business	5,792.21	5,258.00
(d)	Other non operating income	198.01	137.73
		6,490.11	5,706.31

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 1,648.03 million units (for the year ended 31 March, 2017 1,836.45 million units) of power to / in favour of other utilities. The power purchase cost of Rs. 5,13,091.38 lakhs (for the year ended 31 March, 2017 Rs. 5,22,376.48 lakhs) is net of sale of power/ UI receivables Rs. 58,717.72 lakhs (for the year ended 31 March, 2017 Rs. 49,700.23 lakhs), rebate on power purchase Rs. 3,679.66 lakhs (for the year ended 31 March, 2017 Rs. 6,263.41 lakhs) and excludes in-house power generation cost.

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 RPO obligation upto FY 2016-17 by the end of December, 2017 and also submit an affidavit in this regard. The Company has fulfilled its RPO obligation upto FY 2016-17 for Rs. 29,299.14 lakhs (excluding GST) which will be pass through in power purchase cost and submitted the compliance of the same to the DERC. In view of the above, 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 Rs. 2,513 lakhs. Further, in the tariff order 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 Elecricity 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 Rs 1,48,350 lakhs approx (unaudited) & the same has been submitted in CERC under affidavit on 24 November, 2017. The amount till 31 March, 2018 works out to Rs. 174,200 lakhs approx. (unaudited).

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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 are recorded at the rate of Rs. 4.00 per unit being the applicable rate as per directive of DERC/ contract rate. Details of power banked during the year ended 31 March, 2018 are as follows:

	Year ended 31.03.2018 Receivable MUs	Year ended 31.03.2017 Receivable MUs
Opening balance as at 1 April of the year (A)	296.88	1,233.57
Power banked (Outflow) (B)	904.17	440.58
Power due against banked (C)	921.37	450.84
Power receipt against opening (D)	296.88	1,233.57
Power receipt against current period transactions (E)	152.14	153.96
Balance receivable (A+C-D-E)	769.23	296.88

		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
NOTE 32			
EMPLOYEE BENEFITS EXPENSE			
(a)	Salaries, allowances and incentives	39,584.68	34,296.56
(b)	Contribution to provident and other funds	5,074.71	2,868.51
(c)	Seventh pay commission revision for previous years paid/provided	3,779.35	-
(d)	Staff welfare expenses	2,576.04	2,397.37
(e)	Other personnel cost	1,358.28	1,106.41
		52,373.06	40,668.85
	Less: Transferred to capital work-in-progress	4,875.00	3,731.80
		47,498.06	36,937.05
(f)	Pension and other payment to VSS and other retirees (See note 28.6)	(142.27)	295.47
		47,355.79	37,232.52
NOTE 33			
FINANCE COSTS			
(a)	Interest on term loan (gross)	22,121.81	28,817.77
	Less: Capitalised	895.81	492.29
	Interest on term loans (net)	21,226.00	28,325.48
(b)	Interest on cash credit accounts/short-term borrowings	2,101.23	1,229.57
(c)	Interest on consumer security deposits	4,065.32	3,313.65
(d)	Dividend on non-convertible cumulative redeemable preference shares	7,233.32	7,221.46
(e)	Other borrowing costs	45.32	21.00
(f)	Other interest	1.53	0.26
		34,672.72	40,111.42

33.1 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 Rs. 1,000 lakhs (Previous Year Rs. 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 Rs. 1,000 lakhs (Previous Year Rs. 1,000 lakhs), the Company has provided interest expense aggregating to Rs. 4,065.32 lakhs (for the year ended 31 March, 2017 Rs. 3,313.65 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 Rs. 217.06 lakhs (for the year ended 31 March, 2017 Rs. 200.56 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 Rs. 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

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		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
NOTE 34			
OTHER EXPENSES			
OPERATING AND MAINTENANCE EXPENSES			
(a)	Stores and spares consumed (net of recoveries)	2,705.57	2,280.16
(b)	Repairs and maintenance:		
	(i) Building	507.18	486.25
	(ii) Plant and equipment	7,821.12	5,668.32
	(iii) Others	5,222.21	4,357.31
(c)	Loss on disposal of property, plant and equipment	1,716.69	827.88
		17,972.77	13,619.92
ADMINISTRATIVE AND GENERAL EXPENSES			
(a)	Communication expenses	232.75	257.54
(b)	Printing and stationery	295.91	317.56
(c)	Legal and professional charges (see note 43)	1,797.41	1,736.93
(d)	Travelling and conveyance	683.39	518.17
(e)	Insurance	506.18	424.86
(f)	Advertisement, publicity and business promotion	714.40	654.94
(g)	Corporate Social Responsibility expenses (excluding 5% administrative expenses) (see note 45)	800.44	812.05
(h)	Rent and hire charges	250.17	214.90
(i)	Rates and taxes	3,307.15	874.40
(j)	Freight, handling and packing expenses	43.60	19.70
(k)	Bill collection and distribution expenses	1,200.09	1,008.96
(l)	Postage and courier charges	34.09	34.85
(m)	Provision for contingencies	-	(9,059.45)
(n)	EDP expenses	1,131.37	1,044.10
(o)	Housekeeping expenses	893.36	624.06
(p)	Foreign exchange fluctuation loss (net)	2.39	1.43
(q)	Bad debts written off/write back	17.65	100.37
(r)	Provision for doubtful debts	648.66	404.98
(s)	Miscellaneous expenses	1,012.81	1,022.48
		13,571.82	1,012.83
		31,544.59	14,632.75

NOTE 34.1
Disclosure under Clause 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of statutory levies and taxes [unaudited]

As per the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 , Clause no. 87 has defined the requirement for the disclosure of the total statutory levies and taxes separately. Management considers applicability of GST and increase in minimum wages as changes covered under Clause 87 and estimate the impact to be as under:

	Particulars	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
(a)	Taxes on raw materials, labour and administrative and general expenses	3,356.75	2,532.54
(b)	Incremental expense in the year 2017-18 vis a vis year 2016-17 on account of increase in minimum wages	1,997.04	NA

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NOTE 35
REGULATORY DEFERRAL ACCOUNT BALANCES

(a) 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.

(b) 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. The DERC vide its letter F.3(503)/Tariff-Engg/DERC/2016-17/5614/2224 dated 2 February, 2017 has further directed to submit true up for FY 2015-16, ARR for FY 2017-18 and information related to the business plan regulations. In compliance with the above said direction, Tata Power-DDL on 2 March, 2017 had filed the desired information according to applicable acts, policies and regulations. Apart from the above, the Company had also filed its petition for true up of FY 2014-15 and ARR determination for FY 2016-17 according to 2nd MYT regulation against which no tariff order was issued last year. During the current period, DERC has disposed off both the above petitions and issued tariff order for FY 2017-18 on 31 August, 2017. As a part of routine tariff determination on yearly basis, the Company further filed true up petition for FY 2016-17 and ARR for FY 2018-19 on 4 December, 2017 which has also been disposed by the DERC and issued tariff order on 28 March, 2018.

In the latest tariff order, 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 Rs. 2,39,461 lakhs as against Rs. 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, though recognized as source of power from these plants for FY 2017-18, pending true up order for power purchase from Rithala plant and provisional truing up of capitalization, disallowance of de-capitalised property, plant and equipment and corresponding ROCE, income tax and carrying cost. These disallowance have already been challenged in APTEL for the amount disallowed upto FY 2015-16. The Appeal for true up of FY 2016-17 is in progress and shall be filed within the prescribed timelines.

(c) The movement in Regulatory deferral account balance as at 31 March, 2018 is as follows:

Particulars	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
(A) Opening Regulatory deferral account debit balance	4,57,370.26	4,72,014.26
(B) Net movement during the year		
(i) Power purchase cost	5,19,540.00	5,16,150.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	1,75,596.00	1,47,478.00
(iii) Collection available for ARR as per MYT order	7,12,521.00	6,78,272.00
(C) Net movement shown in the statement of profit and loss (i)+(ii)-(iii)	**(17,385.00)**	**(14,644.00)**
Closing Regulatory deferral account debit balance (A)+(C)	**4,39,985.26**	**4,57,370.26**

(d) **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 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 Rs. 19,770 lakhs against Rs. 30,239 lakhs as per financial books of account. The Company has challenged the order in the APTEL on 17 October, 2017.

Further, in the Order, the DERC has also directed that the petitioner shall file true up petitions based on the applicable regulations for the aforesaid parameters for finalization 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 plant, the Company has filed the true up petition with the DERC on 3 October, 2017. Pending true up of the said petition and disposal of the appeals, the Company has been continuing the billing from Rithala plant based on applicable regulations and adjusted a sum of Rs. 32,119 lakhs for the year ended 31 March, 2017. Further based on management's analysis and opinion of a legal expert, the management is of the view that Rithala plant's capital cost of Rs. 24,000 lakhs is likely to be approved by the APTEL and accordingly, the Company has adjusted a total sum of Rs. 6,961 lakhs towards Rithala billing (including carrying costs) and has recorded an impairment of Rs. 3,757.05 lakhs against the carrying value of the Rithala plant and from October 2017 onwards, the Company has been raising bill on capital cost of Rs. 24,000 lakhs.

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Below is the year wise status of billing done by Rithala plant and power purchase cost provisionally allowed by the DERC and adjustment made.

Rs./Lakhs

Particulars	For the trued up years FY 2010-11 to FY 2015-16	Yet to be trued up for FY 2016-17	Yet to be trued up for year ended 31 March, 2018	Total
Billing done by Rithala Generation Plant to Distribution	64,640.00	9,660.00	7,047.00	81,347.00
Allowed by DERC for the period plant was operational	12,195.00	-	-	12,195.00
Allowed by DERC for the period plant was not-operational	-	-	-	-
Provisional disallowed power purchase cost/yet to be trued up	52,445.00	9,660.00	7,047.00	69,152.00
Carrying cost recorded	20,148.00	9,027.00	6,500.00	35,675.00
Power purchase cost including carrying cost for which tariff is yet to be determined by DERC	72,593.00	18,687.00	13,547.00	1,04,827.00
Adjustment made				39,080.00

(e) 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 balances.

NOTE 36
SEGMENTAL 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)

Particulars	Units	Year ended 31.03.2018	Year ended 31.03.2017
Profit/(loss) for the year from continuing operations before net movement in regulatory deferral account balance attributable to equity shareholders	Rs./Lakhs	47,973.03	40,857.35
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of Rs. 10 each	Rs.	8.69	7.40
Face value of equity shares	Rs.	10.00	10.00
Profit/(Loss) for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	Rs./Lakhs	30,588.03	26,213.35
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of Rs. 10 each	Rs.	5.54	4.75
Face value of equity shares	Rs.	10.00	10.00

37.1 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.

Particulars	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
1. Income from "other than energy business"		
(a) Consultancy income	5,269.22	5,082.79
(b) Training income	331.08	19.30
(c) Others	191.91	155.91
Total (refer note 30(c))	**5,792.21**	**5,258.00**
2. Expenses related to "other than energy business"		
(a) Employee benefits expense	3,215.75	3,098.82
(b) Other expenses	1,280.85	938.77
Total	**4,496.60**	**4,037.59**

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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

Rs./Lakhs

S.No.	Category	Year ended 31.03.2018						
		Revenue Billed	Surcharge Billed	PPAC Billed	Electricity Duty	Pension Trust Surcharge	TOD Surcharge	TOD Rebate
1	Domestic	2,47,224.25	17,258.95	(0.20)	11,025.51	3,197.23	-	-
2	Non-Domestic	1,78,942.42	12,517.77	0.03	7,241.72	2,776.14	2,364.62	(1,017.60)
3	Industrial	2,52,545.47	17,573.68	0.69	10,743.02	4,386.19	4,907.94	(2,681.03)
4	Agriculture & Mushroom Cultivation	457.89	32.61	-	18.52	8.19	-	-
5	Public Lighting	12,645.09	917.36	2.52	142.86	238.53	-	-
6	Delhi Jal Board	22,176.58	1,541.23	0.17	986.71	379.31	419.50	(435.86)
7	Railway Traction	4,126.81	300.45	-	-	69.23	129.40	(87.97)
8	DMRC	11,241.86	781.46	-	499.15	192.95	309.23	(159.71)
9	Advertisement & Hoardings	148.95	11.04	-	5.79	2.53	-	-
10	Temporary Supply	6,801.60	473.92	(0.04)	298.14	107.56	59.40	(41.98)
11	Staff	647.28	45.34	-	28.23	6.96	-	-
12	E-Vehicle	12.02	0.82	-	0.55	0.38	-	-
13	Misuse	398.64	28.02	(1.22)	16.31	4.30	4.04	(1.84)
14	Enforcement	1,780.15	125.39	5.36	81.37	9.20	-	-
15	Other Adjustments	76.17	-	-	3.03	-	-	-
	Grand Total	**7,39,235.18**	**51,608.04**	**7.31**	**31,090.91**	**11,378.70**	**8,194.13**	**(4,425.99)**

39.2 Collection

Rs./Lakhs

S.No.	Category	Year ended 31.03.2018				
		Revenue Collected	Surcharge Collected	PPAC Collected	Electricity Duty Collected	Pension Trust Surcharge
1	Domestic	2,48,675.92	17,354.00	6.97	11,083.57	3,014.18
2	Non-Domestic	1,83,478.33	12,834.03	5.62	7,449.97	2,734.11
3	Industrial	2,52,654.38	17,582.28	3.95	10,751.44	4,309.73
4	Agriculture & Mushroom Cultivation	560.38	36.36	0.08	20.58	7.68
5	Public Lighting	12,551.73	930.80	3.64	151.96	233.84
6	Delhi Jal Board	22,121.25	1,543.05	0.13	988.10	365.43
7	Railway Traction	4,140.38	300.45	-	-	69.23
8	DMRC	10,767.71	783.49	-	-	190.70
9	Advertisement & Hoardings	193.82	15.97	0.03	8.80	3.19
10	Staff	647.19	45.33	0.01	28.25	6.70
11	E-Vehicle	17.03	0.60	-	0.40	0.28
12	Enforcement	1,780.15	125.39	5.36	81.37	9.20
13	Other Adjustments	76.17	-	-	-	-
	Grand Total	**7,37,664.44**	**51,551.75**	**25.79**	**30,564.44**	**10,944.27**

39.3 Subsidy Disbursed (including amnesty scheme)

S.No	Category	Year ended 31.03.2018 Rs./Lakhs
1	Agriculture	0.01
2	Domestic	45,692.28
3	Non-Domestic (Lawyer Chambers)	21.88
	Grand Total	**45,714.17**

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, Rebate on number of bills etc.

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NOTE 40
INCOME TAX

40.1 Income tax expense in the statement of profit and loss consists of:

	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
Income tax expense recognised in the statement of profit and loss :		
Current tax		
Current tax expense (see note 40.3)	17,157.64	5,914.03
Less: MAT credit adjusted during the year	7,706.05	165.84
Current tax (net)	**9,451.59**	**5,748.19**
Deferred tax		
In respect of the current year	11,578.27	(52,702.15)
Less: adjustable from future tariff	(11,578.27)	52,702.15
	-	-
Income tax expense recognised in other comprehensive income :		
Income tax on net loss/(gain) on remeasurement of defined benefit plan	5.54	(23.40)
Total	**9,457.13**	**5,724.79**

40.2 Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
Profit before tax	40,039.62	31,961.54
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	13,856.91	11,061.25
Effect of:		
Expenses not considered in determining taxable profit	2,780.32	2,780.34
Reversal during tax holiday period	1,777.71	(3,603.48)
Deduction under chapter VI-A	(64.51)	(97.29)
Adjustment for MAT credit	2,080.56	(57,118.52)
Effect on deferred tax balances due to change in income tax rate from 34.61% to 34.94%	558.75	-
Others	40.12	23.74
Income tax expense in respect of current year	**21,029.86**	**(46,953.96)**
Less: Deferred tax adjustable from future tariff	11,578.27	(52,702.15)
Income tax expense recognised in the statement of profit and loss	**9,451.59**	**5,748.19**

40.3 The Company has made provision for income tax at the rate of 34.61% in accordance with normal provisions of Income Tax Act, 1961 for year ended 31 March, 2018 and 31 March, 2017. 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, 2018 and at the rate of 34.61% for the year ended 31 March, 2017.

NOTE 41
EMPLOYEE BENEFIT PLANS

41.1 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 Rs. 5,413.87 lakhs (for the year ended 31 March, 2017 Rs. 1,717.19 lakhs) has been charged to the statement of profit and loss during the year.

41.2 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.

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41.3 Policy for recognising actuarial gains and losses

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

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

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.

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

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.

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.

