

**TATA POWER-DDL****DIRECTORS' REPORT**

To The Members,

The Directors are pleased to present their Eleventh Annual Report on the business and operations of the Company along with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

<u>Particulars</u>	<u>2011-12</u>	<u>2010-11</u>
	<u>Rs. Crores</u>	<u>Rs. Crores</u>
Income from Sale of Energy	3,565.15	2,959.19
Less: Energy Tax	152.10	127.51
	3,413.05	2,831.68
Add: Other Operating Income	144.19	130.91
Add: Other Income	16.71	3.92
Total Income	3,573.95	2,966.51
Expenditure (Excl. Depreciation, Interest & Tax)	4,419.20	3,499.17
Interest	349.12	172.84
Depreciation	159.33	130.91
Total Expenditure	4,927.65	3,802.92
Profit/(loss) for the year before income recoverable from future tariff	(1,353.70)	(836.41)
Income Recoverable from Future Tariffs	1,781.63	1,156.43
Profit Before Tax	427.93	320.02
Less: Provision for Taxes		
Current Income Tax	89.28	61.84
Deferred income tax	-	-
Net Profit after Tax	338.65	258.18
Less: Statutory Appropriations		
Balance Profits available for appropriation	338.65	258.18
Add: Balance brought forward from the previous year	932.96	674.78
Total Profit available in P&L Account, which the Directors have appropriated as under to:	1,271.61	932.96
i) Dividend and distribution tax thereon	-	-
ii) General Reserve	-	-
TOTAL	-	-
Leaving a balance of To be carried forward	1,271.61	932.96

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



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NAME CHANGE

The Company changed its name from North Delhi Power Limited to Tata Power Delhi Distribution Ltd. w.e.f. 29.11.2011 pursuant to approval of the Registrar of Companies through issuance of a fresh certificate of incorporation. The new name is considered more appropriate to our business.

Tata Sons Limited, vide its letter dated October 24, 2011, had given permission to use the word 'TATA' in the corporate name of North Delhi Power Limited, subject to certain requirements.

The Board in its meeting held on 3rd February, 2012, had approved the adoption of Tata Code of Conduct, signing of such agreements with Tata Sons Limited in due course as may be required.

Consequently in meeting held on 4th May, 2012, shareholders also approved amendment of Articles of Association of the Company for using word "TATA" and a new Article 144 was inserted to give effect to the same.

FINANCIAL HIGHLIGHTS

TPDDL earned revenues of Rs.3,565 Crores during Financial Year 2011-12 (FY12), a growth of about 20.48% over the previous year revenues of Rs.2,959 Crores. The Company however incurred a loss of Rs.1,354 Crores in FY 12 as compared to a loss of Rs. 836 Crores in FY 11 prior to accounting Revenues amounting to Rs. 1,782 Crores in FY 12 (Rs. 1,156 Crores in FY 11) to be recovered through future tariffs. This amount reflects the shortfall (termed as 'Revenue Gap' in Regulatory parlance) 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 have been

recognised as Income of the Current Year on basis of accrual system of accounting which requires revenues to be recognised in the year to which they pertain, even though realisable in future, so long as the same are quantifiable and there is certainty of ultimate recovery. Consequently, on recognising the Revenue Gap of Rs. 1,782 Crores (Rs.1,156 Crores in FY 11) as Income Recoverable from future tariffs, resultant profit before tax (PBT) was Rs. 428 Crores in FY12 as compared to Rs. 320 Crores in FY 11 reflecting a growth of 34% over previous year. The Profit after tax (PAT) for FY 12 was Rs. 339 Crores as compared to Rs. 258 Crores in FY 11 thereby reflecting a 31% increase over the previous year.

Tariff Related Matters

At the prevailing tariff, a Revenue Gap of Rs. 1,782 Crores has resulted during FY 2011-12, which is in addition to the Revenue Gap of Rs. 2,172 Cr. accumulated till FY 2011.

Due to factors outside the control of TPDDL, tariff revisions by DERC have been irregular and inadequate with the last tariff revision from September 1, 2011 being preceded by a revision only in February 2008, and that too of only 05 paise/unit (less than 1% increase). Prior to February 2008, tariffs were revised only in July 2005. The delay in timely and appropriate tariff revision has resulted in accumulation of a large Revenue Gap which has had an adverse effect on the liquidity and the credit ratings of the Company. While the 22% tariff increase from September 2011 is welcome, further timely and appropriate revisions of tariff are necessary so as to ensure that the Revenue Gap does not increase further.

The Company has represented to DERC for determination of FY 2012-13 tariffs



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in manner that the costs for FY 2012-13 are fully recovered together with partial recovery of past gaps.

In-order to partially finance existing Revenue Gap the Board subject to shareholders' approval in its meeting held on 4th May, 2012 approved issue of (i) 2,55,00,000 (Two Crores Fifty Five Lakhs), 12% Cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each amounting to Rs. 255 Crores (Rupees Two Hundred and Fifty Five Crores) to The Tata Power Company Limited and (ii) 2,45,00,000 (Two Crores Forty Five Lakhs), 12% Cumulative Redeemable Preference shares of Rs. 100/- (Rupees One Hundred) each amounting to Rs. 245 Crores (Rupees Two Hundred and Forty Five Crores) to the Delhi Power Company Limited.

Dividends

Due to build up of large Revenue Gaps in absence of fully cost reflective tariffs and consequent liquidity issues in the Company, it was decided to defer a decision on recommending dividends distribution to later part of the year after the impact of issuance of Tariff Order for FY 2012-13 is examined.

Amount to be transferred to general reserves

No amount has been transferred to general reserves during FY 2011-12.

OPERATIONS

AT&C Loss Reduction

One of the most significant measures of operational efficiency is Aggregate Technical (AT&C) Loss Reduction. AT&C Losses refer to the difference between energy input and energy for which revenue is realised.

TPDDL has consistently over-achieved its Regulatory AT&C Loss Reduction Targets including FY 2011-12, thereby to some extent mitigating retail tariff increases despite steep increase in input costs.

However, having reached higher levels of efficiency, further reduction of AT&C Losses is becoming increasingly more difficult.

Power Procurement

As in the past years, TPDDL 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 off at the prevailing prices. This issue is dealt in greater detail in the Management Discussion and Analysis Report.

The Company procured for its consumers, 7,548 Million units of energy in FY 2011-12 against 7,316 Million units in FY 2010-11, reflecting an increase of 3% over the previous year.

Capital Expenditure

TPDDL has executed Distribution related Capital works aggregating to Rs. 3,123 Crores in the past 10 Years and this amount has been judiciously utilized for enhancement of reliability through Network improvements, Reduction of AT&C Losses and improvement in consumer services. Cumulatively, the Company has incurred Rs. 4,043 Crores of Distribution related capital expenditure till 31.03.2012. In addition to the above, the Company has also incurred Rs. 332 Crores of Generation related capital expenditure



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on Rithala and Solar Projects till 31.03.2012.

Rs. 346 Crores of Distribution related expenditure was capitalized during FY 2011-12 (Previous Year Rs. 390 Crores). Further, Rs. 142 Crores of Generation related expenditure (Rs. 135 Crores for Rithala and Rs. 7 Crores for various solar projects) was also capitalized during the year.

Due to infusion of capex for strengthening and augmenting network and advancements in maintenance practices, reliability of TPDDL's network continued to improve.

Generation Initiatives

Rithala CCGP

Subsequent to commissioning of Rithala Plant in Open Cycle mode on 05.02.2011, the plant was declared in Commercial operation in Combined Cycle mode on 04.09.2011. The total Capacity of plant on site conditions in combined cycle mode is around 90 MW. The GT#2 of the Plant suffered a breakdown on 04.09.2011 which has since been refurbished and taken back into operations. A claim has been lodged with the insurers of the Plant.

Efforts to fully utilize the Rithala Project are constrained due to inadequate availability of Gas. Against an allocated gas capacity of 0.4 million standard cubic meters per day (MSCMD), less than 50% Gas is being made available due to an industry wide cut in allocation of gas carried out by the Central Government in wake of falling production from the Krishna Godavari Basin.

Solar Projects

Subsequent to the commissioning of 1 MWp Rooftop Solar Power Plant in its Licensed Area, TPDDL has added solar capacities of various sizes ranging from

a few KWp to 225 KWp, aggregating to 0.65 MWp. TPDDL has partnered with Ministry of New and Renewable Energy (MNRE) for setting up seven of these projects on rooftops of its grid stations for which MNRE has sanctioned capital grants aggregating to approx. Rs. 4 Crores.

In FY 2011-12, 1.51 MUs were generated by these Solar Projects.

Standards of Performance

The DERC has specified stringent Performance Assurance (PA) Standards with respect to consumer service delivery. The Company strives to provide various services well within the DERC stipulated time limits. As in the past, the Company's compliance to PA time limits in FY 2011-12 continued to be in the range of 100% with certain key services such as providing new connections (in Average 7-10 days against DERC allowed 30 days), fault restoration (in Average 2 hours even in rural areas against 3 to 8 hours allowed by DERC), replacement of defective meters (7-10 days against 15 days allowed by DERC), being provided in significantly less (faster) time than permitted by DERC.

As per a survey conducted by Ascent Group, an international management consulting firm that specializes in customer service operations and competitive benchmarking, TPDDL's Call Center services are a global benchmark for average handling time per call (from receiving the call to its completion) at 3.5 minutes against average 4.7 minutes taken by global utilities.

SCADA EMS & DMS

TPDDL has implemented SCADA EMS (Energy Management System) with GSAS (Grid S/Stn Automation System) to control and monitor the 66/33 KV



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network with main objective of improving operational efficiency. This has resulted in significant improvement in reliability of power supply as the entire network is now operated from a central location with all load management decisions being based on real time power flow information from the system. As of now, 60 out of 61 grids have been automated and 59 are unmanned. The balance grids shall be un-manned in a phased manner during financial year 2012-13.

SCADA DMS (Distribution Management System) along with first phase of DA (Distribution Automation) was successfully implemented during FY 2010-11 to monitor and control 11 KV network. Its implementation 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 through automated switching. The second phase of DA shall be implemented in a phased wise manner during FY12-13.

As part of TPDDL's continued efforts to enhance reliability of network and to further reduce fault restoration time, TPDDL is now implementing Outage Management System (OMS) for faster and more accurate location and restoration of faults in the LT Network, thereby significantly reducing downtime. TPDDL is the first Utility in the country to implement OMS.

The System is now operational in four out of 12 districts in the Organization as well as for entire Street lighting infrastructure across TPDDL. OMS is expected to be deployed across the Company during FY 12-13.

Smart Grid

Smart Grid is an integration of automation systems of the entire

electricity value chain from generation to the consumer end by utilization of Information Technology. Smart Grids address issues of Reliability of Supply, Demand Side Management and integration of infirm renewable power (Solar/Wind) with the Grid. They facilitate consumers in monitoring their power consumption in real time, thereby empowering them to take informed decisions with respect to timing and quantity of consumption.

TPDDL has initiated a Smart Grid pilot project with Auto Demand Response at a capital cost of Rs. 12.5 Cr. This is the first and only Smart Grid project being undertaken in Delhi which has been approved by the DERC.

The Company has also initiated development of the second phase of its Technology Road Map on having completed implementation of the first phase including technologies such as Automatic Meter Reading (AMR), Geographical Information System (GIS), SCADA, DMS, DA and finally the OMS. M/s Quanta Technologies, a US based consultancy firm, has been appointed to develop the Technology/ Smart Grid Roadmap for which a grant of USD 0.7 Mln. (around Rs. 3.5 Cr.) has been secured from United States Trade & Development Agency (USTDA).

Information Technology

SAP-ISU

In April, 2011, SAP-ISU, an Integrated Solution for Utilities, which provides an integrated solution for commercial processes has been successfully rolled out. The benefits derived from its implementation are as follows:

- On-line accounting of sales and collection without any manual intervention
- ◆ Seamless Integration with applications like OMS, GIS, AMR, HHD, Spot Billing, IVRS, Payment Gateway, Lab testing



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M/c, etc. and with other ERP module like PS/MM/PM/FI.

- Various standalone applications (like Bulk Billing Software (BBS) for High End consumers, Decentralised Electricity Billing Solution (DEBS), SAMBANDH, a Customer Relationship Management application, etc. have been replaced by the single integrated SAP ISU application.
- SAP ISU has also facilitated integration of 'No Supply' & 'Commercial Complaints' Call Centers.

Secondary Data Centre (SDC)

In order to ensure and improve Business Continuity, mitigate technical, human and natural threats, SDC was created at TPDDL. This system ensures 100% availability of all business critical applications. TPDDL is the first utility in the country to implement a SDC.

HUMAN RESOURCES DEVELOPMENT

During the period under review, the Company launched various initiatives towards improving performance, culture building and employee engagement. Other initiatives like Tata Business Excellence Model (TBEM) workshops & assessment through internal resources were also implemented.

Great Place to Work Institute, India, has ranked TPDDL in band of top 50-100 among 471 Indian Companies surveyed in 2011. TPDDL was also ranked by the Institute in band of top 50-100 in 2010 out of 395 Indian companies.

Employee Engagement

The overall Employee Engagement and Satisfaction Score increased to 72% in 2011 as compared 70% in 2009.

Talent Management

To further enhance performance orientation and learning environment in the organization, several initiatives were undertaken like development of an on-line PDP system for Executive Cadre Employees which has also resulted in increased transparency; a Career Progression scheme for Non-executives in technical & non-technical areas has also been introduced.