41.5 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, 2018:

	Particulars		Gratuity (Funded)	
			31.03.2018	**31.03.2017**
			Rs./Lakhs	**Rs./Lakhs**
(i)	**Net liability arising from defined benefit obligation**		**243.96**	**408.09**
(ii)	**Change in benefit obligations:**			
	Present value of obligations as at 1 April	A	2,696.59	2,165.78
	Current Service Cost	B	294.19	269.53
	Interest Cost	C	200.84	176.16
	Past Service Cost	D	-	-
	Remeasurement (gains)/losses: Actuarial (gains)/losses	E	(11.10)	121.88
	Benefits Paid	F	132.49	36.76
	Present value of obligation as at 31 March (A+B+C+D+E-F)		**3,048.03**	**2,696.59**
(iii)	**Change in plan assets**			
	Fair Value of Plan Assets as at 1 April	A	2,288.50	1,898.84
	Interest Income	B	159.11	141.49
	Employer's Contribution	C	474.09	272.68
	Remeasurement (gains)/losses:			
	- Return on plan assets (excluding amounts included in net interest expense)	D	14.86	12.25
	Benefits Paid	E	132.49	36.76
	Fair value of plan asset as at 31 March (A+B+C+D-E)		**2,804.07**	**2,288.50**

(iv) Amount recognised in the statement of profit and loss (remeasurements)

Particulars		Gratuity (Funded)	
		2017-18	**2016-17**
		Rs./Lakhs	**Rs./Lakhs**
Current service cost	A	294.20	269.53
Net interest expense/(income)	B	41.73	34.67
Other adjustment	C	(1.41)	-
Defined benefit cost recognized in the statement of profit and loss (A+B+C)		**334.52**	**304.20**

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

Particulars		Gratuity (Funded)	
		2017-18	**2016-17**
		Rs./Lakhs	**Rs./Lakhs**
Actuarial (gains)/losses arising from:			
(a) changes in demographic assumptions	A	103.86	-
(b) changes in financial assumptions	B	(162.52)	89.13
(c) experience adjustments	C	47.56	32.75
Return on plan assets (excluding amounts included in net interest expense)	D	14.86	12.25
Components of defined benefit costs recognised in other comprehensive income (A+B+C-D)		**(25.96)**	**109.63**

(vi) Principal actuarial assumptions:

Particulars	Refer Notes	Year ended 31.03.2018	Year ended 31.03.2017
Discount Rate (p.a.)	1	7.60%	7.00%
Salary escalation rate (p.a.)	2	8.00%	8.00%

Notes:

1 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 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
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%	15%

(vii) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
Government of India Securities	63.10%	54.63%
Debt instruments	27.00%	31.22%
Equity and preference shares	7.71%	8.91%
Other deposits	2.19%	5.24%
	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.

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

Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
(a) Decrease in defined benefit obligation due to 1% increase in discount rate	225.56	131.95
(b) Increase in Defined benefit obligation due to 1% decrease in discount rate	259.12	146.41

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

Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
(a) Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate.	226.74	131.95
(b) Increase in defined benefit obligation due to 1% increase in expected salary escalation rate.	255.55	143.58

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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 31.03.2018	As at 31.03.2017
(i) Weighted Average duration of the defined benfit obligation	13 years	8 years
(ii) Duration of defined benefit obligation		
Duration (Years)	**Amount (Rs./Lakhs)**	
1	254.55	442.58
2	273.18	334.27
3	235.22	311.05
4	223.29	260.72
5	178.26	218.40
Above 5	1,883.53	1,129.57
Total	**3,048.03**	**2,696.59**
(iii) Duration of defined benefit payments		
Duration (Years)	**Amount (Rs./Lakhs)**	
1	264.05	457.81
2	304.91	369.98
3	282.49	368.37
4	288.55	330.38
5	247.86	296.13
Above 5	5,173.01	2,371.72
Total	**6,560.87**	**4,194.39**

(x) The contribution expected to be made by the Company during the financial year 2018-19 is Rs. 294.50 lakhs.

(xi) The actual return on plan assets was Rs. 173.97 lakhs (for the year ended 31 March, 2017 Rs. 153.74 lakhs).

41.6 Principal actuarial assumptions for long-term compensated absences

Particulars	Notes	Year ended 31.03.2018	Year ended 31.03.2017
Discount rate (p.a.)	41.6.1	7.60%	7.00%
Salary escalation rate (p.a.)	41.6.2	8.00%	8.00%

Notes:

41.6.1 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.

41.6.2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions:

Particulars	Notes	Year ended 31.03.2018	Year ended 31.03.2017
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%	15%

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NOTE 42
FINANCIAL INSTRUMENTS

42.1 Capital management

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 capitalization 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. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

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 position on reporting date is summarized in the following table:

Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
Long-term borrowings (including non-convertible cumulative redeemable preference share capital)	2,43,933.46	2,54,996.53
Current maturities of long-term borrowings	52,053.08	62,937.09
Short-term borrowings	31,082.32	20,169.43
Total debt (A)	**3,27,068.86**	**3,38,103.05**
Less: Cash and bank balances (B)	13,784.93	13,581.89
Net debt (C) = (A)+(B)	**3,13,283.93**	**3,24,521.16**
Total equity (D)	2,95,364.92	2,68,742.72
Total equity and net debt (E) = (C)+(D)	**6,08,648.85**	**5,93,263.88**
Net debt to total equity plus net debt ratio (%) {(F)=(C)/(E)}	**51.47%**	**54.70%**

42.2 Categories of financial instruments

Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
Financial assets		
(i) Measured at cost		
(a) Investment in subsidiary	5.00	5.00
(ii) Measured at amortised cost		
(a) Trade receivables	22,592.26	21,425.50
(b) Cash and cash equivalents	10,197.05	9,998.53
(c) Bank balances other than cash and cash equivalent above	3,587.88	3,583.36
(d) Unbilled revenue	31,897.54	30,265.42
(e) Security deposit	331.05	293.46
(f) Recoverable from SVRS trust	140.76	194.08
(g) Others	96.45	512.23
	68,847.99	66,277.58
Financial liabilities		
Measured at amortised cost		
(a) Borrowings (including current maturities and non-convertible cumulative redeemable preference share capital)	3,27,068.86	3,38,103.05
(b) Interest accrued but not due on borrowings	248.05	136.53
(c) Trade and other payables	1,22,501.83	1,16,156.67
(d) Security deposits	61,106.53	55,435.75
(e) Dividend accrued but not due on non-convertible cumulative redeemable preference shares	6,000.00	6,000.00
(f) Retention money payable	8,235.71	5,324.14
(g) Others	1,686.27	2,016.47
	5,26,847.25	5,23,172.61

42.3 Financial risk management

The Company's activities expose it to a variety of financial risk, notably market risks (including interest rate risk and foreign exchange fluctuation risk), credit risk and liquidity risk. 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 agrees policies for managing these risks, which are summarised below:

42.3.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk) and interest rates (interest rate risk), 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.
Market risks are essentially composed of foreign currency exchange risk and interest rate risk.

(A) Foreign currency risk management

Foreign 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 risk.

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(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 is exposed to interest rate risk because it borrows funds at floating interest rates.

Interest rate risk sensitivity analysis
The sensitivity analyses 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:

Particulars	As at 31.03.2018		As at 31.03.2017	
	50 bps	50 bps	50 bps	50 bps
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Interest expense on loan	1,229.93	(1,229.93)	1,339.67	(1,339.67)
Effect on profit before tax	(1,229.93)	1,229.93	(1,339.67)	1,339.67

42.3.2 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 maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 22,592.26 lakhs and Rs. 21,425.50 lakhs as at 31 March, 2018 and 31 March, 2017 respectively and unbilled revenue amounting to Rs. 31,897.54 lakhs and Rs. 30,265.42 lakhs as at 31 March, 2018 and 31 March, 2017 respectively. Refer note 10 for trade receivables and note 12(a) for unbilled revenue.

The Company is engaged in distribution and retail supply of electricity in the North & North-west districts in the National Capital Territory of Delhi. Trade receivables consists of a large number of unrelated consumers spread across diverse industries and credit risk has been managed by the Company through continuously monitoring the creditworthiness of consumers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit ratings of consumers and the Company's historical experience for consumers.
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 Rs. 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 Rs. 50,000 lakhs at any point of time. Further, the Company will restrict the extent of exposure to any asset management company to 20% of its investible corpus (only for investment above Rs. 20,000 lakhs).

42.3.3 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. Ultimate responsibility for liquidity risk management rests with the management. 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 tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. 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.

Expected contractual maturity for financial liabilities:

Rs./Lakhs

Particulars	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2018				
-Trade payables	1,22,501.83	-	-	1,22,501.83
-Short term borrowings	31,082.32	-	-	31,082.32
-Long term borrowings	52,053.08	1,57,686.92	36,246.54	2,45,986.54
(including current maturities and excluding preference share capital)				
-Interest accrued but not due on borrowings	248.05	-	-	248.05
-Future interest on above long term borrowings	18,989.41	36,815.04	3,819.03	59,623.48
-Non-convertible cumulative redeemable preference share capital	-	-	50,000.00	50,000.00
-Dividend accrued but not due on above preference shares	6,000.00	-	-	6,000.00
-Future dividend on above preference shares (see note 42.3.3a)	7,233.32	28,933.27	72,095.37	1,08,261.96
-Security deposits (see note 42.3.3b)	5,576.40	228.05	55,302.08	61,106.53
-Retention money payable	8,235.71	-	-	8,235.71
-Other financial liabilities	1,686.27	-	-	1,686.27
	2,53,606.39	**2,23,663.28**	**2,17,463.02**	**6,94,732.69**
As at 31 March, 2017				
-Trade payables	1,16,156.67	-	-	1,16,156.67
-Short term borrowings	20,169.43	-	-	20,169.43
-Long term borrowings	62,937.09	1,66,591.29	38,405.24	2,67,933.62
(including current maturities and excluding preference share capital)				
-Interest accrued but not due on above borrowings	136.53	-	-	136.53
-Future interest on above long term borrowings	22,252.79	40,260.62	4,286.17	66,799.58
-Non-convertible cumulative redeemable preference share capital	-	-	50,000.00	50,000.00
-Dividend accrued but not due on above preference shares	6,000.00	-	-	6,000.00
-Future dividend on above preference shares (see note 42.3.3a)	7,221.46	28,885.84	79,198.63	1,15,305.93
-Security deposits (see note 42.3.3b)	4,880.47	304.31	50,250.97	55,435.75
-Retention money payable	5,324.14	-	-	5,324.14
-Other financial liabilities	2,016.47	-	-	2,016.47
	2,47,095.05	**2,36,042.06**	**2,22,141.01**	**7,05,278.12**

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42.3.3a 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 Rs. 18,459.22 lakhs and Rs. 19,503.18 lakhs as at 31 March, 2018 and 31 March, 2017 respectively.

42.3.3b Consumer security deposits classfied under more than 5 years maturity pertains to permanent connection which are refundable only after surrender of connection subject to clearnce of outstanding dues.

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.

42.3.4 Financing facilities (short term)

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs./Lakhs	Rs./Lakhs
Unsecured bank overdraft, reviewed annually and payable at call		
Amount used and outstanding	30,127.55	14,592.95
Amount unused	-	5,407.05
Secured bank loan facilities with various maturity dates through to 31 March, 2019 and which may be extended by mutual agreement		
Amount used and outstanding	954.77	5,576.48
Amount unused	13,545.23	8,923.52

42.4 Fair value of financial assets and financial liabilities that are not measured at fair value

The management consider that the carrying amount of financial assets and financial liabilities recognised in the financial statements approximates their fair value.

NOTE 43
AUDITORS REMUNERATION*

Legal and professional charges include auditor's remuneration as follows:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs./Lakhs	Rs./Lakhs
(a) Audit fee (including quarterly audits)	57.00	59.50
(b) Other services	6.90	2.70
(c) Reimbursement of out-of-pocket expenses	3.15	2.04
Total	**67.05**	**64.24**

* Exclusive of GST/service tax, as applicable.

NOTE 44

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, 2018 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, 2019. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

NOTE 45
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. TPDDL'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 Rs. 726.76 lakhs.

(b) Amount spent during the year on CSR (excluding 5% administrative expenses)

Particulars	In Cash	Yet to be paid in cash	Total
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
(i) Construction / acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	800.44	-	800.44

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NOTE 46
RELATED PARTY DISCLOSURES

46.1 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) TP Ajmer Distribution Limited (TPADL)
(iv) Tata Power International Pte. Limited (TPIPL)

E. Associates of holding company (with whom the Company has transactions)
(i) Tata Communications Limited (TCL)
(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

Non-executive directors
(i) Mr. Anil Sardana
(ii) Mr. Ashok Kumar Basu (ceased w.e.f. 23 March, 2017)
(iii) Mr. Nawshir H Mirza
(iv) Mr. Ramesh N. Subramanyam (ceased w.e.f. 25 May, 2016)
(v) Mr. Arup Ghosh
(vi) Mr. Sanjeev Singh (ceased w.e.f. 4 August, 2016)
(vii) Mr. Sudhir Mohan Varma (ceased w.e.f. 4 August, 2016)
(viii) Mr. Prem Prakash (ceased w.e.f. 4 August, 2016)
(ix) Mr. Arun Kumar Garg (ceased w.e.f. 4 August, 2016)
(x) Mr. Anjani Kumar Sharma (ceased w.e.f. 4 August, 2016)
(xi) Ms. Shalini Yogendranath Singh
(xii) Mr. Amar Jit Chopra (appointed w.e.f. 23 March, 2017)
(xiii) Mr. Ajay Shankar (appointed w.e.f. 23 March, 2017)

46.2 Transactions with related parties

	Name of related party	Nature of transaction	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
A.	**Rendering of services**			
(i)	TPCL	Management contract for deputation of employees	106.52	106.67
(ii)	DPCL	Commission earned	1.57	1.67
(iii)	NDPLIL	Management contract for consultancy services	328.94	325.52
(iv)	TPSSL	Empanelment fee for rooftop solar plants	0.25	-
(v)	TPIPL	Management contract for consultancy services	193.50	130.90
(vi)	TPADL	Management contract for consultancy services	137.31	-
B.	**Purchase of goods**			
(i)	TPTCL	Purchase of power	70,895.06	89,134.53
		Rebate on power purchase	937.61	1,560.12
(ii)	TPSSL	Purchase of spares	6.47	-
(iii)	TPL	Purchase of spares	3.23	2.87
C.	**Sale of property, plant and equipment**			
(i)	TPCL	Sale of property, plant and equipment	-	9.57
D.	**Receiving of services**			
(i)	TPCL	Management contract for deputation of key managerial personnel	368.03	280.37
(ii)	TPSSL	Annual maintenance contract of solar plants	28.99	6.45
(iii)	TCL	Communication expenses	13.93	14.55
E.	**Reimbursement of expenses**			
(i)	TPCL	Travelling and conveyance	0.73	1.53
(ii)	DPCL	Advertisement, publicity and business promotion	-	2.90
(iii)	NDPLIL	Travelling and conveyance, insurance etc.	68.92	102.85
(iv)	TPSSL	Hire charges - vehicles	0.02	-
(v)	TPIPL	Travelling and conveyance	6.53	6.16
(vi)	TPADL	Travelling and conveyance etc.	0.10	-
F.	**Finance cost**			
(i)	TPCL	Dividend on preference shares	3,060.00	3,060.00
(ii)	DPCL	Dividend on preference shares	2,940.00	2,940.00
G.	**Dividend (including interim) paid**			
(i)	TPCL	Dividend on equity shares	1,689.12	6,756.48
(ii)	DPCL	Dividend on equity shares	1,622.88	6,491.52
H.	**Transaction with Trust**			
(i)	Gratuity Fund	Contribution to trust	474.09	272.68
(ii)	SVRS RTBF - 2004	Contribution to trust	92.43	92.05

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46.3 Compensation of key managerial personnel

	Name of the related party	Nature of transaction	Year ended 31.03.2018	Year ended 31.03.2017
			Rs./Lakhs	Rs./Lakhs
A.	CEO & MD -Mr. Praveer Sinha	Deputation pay and other benefits	319.03	299.64
B.	Non-executive directors	Sitting fees	33.51	23.95
		Consultancy fees - Mr. Arup Ghosh	52.76	44.17

46.4 Balance outstanding with related parties

	Name of the related party	Nature of balances	As at 31.03.2018	As at 31.03.2017
			Rs./Lakhs	Rs./Lakhs
A.	**Investment in equity shares**			
(i)	NDPLIL		5.00	5.00
B.	**Receivables**			
(i)	TPCL	Trade receivables	27.72	25.63
(ii)	NDPLIL	Trade receivables	17.74	0.03
(iii)	TPTCL	Other current assets	9,521.30	-
(iv)	TPIPL	Trade receivables	203.87	83.40
(v)	TPADL	Trade receivables	51.06	-
(vi)	SVRS RTBF - 2004	Other financial assets	140.76	194.08
C.	**Payables**			
(i)	DPCL	Trade payables	604.75	1,028.66
(ii)	TPTCL	Trade payables	-	7,949.04
(iii)	TPSSL	Trade payables including retention money and advances	52.86	29.41
(iv)	TCL	Trade payables including security deposits	24.38	8.15
D.	**Unbilled revenues**			
(i)	NDPLIL	Management contract for consultancy services	85.92	76.77
E.	**Accrued expenses**			
(i)	TPSSL	Annual maintenance contract of solar plants	-	6.32
(ii)	TPTCL	Purchase of power	0.07	0.61
(iii)	TCL	Communication expenses	3.11	3.04
F.	**Commitment made**			
(i)	TPSSL		1.62	1.62

(ii) Significant commitments of the Company includes commitment for trading margin with TPTCL.
The Company has entered into an long term power purchase agreement with TPTCL on 10 September, 2009 to draw power from Maithon Power Ltd. (MPL) for 30 years from the date of commissioning (COD) and on 20 January, 2009 to draw power from Jhajjar Power Ltd. (JPL) for 25 years from COD. A trading margin of 4 paise per kWh for the energy scheduled by MPL is payable by Tata Power-DDL to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by Tata Power-DDL to TPTCL.

NOTE 47
APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved for issue by the board of directors on 26 April, 2018.

Walker Chandiok & Co LLP
For Walker Chandiok & Co LLP
Chartered Accountants

Neeraj Goel

per Neeraj Goel
Partner

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Anil Sardana
Chairman
DIN: 00006867

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

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Independent Auditor's Report

To the Members of Tata Power Delhi Distribution Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Tata Power Delhi Distribution Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

7. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies, are disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

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

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 28 to the consolidated financial statements.

(ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act during the year ended 31 March 2018;

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

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

Neeraj Goel

per **Neeraj Goel**
Partner
Membership No.: 99514

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: New Delhi
Date: 26 April 2018

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited on the consolidated financial statements for the year ended 31 March 2018

Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of Tata Power Delhi Distribution Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') as at and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and its subsidiary company

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and its subsidiary company based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Annexure A to the Independent Auditor's Report of even date to the members of Tata Power Delhi Distribution Limited on the consolidated financial statements for the year ended 31 March 2018

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Neeraj Goel

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

per **Neeraj Goel**
Partner
Membership No.: 99514

Place: New Delhi
Date: 26 April 2018

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

	Note No.	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
I. ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	362,558.19	350,911.36
(b) Capital work-in-progress	4	27,922.17	19,008.45
(c) Intangible assets	4	3,879.06	3,182.52
(d) Financial assets			
(i) Other financial assets	5	170.49	249.38
(e) Income tax assets (net)	6	2,442.51	2,451.51
(f) Deferred tax assets (net)	19	-	635.48
Less: Adjustable in future tariff		-	(635.48)
		-	-
(g) Other non-current assets	7	4,927.70	4,703.02
Total non-current assets		**401,900.12**	**380,506.24**
(2) Current assets			
(a) Inventories	8	1,199.90	1,054.58
(b) Financial assets			
(i) Investments	9	1,254.72	975.86
(ii) Trade receivables	10	22,713.02	21,425.51
(iii) Cash and cash equivalents	11(a)	10,197.25	9,999.11
(iv) Bank balances other than (iii) above	11(b)	3,587.88	3,583.36
(v) Other financial assets	12	32,217.98	31,027.39
(c) Other current assets	13	49,094.95	16,851.48
Total current assets		**120,265.70**	**84,917.29**
Total assets		**522,165.82**	**465,423.53**
(3) Regulatory deferral account debit balances	35	439,985.26	457,370.26
Total assets and regulatory deferral account debit balances		**962,151.08**	**922,793.79**
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	14	55,200.00	55,200.00
(b) Other equity	15	241,719.84	214,669.77
Total equity attributable to equity holders of the Company		**296,919.84**	**269,869.77**
(c) Non-controlling interests		-	-
Total equity		**296,919.84**	**269,869.77**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long-term borrowings	16	243,933.46	254,996.53
(ii) Other financial liabilities	17	55,530.13	50,555.28
(b) Provisions	18	4,199.55	3,535.30
(c) Deferred tax liabilities (net)	19	10,965.15	3.64
Less: Adjustable in future tariff		(10,951.86)	-
		13.29	3.64
(d) Capital grants	20	655.74	729.99
(e) Contributions for capital works and service line charges	21	85,902.49	85,717.14
(f) Other non-current liabilities	22	23,870.61	21,225.72
Total non-current liabilities		**414,105.27**	**416,763.60**
(2) Current liabilities			
(a) Financial liabilities			
(i) Short-term borrowings	23	31,082.32	20,169.43
(ii) Trade payables	24	122,506.34	116,162.59
(iii) Other financial liabilities	25	73,799.51	81,294.70
(b) Provisions	26	1,167.90	1,324.20
(c) Other current liabilities	27	22,569.90	17,209.50
Total current liabilities		**251,125.97**	**236,160.42**
Total equity and liabilities		**962,151.08**	**922,793.79**

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants

Neeraj Goel

per Neeraj Goel
Partner

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Arup Ghosh
Director
DIN: 06711047

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

TATA POWER DELHI DISTRIBUTION LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

	Note No.	Year ended 31.03.2018 Rs./Lakhs	Year Ended 31.03.2017 Rs./Lakhs
INCOME			
1 Revenue from operations	29	711,318.95	675,546.52
2 Other income	30	6,504.77	5,702.25
3 Total income		717,823.72	681,248.77
EXPENSES			
4 Cost of power purchased (net) (excludes own generation)	31	513,091.38	522,376.48
5 Employee benefits expense	32	47,626.75	37,500.66
6 Finance costs	33	34,679.27	40,117.47
7 Depreciation and amortisation expense	4	28,995.52	19,290.07
8 Other expenses	34	31,651.70	14,759.13
9 Total expenses		656,044.62	634,043.81
PROFIT BEFORE EXCEPTIONAL ITEMS, RATE REGULATED ACTIVITIES AND TAX		**61,779.10**	**47,204.96**
10 Net movement in regulatory deferral account balance	35	(17,385.00)	(14,644.00)
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		**44,394.10**	**32,560.96**
11 Exceptional Items:			
(i) Impairment of Property, Plant and Equipment	4,35(d)	(3,757.05)	-
PROFIT BEFORE TAX		**40,637.05**	**32,560.96**
12 Tax expense			
(i) Current tax	38	9,611.50	6,027.05
(ii) Deferred tax			
Provision for the year	19	11,587.92	(52,698.76)
Less: Adjustable in future tariff		(11,578.27)	52,702.15
PROFIT FOR THE YEAR		**31,015.90**	**26,530.52**
13 Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit obligation		25.96	(109.63)
- Income tax relating to above			
(i) Current tax		(5.54)	23.40
(ii) Deferred tax			
Provision for the year	19	9.07	(37.94)
Less: Adjustable in future tariff		(9.07)	37.94
TOTAL OTHER COMPREHENSIVE INCOME		**20.42**	**(86.23)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**31,036.32**	**26,444.29**
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		31,015.90	26,530.52
Non-controlling interests		-	-
		31,015.90	**26,530.52**
TOTAL OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		20.42	(86.23)
Non-controlling interests		-	-
		20.42	**(86.23)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the Company		31,036.32	26,444.29
Non-controlling interests		-	-
		31,036.32	**26,444.29**
EARNINGS PER EQUITY SHARE (FACE VALUE Rs. 10/- EACH)	37		
Basic and Diluted earnings per share before net movement in regulatory deferral account balance (Rs.)		8.77	7.46
Basic and Diluted earnings per share after net movement in regulatory deferral account balance (Rs.)		5.62	4.81

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Arup Ghosh
Director
DIN: 06711047

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

A. EQUITY SHARE CAPITAL

Particulars	Amount Rs./Lakhs
(a) Balance as at 1 April, 2016	**55,200.00**
(b) Changes in equity share capital during the year	-
(c) Balance as at 31 March, 2017	**55,200.00**
(a) Balance as at 1 April, 2017	**55,200.00**
(b) Changes in equity share capital during the year	-
(c) Balance as at 31 March, 2018	**55,200.00**

B. OTHER EQUITY

Rs./Lakhs

Particulars	Reserves and Surplus		Total
	General Reserve	Retained Earnings	
(a) Balance as at 1 April, 2016	**9,150.00**	**195,020.46**	**204,170.46**
(b) Dividends on equity share capital for FY 2015-16 approved and paid on equity shares (including dividend distribution tax thereon)	-	(9,301.24)	(9,301.24)
(c) Interim dividend on equity share capital for FY 2016-17 approved and paid on equity shares (including dividend distribution tax thereon)	-	(6,643.74)	(6,643.74)
(d) Profit as per consolidated statement of profit and loss for the year ended 31 March, 2017	-	26,530.52	26,530.52
(e) Other comprehensive income (net of income tax) for the year ended 31 March, 2017	-	(86.23)	(86.23)
(f) Total comprehensive income for the year ended 31 March, 2017 (d+e)	-	26,444.29	26,444.29
Balance as at 31 March, 2017 (a+b+c+f)	**9,150.00**	**205,519.77**	**214,669.77**
OTHER EQUITY ATTRIBUTABLE TO:			
Owners of the Company	9,150.00	205,519.77	214,669.77
Non-controlling interests	-	-	-
	9,150.00	**205,519.77**	**214,669.77**
(a) Balance as at 1 April, 2017	**9,150.00**	**205,519.77**	**214,669.77**
(b) Dividends on equity share capital for FY 2016-17 approved and paid on equity shares (including dividend distribution tax thereon)	-	(3,986.25)	(3,986.25)
(c) Profit as per consolidated statement of profit and loss for the year ended 31 March, 2018	-	31,015.90	31,015.90
(d) Other comprehensive income (net of income tax) for the year ended 31 March, 2018	-	20.42	20.42
(e) Total comprehensive income for the year ended 31 March, 2018 (c+d)	-	31,036.32	31,036.32
Balance as at 31 March, 2018 (a+b+e)	**9,150.00**	**232,569.84**	**241,719.84**
OTHER EQUITY ATTRIBUTABLE TO:			
Owners of the Company	9,150.00	232,569.84	241,719.84
Non-controlling interests	-	-	-
	9,150.00	**232,569.84**	**241,719.84**

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants

Neeraj Goel

per Neeraj Goel
Partner

CHANDIOK & CO LLP

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Arup Ghosh
Director
DIN: 06711047

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

TATA POWER DELHI DISTRIBUTION LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
A. Cash flow from operating activities			
Profit for the year		31,015.90	26,530.52
Income tax recognised as expense in consolidated statement of profit and loss		9,621.15	6,030.44
Depreciation and amortisation expense		28,995.52	19,290.07
Impairment of property, plant and equipment		3,757.05	-
Finance costs		34,679.27	40,117.47
Interest income		(437.54)	(295.70)
Net gain on current investments		(134.99)	(68.20)
Loss on disposal of property, plant and equipment		1,716.69	827.88
Transfer of capital grants		(74.25)	(50.04)
Transfer of contribution for capital works / service line charges		(7,160.80)	(5,595.86)
Obsolete inventory written off / provision for obsolete inventory		134.05	26.01
Bad debts written off/written back		17.65	100.37
Provision for contingencies		-	(9,059.45)
Provision for doubtful debts		648.66	404.98
Operating profit before working capital changes		102,778.36	78,258.49
Adjustments for (increase) / decrease in assets:			
Inventories		(279.37)	216.86
Trade receivables		(2,463.35)	(1,701.33)
Other financial assets - current		(1,190.46)	(1,144.18)
Other financial assets - non current		78.89	(0.21)
Other non-current assets		(62.63)	(88.43)
Other current assets		(32,243.47)	35,878.46
Regulatory deferral account debit balances		17,385.00	14,644.00
Adjustments for increase / (decrease) in liabilities:			
Trade payables		6,343.75	24,208.28
Other financial liabilities - current		3,359.09	2,331.57
Other financial liabilities - non current		(71.58)	115.60
Other current liabilities		5,348.54	1,880.76
Other non-current liabilities		2,644.89	(3,587.08)
Provision for employee benefits - current		(156.30)	183.03
Provision for employee benefits - non current		690.21	575.31
Cash generated from operations		102,161.57	151,771.13
Taxes paid (including tax deducted at source)		(9,614.59)	(10,212.42)
Net cash from/(used in) operating activities	(A)	**92,546.98**	**141,558.71**
B. Cash flow from investing activities			
Purchase of property, plant and equipment		(56,096.46)	(49,603.32)
Proceeds from sale of property, plant and equipment		1,121.35	620.03
Proceeds from bank deposits		(4.52)	177.06
Interest received		437.41	308.05
Purchase of current investments		(95,917.40)	(53,938.76)
Proceeds from sale of current investments		95,773.53	53,141.06
Net cash from/(used in) investing activities	(B)	**(54,686.09)**	**(49,295.88)**
C. Cash flow from financing activities			
Finance cost paid		(28,223.69)	(33,453.80)
Proceeds from short-term borrowings		60,000.00	10,000.00
Repayment of short-term borrowings		(60,000.00)	(10,000.00)
Net (repayment)/proceeds from cash credit and overdraft		10,912.89	3,508.47
Proceeds from long-term borrowings		63,490.00	25,010.00
Repayment of long-term borrowings		(85,437.08)	(81,148.35)
Proceeds from contribution for capital works		4,128.27	11,047.08
Proceeds from service line charges		3,217.88	3,141.99
Net (repayment)/proceeds from consumers' security deposits		5,456.69	(2,709.64)
Dividend paid to preference share holders (including dividend distribution tax)		(7,221.46)	(7,221.46)
Dividend paid to equity share holders (including dividend distribution tax)		(3,986.25)	(15,944.98)
Net cash from/(used in) financing activities	(C)	**(37,662.75)**	**(97,770.69)**
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	**198.14**	**(5,507.86)**
Cash and cash equivalents at the beginning of the year		9,999.11	15,506.97
Cash and cash equivalents at the end of the year [see note 11(a)]		**10,197.25**	**9,999.11**

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Reconciliation of liabilities from financing activities:

Particulars	As at 31.03.2017	Cash Flows		Non-cash changes	As at 31.03.2018
		Additions	Repayment	Amortization	
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Long-term borrowings (including current maturities)	317,933.62	63,490.00	(85,437.08)	-	295,986.54
Short-term borrowings	-	60,000.00	(60,000.00)	-	-
Cash credit and overdraft (net)	20,169.43	-	10,912.89	-	31,082.32
Consumer contribution for capital works	67,267.96	4,128.27	-	(4,278.12)	67,118.11
Consumer contribution for service line charges	18,449.18	3,217.88	-	(2,882.68)	18,784.38
Consumer security deposits (net)	53,944.62	5,456.69	-	-	59,401.31
Total	**477,764.81**	**136,292.84**	**(134,524.19)**	**(7,160.80)**	**472,372.66**

See accompanying notes forming part of consolidated financial statements (1-43)

In terms of our report attached

For Walker Chandiok & Co LLP
Chartered Accountants

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

per Neeraj Goel
Partner

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Arup Ghosh
Director
DIN: 06711047

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

Note 1
General Information

Tata Power Delhi Distribution Limited (Tata Power-DDL) or (the Company) is a public limited company incorporated and domiciled in India and is primarily engaged in the business of distribution of electricity in North and North-West Delhi. The Company was set up in terms of Delhi Electricity Reforms (Transfer Scheme) Rules 2001. The undertaking of the erstwhile Delhi Vidyut Board (DVB) engaged in distribution and retail supply of electricity in the North & North-West districts in the National Capital Territory of Delhi along with the personnel employed therein were transferred to the Company with effect from 1 July, 2002 which also marked the commencement of commercial operations for the Company.

The address of its registered office and principal place of business is NDPL House, Hudson Lines, Kingsway Camp, Delhi- 110009. The Company has been granted a license under Section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) by the Delhi Electricity Regulatory Commission (DERC) on 11 March, 2004. The license is valid for a period of twenty five years. During the period from 1 July, 2002 to the date of grant of license, Tata Power-DDL was a deemed licensee.

The Company is subsidiary of Tata Power Company Limited (TPCL) which holds 51% equity shares and controlling stake and 49% equity shares is held by Delhi Power Company Limited.

The Company formed NDPL Infra Limited (' the Subsidiary') as wholly owned subsidiary (jointly referred as 'the Group'). The Subsidiary is a public limited company incorporated on 23 August, 2011 and domiciled in India. The Subsidiary is primarily engaged in the business of providing consultancy and other services in the infrastructure and power sector.

Note 2
Application of new and revised Indian Accounting Standard (Ind AS)

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

2.1 Standards issued but not yet effective
On March 28, 2018, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2018, notifying Ind AS 115, 'Revenue from Contracts with Customers' and Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, 'The Effects of Changes in Foreign Exchange Rates'. The effective date for adoption is financial periods beginning on or after April 1, 2018.

2.1.1 Ind AS 115- Revenue from Contract with Customers:
Ind AS 115 establish the principles whereby an entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The entity shall be required to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard permits two possible methods of transition:
(A) Retrospective approach - The standard shall be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
(B) Retrospectively with cumulative effect of initial application of the standard recognized at the date of initial application (Cumulative catch-up transition method).

The Group is examining the methods of transition to be adopted. The effect on adoption of Ind AS 115 is expected to be insignificant.

2.1.2 Appendix B, Foreign currency transactions and advance consideration to Ind AS 21:
Appendix B to Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will be effective on financial periods beginning on or after April 1, 2018. The Group has evaluated the impact of the amendment and the effects are expected to be insignificant.

Note 3
Significant Accounting Policies

3.1 Statement of compliance
In accordance with the notification dated 16 February, 2015, issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1 April, 2016.

These consolidated financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) read with Section 133 of the Companies Act, 2013 ("the Act") and other relevant provisions of the Act.

As the Group's power generation and distribution business is governed by Electricity Act, 2003 and the saved provisions of Electricity (Supply) Act, 1948, the provisions of the said Acts prevail wherever these are inconsistent with the provisions of the Companies Act, 2013.