A Succession Planning Committee has been constituted for identification of Critical Positions and successors in a more structured manner.

The Career Portal on TPDDL Website has been revamped and made more user friendly. All job vacancies in TPDDL are now notified through the 'Current Openings' Section on our website.

An Impact Level Study for senior positions is planned in the ensuing year.

Welfare

During the year under review, a Domestic Management Programme for women employees and spouses of men employees was started with a view to increase employee engagement as well as to bring families in closer touch with the Company so as to build a larger and more cohesive TPDDL family. So far 6 such programs have been conducted which have been received very well by the participants. During the year, a total of 218 women employees/ spouses participated in this program which is planned to be scaled up in the coming years.

Further, certain other employee welfare initiatives have also been taken during the period under review:

- Rationalization of Special Allowance scheme and



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extension of the same to all employees which was hitherto applicable only for the inherited erstwhile DVB employees.

- Retrospective enhancement, (from inception of the Company, viz. July 2012) of monetary relief towards Widow Fund was carried out which benefited 142 families of demised employees.

With the objective of promoting the culture of sports in the organization, a "Sports Council" has been constituted which advises and recommends to the management on all matters for promoting sports activities within and outside the Company.

Recognising the increasing stress levels, the Company has introduced an Employee Assistance Program for providing counseling through professional counselors. Entire process shall be confidential between the counselors and the employees seeking assistance which could relate to both work related / personal issues.

Safety

In order to enhance focus on Safety across the Company and promote a culture of safe working, the Suraksha Portal has been revamped. Reporting a minimum number of Safety Observations has also been made a mandatory KRA for each employee.

Ethics

To inculcate ethical culture and implement ethics management across the organization, the Company has adopted a Code of Conduct and also has a Whistle Blower policy in place. As per the Whistle Blower policy, any stakeholder can raise ethical concern(s) upto the level of the Chairman, Audit Committee. The Company has instituted a three tier

Ethics Management Structure headed by the Chief Ethics Officer i.e. CEO & ED, which in turn reports to the Board of Directors which maintains a continuous oversight on ethical issues being raised and their resolution. The Company also has a Sexual Harassment Committee to look into any sexual harassment related complaints.

In accordance with the above processes, appropriate actions have been taken wherever necessary.

The Company has a documented NDPL Code of Conduct or NCOC, which is generally in line with the Tata Code of Conduct (TCoC). With the change in name of the Company from North Delhi Power Limited to Tata Power Delhi Distribution Limited, the TCoC in toto is being adopted.

Further, steps like celebration of ethics week, online quizzes, publication of Ethics Patrika & Ethics Violation Updates, Ethical Compass (Ethics related sayings/ quotations), etc. have been undertaken to promote culture of ethics.

Industrial Relations

The Industrial Relations situation in Company continued to be generally peaceful during the year under review.

Corporate Sustainability

TPDDL believes that serving the Community provides a higher corporate purpose and therefore its mission inter alia states "Improve the quality of life of the communities we serve." The Organization aims at generating responsible profits by assessing social and environmental impacts of its operations proactively and by catering to development of weaker sections of society as an essential part of business. Employees are aware of their obligations towards



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servicing the community at large in line with Tata traditions.

TPDDL considers Community initiatives as vital elements which contribute towards sustainability by way of a three pronged strategy, namely Compensatory, Business Oriented and Philanthropic. TPDDL has developed a unique socio-economic business case for addressing needs and aspirations of key communities (weaker sections of society) which also are its consumers, thereby building a symbiotic relationship for the benefit of both, viz. members of such economically weaker sections as well as the Company. The Company proactively and responsibly conducts social activities and devises strategies to help build a self-sustainable developmental structure within the community, especially for those residing in JJ clusters resettlement colonies, BA employees as well as for protecting the environment.

AFFIRMATIVE ACTION

TPDDL'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. The Tata Group has been at the forefront in commitment towards this initiative in order to ensure upliftment of the socially backward and underprivileged in the society.

TPDDL's Affirmative Actions aiming towards upliftment of Schedule castes and Schedule tribe communities are

classified under 4Es, viz. Education, Employability, Employment and Entrepreneurship. These initiatives are implemented based on the needs identified after discussions with local NGOs, School and College Principals: They also address the government's expectations on Affirmative Action (AA) and CII agenda.

TPDDL bagged the Tata Affirmative Action Protocol (TAAP) 'Serious Adoption' award 2011 for excellence in its Affirmative Action Programme across the Tata Group. TPDDL has been bestowed this honour for the second year in succession.

TPDDL's innovative processes of integrating Corporate Sustainability initiatives with its Loss Reduction Strategy have also been recognised as Promising Innovation (under Support Processes) in Tata Innovista 2012, the apex forum for recognition of innovations carried out in various diverse areas across the Tata Group.

TPDDL's practice on supporting Education for SC/ ST communities has also been recognised as a "Best Practice in Education" amongst Tata Group companies.

UN Global Compact

TPDDL is a signatory to United Nations Global Compact and is now a part of a group of 5300 organizations worldwide. TPDDL is committed to upholding the 10 principles in the areas of Human Rights, Labour, Environment & Anti-Corruption. Communication on progress of the activities carried out in this area is annually uploaded on UNGC website.

SA-8000 Certification: TPDDL is the only Indian Utility to be certified for SA-8000, an international standard for social accountability. After initial certification in 2009, the certification was renewed during the year based on



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surveillance audit by DNV, an internationally certified auditor for the SA-8000 certification. In order to address Social & Environmental

challenges, TPDDL continues to strive to identify areas where it can make a difference.



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AWARDS AND RECOGNITIONS

Various awards and recognitions have been bestowed on the Company and Company executives during the period under review. Some of the awards and recognitions received by the Company and its officers are as under:

S. No	Award	Bestowed by	Venue	Remarks
1	Asia's Best Employer Brand Awards - 2011	Employer Branding Institute, along with Stars of the Industry Group & World HRD Congress	6th Employer Branding Awards 2011-12 at the International Convention & Exhibition centre in Suntec, Singapore	Asia's Best Employer Brand Awards - 2011 for 'Talent Management' (Organizational Category).
2	Asia's Best Employer Brand Awards - 2011 for 'Excellence in Training'	Employer Branding Institute, along with Stars of the Industry Group & World HRD Congress	The International Convention & Exhibition centre in Suntec, Singapore.	The aim of the awards is to recognize the best employer brand, benchmarking talent and HR practices
3	Utility of the year	Aslan Power	Singapore	Awarded for significant contribution to Power distribution Sector through transformation of ailing utility into consumer centric, value driven organization while achieving unprecedented AT& C-loss reduction
4	Best Performing Utility (Urban)-Enertia Award	Falcon Media Group	Mumbai	Recognition for TPDDL's commendable performance, being the most Reliable Urban Utility in the National Capital Region (NCR).
5	Research and Technology	India Power Awards	New Delhi	Outage Management System
6	Utility of the year	India Power Awards	New Delhi	Overall performance
7	CEO of the year	India Power Awards	New Delhi	Leadership
8	Diamond Edge Award 2011 for AMR Data Analysis (AMRDA) Software	Information Week Magazine & UBM India	Mumbai	EDGE Award is being given based on Innovation, Originality, Uniqueness & Complexity of the project by use of Technology to create the maximum business impact. AMRDA project is one among the top five winners of Diamond EDGE Award. Out of the total of 270 projects, top five projects were selected for Diamond Award, next 15 projects for Silver Award and next 156 projects for EDGE Award.
9	TAAP Plaque	Tata Group	Hyderabad	Serious adoption and Best Practice in Education
10	Best in-house News Magazine	Indy's Awards	Mumbai	The Indy's awards are communication industry's leading awards and recognize the best work in the field of Corporate & Marketing Communications, Branding, Advertising and Public Relations.



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CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

TPDDL Energy Club Movement:- Energy Conservation Program

The TPDDL Energy Club Movement encourages school children to learn the message of Energy conservation and disseminate the learning to their friends/ neighbors/ parents during vacations.

TPDDL Energy Club was started as a pilot project in 2004 with 5 schools which has now swelled to 190 schools (140 Govt. + 50 Private). Since then Ten Lakh children and adults in North and North West of Delhi have been sensitized on the need and ways and means of energy conservation. Issues of Climate Change, Safety and Water conservation have also been included as part of TPDDL Energy Club sensitization program. Children and youth as ambassadors of positive social change have been involved in two basic projects i.e. PROJECT CONSERVE (for conserving electricity) and PROJECT NEST (Neighbourhood Energy Sensitization Task), in their designated schools as part of the TPDDL Energy Club. These efforts have helped in saving around seven lac units of electricity each in phase IV and V of sensitization plan.

CORPORATE GOVERNANCE

The Company is committed to following the principles and practices of good Corporate Governance. A separate voluntary statement on Corporate Governance is annexed to and forms part of the Directors' Report.

AUDITORS' REPORT

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.

FOREIGN EXCHANGE EARNINGS & OUTGO

During the financial year under review, the Company earned Rs. 14.84 lacs (previous year Rs. 9.07 lacs) in foreign exchange from consultancy services. The foreign exchange outflow during the financial year was Rs 52.01 lacs (previous year Rs. 126.52 Lacs) on account of import of Capital goods, Rs. 0.77 lacs (previous year Rs. 14.13 lacs) on account of foreign consultancy expenses and Rs.33.98 lacs (previous year Rs. 30.04 lacs) on account of foreign travel.

DEPOSITS

The Company did not accept any deposits during the year.

PARTICULARS OF EMPLOYEES

Statement under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Amendment Rules, 2011 is annexed hereto and forms part of the report.

WHOLLY OWNED SUBSIDIARY

NDPL Infra Limited: Wholly owned subsidiary of TPDDL namely NDPL Infra Limited was incorporated on 23rd August, 2011 with an Authorised Share Capital of Rs. 1,00,00,000/- (Rupees One Crore only) and the initial paid up share capital of Rs. 5,00,000/- (Rupees Five Lakhs only) with an objective of carrying on businesses other than the licensed businesses of TPDDL.

The Company received its Certificate of Commencement of Business on 16th September, 2011. The documents of NDPL Infra Limited pursuant to Section 212 of the Companies Act, 1956 are annexed and form part of this Annual Report.



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Transfer of streetlighting business:

The Board in its meeting held on 3rd February, 2012, approved the transfer of the existing street light maintenance work of Tata Power Delhi Distribution Limited together with associated manpower and assets pertaining to Street Light Group to NDPL Infra Limited subject to any approvals that may be required from the Govt./ DERC/ Street Light owning Agencies, etc.

Financial Highlights: NDPL Infra Limited earned revenues of Rs 687760/- from 23rd August 2011 to 31st March, 2012. Resultant profit before tax (PBT) was Rs. 4875/- from 23rd August 2011 to 31st March, 2012. The Profit after tax (PAT) from 23rd August 2011 to 31st March, 2012 was Rs. 3375/-.

DIRECTORS

Delhi Power Company Limited (DPCL) vide its letter No. F 17/DPCL/CS/2011-12/55 dated 4th November, 2011 had nominated Mr. Parimal Rai, Principal Secretary, Power, GoNCTD, nominee of Delhi Power Company Limited as an Additional Director on the Board of the Company w.e.f. 12th November, 2011. By the same letter it also withdrew the nomination of Mr. Arvind Ray, Principal Secretary, Home, GoNCTD from the Board of TPDDL.

Mr. Praveer Sinha was appointed as an Additional Director w.e.f. 1st March, 2012. He has also been appointed as Chief Executive Officer & Executive Director w.e.f. 1st March, 2012. Mr. Sunil Wadhwa, Managing Director of the Company stepped down as Director w.e.f. 30th March, 2012.

Delhi Power Company Limited (DPCL) vide its letter No. F 17/DPCL/CS 2012-13/17 dated 18th June, 2012 had nominated Mr. Shakti Sinha, Principal

Secretary, Power, GoNCTD, nominee of Delhi Power Company Limited as an Additional Director on the Board of the Company w.e.f. 22nd June, 2012. By the same letter it also withdrew the nomination of Mr. Parimal Rai, Principal Secretary, Power, GoNCTD from the Board of TPDDL.

The Board places on record its appreciation of the valuable contribution made by the outgoing Directors as members of the Board and welcomes the new Directors on the Board.

The Company has received notices as per Section 257 of the Companies Act, 1956 from shareholders proposing the name of Mr. Praveer Sinha and Mr. Shakti Sinha for their appointment for the office of Director at the forthcoming Annual General Meeting.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company, Mr. P.K.Tripathi, Mr. S. Padmanabhan and Mr. Anil Sardana retire by rotation and are eligible for reappointment.

None of the Company's Directors are disqualified from being appointed as Directors as specified in Section 274 of the Companies Act, 1956.

AUDITORS

Messrs Deloitte Haskins & Sells, the Company's Statutory Auditors, (Firm Registration No. 015125N) will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. They have, pursuant to Section 224 (1B) of the Companies Act, 1956, furnished a certificate regarding their eligibility for re-appointment as the Auditors of the Company. Their appointment, if made, will have to be by way of a Special Resolution of the Members as



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required under Section 224A of the Companies Act, 1956.

COST AUDIT

As per the requirements of the Central Government and pursuant to Section 233B of the Companies Act, 1956, the Company carries out an audit of the Cost Accounts relating to Electricity every year since 2006. Subject to the approval of the Central Government and based on the recommendation of the Audit Committee, the Board of Directors of the Company have appointed M/s Ramanath Iyer & Company, Cost Accountants, (Firm Registration No. 00019) to audit the cost accounts relating to electricity for FY 2012-13. They have, pursuant to Section 224 (1B) of the Companies Act, 1956, furnished a certificate regarding their eligibility for re-appointment as the Cost Auditors of the Company.