3.2 Basis of preparation and presentation
These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Basis of consolidation

These consolidated financial statements relate to Tata Power Delhi Distribution Limited and its subsidiary. The financial statements of the Subsidiary used in the consolidation are drawn for the same reporting period as that of the Company i.e. year ended 31 March, 2018.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiary). Control is achieved when the Company:
- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Subsidiary is consolidated from the date control commences until the date control ceases.

The financial statements of the Subsidiary are consolidated on a line-by-line basis and intra-group balances and transactions including un-realized gain/loss from such transactions are eliminated upon consolidation. The consolidated financial statements are prepared by applying uniform policies in use at the Group.

Additional information as required by Schedule III of the Companies Act, 2013 is given below:

Name of the entity in the Group	Net Assets i.e., total assets-total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (Rs./Lakhs)	As % of consolidated profit or (loss)	Amount (Rs./Lakhs)	As % of consolidated other comprehensive income	Amount (Rs./Lakhs)	As % of total comprehensive income	Amount (Rs./Lakhs)
Parent: Tata Power-DDL (Indian)	99.47%	295,364.92	98.62%	30,588.03	100.00%	20.42	98.62%	30,608.45
Subsidiaries (Indian):								
1. NDPL Infra Limited	0.53%	1,559.92	1.38%	427.87	-	-	1.38%	427.87
Sub Total	100.00%	296,924.84	100.00%	31,015.90	100.00%	20.42	100.00%	31,036.32
Adjustment arising out of consolidation		(5.00)		-		-		-
Total		296,919.84		31,015.90		20.42		31,036.32

The principal accounting policies are set out below:

3.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.4.1 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 all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognised net of the applicable taxes which the Group collects from the customer on behalf of the government/state authorities.

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'), the Group's 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 overachievement of distribution loss and collection efficiency targets. As per the said Tariff Regulations, the Group determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance". (see note 3.25)

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

Revenue in respect of the following is recognized 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).

3.5 Rendering of services

Revenue from a contract to provide consultancy services is recognised by reference to the stage of the completion of the contract. Foreseeable losses on such contracts are recognised when probable.

3.6 Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

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

3.8 Foreign currencies
These consolidated financial statements are presented in Indian rupees, which is the functional currency of the Group. The functional currency represents the currency of the primary economic environment in which the Group operates.

Transactions in currencies other than the group's functional currency (foreign currencies) are recorded at the rates of currency prevailing on the date of the transaction. Realised gains or losses on foreign currency transactions during the reporting period are recognised in the consolidated statement of profit and loss. Monetary assets and liabilities denominated in foreign currencies, at the reporting period end, are re-translated into Indian rupees at the reporting period end rates and resultant gains or losses on foreign currency translations are recognised in the consolidated statement of profit and loss.

Non-monetary items are not retranslated at period-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.9 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 consolidated statement of profit and loss in the reporting period in which they accrue.

3.10 Government grants
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 recognized as deferred income, and amortized over the expected useful life of the asset. Other grants relating to revenue are recognized in the consolidated statement of profit and loss.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at fair value and released to the consolidated statement of profit and loss over the expected useful life and pattern of consumption of the benefit of the underlying asset.

3.11 Employee benefits
Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

3.11.1 Defined contribution plans
The Group's contribution to provident fund, etc. is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made when services are rendered by the employees. The Group has categorised defined contribution plan for different employees into two categories:

Erstwhile DVB Employees:
The Group's contributions into the DVB Employees Terminal Benefit Fund 2002 ('the Trust') for the erstwhile DVB Employees as per the Transfer Scheme are defined contribution plans. Provisions for contributions towards all terminal / retirement benefits including gratuity, pension and leave encashment on separation of erstwhile DVB employees are made on the basis of the Fundamental Rules and Service Rules (FRSR Rules) as determined by the trustees of the Trust. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

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

The Group makes contribution towards employee state insurance scheme (ESIS), a defined contribution benefit plan for qualifying employees. The Group's contribution to the ESIS is deposited under the Employees State Insurance Act, 1948.

3.11.2 Defined benefit plans

Employees other than from Erstwhile DVB:
The Group's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each reporting period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the balance sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the consolidated 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 consolidated statement of profit and loss. Past service cost is recognised in the consolidated statment 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 categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

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The Group presents the first two components of defined benefit costs in the consolidated statement of profit and loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Group has taken the policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

The Group contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Group.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

3.11.3 Short-term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the consolidated 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.

3.11.4 Other long-term employee benefits

Employees other than from Erstwhile DVB employees:

Benefits comprising compensated absences as per the Group policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the consolidated statement of profit and loss.

Erstwhile DVB Employees:

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 consolidated statement of profit and loss.

3.12 Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.12.1 Current tax

The tax currently payable is based on taxable profit for the reporting period. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit and loss because of items of income or expense that are treated differently according to Income Tax Act, 1961. The Group's current tax is calculated using tax rates (applicable tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3.12.2 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 utilised. 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. Deferred income taxes are not provided on the undistributed earnings of subsidiaries where it is expected that the earnings of the subsidiary will not be distributed in the foreseeable future.

Minimum alternative tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the consolidated balance sheet when it is probable that the future economic benefit associated with it will flow to the Group and the asset can be measured reliably.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3.12.3 Current and deferred tax for the reporting period

Current and deferred tax are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

3.13 Property plant and equipment

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

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

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

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As per the new regulations notified on 31 January, 2017 for 3rd Multi Year Control period (MYT) applicable from FY 2017-18 onwards, DERC has changed rate of depreciation @ 5.83% up to 12 years of useful life on plant and equipment (comprising of transformers including fixed apparatus, switch gears, lighting arresters, overhead/underground cables) and balance WDV up to 90% over remaining period of useful life of assets instead of equal rate of depreciation applicable in previous regulations. The new regulations have also changed useful life of other class of property, plant and equipment as stated below. Accordingly w.e.f. 1 April, 2017 the Group has started charging the depreciation @ 5.83% p.a. on plant and equipment whose useful life has not yet been over up to 12 years, changed useful life of other class of property plant and equipment as per new regulations and accordingly impact of the same for the year ended 31 March, 2018 has been provided and corresponding amount shown as pass through in the retail supply tariff.

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

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

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

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

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

All other repairs and maintenance are charged to the consolidated statement of profit and loss during the financial period in which they are incurred.

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

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

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

Description/Class of Assets	Existing useful life (years)	Revised useful life (years)
Office buildings, housing colonies	50	50
Temporary structures	5	0
Meters	10	10
General plant & machinery, SCADA (including software), street lightening	15	15
Office furniture & related equipments	15	10
Batteries	5	5
IT equipment including software	3-6	6
Overhead lines, solar PV	25	25
Plant & machinery (not covered in above classes)	25	25
Underground cables	35	35
Motor vehicles	8-10	10

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

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

3.14 Intangible assets

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

3.15 Impairment of tangible and intangible assets

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

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

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

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

3.16 Inventories

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

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

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

3.17 Provision and contingent liability

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

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

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

A contingent liability is disclosed in the consolidated 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 consolidated financial statements by way of notes of accounts when an inflow of economic benefits is probable.

3.18 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Except for trade receivables, financial assets and financial liabilities are initially measured at fair value. Trade receivables are measured at the transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the consolidated statement the profit and loss.

3.19 Financial assets

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

3.19.1 Amortized cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:
- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

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

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

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

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

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

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

3.20 Financial liabilities and equity instruments

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

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

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

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

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

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

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

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

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

3.21 Contribution for capital works and service line charges
Consumer's contribution towards cost of capital assets is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the consolidated statement of profit and loss over the useful life of the assets.

The amount received from consumers on account of service line charges are treated as capital receipt and credited in liabilities until transferred to a separate account on installation of connection. An amount equivalent to the depreciation charge for the reporting period on such assets is appropriated from this account as income to the consolidated statement of profit and loss over the useful life of the assets.

3.22 Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value and having original maturities of three months or less from the date of purchase.

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3.23 Dividend

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

3.24 Earnings per share (EPS)

Basic earnings per equity share has been computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period in accordance with Ind AS 33, Earnings per share. Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

The Group also presents basic earnings per equity share in accordance with Ind AS 114, Regulatory Deferral Accounts which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

3.25 Regulatory deferral accounts

The Group's power distribution business is a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts". Accordingly, the Group 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 Group through tariff revision in future periods whereas credit balance in regulatory deferral account balance represents cumulative excess recovery which is refundable through future tariff reductions.The Group records regulatory deferral account balance as at the reporting date based on prevailing regulatory guidelines, various judgments given by judicial authorities, past practices and opinion of legal experts. Any change in the regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to orders/ judgements of regulator, judicial authorities, etc. are recorded in the period of such change.

3.26 Operating cycle

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

3.27 Use of estimate

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the Group to make estimates and assumptions that affect the application of accounting policies, the reported balances of assets and liabilities, disclosures relating to contingent assets and liabilities as at the date of the consolidated financial statements and the reported amounts of revenue and expenses for the reporting periods presented.

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

Key source of estimation of uncertainty at the date of the consolidated financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets, regulatory deferral accounts, provision and contingent liability and impairment of financial assets.

3.27.1 Valuation of deferred tax

The Group reviews the carrying amount of deferred tax at the end of each reporting period. The policy for the same has been explained under note 3.12.2.

3.27.2 Regulatory deferral accounts

The Group reviews the surplus/deficit in carrying amount of regulatory deferral accounts at the end of each reporting period. The policy for the same has been explained under note 3.25.

3.27.3 Provision and contingent liability

The Group reviews its provisions and contingent liability at the end of each reporting period. The policy for the same has been explained under note 3.17.

3.27.4 Impairment of financial assets

The Group reviews allowance made for doubtful debts as per expected credit loss model at the end of each reporting period. The policy for the same has been explained under note 3.19.4.

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NOTE 4

Rs./Lakhs

Particulars	COST					ACCUMALATED DEPRECIATION, AMORTISATION AND IMPAIRMENT					CARRYING AMOUNT	
	As at 01.04.2017	Additions	Borrowing costs capitalized	Disposals	As at 31.03.2018	As at 01.04.2017	Depreciation expense	Impairment Charge	Eliminated on disposals	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
A) PROPERTY, PLANT AND EQUIPMENT												
(a) Buildings - Plant	32,652.43	1,606.97	17.75	-	34,277.15	10,459.73	650.17	884.22	-	11,994.12	22,283.03	22,192.70
(b) Building - Others	4,019.11	50.73	-	-	4,069.84	1,985.31	500.66	-	-	2,485.97	1,583.87	2,033.80
(c) Plant and equipment	270,677.37	23,027.38	157.08	5,763.81	288,098.02	101,826.95	15,827.94	2,805.87	3,890.97	116,569.79	171,528.23	168,850.42
(d) Transmission lines and cable network	237,236.11	20,445.11	191.63	771.69	257,101.16	84,726.82	10,313.49	66.96	272.44	94,834.83	162,266.33	152,509.29
(e) Furniture and fixtures	1,404.90	32.61	-	444.65	992.86	830.85	135.25	-	416.29	549.81	443.05	574.05
(f) Vehicles	3,519.32	695.69	-	721.45	3,493.56	927.98	285.19	-	330.10	883.07	2,610.49	2,591.34
(g) Office equipment	3,677.47	211.81	-	314.68	3,574.60	1,517.71	482.14	-	268.44	1,731.41	1,843.19	2,159.76
Total	**553,186.71**	**46,070.30**	**366.46**	**8,016.28**	**591,607.19**	**202,275.35**	**28,194.84**	**3,757.05**	**5,178.24**	**229,049.00**	**362,558.19**	**350,911.36**
	(513,776.91)	(43,976.63)	(263.42)	(4,830.25)	(553,186.71)	(187,105.05)	(18,552.96)	(-)	(3,382.66)	(202,275.35)	(350,911.36)	
B) INTANGIBLE ASSETS												
Computer software	7,759.59	1,497.22	-	-	9,256.81	4,577.07	800.68	-	-	5,377.75	3,879.06	3,182.52
Total	**7,759.59**	**1,497.22**	-	-	**9,256.81**	**4,577.07**	**800.68**	-	-	**5,377.75**	**3,879.06**	**3,182.52**
	(6,674.60)	(1,270.59)	(-)	(185.60)	(7,759.59)	(4,025.24)	(737.11)	(-)	(185.28)	(4,577.07)	(3,182.52)	
GRAND TOTAL	**560,946.30**	**47,567.52**	**366.46**	**8,016.28**	**600,864.00**	**206,852.42**	**28,995.52**	**3,757.05**	**5,178.24**	**234,426.75**	**366,437.25**	**354,093.88**
	(520,451.51)	(45,247.22)	(263.42)	(5,015.85)	(560,946.30)	(191,130.29)	(19,290.07)	(-)	(3,567.94)	(206,852.42)	(354,093.88)	
C) CAPITAL WORK - IN - PROGRESS (CWIP)	**19,008.45**	**52,849.58**	**529.35**	**44,465.21**	**27,922.17**	-	-	-	-	-	**27,922.17**	**19,008.45**
	(14,922.78)	(46,825.39)	(228.87)	(42,968.59)	(19,008.45)	(-)	(-)	(-)	(-)	(-)	(19,008.45)	

4.1 Property plant and equipment and intangible assets (movable and immovable) are hypothecated against secured borrowings of Rs. 1,04,463.62 lakhs (as at 31 March, 2017 Rs. 104,694.04 lakhs) [see note 16(A)(i), 16(B)(i), 23(a), 25(b)(A)(i), 25(b)(B)(i)].

4.2 CWIP includes closing capital inventory of Rs. 6,397.90 lakhs (as at 31 March, 2017 Rs. 6,311.33 lakhs).

4.3 Carrying amount of capital inventory hypothecated as security for borrowings is Rs. 6,364.59 lakhs (as at 31 March, 2017 Rs. 6,278.02 lakhs) [see note 16(A)(i), 16(B)(i), 23(a), 25(b)(A)(i), 25(b)(B)(i)]

4.4 Figures in bracket represents previous year figures.

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs

NOTE 5
OTHER FINANCIAL ASSETS - NON CURRENT
Unsecured and considered good
(at amortised cost)

	31.03.2018	31.03.2017
(a) Security deposits	136.41	158.37
(b) Recoverable from SVRS Trust (see note 28.6)	34.08	91.01
	170.49	249.38

NOTE 6
INCOME TAX ASSETS (NET)

	31.03.2018	31.03.2017
Income tax (net of provision for income tax of Rs. 81,011.33 lakhs, {as at 31 March, 2017 net of provision of income tax Rs. 71,394.39 lakhs})	2,442.51	2,451.51

NOTE 7
OTHER NON CURRENT ASSETS
Unsecured and considered good

	31.03.2018	31.03.2017
(a) Capital advances	1,737.44	1,575.39
(b) Income tax paid under protest against demand	2,873.84	2,811.57
(c) Prepaid expenses	121.10	183.99
(d) Service tax input credit receivable	-	66.71
(e) Goods and services tax input credit receivable	81.98	-
(f) Service tax refund receivable	65.57	35.44
(g) Others	47.77	29.92
	4,927.70	4,703.02

NOTE 8
INVENTORIES

	31.03.2018	31.03.2017
(a) Stores and spares	1,446.47	1,308.86
(b) Loose tools	38.82	56.46
	1,485.29	1,365.32
(c) Less: Provision for non-moving inventories	285.39	310.74
	1,199.90	1,054.58

8.1 Inventories of stores and spares and loose tools are valued at lower of cost or net realisable value.

8.2 Carrying amount of inventories as above hypothecated as security for borrowings [see note 16(A)(i), 16(B)(i), 23(a), 25(b)(A)(i), 25(b)(B)(i)].