As per the Companies (Cost Audit Report) Rules, 2011, the Cost Auditor is required to forward their report to the Central Government within 180 days from the close of the financial year to which the report relates. Cost Audit Report for the Financial Year ended 31st March, 2011 was to be filed with the Central Government by 30th September, 2011 and it was filed with Central Govt., Ministry of Corporate Affairs on 12th September, 2011.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to all material departures;

- ii. they have, in the selection of the accounting policies, consulted the Statutory Auditors and have 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 and Loss of the Company for that period;
- iii. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv. they have prepared the accounts for the year ended 31st March, 2012 on a 'going concern' basis.

ACKNOWLEDGEMENT

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
Sd/-

Delhi,
22nd June, 2012

Adi J. Engineer
Chairman



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ANNEXURE 1 TO THE DIRECTORS' REPORT

Disclosure under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

- (A) Conservation of Energy: N.A.
- (B) Technology Absorption: As below
- (C) Foreign Exchange Earnings and Outgo:

(i) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans: N.A.

(ii) Total Foreign Exchange used & earned:

During the financial year under review, the Company has earned Rs. 14.84 lacs (previous year Rs. 9.07 lacs) in foreign exchange from consultancy services. The foreign exchange outflow during the financial year was Rs 52.01 lacs (previous year Rs. 126.52 Lacs) on account of import of Capital goods, Rs. 0.77 lacs (previous year Rs. 14.13 lacs) on account of foreign consultancy expenses and Rs.33.98 lacs (previous year Rs. 30.04 lacs) on account of foreign travel.

FORM 'B' RESEARCH AND DEVELOPMENT (R&D)

1. Specific areas in which R&D was carried out by the Company.

- (a) Intelligent Modems Installed at Distribution Transformers at 198 nos. of locations. DT (Distribution Transformer) health is being monitored.

Further improvisation can help in obtaining the data regarding sub-station status.

(b) Installation of wedge connectors pan TPDDL on O/H lines jumper and substation equipment for reduction in tripping and technical losses.

(c) Installation of HVDS insulating kits.

(d) Signature analysis of U/G cables.

(e) RF ID (Radio Frequency Identification) Markers for cable joints of Power Cables.

(f) Thermo vision Camera used for Condition based maintenance through hot spot analysis of DTs (Distribution Transformers) for reduction in DT failure and reliability improvement-Total DTs hot spot analysis done- 11110 Nos.

(g) Installation of Armor Cast Kits on LT bushings of DTs (Distribution Transformers) for arresting power theft- Total Amor Cast kits installed-180 Nos.

(h) Installation of Polymeric type DD (drop down) units for reduction in trippings and improving reliability- total polymeric DD (drop down) units installed- 4240 Nos.

(i) GPRS based data logger installed to curb equipments theft in remote /theft prone area-10 Nos.

(j) HT-ABC (high tension-aerial bunched conductor) got developed for higher fault current withstand capacity increased from 0.25 KA (kilo-ampere) and 1KA (kilo-ampere) to 10 KA (kilo-ampere) for reduction in trippings and system reliability improvement- Total cable installed-60 KM.



TATA POWER-DDL

2 Benefits derived as a result of the above R&D:

- (a) Modem installation has resulted in Reduction in DT Meter downtime and improved system reliability.
- (b) Reduction in high hot spots on jumper points, Jumper parting, technical losses on 11 KV O/H feeders.
- (c) Reduction in tripping due to Birdage/ Animal electrocution. Also strengthened equipment safety.
- (d) Accurate identification of sick cable length has reduced replacement cost and also ensured reliability of underground network.
- (e) TPDDL has been able to locate the route & joints in the cable without digging.
- (f) Condition Based Maintenance through hot spot analysis has resulted in DT failure rate reduction & improved system reliability.
- (g) Reduction in power theft in remote area, improved system reliability.
- (h) Reduction in 11 KV tripping due to breakage of old type DD units & improved system reliability.
- (i) Generating SMS and sending alerts has resulted into curbing asset theft and has strengthened surveillance on electrical equipments.
- (j) Improved system reliability by reducing 11 KV trippings. Also, has minimized safety hazards.

FOREIGN EXCHANGE EARNINGS & OUTGO

During the financial year under review, the Company has earned Rs. 14.84 lacs (previous year Rs. 9.07 lacs)

in foreign exchange from consultancy services. The foreign exchange outflow during the financial year was Rs 52.01 lacs (previous year Rs. 126.52 Lacs) on account of import of Capital goods, Rs. 0.77 lacs (previous year Rs. 14.13 lacs) on account of foreign consultancy expenses and Rs.33.98 lacs (previous year Rs. 30.04 lacs) on account of foreign travel.

3. Expenditure on R&D:

- (a) Capital Expenditure: Rs. 52071101/-
- (b) Recurring Expenditure: Rs. 36,000/- p.a.
- (c) Total Expenditure: 52107101/-
- (d) Total R & D expenditure as a percentage of total turnover : 0.14%

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. Efforts, in brief, made towards Technology Absorption, Adaptation and Innovation:
 - (a) Implementation of Dispensary Information management System
 - (b) Launched e-SLA - e-Governance Portal for consumers
 - (c) Launch of Online PDP: to automate the process of training need identification and development for employees.
 - (d) Launch of Career Portal: on TPDDL's web site to help prospective candidates to apply against various vacancies in TPDDL.
 - (e) Payment of electricity bill by Credit Cards through IVRS process from Mobile/Landline phone.
 - (f) ATPM through GPRS Technology
 - (g) Launch of Gyan Sarita Knowledge Management Portal for Senior Management for Sharing of key take away of meetings and conferences to



TATA POWER-DDL

- bring each other on common level of awareness
- (h) Implementation of Executive Information System (EIS) for CEG, PE&C & Projects Execution departments, for monitoring & tracking of projects
 - (i) Enhanced Material Indent Process for Projects
 - (j) SAP infrastructure stabilization through asset sweating
 - (k) SAP replication at SDC
 - (l) Data Archival Policy
 - (m) Blackberry Enterprise Express
 - (n) Data Security at SDC through Websense, checkpoint & ISA
 - (o) Introduction of NIDS on Power Transformers
 - (p) Concept of Online analysis & monitoring of OTI/WTI of power Transformers
 - (q) Concept of Green Grid.

Benefits derived as a result of the above efforts:

- Implementation of Dispensary Information management System - patients medical diagnosis and Doctor's prescription details will be printed on Medical Prescription Card [MPC] through the system similar to a bank's passbook thereby enabling employees and their dependents to take treatment across all dispensaries
- Prescribe alerts to Doctors on medicines to which a patient is allergic
- Monitoring of medicines stock and their expiry dates
- (B.) Launched e-SLA - e-Governance Portal for consumers: It is a customer friendly portal created by Delhi Govt. where up to date information and status of all requests pertaining to new connections and Load enhancement / load reduction can be viewed by domestic consumers. The data in this

- portal is automatically updated from SAP-ISU. To ensure that no request crosses defined SLA time lines as defined in the citizen charter, auto generated escalation mails goes up to three levels
- (C). Launch of Online PDP:
 - Early completion of PDP cycle
 - Speedy actualization of competency based trainings to employees
 - Help GENPEID in framing Training Calendar
 - (D). Launch of Career Portal:
 - This portal will help HR to extract relevant CV's of candidates matching with the profiles more expeditiously
 - Repository of all online applications
 - (E). Payment of electricity bill by Credit Cards through IVRS process from Mobile/Landline phone.
 - (F). ATPM through GPRS Technology Will help installation of Any Time Payment Machines at locations where LAN connectivity is not cost viable e.g. Alipur, Gopinath Bazar etc
 - (G). Launch of Gyan Sarita
 - Upload Documents w.r.t. learning from meeting / conferences
 - Discussion forum
 - Contains picture library, media coverage and other website links which users may access as and when needed
 - (H). Implementation of Executive Information System (EIS) for CEG, PE&C & Projects Execution departments, for monitoring & tracking of projects:
 - To reduce project overall cycle time
 - Capacity leveling within the groups
 - Summarized presentation of capitalization & CWIP figures



TATA POWER-DDL

- Budget vs. actual variance
- (I). Enhanced Material Indent Process for Projects:
 - Budget availability check during material request creation.
 - Automatic alternate material code suggestion to reduce slow moving & non-moving stocks
- (J). SAP infrastructure stabilization
 - Improved SAP performance through asset sweating
 - Increase SAP stability and availability by minimizing infrastructure changes
- (K). SAP replication at Secondary Data center (SDC)
 - Minimizing risk of impact of incidents
 - Improved RTO and RPO by SDC replication
 - Reduced downtime for planned activities
- (L). Data Archival Policy
 - Reduced Backup and Restore time
 - Improved system response
 - Reduced database administration cost
 - Reduced downtime for system upgrade
- (M). Blackberry Enterprise Express
 - Wirelessly synchronization of email, calendar, contacts, notes and tasks
 - Manage email folders and search email on mail server remotely
 - Edit Microsoft Word, Excel and PowerPoint files using "Documents To Go"
 - Use mobile applications to access business systems behind the firewall
 - Over 35 IT controls and policies, including the ability to remotely access a smartphone and enforce and reset passwords
- (N). Data Security at SDC through Websense, checkpoint, ISA
 - Enables granular policy definitions with seamless integration with Active Directory
- Secured Remote Access for the Distributed Business
- Filter Employee Internet Access using Websense's database of more than 9 million blocked web sites
- Increase productivity and Conserve Internet bandwidth by limiting /blocking Advertisements, Freeware/ Software Download, IM / Instant Messaging, Online Brokerage & Trading, Internet Radio & TV, etc.
- Secure network by blocking access to web sites infected with malware
- Secure ID authentication for Web Proxy clients
- Firewall-generated forms for authentication
- (O). Implementation of NIDS on Power transformers - Power transformers are considered as the most critical equipment in Grid Substations because of the large quantity of oil in contact with high voltage elements. Fire protection systems are being installed in all transformers.
- (P). Concept of on-line analysis and monitoring of OTI/WTI of Power Transformers to enhance reliability and availability of equipment.
- (Q). Concept of GREEN Grid - In view of fast changing global climate and increased global warming, it has become necessary to take measures for protection of environment and reducing green-house gasemissions. There is an urgent need to adopt new techniques for reducing and meeting energy requirements. Efforts are on to reduce energy consumption by installing energy efficient equipment. TPDDL being a responsible



TATA POWER-DDL

organization has taken up this challenge and steps were taken to use renewable energy (solar power) for meeting part of its energy requirements buying

environment friendly equipment and by adopting environment friendly processes.

III. Following is the information of imported technology (imported during the last 5 years reckoned from the beginning of the financial year):

(a)	(b)	(c)	(d)
Technology Imported	Year of Import	Has technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action
Distribution Reliability Assessment tools "DRAKE" "CYMEDIST" "PSAF"	2008 2005 2005	Fully absorbed	N.A.
SCADA/DMS- Supervisory Control and Data Acquisitions/ Distribution Management System (Siemen's)	2006	Fully absorbed	N.A.
Geographic Information System (GE-Small world)	2006	Fully absorbed	N.A.
SAP- Enterprise Resource Planning (PS,MM,FICO,HR, AM,BW,SEM)	2005	Fully absorbed	N.A.
OMS - Outage Management System (GE Power)	2009	Under Implementation	This new technology is under absorption from May'11 and shall be fully absorbed by Jun'12
SAP - Industry Solution for Utilities (SAP-ISU)	2011	Fully absorbed	N.A.

On behalf of the Board of Directors
Sd/-
Adl J. Engineer
Chairman

Delhi, 22nd June, 2012

AUDITORS' REPORT

TO THE MEMBERS OF TATA POWER DELHI DISTRIBUTION LIMITED (FORMERLY NORTH DELHI POWER LIMITED)

1. We have audited the attached Balance Sheet of **Tata Power Delhi Distribution Limited (formerly North Delhi Power Limited)** ('the Company'), as at 31 March, 2012, Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;



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- e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
 - ii. in the case of Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors, as at 31 March, 2012, taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2012, from being appointed as a director in terms of Section 274 (1)(g) of the Companies Act, 1956.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 015125N)

Alka Chadha

Alka Chadha
Partner

(Membership No. 93474)



NEW DELHI, 4 May, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- i. Having regard to the nature of the Company's business/activities/result, clause 4(xiii) of the Order is not applicable.
- ii. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. The Company has a programme of physically verifying all its fixed assets in a phased manner designed to cover all assets 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 business. In accordance with this programme, the Management had carried out a physical verification of fixed assets at some locations during the year and according to the explanations given to us no material discrepancies were noticed on such verification.
 - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- iii. In respect of its inventories:
 - a. As explained to us, inventory in the Company's possession has been physically verified by the Management at reasonable intervals.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iv. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- v. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for sale of services. The Company's operations did not give rise to sale of goods during the current year. During the course of our audit, we have not observed any major weakness in such internal control system.



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- vi. Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with companies, firms or other parties which need to be listed in the register maintained under Section 301 of the Companies Act, 1956.
- vii. The Company has not accepted any deposits from the public, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- viii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.
- ix. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- x. According to the information and explanations given to us in respect of statutory dues:
 - a. the Company has been generally regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

The operations of the Company during the year did not give rise to Investor Education and Protection Fund and Excise Duty.

- b. there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2012 for a period of more than six months from the date they became payable.

The operations of the Company during the year did not give rise to Investor Education and Protection Fund and Excise Duty.

- c. details of dues of Income Tax which have not been deposited as on 31 March, 2012 on account of disputes are given below:



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Statute	Nature of Dues	Forum where Dispute is pending	Period to which amount relates	Amount (Rs. /lacs)
Income Tax Act, 1961	Penalty Imposed under section 271(1)(c).	Commissioner of Income Tax (Appeals)	2002-03	310.65
Income Tax Act, 1961	Disallowance of unpaid energy tax, provision for bad and doubtful debts and depreciation.	Commissioner of Income Tax (Appeals)	2003-04	16.69
Income Tax Act, 1961	Penalty imposed under section 271(1)(c).	Commissioner of Income Tax (Appeals)	2005-06	1,893.04
Income Tax Act, 1961	Derecognition of revenue and disallowance of expenses.	Commissioner of Income Tax (Appeals)	2006-07	948.35
Income Tax Act, 1961	Demand of interest on short deduction of TDS on open excess charges and tax on interest income. Penalty imposed under section 271(1)(c) and under section 271(1)(b).	Commissioner of Income Tax (Appeals)	2007-08	171.84
Income Tax Act, 1961	Demand of interest on short deduction of TDS on open excess charges and on late deposit of TDS. Demand on derecognition of revenue and disallowance of expenses.	Commissioner of Income Tax (Appeals)	2008-09	1,151.78

According to the information and explanations given to us, there were no dues in respect of Sales Tax, Wealth Tax, Service Tax, Customs Duty and Cess which had not been deposited as on 31 March, 2012 on account of any disputes.

The Company's operations do not give rise to any Excise duty.

- xi. The Company does not have any accumulated losses nor has incurred any cash losses during the current and the immediately preceding financial year.
- xii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial Institutions. The Company has not issued any debentures.



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- xiii. In our opinion and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xli) of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us the Company is not dealing in shares, securities and debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
- xvi. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the term loans raised by the Company have been applied for the purpose for which these were obtained.
- xvii. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, as at 31 March, 2012, we report that funds raised on short term basis aggregating to Rs. 64,121.51 lacs have been used during the year for funding of long term assets comprising tariff recoverable account.
- xviii. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures during the period covered by our audit report. Accordingly, the provisions of clause (xix) of the Order are not applicable to the Company.
- xx. The Company has not raised any money by way of public issue during the year.



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Haskins & Sells**

xxi. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 015125N)



Alka Chadha
Partner
(Membership No. 93474)



NEW DELHI, 4 May, 2012

TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
BALANCE SHEET AS AT 31 MARCH, 2012

	Note No.	As at 31.03.2012 Rs./Lacs	As at 31.03.2011 Rs./Lacs
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	55,200.00	55,200.00
(b) Reserves and surplus	4	<u>134,514.81</u>	<u>100,649.88</u>
		<u>189,714.81</u>	<u>155,849.88</u>
(2) Capital grants	5	939.69	723.06
(3) Consumer contribution for capital works (CCCW)	6	33,730.26	31,791.95
(4) Non-current liabilities			
(a) Long-term borrowings	7	303,504.32	163,024.41
(b) Deferred tax liabilities (Net) Less: Adjustable in future tariff	8	<u>27,934.42</u>	<u>22,653.09</u>
		<u>27,934.42</u>	<u>22,653.09</u>
(c) Other long term liabilities	9	68,212.06	45,736.73
(d) Long-term provisions	10	<u>1,281.81</u>	<u>954.76</u>
		<u>372,998.19</u>	<u>209,715.90</u>
(5) Current liabilities			
(a) Short-term borrowings	11	41,216.13	56,277.02
(b) Trade payables	12	52,033.99	51,743.73
(c) Other current liabilities	13	65,392.01	40,966.99
(d) Short-term provisions	14	<u>2,172.34</u>	<u>327.61</u>
		<u>160,814.47</u>	<u>149,315.35</u>
TOTAL		<u>758,197.42</u>	<u>547,396.14</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	15		
Tangible assets		266,555.35	235,461.34
Intangible assets		2,754.96	1,666.11
Capital work-in-progress		29,190.75	39,761.68
(b) Non-current investments	16	753.94	1,925.54
(c) Long-term loans and advances	17	12,907.63	8,045.72
(d) Other non-current assets	18	<u>395,369.00</u>	<u>217,206.00</u>
		<u>707,531.63</u>	<u>504,066.39</u>
(2) Current assets			
(a) Current Investments	19	1,157.14	-
(b) Inventories	20	1,252.28	1,521.56
(c) Trade receivables	21	10,860.34	11,863.62
(d) Cash and cash equivalents	22	10,375.54	8,204.16
(e) Short-term loans and advances	23	5,474.18	6,791.77
(f) Other current assets	24	<u>21,546.31</u>	<u>14,948.64</u>
		<u>50,665.79</u>	<u>43,329.75</u>
TOTAL		<u>758,197.42</u>	<u>547,396.14</u>

See accompanying notes forming part of financial statements

1 to 42

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha

Alka Chadha
Partner



New Delhi
Date:

04 MAY 2012

For and on behalf of the Board of Directors

Praveer Sinha

Praveer Sinha
CEO & Executive
Director

S. Ramakrishnan

S. Ramakrishnan
Director

Ajay Kalsie

Ajay Kalsie
Company Secretary

New Delhi
Date:

04 MAY 2012

TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2012

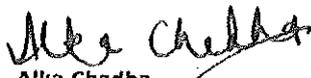
	Note No.	Year ended 31.03.2012 Rs./Lacs	Year ended 31.03.2011 Rs./Lacs
INCOME			
1 Sale of power		356,515.32	295,919.12
Less: energy tax		15,210.32	12,750.83
2 Other operating Income	26	14,419.75	13,090.71
3 Revenue from operations		<u>355,724.75</u>	<u>296,259.00</u>
4 Other income	27	1,670.68	392.02
5 Total income excluding income recoverable from future tariff		<u>357,395.43</u>	<u>296,651.02</u>
EXPENSES			
6 Fuel cost	28	13,692.51	1,797.97
7 Cost of power purchased (net) (excludes own generation)	29	381,021.85	308,970.80
8 Employee benefit expenses	30	28,354.56	23,635.18
9 Finance costs	31	34,911.69	17,284.32
10 Depreciation and amortisation expense	15	15,933.48	13,091.59
11 Other expenses	32	18,851.54	15,512.58
12 Total		<u>492,765.63</u>	<u>380,292.44</u>
LOSS BEFORE INCOME RECOVERABLE FROM FUTURE TARIFF		(135,370.20)	(83,641.42)
13 Income recoverable from future tariff	33	178,163.00	115,643.00
PROFIT BEFORE TAX		42,792.80	32,001.58
14 Tax expense			
- Current tax	34	8,927.87	6,183.54
- Deferred tax	8		
Provision for the current year		5,281.33	4,275.35
Less: Adjustable in future tariff		(5,281.33)	(4,275.35)
PROFIT AFTER TAX		<u>33,864.93</u>	<u>25,818.04</u>
Basic and Diluted Earnings per share (Rs.)	35	6.13	4.68

See accompanying notes forming part of financial statements

1 to 42

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

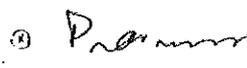

Alka Chadha
Partner

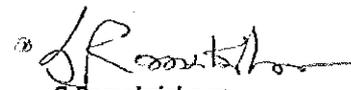


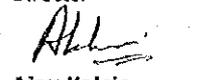
New Delhi
Date:

04 MAY 2012

For and on behalf of the Board of Directors


Praveer Sinha
CEO & Executive
Director


S. Ramakrishnan
Director


Ajay Kalsie
Company Secretary

New Delhi
Date:

04 MAY 2012

TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2012

	Year ended 31.03.2012 Rs./Lacs	Year ended 31.03.2011 Rs./Lacs
A. Cash flow from Operating Activities		
Net profit before tax	42,792.80	32,001.58
Adjustments for :		
Depreciation and amortisation	15,933.48	13,091.59
Finance costs	34,911.69	17,284.32
Interest Income	(509.83)	(277.85)
Net gain on sale of current investments (non-trade)	(630.84)	(2.39)
Loss on sale / retirement of assets	4.35	861.00
Transfer of capital grants / CCCW	(1,445.93)	(1,238.91)
Obsolete inventory written off / provision for obsolete inventory	108.51	14.61
Bad Debts written off	3.97	102.32
Provision for doubtful debts / advances	1,001.27	-
Provision for doubtful debts / advances (written back)	-	(1,618.01)
Operating profit before working capital changes	<u>92,169.47</u>	<u>60,218.26</u>
Changes in working capital:		
Adjustments for (Increase) / decrease in operating assets:		
Inventories	160.77	(442.91)
Trade receivables	(318.63)	(4,288.80)
Short term loans and advances	339.41	6,756.00
Long term loans and advances	(4,133.34)	(668.41)
Other non current assets	(178,163.00)	(115,643.00)
Other current assets	(6,631.14)	1,055.43
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	290.26	12,564.60
Other current liabilities	1,610.36	1,410.94
Other long term liabilities	13,051.97	9,132.51
Short term provisions	132.73	81.80
Long term provisions	327.05	274.52
Cash generated from operations	<u>(81,164.09)</u>	<u>(29,549.05)</u>
Taxes paid (including tax deducted at source)	<u>(6,237.69)</u>	<u>(5,374.39)</u>
Net Cash used in Operating Activities	(A) <u>(87,401.78)</u>	(34,923.44)
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(39,366.87)	(58,293.74)
Proceeds from sale of fixed assets	737.70	1,046.48
Interest received	562.78	316.06
Investment in subsidiary	(5.00)	-
Purchase of current investments	(225,524.17)	(5,750.00)
Sale of current investments	226,155.01	5,752.39
Net Cash used in Investing Activities	(B) <u>(37,440.55)</u>	(56,928.81)
C. Cash Flow from Financing Activities		
Interest paid on long term loans	(14,992.89)	(10,319.05)
Interest paid on short term loans	(17,918.68)	(5,144.80)
Interest paid on consumer security deposits	(2,166.20)	(1,839.39)
Proceeds of short term loans	40,000.00	118,500.00
Repayments of short term loans	(51,000.00)	(44,500.00)
(Repayments)/proceeds from cash credit accounts	(4,060.89)	(638.54)
Proceeds of long term loans	202,500.00	40,000.00
Repayments of long term loans	(38,123.92)	(13,863.94)
Proceeds from capital grants/CCCW	3,600.87	5,509.36
Consumers' security deposits	9,175.42	4,081.51
Net Cash from Financing Activities	(C) <u>127,013.71</u>	91,785.15
Net increase in Cash and Cash Equivalents	(A+B+C) <u>2,171.38</u>	(67.10)
Cash and cash equivalents at the beginning of the year	8,204.16	8,271.26
Cash and cash equivalents at the end of the year (See note 22)	<u>10,375.54</u>	<u>8,204.16</u>

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

Alka Chadha

Alka Chadha
Partner



New Delhi

Date: 04 MAY 2012

For and on behalf of the Board of Directors

Praveer Sinha *S. Ramakrishnan*

Praveer Sinha
CEO & Executive
Director

S. Ramakrishnan
Director

Ajay Kalsie
Ajay Kalsie
Company Secretary

New Delhi

Date: 04 MAY 2012

TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1

Background

Tata Power Delhi Distribution Limited (TPDDL) (Formerly North Delhi Power Limited) 'The Company' primarily engaged in the business of distribution of electricity in North and North-West Delhi 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 together 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. During the year the Company applied for change in its name from North Delhi Power Limited to Tata Power Delhi Distribution Limited. Subsequently, a fresh certificate of incorporation consequent to the change in name to Tata Power Delhi Distribution Limited ('the Company') was issued by the Registrar of Companies, N.C.T of Delhi & Haryana on 29 November, 2011 under section 23(1) of the Companies Act, 1956.

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 1 July, 2002 to the date of grant of License, TPDDL was a deemed Licensee.

NOTE 2

Significant Accounting Policies

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ('GAAP') in India and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, and in accordance with the provisions of the Companies Act, 1956. 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 they are inconsistent with the provisions of the Companies Act, 1956. The significant accounting policies are as follows:

a. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India requires the Management to make estimates and assumptions that affect the reporting balances of assets and liabilities including disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. Contingencies are recorded when it is probable that a liability may be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates.

b. Fixed assets and depreciation

- i. All fixed assets are stated at cost. Cost includes its purchase price and any attributable cost of bringing the assets to their working condition for their intended use.
- ii. Assets transferred from erstwhile DVB are stated at the transaction value as notified by the Government of National Territory of Delhi (GNCTD) under the Transfer Scheme. Values assigned to different heads of individual fixed assets as on the date of the transfer i.e. 1 July, 2002 as per an independent technical valuer's estimation.
- iii. Fixed Assets are eliminated from financial statements, either on disposal or when retired from active use or on becoming redundant. Generally, such retired assets are disposed off soon thereafter.
- iv. Depreciation for the year in respect of electricity distribution business fixed assets has been provided on the straight line method. In terms of the order issued by Ministry of Company Affairs (MCA) dated 27 November, 2008 the Company may provide depreciation on assets for which no specific rate of depreciation is mentioned in Schedule XIV of Companies Act, 1956 on the basis of useful life as notified by Central Electricity Regulatory Commission (CERC) vide notification number L-7/25(5)/2003-CERC dated 26 March, 2004 and calculated in a manner which has the effect of writing off by way of depreciation, ninety five percent (95%) of the original cost of each such depreciable asset on the expiry of the specified useful life. The Company had further engaged an independent valuer to validate the life of assets as specified in the CERC notification. Based on the report of the independent valuer the Company has provided depreciation at the rates calculated by taking the life of assets as mentioned in CERC notification or as per independent valuer whichever is lower.