NOTE 9
INVESTMENTS - CURRENT
(at fair value through profit or loss)

	31.03.2018	31.03.2017
Investments in mutual funds (unquoted)		
(a) Invesco India Liquid Fund - Direct Plan - Growth (21,078.66 units (as at 31 March, 2017 8,987.36 units) at face value of Rs. 1,000 each)	504.21	201.20
(b) JM High Liquidity Fund (Direct) - Growth Option (Nil units (as at 31 March, 2017 1,129,891.27 units at face value of Rs. 10 each))	-	502.96
(c) LIC MF Liquid Fund - Direct - Growth Plan - LICLF (Nil units (as at 31 March, 2017 9,213.28 units at face value of Rs. 1,000 each))	-	271.70
(d) Invesco India Credit Opportunities Fund - Direct Plan Growth (16,031.27 units (as at 31 March, 2017 Nil) at face value of Rs. 1,000 each)	322.08	-
(e) DSP BlackRock Low Duration Fund - Direct Plan - Growth (33,60,210.91 units (as at 31 March, 2017 Nil) at face value of Rs. 10 each)	428.43	-
	1,254.72	975.86
Aggregate purchase price of unquoted investments	1,206.95	962.66
Aggregate carrying value of unquoted investments	1,254.72	975.86

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		As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 10			
TRADE RECEIVABLES			
(at amortized cost)			
(a)	Debtors for billed revenue (see note 10.2)	28,712.77	26,927.43
	Less: Provision for doubtful debts	11,812.63	10,655.31
		16,900.14	16,272.12
(b)	Debtors for sale of power other than Tata Power-DDL license area - unsecured	218.39	374.12
(c)	Other debtors - unsecured	5,594.49	4,779.27
		22,713.02	21,425.51
	Of the above amounts,		
10.1	Considered good	22,713.02	21,425.51
	Considered doubtful (see note 10.5)	11,812.63	10,655.31
10.2	Secured (against consumers' security deposit) [see note 10(a)]	8,104.80	7,596.21
	Unsecured [see note 10(a)]	20,607.97	19,331.22
10.3	Government subsidy included in note 10(a)	1,137.55	1,136.78

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

		As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
10.5	Movement in expected credit loss allowance:		
	Balance at beginning of the year	10,655.31	9,735.33
	Additions/(reversal) during the year	1,157.32	919.98
	Balance at end of the year	11,812.63	10,655.31

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

		As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
	Delhi Metro Rail Corporation (DMRC)	3,898.48	3,424.14
	North Delhi Municipal Corporation (NDMC)	1,758.05	1,353.99
NOTE 11			
CASH AND BANK BALANCES			
(a)	**Cash and cash equivalents**		
	(i) Balance with banks - in current accounts	7,430.37	7,807.32
	(ii) Cheques, drafts on hand	2,677.65	2,098.86
	(iii) Cash on hand	89.23	92.93
		10,197.25	9,999.11
(b)	**Other bank balances**		
	(i) Deposits with banks with original maturity more than 3 months upto 12 months	73.45	68.93
	(ii) Restricted bank deposits (Earmarked pursuant to court order or contractual obligations)	3,514.43	3,514.43
		3,587.88	3,583.36
		13,785.13	13,582.47
NOTE 12			
OTHER FINANCIAL ASSETS - CURRENT			
Unsecured and considered good, unless otherwise stated			
(at amortised cost)			
(a)	Unbilled revenue	31,820.21	30,277.00
(b)	Security deposits	194.64	135.09
(c)	Recoverable from SVRS Trust (see note 28.6)	106.68	103.07
(d)	Interest accrued on fixed deposits	13.89	13.76
(e)	Others (including recoverable against street light)	261.93	677.84
	Less: Provision for doubtful assets against street light	179.37	179.37
		82.56	498.47
		32,217.98	31,027.39
NOTE 13			
OTHER CURRENT ASSETS			
Unsecured and considered good			
(a)	Income tax paid under protest against demand	-	300.00
(b)	Service tax refund receivable	6.94	-
(c)	Prepaid insurance	367.69	2,451.53
(d)	Prepaid expenses	1,501.20	728.41
(e)	Power banking	30,264.00	11,673.74
(f)	Advance to vendors	15,824.54	1,640.88
(g)	Others	1,130.58	56.92
		49,094.95	16,851.48

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 14		
EQUITY SHARE CAPITAL		
Authorised		
7,500 lakhs (as at 31 March, 2017: 7,500 lakhs) equity shares of Rs. 10 each with voting rights.	75,000.00	75,000.00
	75,000.00	75,000.00
Issued, subscribed and paid up		
5,520 lakhs (as at 31 March, 2017: 5,520 lakhs) equity shares of Rs. 10 each fully paid up with voting rights.	55,200.00	55,200.00
	55,200.00	55,200.00

Of the above:

14.1 2,815.20 lakhs (as at 31 March, 2017: 2,815.20 lakhs) i.e. 51% (as at 31 March, 2017: 51%) equity shares of Rs. 10 each with voting rights, are held by Tata Power Company Limited, the holding company.

14.2 2,704.80 lakhs (as at 31 March, 2017: 2,704.80 lakhs) i.e. 49% (as at 31 March, 2017: 49%) equity shares of Rs. 10 each with voting rights, are held by Delhi Power Company Limited.

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

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

Particulars	No. of Shares Lakhs	Amount Rs./Lakhs
Balance at 1 April, 2017	5,520.00	55,200.00
Fresh issue	-	-
Balance at 31 March, 2018	5,520.00	55,200.00

14.5 During the current year, the Company paid final dividend of Rs. 0.60 per share on fully paid equity shares for FY 2016-17 amounting to Rs. 3,986.25 lakhs (including dividend distribution tax of Rs. 674.25 lakhs). During previous year, final dividend of Rs. 1.40 per share on fully paid equity shares for FY 2015-16 amounting to Rs. 9,301.24 lakhs (including dividend distribution tax of Rs. 1,573.24 lakhs) and interim dividend of Rs. 1.00 per share on fully paid equity shares amounting to Rs. 6,643.74 lakhs (including dividend distribution tax of Rs. 1,123.74 lakhs) were disbursed.

14.6 For the year ended 31 March, 2018, the Board of Directors at its meeting held on 26 April, 2018 have proposed a final dividend of Rs. 1.60 per share to be paid on fully paid equity shares. The equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been disclosed as a liability in these consolidated financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is Rs. 10,647.44 lakhs (including dividend distribution tax thereon amounting to Rs. 1,815.44 lakhs).

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 15		
OTHER EQUITY		
(a) General Reserve		
(i) Opening balance	9,150.00	9,150.00
(ii) Add : Transferred from surplus in the consolidated statement of profit and loss	-	-
(iii) Closing balance	9,150.00	9,150.00
(b) Surplus in consolidated statement of profit and loss		
(i) Opening balance	205,519.77	195,020.46
(ii) Add : Additions during the year	31,036.32	26,444.29
(iii) Less : Payment of dividend on equity share capital (see note 14.5)	3,312.00	13,248.00
(iv) Less : Dividend distribution tax on dividend paid on equity shares (see note 14.5)	674.25	2,696.98
(v) Closing balance	232,569.84	205,519.77
	241,719.84	214,669.77

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 16		
LONG-TERM BORROWINGS		
(at amortized cost)		
TERM LOANS		
(A) From banks		
(i) Secured		
(a) Punjab & Sind Bank	53,914.36	65,493.32
(b) Union Bank of India	3,245.51	5,935.58
(c) Canara Bank	42,534.73	32,197.49
(d) Dena Bank	1,000.00	-
(e) Karnataka Bank	500.00	2,500.00
(f) Allahabad Bank	19,704.86	25,607.64
(g) Syndicate Bank	-	22,500.00
(h) State Bank of India	13,125.00	15,625.00
(i) IDFC Bank	24,500.00	26,312.50
(j) Indian Bank	20,000.00	5,000.00
(k) Axis Bank	14,584.00	-
	193,108.46	201,171.53
(B) From other parties		
(i) Secured		
(a) Aditya Birla Finance Limited	825.00	3,825.00
	825.00	3,825.00
LOANS FROM RELATED PARTIES		
- Non-convertible cumulative redeemable preference share capital - unsecured		
(a) Tata Power Company Limited	25,500.00	25,500.00
(b) Delhi Power Company Limited	24,500.00	24,500.00
	50,000.00	50,000.00
Total long-term borrowings	243,933.46	254,996.53

16.1 For the current maturities of long-term borrowings, see item (b) in Note 25, Other Financial Liabilities -Current. Current maturities of long term loans includes repayment to be made before due date of 12 months, due date being a holiday.

16.2 **TERM LOANS - From banks**

16.2.1 Secured

S. No.		Bank	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs 31.03.2018	31.03.2017
(a)	i	Punjab & Sind Bank	10,000.00	38 quarterly installment, repayment commenced from 15 April, 2010	Annually	16.4 16.6	8.55%	1,578.88	2,631.52
	ii	Punjab & Sind Bank	5,000.00	38 quarterly installment, repayment commenced from 15 May, 2010	Annually	16.4 16.6	8.40%	789.44	1,315.76
	iii	Punjab & Sind Bank	10,000.00	32 quarterly installment, repayment to commence from 15 April, 2018	Annually	16.4 16.6	8.75%	10,000.00	10,000.00
	iv	Punjab & Sind Bank	30,000.00	24 quarterly installment, repayment commenced from 15 July, 2014	Annually	16.5 16.6	8.75%	11,250.00	16,250.00
	v	Punjab & Sind Bank	30,000.00	32 quarterly installment, repayment commenced from 15 April, 2015	Annually	16.5 16.6	8.75%	18,750.00	22,500.00
	vi	Punjab & Sind Bank	15,000.00	24 quarterly installment, repayment to commence from 15 July, 2017	Annually	16.5 16.6	8.75%	13,125.00	15,000.00
	vii	Punjab & Sind Bank	20,000.00	24 quarterly installment, repayment to commence from 15 April, 2018	Annually	16.5 16.6	8.75%	15,000.00	10,000.00
(b)	i	Union Bank of India	15,000.00	38 quarterly installment, repayment commenced from 15 October, 2010	Annually	16.4 16.6	8.85%	3,157.80	4,736.76
	ii	Union Bank of India	15,000.00 (short closed by 5,000)	36 quarterly installment, repayment commenced from 15 October, 2011	Annually	16.4 16.6	8.85%	2,777.78	3,888.89

S. No.		Bank	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs	
								31.03.2018	31.03.2017
(c)	i	Canara Bank	15,000.00	16 quarterly installment, repayment commenced from 1 March, 2014	-	16.4	8.40%	-	2,812.50
	ii	Canara Bank	10,000.00	36 quarterly installment, repayment commenced from 15 July, 2014	Annually	16.4 16.6	8.55%	5,833.33	6,944.44
	iii	Canara Bank	20,000.00	32 quarterly installment, repayment to commence from 1 July, 2016	Annually	16.4 16.6	8.65%	15,000.00	17,500.00
	iv	Canara Bank	10,000.00	32 quarterly installment, repayment to commence from 1 January, 2019	Annually	16.4 16.6	8.30%	10,000.00	10.00
	v	Canara Bank	15,000.00	16 quarterly installment, repayment commenced from 15 July, 2015	Annually	16.5 16.6	8.55%	4,687.50	8,437.50
	vi	Canara Bank	10,000.00	24 quarterly installment, repayment to commence from 1 July, 2016	Annually	16.5 16.6	8.65%	6,666.67	8,333.33
	vii	Canara Bank	20,000.00	24 quarterly installment, repayment to commence from 1 January, 2020	Annually	16.5 16.6	8.30%	10,000.00	-
(d)	i	Dena Bank	10,000.00	24 quarterly installment, repayment to commence from 15 April, 2020	Annually	16.5 16.6	8.30%	1,000.00	-
(e)	i	Karnataka Bank	10,000.00	20 quarterly installment, repayment commenced from 30 August, 2014	Annually	16.5 16.6	8.90%	2,500.00	4,500.00
(f)	i	Allahabad Bank	10,000.00	36 quarterly installment, repayment commenced from 15 January, 2012	Annually	16.4 16.6	8.50%	3,055.56	4,166.67
	ii	Allahabad Bank	15,000.00	36 quarterly installment, repayment commenced from 15 March, 2012	Annually	16.4 16.6	8.50%	4,583.33	6,250.00
	iii	Allahabad Bank	25,000.00	32 quarterly installment, repayment commenced from 15 January, 2016	Annually	16.5 16.6	8.50%	17,968.75	21,093.75
(g)	i	Syndicate Bank	50,000.00	20 quaterly installment, repayment commenced from 25 September, 2015	-	16.5	8.75%	-	32,500.00
(h)	i	State Bank of India	20,000.00	32 quarterly installment, repayment commenced from 15 August, 2016	Annually	16.4 16.6	8.40%	15,625.00	18,125.00
(i)	i	IDFC Bank	17,500.00	40 quarterly installment, repayment commenced from 15 January, 2009	-	16.4	8.50%	1,312.50	3,062.50
	ii	IDFC Bank	5,000.00	40 quarterly installment, repayment commenced from 15 October, 2010	Annually	16.4 16.6	8.50%	1,250.00	1,750.00
	iii	IDFC Bank	5,000.00	24 quarterly installment, repayment to commence from 15 September, 2019	Annually	16.4 16.6	8.90%	5,000.00	3,000.00
	iv	IDFC Bank	30,000.00	24 quarterly installment, repayment commenced from February, 2016	Annually	16.5 16.6	8.50%	18,750.00	23,750.00
	v	IDFC Bank	2,000.00	24 quarterly installment, repayment to commence from 15 September, 2019	Annually	16.5 16.6	8.50%	2,000.00	2,000.00
	vi	IDFC Bank	3,000.00	24 quarterly installment, repayment to commence from 15 September, 2019	Half Yearly	16.5 16.6	8.35%	3,000.00	-
(j)	i	Indian Bank	10,000.00	32 quarterly installment, repayment to commence from 15 April, 2019	Annually	16.4 16.6	8.75%	10,000.00	4,000.00
	ii	Indian Bank	10,000.00	24 quarterly installment, repayment to commence from 15 April, 2019	Annually	16.5 16.6	8.75%	10,000.00	1,000.00
(k)	i	Axis Bank	20,000.00	18 quarterly installment, repayment to commence from 15 August, 2018	Annually	16.5 16.6	8.30%	17,500.00	-

16.2.2 Unsecured

S. No.		Bank	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs	
								31.03.2018	31.03.2017
(a)	i	Dena Bank	6,000.00	2 equal yearly installment, repayment commenced from 15 April, 2016	-	-	9.70%	-	3,000.00
(b)	i	Canara Bank	60,000.00	16 quarterly installment, repayment commenced from 1 October, 2013	-	-	9.85%	-	3,750.00

16.3 TERM LOANS - from other parties (Secured)

S. No.		Financial institution	Sanctioned Amount Rs./Lakhs	Repayment Terms	Reset period	See note	Present EIR (p.a.) (%)	Amount outstanding as on Rs./Lakhs 31.03.2018	31.03.2017
(a)	i	Aditya Birla Finance Limited	7,500.00	20 quarterly structured installment, repayment commenced from September, 2014	Annually	16.5 16.6	8.65%	3,825.00	5,625.00

16.4 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.

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

16.6 Effective interest rate (EIR) may change on next reset due date of respective loans, however, EIR will remain fixed till the said reset due date.

16.7 For secured loans outstanding from banks amounting Rs. 21,312.50 lakhs (as at 31 March, 2017 Rs. 28,562.50 lakhs) and from other parties amounting Rs. 3,825.00 lakhs (as at 31 March, 2017 Rs. 5,625.00 lakhs), 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.

16.8 Non-convertible cumulative redeemable preference share capital

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

16.8.1 In respect of the year ended 31 March, 2018, the Board of Directors at its meeting held on 26 April, 2018 has proposed a dividend of Rs. 12 per share be paid on fully paid preference shares. This dividend is subject to approval by shareholders at the ensuing Annual General Meeting. This proposed dividend is payable to all holders of fully paid preference shares. The total estimated dividend to be paid is Rs. 6,000.00 lakhs (for the year ended 31 March, 2017 Rs. 6,000.00 lakhs) and the dividend distribution tax thereon amounting to Rs. 1,233.32 lakhs (for the year ended 31 March, 2017 Rs. 1,221.46 lakhs). On accrual concept, preference share dividend for the year ended 31 March, 2018 has already been provided for in these consolidated financial statements. Only the payment is subject to the recommendation of the Board of Directors and approval of shareholders.

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 17		
OTHER FINANCIAL LIABILITIES - NON CURRENT		
(at amortised cost)		
Security deposits		
(i) Consumers' security deposit	55,280.91	50,234.48
(ii) Others	249.22	320.80
	55,530.13	50,555.28
NOTE 18		
PROVISIONS - NON CURRENT		
- Provision for employees benefits	4,199.55	3,535.30

18.1 Provision for employee benefits includes provision for gratuity, compensated absences and pension liability to VSS employees.

18.2 See note 39.5 for movement in provision for gratuity

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NOTE 19
DEFERRED TAX LIABILITIES/ASSETS (NET)

(a) Deferred tax liabilities/assets (net) of the Company as at 31 March, 2018, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2018.

Rs./Lakhs

Particulars	Opening Balance	Recognised in Consolidated Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(asset) 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**

In respect of Group's power generation and distribution business, as per MYT regulations for determination of tariff, tax expense shall be considered in tariff determination as and when and to the extent of income tax actually paid. Accordingly, the Group has made provision only for the amount of income tax that is actually payable and the deferred tax liability (net) as at 31 March, 2018 of Rs. 10,951.86 lakhs (deferred tax asset (net) as at 31 March, 2017 Rs. 635.48 lakhs) and deferred tax charge of Rs. 11,587.34 lakhs for the year ended 31 March, 2018 (deferred tax reversal of Rs. 52,740.09 lakhs for the year ended 31 March, 2017) has been adjusted with a corresponding deferred asset/liability adjustable in future tariff.

(b) Deferred tax liabilities (net) of the Subsidiary as at 31 March, 2018, as detailed below reflect the quantum of tax liabilities accrued up to 31 March, 2018.