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TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Based on the above, the depreciation rates computed and used for various classes of assets are:

Description of Assets	Rate of Depreciation
Plant and machinery (other than computers, batteries and meters)	3.80% to 6.33%
Transmission lines, cable network	2.71% to 6.33%
Meters	9.50%
Batteries	19.00%
Office Equipment	6.33%

- v. Depreciation for the year in respect of fixed assets used for electricity generation has been provided on straight line method as per rates prescribed in Generation Tariff Regulation of DERC. 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 as determined by an independent valuer. The depreciation has been calculated in a manner which has the effect of depreciating ninety percent (90%) of the original cost of each such depreciable asset on the expiry of the specified useful life. (Also see note 33(e))

Based on the above, the depreciation rates computed and used for various classes of assets are:

Description of Assets	Rate of Depreciation
Building	3.34%
Plant & Machinery (other than computers)	3.80% to 15.83%
Computer	16.21%

- vi. Assets costing less than Rs. 5,000 on which depreciation rate is applicable as per Schedule XIV of Companies Act 1956, are depreciated fully in the year of first use for both distribution and generation business.
- vii. Depreciation in respect of other fixed assets of distribution and generation business in respect of which specific rate of depreciation is mentioned in Schedule XIV of Companies Act, 1956 have been recognised in the Statement of profit and loss at the rate mentioned therein.

c. Accounting for Grants

- i. Grants relating to depreciable fixed assets are treated as deferred income to be recognised in the statement of profit and loss over the useful life of the asset in the proportion in which depreciation on the related assets is charged.
- ii. Grants relating to the revenue are recognised in the statement of profit and loss and are deducted in reporting the related expense.

d. Revenue Recognition

- i. 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 accounting year.
- ii. 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 subject to achievement of Aggregate Technical and Commercial (AT&C) loss reduction 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 as 'Income payable/recoverable from future tariff'.

In respect of power generation, the Company is required to recover fuel cost, and return on equity as stated in Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Generation Tariff) regulations subject to the achievement of prescribed plant load factor.

- iii. 'Late Payment Surcharge' on electricity billed and bills raised for dishonest abstraction of power are recognised, on grounds of prudence, as and when recovered from the consumers.

iv. The amount received from consumers on account of Service Line charges are treated as Income on installation of connection.

e. Inventories

Inventories of stores and spares parts 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.

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TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

f. Foreign currency transactions

Foreign exchange transactions are recorded at the rates of exchange prevailing on the date of the transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the profit and loss account. Foreign currency assets and liabilities denominated in foreign currencies, at the year end are translated into rupees at the year end rates and resultant gains/losses on foreign exchange translations are recognised in the statement of profit and loss.

In respect of forward exchange contracts, the difference between the forward rate and the rate at the inception of a forward contract is recognised as income or expense over the life of the contract. Any income or expense on account of exchange differences either on settlement of the contract or on translation of the unmatured foreign currency contract at the rate prevailing on the date of the Balance Sheet date is recognised in the statement of profit and loss.

g. Employee benefits

A. Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, wages, bonus, performance incentives and leave travel allowance.

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

B. Post-employment benefits

i. Defined Contribution Plans

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.

ii. 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 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 market yields on government securities as at the balance sheet date. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

The Company has taken the group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity. Liability with respect to the gratuity plan is determined based on an actuarial valuation done by an independent actuary at the year end and any differential between the fund amount as per LIC and the actuarial valuation is charged immediately to the statement of profit and loss.

C. Other Long Term Employee Benefits

Employees other than from Erstwhile DVB

Benefits comprising compensated absences 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 year end. Actuarial gains and losses are recognised immediately in the statement of profit and loss.

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TATA POWER DELHI DISTRIBUTION LIMITED
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h. Taxation

Income tax comprises current income tax and deferred tax. Current income tax is measured at the amounts expected to be paid to the tax authorities in accordance with the Income Tax Act 1961.

Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted at the balance sheet date.

Minimum alternative tax (MAT) paid in accordance to 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.

i. Consumer contribution to capital works

Consumer's contribution towards cost of capital assets is treated as capital receipt and credited in current 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.

j. Earnings per share (EPS)

The Company reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings Per Share. Basic earnings per equity share has been computed by dividing net profit after tax and transfer to statutory contingency reserve, if any by the weighted average number of equity shares outstanding for the year. Diluted earnings per share is computed by dividing the net profit for the year by the weighted average number of equity shares during the year as adjusted to the effects of all dilutive potential equity shares, except where results are anti dilutive.

k. Borrowing Cost

Borrowing cost incurred for qualifying assets is capitalised upto 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.

l. Investment

Long term investments are stated at cost, less provision for diminution in value other than temporary, if any. Current investments are stated at lower of cost or fair value at the balance sheet date.

m. Impairment

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Impaired Assets are eliminated from financial statements, either on disposal or when retired from active use or on becoming redundant. Generally, such retired assets are disposed off soon thereafter.

Impairment loss and reversal of the same is recognised immediately in the Statement of profit and loss.

n. Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

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TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31.03.2012</u>	<u>As at</u> <u>31.03.2011</u>
	Rs./Lacs	Rs./Lacs
NOTE 3		
SHARE CAPITAL		
Authorised		
7,500 lacs [Previous year 7,500 lacs] equity shares of Rs. 10 each with voting rights.	<u>75,000.00</u>	<u>75,000.00</u>
Issued, Subscribed and Paid up		
5,520 lacs [Previous year 5,520 lacs] equity shares of Rs.10 each fully paid up with voting rights.	<u>55,200.00</u>	<u>55,200.00</u>
Of the above:		
1. 2,815.20 lacs [Previous year 2,815.20 lacs] i.e. 51% (Previous year 51%) equity shares of Rs. 10 each with voting rights are held by Tata Power Company Limited, the holding company		
2. 2,704.80 lacs [Previous year 2,704.80 lacs] i.e. 49% (Previous year 49%) equity shares of Rs.10 each with voting rights are held by Delhi Power Company Limited		
3. 1,840 lacs [Previous year 1,840 lacs] equity shares of Rs. 10 each with voting rights are allotted as fully paid up bonus shares		
4. The Company has one class of equity shares having a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held.		

NOTE 4

RESERVES AND SURPLUS

(a) General Reserve	5,300.00	5,300.00
(b) Contingency Fund (See note below)	2,053.74	2,053.74
(c) Surplus in Statement of Profit and Loss		
(i) Opening balance	93,296.14	67,478.10
(ii) Add: Additions during the year	<u>33,864.93</u>	<u>25,818.04</u>
(iii) Closing balance	<u>127,161.07</u>	<u>93,296.14</u>
	<u>134,514.81</u>	<u>100,649.88</u>

Note:

Contingency fund represents the transfer of such fund in terms of para IV of the sixth schedule to the Electricity (Supply) Act, 1948. Since Electricity (Supply) Act, 1948 has been repealed and replaced by Electricity Act, 2003 which does not have any such stipulation with regards to contingency fund; no appropriation was made from financial year 2005-06 onwards.

DERC, vide the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 issued on 30 May, 2007, has stipulated that the profits arising from achieving loss levels better (i.e. lower) than specified by the DERC shall be partly retained by the Licensee in addition to the assured returns and balance transferred to the Contingency Fund. Since there is a large Revenue Gap yet to be recovered through future tariff, the Company has given representation to DERC that the consumers' share of over achievement of incentive should be transferred to Contingency Fund only when revenue surplus is determined. Pending outcome of such representation no amount has been transferred to Contingency Fund during the current year.

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31.03.2012</u>	<u>As at</u> <u>31.03.2011</u>
	<u>Rs./Lacs</u>	<u>Rs./Lacs</u>
NOTE 5		
CAPITAL GRANTS		
(i) Opening balance	723.06	698.78
(ii) Add: Additions during the year	257.05	62.41
(iii) Less: Transfer to Statement profit and loss	<u>40.42</u>	<u>38.13</u>
(iv) Closing balance	<u>939.69</u>	<u>723.06</u>
NOTE 6		
CONSUMER CONTRIBUTION FOR CAPITAL WORKS		
(i). Opening balance	31,791.95	27,493.76
(ii) Add: Additions during the year	3,343.82	5,498.97
(iii) Less: Transfer to Statement of profit and loss	<u>1,405.51</u>	<u>1,200.78</u>
(iv) Closing balance	<u>33,730.26</u>	<u>31,791.95</u>
NOTE 7		
LONG-TERM BORROWINGS		
(a) TERM LOANS		
From banks		
(i) Secured		
(a) Industrial Development Bank of India	-	10,208.00
(b) State Bank of Mysore	-	2,850.00
(c) State Bank of Saurashtra	2,250.00	2,850.00
(d) United Bank of India	5,500.00	6,500.00
(e) Punjab & Sind Bank	10,263.12	11,842.08
(f) Dhanlaxmi Bank	8,330.00	9,520.00
(g) Union Bank of India	19,385.93	22,076.00
(h) South Indian Bank	19,000.00	-
(i) Canara Bank	3,500.00	-
(j) Dena Bank	10,500.00	-
(k) Allahabad Bank	<u>21,527.77</u>	<u>14,583.33</u>
	<u>100,256.82</u>	<u>80,429.41</u>
(ii) Unsecured		
(a) Union Bank of India	-	10,000.00
(b) Dena Bank	15,000.00	-
(c) Syndicate Bank	50,000.00	-
(d) Canara bank	60,000.00	-
	<u>125,000.00</u>	<u>10,000.00</u>
TOTAL LONG TERM BORROWINGS FROM BANKS	<u>225,256.82</u>	<u>90,429.41</u>

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TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	As at 31.03.2012 Rs./Lacs	As at 31.03.2011 Rs./Lacs
(b) TERM LOANS		
From other parties		
(i) Secured		
(a) Infrastructure Development Finance Company Limited	55,772.50	31,782.50
(b) Power Finance Corporation Limited	1,100.00	1,500.00
(c) Axis Bank CLSS 7 Trust 2010	8,750.00	10,312.50
	<u>65,622.50</u>	<u>43,595.00</u>
(ii) Unsecured		
(a) Axis Bank CLSS 8 Trust 2010	4,500.00	6,500.00
(b) Axis Bank CLSS 2 Trust 2011	3,125.00	12,500.00
(c) Axis Bank CLSS 15 Trust 2011	5,000.00	10,000.00
	<u>12,625.00</u>	<u>29,000.00</u>
TOTAL LONG TERM BORROWINGS FROM OTHER PARTIES	<u>78,247.50</u>	<u>72,595.00</u>
TOTAL LONG TERM BORROWINGS	<u>303,504.32</u>	<u>163,024.41</u>

NOTES:

TERM LOANS - From banks

(i) Secured

(a) Industrial Development Bank of India

Term loan from Industrial Development Bank of India Limited (IDBI) was secured by first pari-passu charge on all the present and future immovable and movable assets (except book debts), a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (Exclusive to this loan). Repayment of 40% of the loan commenced from 15 January, 2007 and was repayable in 20 quarterly installments. The balance 60% of the loan was repayable in 20 equal quarterly installments from 15 January, 2012. This loan has been short closed in August 2011 on Reset Date.

(b) State Bank of Mysore

Term loan from State Bank of Mysore was secured by first pari-passu charge on all the present and future immovable and movable assets (except book debts), a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (Exclusive to this loan). Repayment of 40% of the loan commenced from 15 January, 2007 and was repayable in 20 equal quarterly installments. The balance 60% of the loan was repayable in 20 equal quarterly installments. This loan has been short closed in July 2011 on reset date.

(c) State Bank of Saurashtra

Term loan from State Bank of Saurashtra at an interest rate of 9.53% per annum (p.a.) is secured by first pari-passu charge on all the present and future immovable and movable assets (except book debts), a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (Exclusive to this loan). Repayment of 40% of the loan had commenced from 15 January, 2007 and will be repaid in 20 equal quarterly installments of Rs. 100 lacs each. The balance 60% of the loan is repayable in 20 equal quarterly installments of Rs. 150 lacs each whose repayment has also commenced from 15 January 2012.

(d) United Bank of India

Term loan from United Bank of India at an interest rate of 9.15% p.a. is secured by first pari passu charge on all the present and future immovable and movable assets (except book debts), intangibles, rights etc. in the project documents, clearances, claims and demands of the Company in any letter of credit/ guarantee, etc., all insurance contracts/ proceeds, and a third pari passu charge over the receivables. The repayment of loan has commenced from 15 October, 2008 and will be repaid in 40 quarterly installments of Rs. 250 lacs each.

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TATA POWER DELHI DISTRIBUTION LIMITED
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(e) Punjab & Sind Bank

Term loan from Punjab & Sind Bank at an interest rate of 9.30% p.a. is secured by first pari-passu charge on all the present and future movable and immovable assets, stores and spares and a third pari-passu charge on the receivables. The repayment of loans has commenced from 15 April 2010 and 15 May 2010 and will be repaid in 38 quarterly installments of Rs. 263.16 lacs and Rs. 131.58 lacs respectively.

(f) Dhanlaxmi Bank

Term loan from Dhanlaxmi Bank at an interest rate of 13.75% p.a. is secured by first pari-passu charge on all the present and future movable and immovable assets, stores and spares and a third pari-passu charge on the receivables. Repayment of 50% of the loan had commenced from 15 April, 2010 and will be repaid in 20 quarterly installments of Rs. 297.50 lacs. The balance 50% of the loan is repayable in 8 equal quarterly installments of Rs. 743.75 lacs each, whose repayment shall commence from 15 April, 2015.

(g) Union Bank of India

The Company has entered into a term loan agreement with Union Bank of India on 5 May, 2010 for Rs. 15,000 lacs at an interest rate of BPLR of Union Bank of India minus 2.75% spread and on 24 March, 2011 for another Rs. 10,000 lacs at an interest rate of 1.75% plus Union Bank of India base rate with reset at every three years on anniversary date at 1.75% plus Union Bank of India base rate at the date of reset. Both the loans are to finance capital expenditure projects/working capital requirements of the Company. The loan of Rs. 15,000 lacs is repayable in 38 quarterly installments of Rs. 394.74 lacs each starting from 15 October, 2010 and loan of Rs. 10,000 lacs is repayable in 36 quarterly installments of Rs. 277.78 lacs each starting from 15 October, 2011. Both the loans are secured by first pari-passu charge on all the present and future movable and immovable fixed assets, stores and spares and a third pari-passu charge on the receivables.

(h) South Indian Bank

The Company has entered into a term loan agreement with South Indian Bank in current financial year for Rs. 30,000 lacs at an interest rate 12% per annum payable monthly (Base Rate 10.50% plus margin 1.50%) to be reset annually. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 24 quarterly installments of Rs. 1,250 lacs each after initial two years moratorium period. The Company has drawn Rs. 19,000 lacs upto 31 March, 2012.

(i) Canara Bank

The Company has entered into a term loan agreement with Canara Bank in current financial year for Rs. 15,000 lacs at an interest rate 11.40% per annum payable monthly (Base Rate 10.75% plus margin 0.65%) to be reset annually. The Company has drawn Rs. 3,500 lacs upto 31 March, 2012. The loan is secured by first pari-passu charge on all the present and future movable and immovable fixed assets, stores and spares and a third pari-passu charge on the receivables and is repayable in 16 quarterly installments of Rs. 937.50 lacs each after initial two years moratorium period.

(j) Dena Bank

The Company has entered into a term loan agreement with Dena Bank in current financial year for Rs. 15,000 lacs at an interest rate 11.00% per annum payable monthly (Base Rate 10.50% plus margin 0.50%) to be reset annually. The loan is secured by first pari-passu charge on all the present and future movable and immovable fixed assets, stores and spares and a third pari-passu charge on the receivables and is repayable in 20 quarterly installments of Rs. 750 lacs each starting from 15 October, 2011.

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TATA POWER DELHI DISTRIBUTION LIMITED
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(k) Allahabad Bank

The Company has entered into term loan agreements with Allahabad Bank:

- I. For Rs. 10,000 lacs at an interest rate of 9.50% with reset at every three years, repayable in 36 quarterly installments of Rs. 277.78 lacs each starting from 15 January, 2012.
- II. For Rs. 15,000 lacs at an interest rate of 10.50% with reset at every three years, repayable in 36 quarterly installments of Rs. 416.67 lacs each starting from 15 March, 2012.

The aforesaid loans are to finance the capital expenditure requirements of the Company and are secured by first pari-passu charge on entire fixed assets, stores and spares and a third pari-passu charge on the receivables.

- (I) Secured loans outstanding from banks amounting Rs. 9,350.00 lacs (Previous Year Rs. 25,716.00 lacs) and from other parties amounting Rs. 33,282.50 lacs (Previous Year Rs. 39,692.50 lacs) have been guaranteed by Tata Power Company Limited (the holding company).

(ii) Unsecured

(a) Union Bank of India

The Company has availed a short term loan of Rs. 10,000 lacs for working capital requirements from Union Bank of India in August, 2010 (Drawn Rs 4,500 lacs on 30 August, 2010 and Rs 5,500 lacs on 31 August, 2010) at interest rate of 9.50% payable monthly. The loan is repayable in two quarterly installments of Rs. 5,000 lacs each starting from 1 June, 2012.

(b) Dena Bank

The Company has been sanctioned a unsecured term loan of Rs. 15,000 lacs during the current year for general corporate purpose from Dena Bank at the fixed interest rate of 11.10% payable monthly with reset option every three years. The loan is repayable in two equal installments of Rs. 7,500 lacs each at the end of 4th and 5th year.

(c) Syndicate Bank

The Company has availed a term loan of Rs. 50,000 lacs during the current year for working capital requirements from Syndicate Bank at interest rate of 11.25% per annum payable monthly for a tenure of two years. The loan is repayable in bullet payment at the end of 2nd year from first disbursement.

(d) Canara Bank

The Company has entered into a term loan agreement with Canara Bank during the current year for Rs. 60,000 lacs at an interest rate 11.55% per annum payable monthly (Base Rate 10.75% plus margin 0.80%) to be reset annually. The loan is repayable in 16 quarterly installments of Rs. 3,750 lacs each after initial two years moratorium period.

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

TERM LOANS - From other parties

(I) Secured

(a) Industrial Development Finance Company Limited (IDFC)

S.No. Repayment Terms	Year end balance (Rs./lacs)
I The Company has entered into a term loan agreement during the previous years for Rs. 27,600 lacs at an interest rate of 11.60% p.a. Repayment of the loan had commenced from 15 October, 2006 and will be repaid in 40 quarterly installments of Rs. 690 lacs each. The loan is secured by first pari-passu charge on all the present and future movable and immovable assets, Intangibles, rights etc. in the project documents, clearances, claims and demands of the Company in any letter of credit/ guarantee etc., all insurance contracts/proceeds, a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (exclusive to this loan).	12,420.00
II The Company has entered into a term loan agreement during the previous years for Rs. 10,000 lacs at an interest rate of 9.65% p.a. Repayment of Rs. 7,000 lacs had commenced from 15 April, 2005 and will be repaid in 40 quarterly installments of Rs. 175 lacs each. Also repayment of Rs. 3,000 lacs had commenced from 15 April, 2006 and will be repaid in 40 quarterly installments of Rs. 75 lacs each. The loan is secured by first pari-passu charge on all the present and future movable and immovable assets, Intangibles, rights etc. in the project documents, clearances, claims and demands of the Company in any letter of credit/ guarantee etc., all insurance contracts/proceeds, a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (exclusive to this loan).	3,300.00
III The Company has entered into term loan agreement during the previous years for Rs. 17,500 lacs at an interest rate of 10.68%. Repayment of the loan had commenced from 15 January, 2009 and will be repaid in 40 quarterly installments of Rs. 437.50 lacs thereafter. The loan is secured by first pari-passu charge on all the present and future movable and immovable assets, Intangibles, rights etc. in the project documents, clearances, claims and demands of the Company in any letter of credit/ guarantee etc., all insurance contracts/proceeds, a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (exclusive to this loan).	11,812.50
IV The Company has entered into term loan agreement during the previous years for Rs. 5,000 lacs at an interest rate 10.10% p.a. Repayment of the loan had commenced from 15 October 2010 and will be repaid in 40 quarterly installments of Rs. 125 lacs each. The loan is secured by first pari-passu charge on all the present and future movable and immovable assets, Intangibles, rights etc. in the project documents, clearances, claims and demands of the Company in any letter of credit/ guarantee etc., all insurance contracts/proceeds, a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (exclusive to this loan).	4,250.00
V The Company has entered into a term loan agreement during the current year for Rs. 30,000 lacs at an interest rate 12% per annum payable monthly (Base Rate 10.50% plus margin 1.50%) to be reset annually. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 24 quarterly installments of Rs. 1250 lacs each after initial 51 months moratorium period.	30,000.00

(b) Power Finance Corporation Limited

Term loan from Power Finance Corporation Limited at an interest rate of 9.00% p.a. is secured by first pari-passu charge on all the present and future movable and immovable assets, stores and spares, intangibles, a third pari-passu charge on the receivables and a first charge on a Debt Service Reserve Account (exclusive to this loan). The repayment of the loan had commenced from 15 January, 2006 and will be repaid in 40 quarterly installments of Rs. 100 lacs each thereafter.

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(c) Axis Bank CLSS 7 Trust 2010

Term loan from Axis Bank CLSS 7 Trust 2010 at an Interest rate of 9.20% p.a. Is secured by first pari-passu charge on all the present and future movable and immovable assets, stores and spares, Intangibles and a third pari-passu charge on the receivables. The loan is repayable in 40 equal quarterly installments of Rs. 312.50 lacs each commencing from 15 July 2010.

(ii) Unsecured

(a) Axis Bank CLSS 8 Trust 2010

Term loan from Axis Bank CLSS 8 Trust 2010 at an interest rate of 9.50% p.a. The repayment of loan availed in FY 2009-10 has commenced from 15 July, 2010 and is repayable in 20 quarterly installments of Rs. 500 lacs each thereafter.

(b) Axis Bank CLSS 2 Trust 2011

The Company has availed term loan of Rs. 12,500 lacs for capital expenditure and general corporate purposes from Kotak Mahindra Prime Limited in April 2010 at interest rate of 9.00% payable monthly. The loan has further been assigned in favor of Axis Bank CLSS 2 Trust 2011 and is repayable in 4 equal quarterly installments of Rs. 3125 lacs each commencing from 13 July, 2012.

(c) Axis Bank CLSS 15 Trust 2011

The Company has availed loan of Rs. 10,000 lacs for general corporate purpose from Kotak Mahindra Prime Limited on 14 July, 2010 at interest rate of 9.50% payable monthly. The loan has further been assigned in favor of Axis Bank CLSS 15 Trust 2011 and is repayable in 4 equal quarterly installments of Rs. 2500 lacs each commencing from 15 October, 2012.

(d) Tata Capital Limited

The Company has availed term loan of Rs. 5,000 lacs for general corporate purpose from Tata Capital Limited on 30 July, 2010 at interest rate of 9.45% payable monthly. The loan is repayable in 3 monthly installments commencing from 1 December, 2011 and same has been repaid during the year

NOTE 8

Deferred Tax (Assets) / Liabilities

- a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- b. Deferred tax liabilities as on 31 March, 2012, as detailed below reflect the quantum of tax liabilities accrued up to 31 March, 2012.

Particulars	Opening	(All amounts in Rs./lacs) Charged/ (Credited) to Statement of Profit and	Closing
Deferred Tax Liabilities			
Tax Impact of difference between carrying amount of fixed assets in the financial statements and the Income tax return	22,653.09	5,281.33	27,934.42
	<u>22,653.09</u>	<u>5,281.33</u>	<u>27,934.42</u>

- c. In accordance with MYT regulations for determination of tariff, deferred tax liability 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 tax that is actually payable and the deferred tax liability as at 31 March, 2012 of Rs. 27,934.42 lacs (Previous Year Rs. 22,653.09 lacs) including deferred tax charge of Rs. 5,281.33 lacs (Previous Year Rs. 4,275.35 lacs) for the year ended 31 March, 2012 has been shown as adjustable from future tariff.

Allen



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	<u>As at</u> <u>31.03.2012</u>	<u>As at</u> <u>31.03.2011</u>
	<u>Rs./Lacs</u>	<u>Rs./Lacs</u>
NOTE 9		
OTHER LONG TERM LIABILITIES		
(a) Trade payables	-	-
(b) Trade deposits and security deposits		
(i) Consumers' security deposit	35,999.54	26,576.18
(ii) Consumers' deposits for works	32,119.80	19,053.78
(iii) Other security deposits	92.72	106.77
(c) Other payables	-	-
	<u>68,212.06</u>	<u>45,736.73</u>
NOTE 10		
LONG TERM PROVISIONS		
(a) Provision for employees benefits	1,281.81	954.76
	<u>1,281.81</u>	<u>954.76</u>
NOTE 11		
SHORT-TERM BORROWINGS		
(a) LOANS REPAYABLE ON DEMAND		
From banks		
(i) Secured		
(a) Cash credit	6,216.13	10,277.02
(b) TERM LOANS		
From banks		
(i) Unsecured		
(a) Punjab National Bank	-	10,000.00
(b) Punjab & Sind Bank	10,000.00	15,000.00
(c) Yes Bank	5,000.00	-
(d) Karnataka Bank Limited	10,000.00	5,000.00
(e) Dena Bank	-	6,000.00
(f) South Indian Bank	-	10,000.00
	<u>31,216.13</u>	<u>56,277.02</u>
From other parties		
(i) Unsecured		
(a) Yes Bank Commercial Paper	10,000.00	-
	<u>10,000.00</u>	<u>-</u>
	<u>41,216.13</u>	<u>56,277.02</u>

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TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTES:

LOANS REPAYABLE ON DEMAND - From Banks

Secured

Cash credit

The Company has availed cash credit limits from consortium of four banks led by State Bank of India. These cash credits are secured by a third charge on receivables and first charge on stores and spares (not relating to plant and machinery) and first pari passu charge on fixed assets.

TERM LOANS - From Banks

(I) Unsecured

(a) Punjab National Bank

The Company has availed a short term loan of Rs. 10,000 lacs for working capital requirements from Punjab National Bank in October, 2010 (Drawn Rs 5,000 lacs on October 29, 2010 and Rs 5,000 lacs on October 30, 2010) at floating interest rate of 0.75 % plus PNB base rate payable monthly. The loan was repayable after twelve months from the date of first disbursement and the same has been repaid during the year.