Rs./Lakhs

Particulars	Opening Balance	Recognised in Consolidated Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability on account of :				
Investment in mutual funds	3.64	9.65	-	13.29
Deferred tax liability [net]	**3.64**	**9.65**	**-**	**13.29**

	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 20		
CAPITAL GRANTS		
(a) Opening balance	729.99	780.03
(b) Add: Additions during the year	-	-
(c) Less: Transfer to the consolidated statement of profit and loss	74.25	50.04
(d) Closing balance	655.74	729.99
NOTE 21		
CONTRIBUTIONS FOR CAPITAL WORKS AND SERVICE LINE CHARGES		
(a) Capital works		
(i) Opening balance	67,267.96	59,078.40
(ii) Add: Additions during the year	4,128.27	11,047.08
(iii) Less: Transfer to the consolidated statement of profit and loss	4,278.12	2,857.52
(iv) Closing balance	67,118.11	67,267.96
(b) Service line charges		
(i) Opening balance	18,449.18	18,045.53
(ii) Add: Additions during the year	3,217.88	3,141.99
(iii) Less: Transfer to the consolidated statement of profit and loss	2,882.68	2,738.34
(iv) Closing balance	18,784.38	18,449.18
Total contribution for capital works and service line charges	85,902.49	85,717.14

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 22		
OTHER LIABILITIES - NON CURRENT		
Consumers' deposits for works and service line charges	23,870.61	21,225.72
NOTE 23		
SHORT-TERM BORROWINGS		
(at amortized cost)		
(a) From banks - Secured		
Cash credit	954.77	5,576.48
(b) From banks - Unsecured		
(i) Axis Bank Overdraft A/c	15,036.12	14,592.95
(ii) Canara Bank Overdraft A/c	15,091.43	-
	31,082.32	20,169.43

23.1 **Secured - Cash credit**

The Group has availed cash credit limits from consortium of four banks led by State Bank of India presently at an effective interest rate ranging from 8.50% to 9.25% p.a. These cash credits are secured by first pari passu charge over present and future property, plant and equipment and stores and spares of the Group (both present and future), and third pari passu charge over receivables of the Group.

23.2 **Unsecured - Overdraft Account**

The Group has unsecured overdraft facilities to the extent of Rs. 15,000 lakhs each from Axis Bank and Canara Bank presently at an effective interest rate of 8.15% p.a for both.

23.3 **Term loans - From other parties**

Unsecured

(a) Commercial paper

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

Date of issue	Amount Rs./Lakhs	Face Value Rs./Lakhs	Discount Rate (%) p.a.	Repayment Date
19.04.2017	9,877.06	10,000.00	6.49	28.06.2017
08.05.2017	14,858.54	15,000.00	6.95	27.06.2017
07.07.2017	9,845.92	10,000.00	6.80	29.09.2017
05.01.2018	19,702.66	20,000.00	6.80	27.03.2018

(b) Short term loan

During the current year, the Group has availed short term loan as follows:

Disbursement taken on	Amount Rs./Lakhs	Interest Rate (%) p.a	Repayment Date
16.05.2017	5,000.00	7.90	14.08.2017

NOTE 24		
TRADE PAYABLES (at amortized cost)	122,506.34	116,162.59

24.1 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.

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	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
NOTE 25		
OTHER FINANCIAL LIABILITIES - CURRENT		
(at amortized cost)		
(a) Security deposits		
(i) Consumers' security deposit	4,120.40	3,710.14
(ii) Others	1,456.00	1,170.33
	5,576.40	4,880.47
(b) Current maturities of long-term borrowings (see note 16)		
(A) From banks		
(i) Secured		
(a) Punjab & Sind Bank	16,578.96	12,203.96
(b) Union Bank of India	2,690.07	2,690.07
(c) Canara Bank	9,652.77	11,840.28
(d) Karnataka Bank	2,000.00	2,000.00
(e) Allahabad Bank	5,902.78	5,902.78
(f) Syndicate Bank	-	10,000.00
(g) State Bank of India	2,500.00	2,500.00
(h) IDFC Bank	6,812.50	7,250.00
(i) Axis Bank	2,916.00	-
	49,053.08	54,387.09
(ii) Unsecured		
(a) Dena Bank	-	3,000.00
(b) Canara bank	-	3,750.00
	-	6,750.00
(B) From other parties		
(i) Secured		
(a) Aditya Birla Finance Limited	3,000.00	1,800.00
(C) Interest accrued but not due on borrowings	248.05	136.53
Total current maturities of long-term borrowings	52,301.13	63,073.62
(c) Dividend accrued but not due on non-convertible cumulative redeemable preference shares	6,000.00	6,000.00
(d) Retention money payable	8,235.71	5,324.14
(e) Payables on purchase of property, plant and equipment	658.67	641.19
(f) Earnest money deposits	372.52	387.15
(g) Others	655.08	988.13
	73,799.51	81,294.70

NOTE 26
PROVISIONS - CURRENT

Provision for employees benefits	1,167.90	1,324.20

26.1 Provision for employee benefits includes provision for gratuity, compensated absences and pension liability to VSS employees.

NOTE 27
OTHER LIABILITIES - CURRENT

(a) Income received in advance	145.88	302.15
(b) Tax on dividend accrued on non-convertible cumulative redeemable preference shares	1,233.32	1,221.46
(c) Statutory dues	9,569.22	7,933.89
(d) Advance from consumers	3,544.43	3,894.87
(e) Advance government subsidy (to be adjusted upon billing)	6,514.18	3,820.48
(f) Payable for Pension Trust Surcharge (including unbilled)	1,420.88	-
(g) Others	141.99	36.65
	22,569.90	17,209.50

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NOTE 28
CONTINGENT LIABILITIES AND COMMITMENTS
(to the extent not provided for)

	Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
28.1	Claims against the Group not acknowledged as debts:		
	(i) Legal cases filed by consumers, employees and others under litigation	3,479.46	2,402.09
	(ii) Property tax demands raised by municipal authorities	-	4,241.19
	(iii) Water charges demand raised by Delhi Jal Board (DJB)	97.65	111.48
	(iv) Sales tax authorities	439.00	439.00
28.2	Liabilities arising out of litigation etc. due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
28.3	Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Group and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):		
	(i) Matters on which decisions with the CIT(A) and various appellate authorities are pending	1,397.61	1,359.33
	(ii) Interest demanded (as per demand order and appeal effect order)	894.97	1,140.47
	(iii) Total demand* (i) + (ii)	2,292.58	2,499.80
	(iv) Out of the above demand, amount paid under protest/adjusted by Income Tax authorities	2,013.84	1,951.56
	*No provision is considered necessary since the Group expects favourable decisions.		
28.4	Claims of power suppliers, not acknowledged as expense and credits	27,273.03	24,647.46
28.5	Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	30,933.45	31,304.70

28.6 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. 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 consolidated financial statements.

While the writ petition was pending, the Company had already advanced Rs. 7,774.35 lakhs (as at 31 March, 2017 Rs. 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 02.07.2007 in WP C 4827/2005, the Company has also paid interest @ 8% per annum Rs. 801.27 lakhs in FY 2008-09 totaling to Rs. 8,575.62 lakhs (as at 31 March, 2017 Rs. 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 Rs. 8,428.96 lakhs (as at 31 March, 2017 Rs. 8,381.54 lakhs) from monthly pension, leave salary and other contribution, leaving a balance recoverable Rs. 146.66 lakhs as at 31 March, 2018 (as at 31 March, 2017 Rs. 194.08 lakhs) from the SVRS Trust which includes current portion of Rs. 106.68 lakhs (net of pension payable Rs. 5.90 lakhs) for current year (as at 31 March, 2017 Rs. 103.07 lakhs).

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28.7 In the tariff order of September, 2015, August, 2017 and March, 2018, DERC has allowed power purchase cost (Rs. 20,378 lakhs) 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 (Rs. 33,102 lakhs) on the premise that approval of the DERC was not obtained for entering into supplementary agreements with these power plants, however the DERC has allowed to purchase the power from these plants at a rate to be determined by the CERC for FY 2017-18. Aggrieved by the September, 2015 order of the DERC, the Group has challenged the aforesaid order in Appeal which is yet to be disposed off. Additionally, while approving the quarterly power purchase adjustment surcharge (PPAC), the PPAC from these plants were also disallowed. The Group had challenged the disallowance of these plants in computation of PPAC before the Hon'ble APTEL which has been decided against the Group by APTEL on 1 June, 2016. Consequent to the judgement of the APTEL, the Group has filed an appeal against the said order with the Hon'ble Supreme Court of India on 6 August, 2016 which has been admitted. The pleadings are to be completed and thereafter, the matter shall be notified for hearing. The Group has already challenged partial allowance of power purchase cost upto FY 2015-16 from Anta, Auria & Dadri and is in the process of filing the appeal against March, 2018 tariff order for FY 2016-17. The Group, as per tariff order of March, 2018, has recorded allowed power purchase cost from Anta, Auriya and Dadri plants for FY 2016-17.

No impact of the above has been taken in these consolidated financial statements, on basis of a legal opinion obtained by the management. According to the said legal opinion, it would be appropriate if management takes a view on booking of disallowed power purchase cost from these plants after the outcome of the appeal filed with the Hon'ble Supreme Court of India. As a result, no adjustment has been done in the carrying value of regulatory deferral account balance, impact of the disallowance of the power purchased from these plants amounting to Rs. 12,724 lakhs, cumulative up to 31 March, 2018 excluding carrying cost would be accounted for on the basis of the outcome of our appeal filed before the Hon'ble Supreme Court of India.

28.8 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 Rs. 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 Rs. 6,670.51 lakhs. The Company has been advised that as per the Transfer Scheme, the liability in excess of Rs. 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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	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
NOTE 29		
REVENUE FROM OPERATIONS		
REVENUE FROM SALE OF POWER AND OPEN ACCESS		
(a) Sale of power	728,382.52	694,568.70
Less: rebate on no. of bills	-	1,674.88
Less: energy tax	31,140.28	29,865.40
	697,242.24	663,028.42
(b) Income from open access charges	1,149.12	723.60
(c) Income from sale of services	967.39	1,004.05
	699,358.75	664,756.07
OTHER OPERATING REVENUE		
(a) Late payment surcharge collected	1,789.15	1,829.40
(b) Transfer from service line charges	2,882.68	2,738.34
(c) Commission on		
- DVB arrears collection	1.57	1.67
- Energy tax collection	918.70	878.70
(d) Maintenance charges (see note 29.1)	1,668.68	2,174.95
(e) Transfer from capital grants	74.25	50.04
(f) Transfer from consumer contribution for capital works	4,278.12	2,857.52
(g) Miscellaneous operating income	347.05	259.83
	11,960.20	10,790.45
	711,318.95	675,546.52

29.1 Includes incentive on street light maintenance of Rs. 134.89 lakhs pertaining to FY 2017-18 (for the year ended 31 March, 2017 Rs. 159.55 lakhs).

NOTE 30
OTHER INCOME

(a) Interest income	437.54	295.70
(b) Net gain on investments in mutual funds	134.99	68.20
(c) Income other than energy business	5,734.23	5,200.62
(d) Other non operating income	198.01	137.73
	6,504.77	5,702.25

NOTE 31
POWER PURCHASE COST

The Group has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Group has sold/under-drawn 1,648.03 million units (for the year ended 31 March, 2017 1,836.45 million units) of power to /in favour of other utilities. The power purchase cost of Rs. 5,13,091.38 lakhs (for the year ended 31 March, 2017 Rs. 5,22,376.48 lakhs) is net of sale of power/UI receivables Rs. 58,717.72 lakhs (for the year ended 31 March, 2017 Rs. 49,700.23 lakhs), rebate on power purchase Rs. 3,679.66 lakhs (for the year ended 31 March, 2017 Rs. 6,263.41 lakhs) and excludes in-house power generation cost.

DERC vide notification dated 1 October, 2012 mandated Delhi discoms to meet Renewal Power Purchase obligation (RPO). However, due to non availability of sufficient renewable power source and being additional cost to consumer for purchase of Renewable Power Certificate (REC) in lieu of renewable power, the Group had filed a petition in DERC seeking relaxation in buying REC/waiver of the penalty. During the course of hearing of the petition, the DERC advised the Group to fulfil its entire RPO obligation upto FY 2016-17 by the end of December, 2017 and also submit an affidavit in this regard. The Group has fulfilled its RPO obligation upto FY 2016-17 for Rs. 29,299.14 lakhs (excluding GST) which will be pass through in power purchase cost and submitted the compliance of the same to the DERC. In view of the above, 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 Rs. 2,513 lakhs. Further, in the tariff order 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 Elecricity Regulatory Commission (CERC) i.e. in petition no. 33/MP/2014 and 283/GT/2014 on this issue, CERC had ordered that there cannot be significant variation in GCV of coal at the loading point and unloading point at site. The matter of excess charges refund by Gencos had been further taken up by the Group through a separate petition 311/MP/2015 at CERC which is currently under adjudication.

In the GCV matter, NTPC has admitted 5 grade slippage in the Gross Calorific Value (GCV) of coal received from CIL used for calculation of Energy Charge Rate (ECR). Also, in compliance with the CERC directives in petition no. 311/MP/2015, NTPC furnished the invoices for coal and transportation which also substantiated the fact that there was grade slippage to the tune of 4-7 grades. Hence, the Group has computed the difference of estimated excess bill charged by NTPC coal based power generating stations including Aravali Jhajjar (NTPC comprises of around 50% of the total coal station allocation to the Group) for the period April, 2014 to August, 2017 (in line with CERC Regulations 14-19) amounting to Rs 1,48,350 lakhs approx (unaudited) & the same has been submitted in CERC under affidavit on 24 November, 2017. The amount till 31 March, 2018 works out to Rs. 174,200 lakhs approx. (unaudited).

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31.1 Bilateral Power Purchase Agreement

The Group has made bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. Power banking transactions both ways are recorded at the rate of Rs. 4.00 per unit being the applicable rate as per directive of DERC/ contract rate. Details of power banked during the year ended 31 March, 2018 are as follows:

	Year ended 31.03.2018 Receivable MUs	Year ended 31.03.2017 Receivable MUs
Opening balance as at 1 April of the year (A)	296.88	1,233.57
Power banked (Outflow) (B)	904.17	440.58
Power due against banked (C)	921.37	450.84
Power receipt against opening (D)	296.88	1,233.57
Power receipt against current period transactions (E)	152.14	153.96
Balance receivable (A+C-D-E)	769.23	296.88

NOTE 32
EMPLOYEE BENEFITS EXPENSE

		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
(a)	Salaries, allowances and incentives	39,855.64	34,564.70
(b)	Contribution to provident and other funds	5,074.71	2,868.51
(c)	Seventh pay commission revision for previous years paid/provided	3,779.35	-
(d)	Staff welfare expenses	2,576.04	2,397.37
(e)	Other personnel cost	1,358.28	1,106.41
		52,644.02	40,936.99
	Less: Transferred to capital work-in-progress	4,875.00	3,731.80
		47,769.02	37,205.19
(f)	Pension and other payment to VSS and other retirees (See note 28.6)	(142.27)	295.47
		47,626.75	37,500.66

NOTE 33
FINANCE COSTS

		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
(a)	Interest on term loan (gross)	22,121.81	28,817.77
	Less: Capitalised	895.81	492.29
	Interest on term loans (net)	21,226.00	28,325.48
(b)	Interest on cash credit accounts/short-term borrowings	2,101.23	1,229.57
(c)	Interest on consumer security deposits	4,065.32	3,313.65
(d)	Dividend on non-convertible cumulative redeemable preference shares	7,233.32	7,221.46
(e)	Other borrowing costs	45.32	21.00
(f)	Other interest	8.08	6.31
		34,679.27	40,117.47

33.1 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 Rs. 1,000 lakhs (Previous Year Rs. 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 Rs. 1,000 lakhs (Previous Year Rs. 1,000 lakhs), the Company has provided interest expense aggregating to Rs. 4,065.32 lakhs (for the year ended 31 March, 2017 Rs. 3,313.65 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 Rs. 217.06 lakhs (for the year ended 31 March, 2017 Rs. 200.56 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 Rs. 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

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		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
NOTE 34			
OTHER EXPENSES			
OPERATING AND MAINTENANCE EXPENSES			
(a)	Stores and spares consumed (net of recoveries)	2,705.57	2,280.16
(b)	Repairs and maintenance:		
	(i) Building	507.18	486.25
	(ii) Plant and equipment	7,821.12	5,668.32
	(iii) Others	5,222.21	4,357.31
(c)	Loss on disposal of property, plant and equipment	1,716.69	827.88
		17,972.77	13,619.92
ADMINISTRATIVE AND GENERAL EXPENSES			
(a)	Communication expenses	232.75	257.54
(b)	Printing and stationery	295.91	317.56
(c)	Legal and professional charges	1,812.89	1,755.49
(d)	Travelling and conveyance	727.89	594.10
(e)	Insurance	510.56	429.94
(f)	Advertisement, publicity and business promotion	714.40	654.94
(g)	Corporate Social Responsibility expenses (excluding 5% administrative expenses)	812.60	812.05
(h)	Rent and hire charges	250.17	214.90
(i)	Rates and taxes	3,307.17	874.43
(j)	Freight, handling and packing expenses	43.60	19.70
(k)	Bill collection and distribution expenses	1,200.09	1,008.96
(l)	Postage and courier charges	34.09	34.85
(m)	Provision for contingencies	-	(9,059.45)
(n)	EDP expenses	1,131.37	1,044.10
(o)	Housekeeping expenses	893.36	624.06
(p)	Foreign exchange fluctuation loss (net)	13.40	7.16
(q)	Bad debts written off/write back	17.65	100.37
(r)	Provision for doubtful debts	648.66	404.98
(s)	Miscellaneous expenses	1,032.37	1,043.53
		13,678.93	1,139.21
		31,651.70	14,759.13

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NOTE 35
REGULATORY DEFERRAL ACCOUNT BALANCES

(a) 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.