(b) Punjab & Sind Bank

The Company has availed a short term loan of Rs. 5,000 lacs on February 04, 2011 at interest rate of 11.25% payable monthly and another short term loan of Rs. 10,000 lacs on March 28, 2011 at interest rate of 11.00% for working capital requirements from Punjab & Sind Bank. Both the loans have been repaid during the year after 12 months from the date of respective disbursement.

The Company has availed a short term loan of Rs. 10,000 lacs for working capital requirements from Punjab & Sind Bank on April 29, 2011 at interest rate of 11.25% per annum payable monthly. The loan is repayable after twelve months from the date of first disbursement.

(c) Yes Bank

The Company has availed a short term loan of Rs. 5,000 lacs for working capital requirements from Yes Bank on May 6, 2011 at interest rate of 12.60% per annum payable monthly. The loan is repayable after twelve months from the date of first disbursement.

(d) Karnataka Bank Limited

The Company has availed a short term loan of Rs. 7,000 lacs on May 31, 2011 and Rs. 3,000 lacs on June 03, 2011 for working capital requirements from Karnataka Bank at interest rate of 12.50% per annum payable monthly. The loan is repayable after twelve months from the date of first disbursement.

(e) Dena Bank

The Company had availed a short term loan of Rs. 6,000 lacs for working capital requirements from Dena Bank in October, 2010 (Drawn Rs 2,500 lacs on October 30, 2010 and Rs 3,500 lacs on November 30, 2010) at interest rate of 9.25% payable monthly. The loan was repayable after twelve months from the date of first disbursement and same has been repaid during the year.

(f) South Indian Bank

The Company had availed a short term loan of Rs. 10,000 lacs for working capital requirements from South Indian Bank in February 2011 (Drawn Rs. 5,000 lacs on 10 February, 2011 and Rs. 5,000 lacs on 28 February, 2011) at interest rate of 11.00% payable monthly. The loan is repayable after twelve months from the date of first disbursement and the same has been repaid during the year.

TERM LOANS - From other parties

(i) Unsecured - Yes Bank Commercial Paper

The Company has issued commercial papers at Rs. 8,976.16 lacs, face value Rs. 10,000 lacs to Yes Bank at a discount equivalent of 11.41% per annum on 13 June, 2011. Maturity date of these commercial papers is 12 June, 2012.

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31.03.2012</u>	<u>As at</u> <u>31.03.2011</u>
	<u>Rs./Lacs</u>	<u>Rs./Lacs</u>
NOTE 12		
TRADE PAYABLES		
Other than acceptances (See note below)	<u>52,033.99</u>	<u>51,743.73</u>
	<u>52,033.99</u>	<u>51,743.73</u>
<p>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. 104.08 lacs. (Previous year Rs. 19.12 lacs) and no interest during the year has been paid or payable under the terms of the MSMED Act, 2006. This has been relied upon by the auditors.</p>		
NOTE 13		
OTHER CURRENT LIABILITIES		
(a) Current Maturities Of Long Term Loans		
From banks		
(i) Secured		
(a) Industrial Development Bank of India	-	1,408.00
(b) State Bank of Mysore	-	450.00
(c) State Bank of Saurashtra	600.00	450.00
(d) United Bank of India	1,000.00	1,000.00
(e) Punjab & Sind Bank	1,578.96	1,578.96
(f) Dhanlaxmi Bank	1,190.00	1,190.00
(g) Union Bank of India	2,690.07	2,134.52
(h) Dena Bank	3,000.00	-
(i) Allahabad Bank	<u>2,777.78</u>	<u>416.67</u>
	<u>12,836.81</u>	<u>8,628.15</u>
(ii) Unsecured		
Union Bank of India	10,000.00	-
	<u>10,000.00</u>	<u>-</u>

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	<u>As at</u> <u>31.03.2012</u>	<u>As at</u> <u>31.03.2011</u>
	<u>Rs./Lacs</u>	<u>Rs./Lacs</u>
From other parties		
(i) Secured		
(a) Infrastructure Development Finance Company Limited	6,010.00	6,010.00
(b) Power Finance Corporation Limited	400.00	400.00
(c) Axis Bank CLSS 7 Trust 2010	1,562.50	1,250.00
	<u>7,972.50</u>	<u>7,660.00</u>
(ii) Unsecured		
(a) Axis Bank CLSS 8 Trust 2010	2,000.00	2,000.00
(b) Axis Bank CLSS 2 Trust 2011	9,375.00	-
(c) Axis Bank CLSS 15 Trust 2011	5,000.00	-
(d) Tata Capital Limited		5,000.00
	<u>16,375.00</u>	<u>7,000.00</u>
(b) Interest accrued but not due on borrowings	681.25	639.26
(c) Income received in advance	-	3.60
(d) Book overdraft	14.10	367.84
(e) Trade deposits and security deposits		
(i) Consumers' security deposit	1,230.00	1,477.94
(ii) Consumers' deposits for works	1,507.37	1,246.57
(iii) Other security deposits	6,725.30	6,332.07
(f) Other payables	8,049.68	7,611.56
	<u>18,207.70</u>	<u>17,678.84</u>
	<u>65,392.01</u>	<u>40,966.99</u>
Other payables includes:		
Statutory dues	3,226.46	3,471.43
Payables on purchase of fixed assets	778.54	1,129.35
Advance from consumers	2,879.00	2,007.81
Others	1,165.68	1,002.97

NOTE 14

SHORT TERM PROVISIONS

(a) Provision for employees benefits	450.50	313.72
(b) Provision for taxation [Net of payment of income tax and FBT Rs. 28,170.69 lacs and Rs. 0.09 lacs respectively]	1,712.00	-
(c) Provision for wealth tax	9.84	13.89
	<u>2,172.34</u>	<u>327.61</u>

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TATA POWER DELHI DISTRIBUTION LIMITED
(FORMERLY NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 15

1. FIXED ASSETS
(At Cost)

Particulars	GROSS BLOCK				DEPRECIATION AND AMORTIZATION				NET BLOCK	
	As at 01.04.2011	Additions - Borrowing costs	Deletions	As at 31.03.2012	As at 01.04.2011	For the Year	Deletions	As at 31.03.2012	As at 31.03.2012	As at 31.03.2011
(A) TANGIBLE										
(*) Buildings - Plant	18,785.71	4,579.11	85.40	23,450.22	5,863.58	802.09	-	6,665.67	16,784.55	12,922.13
(*) Building - Others	3,352.83	-	-	3,351.93	1,469.48	48.38	-	1,516.86	1,835.07	1,883.45
(C) Plant and machinery	369,510.35	26,771.88	221.41	394,771.37	46,252.38	9,086.95	1,491.48	54,147.85	140,021.52	123,257.77
(d) Transmission lines and cable network	350,446.02	14,092.14	126.08	364,655.25	56,468.04	5,127.10	3.59	61,591.55	103,063.70	93,977.08
(*) Furniture and fixtures	928.02	57.86	-	985.88	514.92	52.98	-	567.90	417.96	413.10
(f) Vehicles	1,777.46	1,012.05	-	2,452.85	406.94	189.87	113.25	483.56	1,969.30	1,370.52
(g) Office equipment	2,297.41	398.36	1.35	2,650.14	661.02	152.21	24.32	788.91	1,861.23	1,636.39
Total	347,096.78	48,861.40	434.24	392,317.65	111,435.06	15,489.68	1,332.64	125,762.30	206,555.35	235,481.34
Previous year	293,450.38	56,410.20	1,269.62	347,096.70	101,031.60	12,729.78	2,126.02	111,635.36	235,461.34	-
(B) INTANGIBLE										
Computer software	3,038.56	1,550.56	11.79	4,601.31	1,372.45	473.90	-	1,846.35	2,754.96	1,666.11
Total	3,038.56	1,550.56	11.79	4,601.31	1,372.45	473.90	-	1,846.35	2,754.96	1,666.11
Previous year	2,791.03	247.53	-	3,038.56	1,010.64	361.81	-	1,372.45	1,666.11	-
Grand Total	350,135.28	49,412.36	446.03	390,918.96	113,007.81	15,933.48	1,332.64	127,608.65	209,310.31	237,127.45
As at 31.03.2011	296,241.41	56,657.73	1,269.62	350,135.26	102,042.24	13,091.59	2,126.02	113,007.81	237,127.45	-
2. CAPITAL WORK - IN - PROGRESS (CWIP) (See Note 26)	39,761.08	35,902.85	684.63	29,190.75	-	-	-	-	29,190.75	39,761.08
As at 31.03.2011	39,177.47	56,550.43	695.51	39,761.08	-	-	-	-	39,761.08	-

CWIP includes closing capital inventory of Rs. 7,306.18 lacs (Previous year Rs. 6,599.77 lacs)



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TATA POWER DELHI DISTRIBUTION LIMITED
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	As at 31.03.2012 Rs./Lacs	As at 31.03.2011 Rs./Lacs
NOTE 16		
NON - CURRENT INVESTMENTS		
(See note 2(l))		
Long term, Trade Investments (unquoted)		
Investments in equity instruments of subsidiary company		
(a) NDPL Infra Limited 0.50 lacs (Previous year Nil) Equity Shares of Rs. 10 each	5.00	-
Other Investments, Non Trade Investments (quoted)*		
Investment in Government Securities		
(a) 11.56 lacs (Previous year 11.56 lacs) units of Rs 100 each in 7.40% GOI securities (2012)	-	1,175.34
(b) 7.40 lacs (Previous year 7.40 lacs) units of Rs 100 each in 7.49% GOI securities (2017)**	748.94	750.20
	<u>753.94</u>	<u>1,925.54</u>
* earmarked against Contingency Fund		
** Market Value Rs. 707.22 lacs (Previous year Rs. 723.42 lacs)		
NOTE 17		
LONG TERM LOANS AND ADVANCES		
Unsecured and considered good		
(a) Capital advances	4,091.07	3,362.50
(b) Security deposits	92.02	92.03
(c) Recoverable from SVRS Trust (See note 25f)	1,138.75	1,780.51
(d) Other loans and advances	7,585.79	2,810.68
	<u>12,907.63</u>	<u>8,045.72</u>
Other loans and advances include:		
Recoverable on account of short supply of gas	2,097.59	952.35
Income tax paid under protest against demand	5,414.79	1,850.00
Others	73.41	8.33
NOTE 18		
OTHER NON CURRENT ASSETS		
Unsecured and considered good		
Tariff recoverable account	<u>395,369.00</u>	<u>217,206.00</u>
NOTE 19		
CURRENT INVESTMENTS		
(See note 2(l))		
Other Investments (quoted)*		
Investment in Government Securities		
(a) 11,55,500 (Previous year 11,55,500) units of Rs 100 each in 7.40% GOI securities (2012) *	<u>1,157.14</u>	-
* Market Value Rs 1,154.49 lacs (Previous year Rs. 1,154.92 lacs)		

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TATA POWER DELHI DISTRIBUTION LIMITED
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	<u>As at</u> <u>31.03.2012</u> Rs./Lacs	<u>As at</u> <u>31.03.2011</u> Rs./Lacs
NOTE 20		
INVENTORIES		
(a) Stores and spares	1,185.02	1,501.85
(b) Loose tools	67.26	19.71
	<u>1,252.28</u>	<u>1,521.56</u>
Inventories of stores and spares parts and loose tools are valued at lower of cost net of provision for diminution in value or net realisable value.		
NOTE 21		
TRADE RECEIVABLES		
(a) Debtors for billed revenue*		
(i) Debts outstanding for a period exceeding six months from the date they were due for payment	11,007.45	9,263.34
Less: Provision for doubtful debts	11,007.45	9,263.34
(ii) Other Debts	11,454.06	13,056.54
Less: Provision for doubtful debts	1,064.37	1,493.69
	<u>10,389.69</u>	<u>11,562.85</u>
(b) Debtors for sale of power other than TPDDL license area		
Other debts - unsecured	153.58	59.13
(c) Other debtors		
Other debts - unsecured	317.07	241.64
	<u>10,860.34</u>	<u>11,863.62</u>
Of the above amounts,		
Considered good	10,860.34	11,863.62
Considered doubtful	12,071.82	10,757.03
	<u>10,860.34</u>	<u>11,863.62</u>
* Secured	5,590.51	4,201.05
Unsecured	16,871.00	18,118.83
	<u>10,375.54</u>	<u>8,204.16</u>
NOTE 22		
CASH AND CASH EQUIVALENTS		
(i) Balance with banks		
- In current accounts	8,647.48	6,125.33
- In deposits accounts	210.00	1,006.00
(ii) Cheques, drafts on hand	1,462.32	1,008.71
(iii) Cash on hand	55.74	64.12
	<u>10,375.54</u>	<u>8,204.16</u>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	10,375.54	8,204.16

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	As at 31.03.2012 Rs./Lacs	As at 31.03.2011 Rs./Lacs
NOTE 23		
SHORT TERM LOANS AND ADVANCES		
Unsecured and considered good		
(a) Security deposits	339.23	388.53
(b) Income tax paid and tax deducted at source [Net of provision for income tax and FBT (Previous year Rs. 20,954.91 lacs and Rs. 322.90 lacs respectively)]	-	978.18
(c) Recoverable from SVRS Trust (See note 25f)	1,629.21	2,168.01
(a) Other loans and advances	3,505.74	3,257.05
	5,474.18	6,791.77
Other loans and advances includes:		
Recoverable on account of short supply of gas	659.79	912.01
Prepaid expenses	474.40	562.82
Unamortised discount on commercial paper	201.96	-
Insurance claims recoverable	1,694.45	370.84
Others	475.14	1,411.38

NOTE 24

OTHER CURRENTS ASSETS

Unsecured and considered good

(a) Interest accrued but not due	70.57	104.06
(b) Unbilled revenue	21,475.74	14,844.58
	21,546.31	14,948.64

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NOTE 25

Contingent Liabilities and commitments
(to the extent not provided for)

Particulars	As at 31.03.12 Rs./lacs	As at 31.03.11 Rs./lacs
a. Claims against the Company not acknowledged as debts:		
i. Legal cases filed by consumers, employees and others under litigation	782.47	681.22
ii. Property tax demands raised by municipal authorities	692.00	632.00
iii. Water charges demand raised by Delhi Jal Board (DJB)	28.14	38.99
iv. Sales tax authorities	1,005.00	1,005.00
b. Liabilities arising out of litigation etc due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
c. 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 reopened and assessments remaining to be completed):		
(i) Matters on which there are decisions of the appellate authorities in the Company's favor, not accepted by the tax authorities (this includes where case is pending before CIT (A))	7,551.65	4,327.97
(ii) Interest demanded (as per demand order and appeal effect order)	2,840.64	2,889.33
(iii) TOTAL DEMAND*	10,392.29	7,217.30
(iv) Advance paid under protest / adjusted by Income tax authority	5,414.79	3,391.69
*No provision is considered necessary since the Company expects favorable decisions.		
d. 'C' Forms pending issue from Sales Tax Department for the financial year 2002-03, 2003-04, 2008-09, 2009-10, 2010-11 and 2011-12	65.87	59.44
e. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	35,478.87	39,167.41

f. The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which 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, however, 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.