(b) 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. The DERC vide its letter F.3(503)/Tariff-Engg/DERC/2016-17/5614/2224 dated 2 February, 2017 has further directed to submit true up for FY 2015-16, ARR for FY 2017-18 and information related to the business plan regulations. In compliance with the above said direction, the Group on 2 March, 2017 had filed the desired information according to applicable acts, policies and regulations. Apart from the above, the Group had also filed its petition for true up of FY 2014-15 and ARR determination for FY 2016-17 according to 2nd MYT regulation against which no tariff order was issued last year. During the current period, DERC has disposed off both the above petitions and issued tariff order for FY 2017-18 on 31 August, 2017. As a part of routine tariff determination on yearly basis, the Group further filed true up petition for FY 2016-17 and ARR for FY 2018-19 on 4 December, 2017 which has also been disposed by the DERC and issued tariff order on 28 March, 2018.

In the latest tariff order, 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 Rs. 2,39,461 lakhs as against Rs. 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, though recognized as source of power from these plants for FY 2017-18, pending true up order for power purchase from Rithala plant and provisional truing up of capitalization, disallowance of de-capitalised property, plant and equipment and corresponding ROCE, income tax and carrying cost. These disallowance have already been challenged in APTEL for the amount disallowed upto FY 2015-16. The Appeal for true up of FY 2016-17 is in progress and shall be filed within the prescribed timelines.

(c) The movement in regulatory deferral account balance as at 31 March, 2018 is as follows:

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
	Rs./Lakhs	**Rs./Lakhs**
(A) Opening Regulatory deferral account debit balance	457,370.26	472,014.26
(B) Net movement during the year		
(i) Power purchase cost	519,540.00	516,150.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	175,596.00	147,478.00
(iii) Collection available for ARR as per MYT order	712,521.00	678,272.00
(C) Net movement shown in the statement of profit and loss (i)+(ii)-(iii)	**(17,385.00)**	**(14,644.00)**
Closing Regulatory deferral account debit balance (A)+(C)	**439,985.26**	**457,370.26**

(d) **Rithala Power Generation Plant**

For the period while Rithala plant was operational, DERC had provisionally allowed the power purchase cost at the rate equivalent to the UI rates for units generated during the time when the Group was under-drawing from the grid and at average rate power purchased during the period when the Group was over-drawing from the grid, instead of the actual cost of generation up to FY 2012-13. Further, no recovery of fixed cost had been allowed for the period when plant was not operational due to non-availability of gas from April, 2013.

On 31 August, 2017, the DERC issued the Order fixing the operational norms like station heat rate, auxiliary consumption, plant load factor etc. as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at Rs. 19,770 lakhs against Rs. 30,239 lakhs as per financial books of account. The Group has challenged the order in the APTEL on 17 October, 2017.

Further, in the Order, the DERC has also directed that the petitioner shall file true up petitions based on the applicable regulations for the aforesaid parameters for finalization 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 plant, the Group has filed the true up petition with the DERC on 3 October, 2017. Pending true up of the said petition and disposal of the appeals, the Group has been continuing the billing from Rithala plant based on applicable regulations and adjusted a sum of Rs. 32,119 lakhs for the year ended 31 March, 2017. Further based on management's analysis and opinion of a legal expert, the management is of the view that Rithala plant's capital cost of Rs. 24,000 lakhs is likely to be approved by the APTEL and accordingly, the Group has adjusted a total sum of Rs. 6,961 lakhs towards Rithala billing (including carrying costs) and has recorded an impairment of Rs. 3,757.05 lakhs against the carrying value of the Rithala plant and from October 2017 onwards, the Group has been raising bill on capital cost of Rs. 24,000 lakhs.

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Below is the year wise status of billing done by Rithala plant and power purchase cost provisionally allowed by the DERC and adjustment made.

Rs./Lakhs

Particulars	For the trued up years FY 2010-11 to FY 2015-16	Yet to be trued up for FY 2016-17	Yet to be trued up for year ended 31 March, 2018	Total
Billing done by Rithala Generation Plant to Distribution	64,640.00	9,660.00	7,047.00	81,347.00
Allowed by DERC for the period plant was operational	12,195.00	-	-	12,195.00
Allowed by DERC for the period plant was not-operational	-	-	-	-
Provisional disallowed power purchase cost/yet to be trued up	52,445.00	9,660.00	7,047.00	69,152.00
Carrying cost recorded	20,148.00	9,027.00	6,500.00	35,675.00
Power purchase cost including carrying cost for which tariff is yet to be determined by DERC	72,593.00	18,687.00	13,547.00	104,827.00
Adjustment made				39,080.00

(e) The Group on a regular basis evaluates the changes in the DERC regulations and other factors which may trigger the impairment of the regulatory deferral balances.

NOTE 36
SEGMENTAL REPORTING

The Group is primarily engaged in the business of distribution and generation of power in North and North-west of Delhi. Chief Operating Decision Maker (CODM) reviews the financial information of the Group as a whole for decision making and accordingly the Group has a single reportable segment.

No consumer individually accounted for more than 10% of the total billed revenue for the year ended 31 March, 2018 and 31 March, 2017.

NOTE 37
EARNINGS PER EQUITY SHARE (EPS)

Particulars	Units	Year ended 31.03.2018	Year ended 31.03.2017
Profit for the year from continuing operations before net movement in regulatory deferral account balance attributable to equity shareholders	Rs./Lakhs	48,400.90	41,174.52
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of Rs. 10 each	Rs.	8.77	7.46
Face value of equity shares	Rs.	10.00	10.00
Profit for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	Rs./Lakhs	31,015.90	26,530.52
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of Rs. 10 each	Rs.	5.62	4.81
Face value of equity shares	Rs.	10.00	10.00

37.1 The Group does not have any potential dilutive equity shares.

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NOTE 38
INCOME TAX

38.1 Income tax expense in the consolidated statement of profit and loss consists of:

		Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
Income tax expense recognised in the consolidated statement of profit and loss:			
(a) Current tax			
Current tax expense (see note 38.3 & 38.4)		17,317.55	6,192.89
Less: MAT credit adjusted during the year		7,706.05	165.84
Current tax (net)	(A)	9,611.50	6,027.05
(b) Deferred tax			
In respect of the current year		11,587.92	(52,698.76)
Less: Adjustable from future tariff		(11,578.27)	52,702.15
	(B)	9.65	3.39
Income tax expense recognised in other comprehensive income:			
(a) Income tax on net loss/(gain) on remeasurement of defined benefit plan	(C)	5.54	(23.40)
Total income tax expense (A+B+C)		**9,626.69**	**6,007.04**

38.2 Reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below:

	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
Profit before tax	40,637.05	32,560.96
Enacted income tax rate in India	34.61%	34.61%
Computed expected tax expense	14,063.67	11,268.70
Effect of:		
Expenses not considered in determining taxable profit	2,785.48	2,782.34
Reversal during tax holiday period	1,777.71	(3,603.48)
Deduction under chapter VI-A	(64.51)	(97.29)
Adjustment for MAT credit	2,080.56	(57,118.52)
Effect on deferred tax balances due to change in income tax rate (refer note 38.3 and 38.4)	558.88	(0.73)
Overseas taxes	-	82.79
Effect of tax on income at different rates (refer note 38.4)	(42.15)	(9.26)
Others	39.78	23.74
Income tax expense in respect of current year	**21,199.42**	**(46,671.71)**
Less: Deferred tax adjustable from future tariff	11,578.27	(52,702.15)
Income tax expense recognised in the consolidated statement of profit and loss	**9,621.15**	**6,030.44**

38.3 The Company has made provision for income tax at the rate of 34.61% in accordance with normal provisions of Income Tax Act, 1961 for year ended 31 March, 2018 and 31 March, 2017. 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, 2018 and at the rate of 34.61% for the year ended 31 March, 2017.

38.4 The Subsidiary has made provision for current tax at the rate of 27.55% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2018 and at the rate of 33.06% for the year ended 31 March, 2017 . The provision for deferred tax has been worked upon at the rate of 27.82% (substantially enacted tax rate at balance sheet date) for the year ended 31 March, 2018 and at the rate of 27.55% for the year ended 31 March, 2017.
Overseas taxes of Subsidiary include taxes paid in foreign jurisdiction, principally in Nigeria. 10% tax is deducted at source at the time of remittance received from customer located in Nigeria. The portion of tax not admissible as relief under Indian tax laws is included in current tax.

NOTE 39
EMPLOYEE BENEFIT PLANS

39.1 Defined contribution plan

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

The Group makes contribution towards employee state insurance scheme (ESIS) which is a defined contribution benefit plan for qualifying employees. The Group's contribution to the ESIS is deposited under the Employees State Insurance Act, 1948.

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(ii) Pension and Leave Salary Contribution

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

On account of Defined Contribution Plans, a sum of Rs. 5,413.87 lakhs (for the year ended 31 March, 2017 Rs. 1,717.19 lakhs) has been charged to the consolidated statement of profit and loss during the year.

39.2 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.

39.3 Policy for recognising actuarial gains and losses

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

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

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.

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

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.

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.

39.5 The following tables set out the funded status of the gratuity plan and amounts recognised in the Group's consolidated financial statements as at 31 March, 2018:

	Particulars		**Gratuity (Funded)**	
			31.03.2018	**31.03.2017**
			Rs./Lakhs	**Rs./Lakhs**
(i)	**Net liability arising from defined benefit obligation**		**243.96**	**408.09**
(ii)	**Change in benefit obligations:**			
	Present value of obligations as at 1 April	A	2,696.59	2,165.78
	Current Service Cost	B	294.19	269.53
	Interest Cost	C	200.84	176.16
	Past Service Cost	D	-	-
	Remeasurement (gains)/losses: Actuarial (gains)/losses	E	(11.10)	121.88
	Benefits Paid	F	132.49	36.76
	Present value of obligation as at 31 March (A+B+C+D+E-F)		**3,048.03**	**2,696.59**
(iii)	**Change in plan assets**			
	Fair Value of Plan Assets as at 1 April	A	2,288.50	1,898.84
	Interest Income	B	159.11	141.49
	Employer's Contribution	C	474.09	272.68
	Remeasurement (gains)/losses:			
	- Return on plan assets (excluding amounts included in net interest expense)	D	14.86	12.25
	Benefits Paid	E	132.49	36.76
	Fair value of plan asset as at 31 March (A+B+C+D-E)		**2,804.07**	**2,288.50**

(iv) Amount recognised in the consolidated statement of profit and loss (remeasurements)

Particulars		**Gratuity (Funded)**	
		2017-18	**2016-17**
		Rs./Lakhs	**Rs./Lakhs**
Current service cost	A	294.20	269.53
Net interest expense/(income)	B	41.73	34.67
Other adjustment	C	(1.41)	-
Defined benefit cost recognized in the consolidated statement of profit and loss (A+B+C)		**334.52**	**304.20**

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

Particulars		Gratuity (Funded)	
		2017-18	2016-17
		Rs./Lakhs	Rs./Lakhs
Actuarial (gains)/losses arising from:			
(a) changes in demographic assumptions	A	103.86	-
(b) changes in financial assumptions	B	(162.52)	89.13
(c) experience adjustments	C	47.56	32.75
Return on plan assets (excluding amounts included in net interest expense)	D	14.86	12.25
Components of defined benefit costs recognised in other comprehensive income (A+B+C-D)		**(25.96)**	**109.63**

(vi) Principal actuarial assumptions:

Particulars	Refer Notes	Year ended 31.03.2018	Year ended 31.03.2017
Discount Rate (p.a.)	1	7.60%	7.00%
Salary escalation rate (p.a.)	2	8.00%	8.00%

Notes:

1 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 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
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%	15%

(vii) The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
Government of India Securities	63.10%	54.63%
Debt instruments	27.00%	31.22%
Equity and preference shares	7.71%	8.91%
Other deposits	2.19%	5.24%
	100.00%	**100.00%**

The Group's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Group are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance Corporation of India and actuarial valuer is provided for in these consolidated financial statements. 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.

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

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs./Lakhs	Rs./Lakhs
(a) Decrease in defined benefit obligation due to 1% increase in discount rate	225.56	131.95
(b) Increase in Defined benefit obligation due to 1% decrease in discount rate	259.12	146.41

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

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Particulars	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
(a) Decrease in defined benefit obligation due to 1% decrease in expected salary escalation rate.	226.74	131.95
(b) Increase in defined benefit obligation due to 1% increase in expected salary escalation rate.	255.55	143.58

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 31.03.2018	As at 31.03.2017
(i) Weighted Average duration of the defined benfit obligation	13 years	8 years
(ii) Duration of defined benefit obligation		
Duration (Years)	**Amount (Rs./Lakhs)**	
1	254.55	442.58
2	273.18	334.27
3	235.22	311.05
4	223.29	260.72
5	178.26	218.40
Above 5	1,883.53	1,129.57
Total	**3,048.03**	**2,696.59**
(iii) Duration of defined benefit payments		
Duration (Years)	**Amount (Rs./Lakhs)**	
1	264.05	457.81
2	304.91	369.98
3	282.49	368.37
4	288.55	330.38
5	247.86	296.13
Above 5	5,173.01	2,371.72
Total	**6,560.87**	**4,194.39**

(x) The contribution expected to be made by the Group during the financial year 2018-19 is Rs. 294.50 lakhs.

(xi) The actual return on plan assets was Rs. 173.97 lakhs (for the year ended 31 March, 2017 Rs. 153.74 lakhs).

39.6 Principal actuarial assumptions for long-term compensated absences

Particulars	Notes	Year ended 31.03.2018	Year ended 31.03.2017
Discount rate (p.a.)	39.6.1	7.60%	7.00%
Salary escalation rate (p.a.)	39.6.2	8.00%	8.00%

Notes:

39.6.1 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.

39.6.2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Demographic assumptions:

Particulars	Notes	Year ended 31.03.2018	Year ended 31.03.2017
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%	15%

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

NOTE 40
FINANCIAL INSTRUMENTS

40.1 Capital management

The Group's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Group. In particular, the Group seeks to maintain an adequate capitalization 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. In this context, the Group manages its capital structure and adjusts that structure when changes in economic conditions so require.

The Group monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer. The position on reporting date is summarized in the following table:

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs./Lakhs	Rs./Lakhs
Long-term borrowings (including non-convertible cumulative redeemable preference share capital)	243,933.46	254,996.53
Current maturities of long-term borrowings	52,053.08	62,937.09
Short-term borrowings	31,082.32	20,169.43
Total debt (A)	**327,068.86**	**338,103.05**
Less: Cash and bank balances (B)	13,785.13	13,582.47
Net debt (C) = (A)+(B)	**313,283.73**	**324,520.58**
Total equity (D)	296,919.84	269,869.77
Total equity and net debt (E) = (C)+(D)	**610,203.57**	**594,390.35**
Net debt to total equity plus net debt ratio (%) {(F)=(C)/(E)}	**51.34%**	**54.60%**

40.2 Categories of financial instruments

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs./Lakhs	Rs./Lakhs
Financial assets		
(i) Measured at fair value through profit or loss		
(a) Investment in mutual fund	1,254.72	975.86
(ii) Measured at amortised cost		
(a) Trade receivables	22,713.02	21,425.51
(b) Cash and cash equivalents	10,197.25	9,999.11
(c) Bank balances other than cash and cash equivalent above	3,587.88	3,583.36
(d) Unbilled revenue	31,820.21	30,277.00
(e) Security deposit	331.05	293.46
(f) Recoverable from SVRS trust	140.76	194.08
(g) Others	96.45	512.23
	70,141.34	67,260.61
Financial liabilities		
Measured at amortised cost		
(a) Borrowings (including current maturities and non-convertible cumulative redeemable preference share capital)	327,068.86	338,103.05
(b) Interest accrued but not due on borrowings	248.05	136.53
(c) Trade and other payables	122,506.34	116,162.59
(d) Security deposits	61,106.53	55,435.75
(e) Dividend accrued but not due on non-convertible cumulative redeemable preference shares	6,000.00	6,000.00
(f) Retention money payable	8,235.71	5,324.14
(g) Others	1,686.27	2,016.47
	526,851.76	523,178.53

40.3 Financial risk management

The Group's activities expose it to a variety of financial risk, notably market risks (including foreign exchange fluctuation risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's focus is to ensure liquidity which is sufficient to meet Group's operational requirements, the management also monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The management reviews and agrees policies for managing these risks, which are summarised below:

40.3.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates (currency risk), interest rates (interest rate risk) and net asset value of investments (price risk), will affect the Group's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.
Market risks are essentially composed of foreign currency exchange risk, interest rate risk and price risk.

(A) Foreign currency risk management

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Group does not have significant foreign currency denominated transactions, hence the Group is not exposed to significant foreign currency risk.

(B) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk because it borrows funds at floating interest rates.

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Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for long term borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the borrowing outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for analysis which represents management's assessment of the reasonably possible change in interest rates.

If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Group's profit in that financial year would have been as below:

Particulars	As at 31.03.2018		As at 31.03.2017	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Interest expense on loan	1,229.93	(1,229.93)	1,339.67	(1,339.67)
Effect on profit before tax	(1,229.93)	1,229.93	(1,339.67)	1,339.67

(C) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net asset value (NAV) of the financial instruments held.

The Group's price risk is mainly generated with fair value in respect of the investments held in mutual funds. Investments primarily include investment in liquid debt based mutual fund units with high credit-ratings assigned by credit-rating agencies and are managed by asset management companies.

The carrying amount of the Group's investments designated as at fair value through profit or loss at the end of the reporting period are as follows:

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs./Lakhs	Rs./Lakhs
Investments in mutual funds	1,254.72	975.86

Price risk sensitivity analysis

For the year ended 31 March, 2018 and 31 March, 2017, every rupee 1 increase / decrease in the NAV of investments, will affect the Group's profit before tax as given in below table:

Particulars	As at 31.03.2018		As at 31.03.2017	
	NAV depreciate by INR 1	NAV appreciate by INR 1	NAV depreciate by INR 1	NAV appreciate by INR 1
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
Effect on profit before tax due to net gain/(loss) on investments in mutual funds	(33.97)	33.97	(11.48)	11.48

40.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 22,713.02 lakhs as at 31 March, 2018 and Rs. 21,425.51 lakhs as at 31 March, 2017 and unbilled revenue amounting to Rs. 31,820.21 lakhs as at 31 March, 2018 and Rs. 30,277.00 lakhs as at 31 March, 2017. Refer note 10 for trade receivables and note 12(a) for unbilled revenue.

The Group is primarily engaged in distribution and retail supply of electricity in the North & North-west districts in the National Capital Territory of Delhi. Trade receivables consists of a large number of unrelated consumers spread across diverse industries and credit risk has been managed by the Group through continuously monitoring the creditworthiness of consumers. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment. The Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenues. The provision matrix takes into account available external and internal credit risk factors such as credit ratings of consumers and the Group's historical experience for consumers.

Bank balances are held with reputed and creditworthy banking institutions.

As per its investment policy, the Group deploy its short term surplus funds in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits with such companies of the Tata Group as may be approved. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose quarterly Assets Under Management (AUM) are in excess of Rs. 500,000 lakhs and ranks in the first three of CRISIL's latest available Composite Performance Ranking (CPR) at the time of investment.

40.3.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Ultimate responsibility for liquidity risk management rests with the management. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

Expected contractual maturity for financial liabilities:

Particulars	Upto 1 year	1 to 5 years	5+ years	Total
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
As at 31 March, 2018				
-Trade payables	122,506.34	-	-	122,506.34
-Short term borrowings	31,082.32	-	-	31,082.32
-Long term borrowings (including current maturities and excluding preference share capital)	52,053.08	157,686.92	36,246.54	245,986.54
-Interest accrued but not due on borrowings	248.05	-	-	248.05
-Future interest on above long term borrowings	18,989.41	36,815.04	3,819.03	59,623.48
-Non-convertible cumulative redeemable preference share capital	-	-	50,000.00	50,000.00
-Dividend accrued but not due on above preference shares	6,000.00	-	-	6,000.00
-Future dividend on above preference shares (see note 40.3.3a)	7,233.32	28,933.27	72,095.37	108,261.96
-Security deposits (see note 40.3.3b)	5,576.40	228.05	55,302.08	61,106.53
-Retention money payable	8,235.71	-	-	8,235.71
-Other financial liabilities	1,686.27	-	-	1,686.27
	253,610.90	223,663.28	217,463.02	694,737.20

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Particulars	Upto 1 year	1 to 5 years	5+ years	Total
	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs	Rs./Lakhs
As at 31 March, 2017				
-Trade payables	116,162.59	-	-	116,162.59
-Short term borrowings	20,169.43	-	-	20,169.43
-Long term borrowings (including current maturities and excluding preference share capital)	62,937.09	166,591.29	38,405.24	267,933.62
-Interest accrued but not due on above borrowings	136.53	-	-	136.53
-Future interest on above long term borrowings	22,252.79	40,260.62	4,286.17	66,799.58
-Non-convertible cumulative redeemable preference share capital	-	-	50,000.00	50,000.00
-Dividend accrued but not due on above preference shares	6,000.00	-	-	6,000.00
-Future dividend on above preference shares (see note 40.3.3a)	7,221.46	28,885.84	79,198.63	115,305.93
-Security deposits (see note 40.3.3b)	4,880.47	304.31	50,250.97	55,435.75
-Retention money payable	5,324.14	-	-	5,324.14
-Other financial liabilities	2,016.47	-	-	2,016.47
	247,100.97	**236,042.06**	**222,141.01**	**705,284.04**

40.3.3a 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 Rs. 18,459.22 lakhs and Rs. 19,503.18 lakhs as at 31 March, 2018 and 31 March, 2017 respectively.

40.3.3b Consumer security deposits classfied under more than 5 years maturity pertains to permanent connection which are refundable only after surrender of connection subject to clearnce of outstanding dues.

The Group has access to financing facilities as described in note 40.3.4 below. The Group expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

40.3.4 Financing facilities (short term)

Particulars	As at 31.03.2018	As at 31.03.2017
	Rs./Lakhs	Rs./Lakhs
Unsecured bank overdraft, reviewed annually and payable at call		
Amount used and outstanding	30,127.55	14,592.95
Amount unused	-	5,407.05
Secured bank loan facilities with various maturity dates through to 31 March, 2019 and which may be extended by mutual agreement		
Amount used and outstanding	954.77	5,576.48
Amount unused	13,545.23	8,923.52

40.4 Fair value measurements

The Group's investments are measured at fair value at the end of each reporting period. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Particulars	Fair Value		Fair Value hierarchy
	As at 31.03.2018	As at 31.03.2017	
	Rs./Lakhs	Rs./Lakhs	
Investment in mutual funds measured as at fair value through profit or loss	1,254.72	975.86	Level 1

Valuation technique and key inputs

Level 1: Net asset value of mutual fund investments at reporting date

40.5 Fair value of financial assets and financial liabilities that are not measured at fair value

The management consider that the carrying amount of financial assets and financial liabilities recognised in these consolidated financial statements approximates their fair value.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

NOTE 41

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Group 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, 2018 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, 2019. However, in the opinion of the management, adjustments, if any, are not expected to be material.

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. Fellow Subsidiaries (with whom the Group has transactions)
(i) Tata Power Trading Company Limited (TPTCL)
(ii) Tata Power Solar Systems Limited (TPSSL)
(iii) TP Ajmer Distribution Limited (TPADL)
(iv) Tata Power International Pte. Limited (TPIPL)

D. Associates of holding company (with whom the Group has transactions)
(i) Tata Communications Limited (TCL)
(ii) Tata Projects Limited (TPL)

E. Post retirement employee benefit trust
(i) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
(ii) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)

F. Key management personnel
Chief Executive Officer and Managing Director (CEO & MD)
Mr. Praveer Sinha

Non-executive directors
(i) Mr. Anil Sardana
(ii) Mr. Ashok Kumar Basu (ceased w.e.f. 23 March, 2017)
(iii) Mr. Nawshir H Mirza
(iv) Mr. Ramesh N. Subramanyam (ceased w.e.f. 25 May, 2016)
(v) Mr. Arup Ghosh
(vi) Mr. Sanjeev Singh (ceased w.e.f. 4 August, 2016)
(vii) Mr. Sudhir Mohan Varma (ceased w.e.f. 4 August, 2016)
(viii) Mr. Prem Prakash (ceased w.e.f. 4 August, 2016)
(ix) Mr. Arun Kumar Garg (ceased w.e.f. 4 August, 2016)
(x) Mr. Anjani Kumar Sharma (ceased w.e.f. 4 August, 2016)
(xi) Ms. Shalini Yogendranath Singh
(xii) Mr. Amar Jit Chopra (appointed w.e.f. 23 March, 2017)
(xiii) Mr. Ajay Shankar (appointed w.e.f. 23 March, 2017)

42.2 Transactions with related parties

	Name of related party	Nature of transaction	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
A.	**Rendering of services**			
(i)	TPCL	Management contract for deputation of employees	106.52	106.67
(ii)	DPCL	Commission earned	1.57	1.67
(iii)	TPSSL	Empanelment fee for rooftop solar plants	0.25	-
(iv)	TPIPL	Management contract for consultancy services	193.50	130.90
(v)	TPADL	Management contract for consultancy services	137.31	-
B.	**Purchase of goods**			
(i)	TPTCL	Purchase of power	70,895.06	89,134.53
		Rebate on power purchase	937.61	1,560.12
(ii)	TPSSL	Purchase of spares	6.47	-
(iii)	TPL	Purchase of spares	9.60	2.87
C.	**Sale of property, plant and equipment**			
(i)	TPCL	Sale of property, plant and equipment	-	9.57
D.	**Receiving of services**			
(i)	TPCL	Management contract for deputation of key managerial personnel	368.03	280.37
(ii)	TPSSL	Annual maintenance contract of solar plants	28.99	6.45
(iii)	TCL	Communication expenses	13.93	14.55
E.	**Reimbursement of expenses**			
(i)	TPCL	Travelling and conveyance	0.73	1.53
(ii)	DPCL	Advertisement, publicity and business promotion	-	2.90
(iii)	TPSSL	Hire charges - vehicles	0.02	-
(iv)	TPIPL	Travelling and conveyance	6.53	6.16
(v)	TPADL	Travelling and conveyance etc.	0.10	-
F.	**Finance cost**			
(i)	TPCL	Dividend on preference shares	3,060.00	3,060.00
(ii)	DPCL	Dividend on preference shares	2,940.00	2,940.00

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G.	**Dividend (including interim) paid**			
(i)	TPCL	Dividend on equity shares	1,689.12	6,756.48
(ii)	DPCL	Dividend on equity shares	1,622.88	6,491.52
H.	**Transaction with Trust**			
(i)	Gratuity Fund	Contribution to trust	474.09	272.68
(ii)	SVRS RTBF - 2004	Contribution to trust	92.43	92.05

42.3 Compensation of key managerial personnel

	Name of the related party	Nature of transaction	Year ended 31.03.2018 Rs./Lakhs	Year ended 31.03.2017 Rs./Lakhs
A.	CEO & MD -Mr. Praveer Sinha	Deputation pay and other benefits	319.03	299.64
B.	Non-executive directors	Sitting fees	33.51	23.95
		Consultancy fees - Mr. Arup Ghosh	52.76	44.17

42.4 Balance outstanding with related parties

	Name of the related party	Nature of balances	As at 31.03.2018 Rs./Lakhs	As at 31.03.2017 Rs./Lakhs
A.	**Receivables**			
(i)	TPCL	Trade receivables	27.72	25.63
(ii)	TPTCL	Other current assets	9,521.30	-
(iii)	TPIPL	Trade receivables	203.87	83.40
(iv)	TPADL	Trade receivables	51.06	-
(v)	SVRS RTBF - 2004	Other financial assets	140.76	194.08
B.	**Payables**			
(i)	DPCL	Trade payables	604.75	1,028.66
(ii)	TPTCL	Trade payables	-	7,949.04
(iii)	TPSSL	Trade payables including retention money and advances	52.86	29.41
(iv)	TCL	Trade payables including security deposits	24.38	8.15
C.	**Accrued expenses**			
(i)	TPSSL	Annual maintenance contract of solar plants	-	6.32
(ii)	TPTCL	Purchase of power	0.07	0.61
(iii)	TCL	Communication expenses	3.11	3.04
D.	**Commitment made**			
(i)	TPSSL		1.62	1.62

(ii) Significant commitments of the Group includes commitment for trading margin with TPTCL.
The Group has entered into an 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 Group to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by Group to TPTCL.

NOTE 43
APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved for issue by the board of directors on 26 April, 2018.

For Walker Chandiok & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

New Delhi
26 April, 2018

For and on behalf of the Board of Directors

Arup Ghosh
Director
DIN: 06711047

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part "A": Subsidiaries

1.	Name of the subsidiary	NDPL Infra Limited
2.	The date since when subsidiary was acquired	23 August, 2011
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 April, 2017 to 31 March, 2018
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR

		Figures (in lakhs)
5.	Share capital	5.00
6.	Reserves and surplus	1,554.93
7.	Total assets	1,683.55
8.	Total Liabilities	123.62
9.	Investments	1,254.72
10.	Turnover	967.39
11.	Profit before taxation	597.43
12.	Provision for taxation	169.56
13.	Profit after taxation	427.87
14.	Proposed Dividend	-
15.	Extent of shareholding (in percentage)	100%

Notes:

1. There is no subsidiary which is yet to commence operations.
2. There is no subsidiary which has been liquidated or sold during the year.

Part "B": Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors

Arup Ghosh
Director
DIN: 06711047

Praveer Sinha
CEO & Managing Director
DIN: 01785164

Ajay Kalsie
Company Secretary

Ajay Kapoor
Chief Financial Officer

New Delhi
26 April, 2018

Shareholder Information

To,
Company Secretary,
Tata Power Delhi Distribution Limited
NDPL House, Hudson Lines,
Kingsway Camp, Delhi - 110009

Updation of Shareholder Information

I/We request you to record the following information against our Folio No.:

General Information:

Folio No.:	
Name of the first named Shareholder:	
PAN: *	
CIN/ Registration No.: *(applicable to Corporate Shareholders)	
Tel No. with STD Code:	
Mobile No.:	
Email Id:	

*Self attested copy of the document(s) enclosed

Bank Details:

IFSC: (11 digit)	MICR: (9 digit)
Bank A/c Type:	Bank A/c No.: *
Name of the Bank:	
Bank Branch Address:	

* A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/we would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained by you till I/we hold the securities under the above mentioned Folio No.

Place:
Date:

Signature of Sole/ First holder

ATTENDANCE SLIP

TATA POWER DELHI DISTRIBUTION LIMITED
Registered Office : NDPL HOUSE, HUDSON LINES, KINGSWAY CAMP, DELHI 110009
CIN: U40109DL2001PLC111526

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
(Joint shareholders may obtain additional slip at the venue of the meeting)

Dp id*		Folio No	
Client id*		No of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER

I have recorded my presence at the seventeenth Annual General Meeting of the members of Tata Power Delhi Distribution Limited held on Wednesday, the 18th July, 2018 at 2:30 p.m. at Conference Room, Ground Floor, Tata Power Delhi Distribution Limited, CENNET Building, behind Netaji Subhash Place, Pitampura, Delhi – 110034.

*Applicable for investors holding shares in electronic form

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

TATA POWER DELHI DISTRIBUTION LIMITED
Registered Office : NDPL HOUSE, HUDSON LINES, KINGSWAY CAMP, DELHI 110009
CIN: U40109DL2001PLC111526

Name of the member(s)		e-mail Id :	
Registered address		Folio No/*Client Id :	
		*DP Id :	

I/We, being the member(s) of _______________ shares of TATA POWER DELHI DISTRIBUTION LIMITED, hereby appoint:
1) ______________of_______________ having e-mail id ------------------------------------or failing him
2) ______________of_______________ having e-mail id ------------------------------------or failing him
3) ______________of_______________ having e-mail id---

and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the seventeenth Annual General Meeting of the members of Tata Power Delhi Distribution Limited held on Wednesday, the 18th July, 2018 at 2:30 pm. at Conference Room, Ground Floor, Tata Power Delhi Distribution Limited, CENNET Building, behind Netaji Subhash Place, Pitampura, Delhi – 110034 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Sl Resolution No	Description of Resolutions	FOR	AGAINST
Ordinary Business			
1.	Adoption of: (a) the audited standalone financial statements of the company for the financial year ended 31st March 2018 together with the reports of the board of directors and the auditors thereon. (b) the audited consolidated financial statements of the company for the financial year ended 31st March 2018 together with the reports of the auditors thereon.		
2.	Declaration of dividend on 12% cumulative redeemable preference shares for the financial year ended 31st March, 2018.		
3.	Declaration of a dividend on equity shares for the financial year ended 31st March, 2018.		
4.	Appointment of director in place of Mr. Arup Ghosh (DIN: 06711047), who retires by rotation and is eligible for re-appointment.		
Special Business			
5.	Re-appointment of Mr. Nawshir Mirza as an independent director		
6.	Appointment of Mr. Praveer Sinha as a director		
7.	Appointment of Mr. Minesh Shrikrishna Dave as a director		
8.	Appointment of Mr. Ramesh Narayanswamy Subramanyam as a director		
9.	Ratification of remuneration payable to M/s Ramanath Iyer & Co., Cost Accountants		

Signed this..................... day of..................2018

Affix revenue stamp

(Signature of shareholder)
(Signature of first proxy holder)
(Signature of second proxy holder)
(Signature of third proxy holder)

Notes:

(1) **This form of proxy in order to be elective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting**.

(2) **A Proxy need not be a member of the company.**

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

(4) ** This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

Route-map to the venue of the Seventeenth Annual General Meeting:

Ground Floor, Tata Power Delhi Distribution Limited, CENNET Building, behind Netaji Subhash Place, Pitampura, Delhi – 110034