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 has pronounced its judgement on this issue on 2 July, 2007 whereby it has provided two options to the Discoms for paying terminal benefits / residual pension to the Trust:

- (i) 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.

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. 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. Though the Hon'ble Delhi High Court had pronounced that Actuaries are to be appointed within a stipulated period.

While the writ petition was pending, the Company had already advanced Rs. 7,774.35 lacs (Previous Year Rs. 7,774.35 lacs) to the SVRS Trust for payment of retiral dues to separated employees. Against this, the Company had recovered Rs. 2,971.04 lacs (Previous Year Rs. 2,971.04 lacs) and adjusted an amount of Rs. 2,836.61 lacs (Previous Year Rs. 1,655.90 lacs) from pension, leave salary and other contribution totalling to Rs. 5,807.65 lacs (Previous Year Rs. 4,626.94 lacs), against a claim of Rs. 6,441.68 lacs (Previous Year Rs. 5,674.44 lacs) from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31 March, 2012.

In addition to the payment of terminal benefits / residual pension to the Trust, the Hon'ble Delhi High Court in its above Order has held that the Discoms are liable to pay interest @ 8% per annum on the amount of terminal benefits for the period from the date of voluntary retirement to the date of disbursement. Consequently, the Company has paid Rs. 801.27 lacs in FY 2008-09 as interest to VSS optees.

The Company is of the opinion that the total liability for payment of terminal benefits to the trust based on actuarial valuation including payment of interest to VSS optees, would be less than the amount of retiral pensions already paid to the VSS optees and charged to statement of profit and loss. Consequently, pending valuation of 'Additional Contribution' to be computed by an Arbitral Tribunal of Actuaries, the Company has shown interest of Rs. 801.27 lacs (Previous Year Rs. 801.27 lacs) paid to VSS optees, in addition to retiral dues of Rs. 1,966.70 lacs (Previous Year Rs. 3147.41 lacs), as recoverable.

Apart from this, the Company has also been paying the retiral pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral pension amount in its Aggregate Revenue Requirement (ARR) and the same has therefore been charged to the statement of profit and loss.

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	Year ended 31.03.2012 Rs./Lacs	Year ended 31.03.2011 Rs./Lacs
NOTE 26		
OTHER OPERATING INCOME		
(a) Late payment surcharge collected	2,114.39	1,743.87
(b) Service line charges	4,062.62	3,555.56
(c) Commission on		
- DVB arrears collection	10.26	3.11
- Energy tax collection	429.70	379.52
(d) Maintenance charges	1,939.52	1,557.85
(e) Rebate on power purchase	3,586.54	2,345.23
(f) Interest on investment in Government Securities	-	122.28
(g) Transfer from capital grants	40.42	38.13
(h) Transfer from consumer contribution for capital works	1,405.51	1,200.78
(i) Provision for doubtful debts/advances no longer required written back	-	1,618.01
(j) Foreign exchange fluctuation gain (net)	4.42	0.94
(k) Miscellaneous operating income	826.37	525.43
	<u>14,419.75</u>	<u>13,090.71</u>

NOTE 27

OTHER INCOME

(a) Interest	509.83	155.57
(b) Net gain on sale of current investments (non trade)	630.84	2.39
(c) Income other than energy business	429.87	200.13
(d) Other non operating income	100.14	33.93
	<u>1,670.68</u>	<u>392.02</u>

NOTE 28

FUEL COST

(a) Fuel cost (gross)	13,692.51	5,907.51
(b) Less: Capitalised/during trial - run	-	4,109.54
(c) Fuel cost (net)	<u>13,692.51</u>	<u>1,797.97</u>

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NOTE 29

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 a Unscheduled Interchange (UI) charge. During the current year, the Company has sold/under-drawn 1,654.87 (Previous Year 1,051.34) million units of power to / in favour of other utilities. The power purchase cost Rs. 381,021.85 lacs (Previous Year Rs. 308,970.80 lacs) is net of sale of power/ UI receivables Rs. 49,292.24 lacs (Previous Year Rs. 31,397.25 lacs) and excludes in- house power generation cost.

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 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, 2012 are as follows:

	Year ended 31.03.2012	Year ended 31.03.2011
	Mus	Mus
Opening balance as at 1 April, 2011 (A)	(35.71)	195.70
Power banked (Outflow) (B)	35.71	158.28
Power due against banked (C)	35.71	157.86
Actual receipt (D)	-	383.17
Power due against receipt (E)	-	389.27
Balance receivable/ (payable) (F) = A + C - E	-	(35.71)
	Year ended 31.03.2012	Year ended 31.03.2011
	Rs./Lacs	Rs./Lacs

NOTE 30

EMPLOYEE BENEFIT EXPENSES

(a) Salaries, allowances and incentives	25,858.39	21,742.91
(b) Contribution to provident and other funds	2,562.61	2,263.15
(c) Staff welfare expenses	1,855.13	1,360.45
(d) Other personnel cost	515.26	450.49
	<u>30,791.39</u>	<u>25,817.00</u>
Less: Transferred to Capital-work-in-progress	3,126.68	2,991.42
	<u>27,664.71</u>	<u>22,825.58</u>
(e) Pension and other payment to VSS retirees	689.85	809.60
	<u>28,354.56</u>	<u>23,635.18</u>

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	Year ended 31.03.2012 Rs./Lacs	Year ended 31.03.2011 Rs./Lacs
NOTE 31		
FINANCE COSTS		
(a) Interest on term loan (gross)	16,165.54	12,141.51
Less: Capitalised	1,130.66	1,765.13
Interest on term loans (net)	15,034.88	10,376.38
(b) Interest on cash credit accounts/short term loans	17,687.89	5,241.44
(c) Interest on consumer security deposits (See note below)	1,958.13	1,640.99
(d) Other borrowing costs	230.79	25.51
	<u>34,911.69</u>	<u>17,284.32</u>

Note:

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 received from all consumers. In view of the fact that the matter of liability on account of opening consumer security deposits in excess of Rs. 1,000 lacs (Previous Year Rs. 1,000 lacs) 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 lacs (Previous Year Rs. 1,000 lacs), the Company has provided interest expense aggregating to Rs. 1,958.13 lacs (Previous Year Rs. 1,640.99 lacs) 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. 222.43 lacs (Previous Year Rs. 192.07 lacs) 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 lacs liability transferred to it as per the statutory transfer scheme.

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	Year ended 31.03.2012 Rs./Lacs	Year ended 31.03.2011 Rs./Lacs
NOTE 32		
OTHER EXPENSES		
OPERATING AND MAINTENANCE EXPENSES		
(a) Stores and spares consumed (Net of recoveries)	2,281.21	1,707.24
(b) Repairs and maintenance:		
(i) Building	238.18	287.12
(ii) Plant and machinery	7,037.36	4,552.67
(iii) Others	3,404.22	3,277.83
(c) Loss on sale / retirement of assets	4.35	861.00
	<u>12,965.32</u>	<u>10,685.86</u>
ADMINISTRATIVE AND GENERAL EXPENSES		
(a) Communication expenses	313.39	308.32
(b) Printing and stationery	279.14	276.73
(c) Legal and professional charges (see note 41)	810.76	876.13
(d) Travelling and conveyance	273.35	267.40
(e) Insurance	222.64	189.40
(f) Advertisement, publicity and business promotion	228.40	265.12
(g) Rent and hire charges	38.29	74.58
(h) Rates and taxes	175.28	168.39
(i) Freight, handling and packing expenses	83.55	77.51
(j) Bill collection and distribution expenses	646.47	663.26
(k) Postage and courier charges	37.82	30.47
(l) EDP expenses	528.64	476.00
(m) Housekeeping expenses	410.97	336.35
(n) Bad debts written off	3.97	102.32
(o) Provision for doubtful debts/advances	1,001.27	-
(p) Miscellaneous expenses	832.28	714.74
	<u>5,886.22</u>	<u>4,826.72</u>
	<u>18,851.54</u>	<u>15,512.58</u>

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NOTE 33

Income recoverable from future tariffs

- a. For the First Multi Year Control Period from 1 April, 2007 till 31 March, 2011, determination of Retail Supply Tariff (RST) chargeable by the Company to its consumers was governed by DERC (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations, 2007 dated 30 May, 2007 (MYT Regulations). DERC vide its order dated 10 May, 2011 has extended applicability of the aforesaid regulation for another one year and also fixed the AT&C loss target for FY 11-12 at 13%. According to these regulations DERC shall determine the RST in a manner that the Company recovers its power purchase costs as well as other prudently incurred distribution expenses and earns an assured return of 16% p.a. on DERC approved equity subject to achievement of Aggregate Transmission and Commercial (AT&C) loss reduction targets. In the event of over-achievement of AT&C loss reduction targets, the Company is entitled to retain a portion of such additional revenue realised which is in addition to the assured return of 16% p.a. on DERC approved equity. The balance additional profits from overachievement, after adjustments for any amounts recoverable by the Company through future tariffs are required to be transferred to the contingency reserve account or as directed by DERC for utilisation in future tariff determinations.
- b. The deficit with respect to power purchase costs and other uncontrollable parameters which are recoverable from future tariffs in accordance with the provisions of the MYT Regulations aggregates to Rs. 178,163.00 lacs (including Rs. 3,243.05 lacs pertaining to prior period) (Previous period Rs. 115,643.00 lacs) for year ended 31 March, 2012. This includes Rs. 7352.00 lacs, arising out of issues adjudicated in favour of the Company by the Hon'ble Appellate Tribunal for Electricity (ATE Orders).
- ATE orders as stated above were in respect of appeals filed by the Company against the Orders passed by DERC for:
- Petition filed on 29 September, 2007 seeking true up of Annual Revenue Requirement (ARR) of respective years in the Policy Direction period (i.e. FY 03 to FY 07) and approval of ARR for the Multi Year Tariff (MYT) period FY 2007-08 to FY 2010-11 based on regulations which was disposed of by the DERC vide its MYT Order dated 23 February, 2008.
 - Petition filed on 1 December, 2008 for true-up of the ARR for the First year of the Control Period i.e. 2007-08 and for approval of Revised ARR for FY 2008-09, FY 2009-10. This Petition was disposed of by the DERC vide order dated 28 May, 2009.
- c. The Company had filed a true up petition for FY 2008-09 and an ARR petition for FY 2010-11 on 1 December, 2009. The Company and other discoms had represented to GoNCTD and DERC that a Cost Reflective Tariff should be fixed by DERC, keeping in view the revenue gap that had arisen in FY 2009-10 due to the power purchase costs being higher than what was factored by DERC in the prevailing tariffs and sixth pay commission payouts. GoNCTD had issued a Policy Direction to DERC to keep the tariff order in abeyance until the Statutory Advice sought by GoNCTD from DERC in respect of the issues raised by the Discoms was issued. The DERC on 15 December, 2010 had submitted a Statutory Advice to GoNCTD confirming that a large Revenue Gap existed due to increase in power purchase costs and that the tariffs were lower than what they ought to be.
- A public interest litigation (PIL) had been also been filed by Mr. N K Garg with the Hon'ble Delhi High Court seeking amongst others withdrawal of policy directions by GoNCTD and issuance of tariff order by DERC. The PIL had been disposed of by the Hon'ble Delhi High Court vide order date 23 May, 2011 directing DERC to determine the Tariff afresh.
- Further, the Company had filed a true up petition for FY 2009-10 on 29 June, 2010 and also filed a petition for 'Approval of the ARR for financial year 2011-12 and review of financial year 2010-11 had been filed with DERC on 22 March, 2011.
- The above stated petitions were disposed off and the Order for True Up for FY 2008-09, 2009-10 and Aggregate Revenue Requirement (ARR) for FY 2011-12 ('Tariff Order') has subsequently been released by DERC on 26 August, 2011. The Tariff Order has stipulated an upward revision with effect from 1 September, 2011. As per DERC press note dated 26 August, 2011 the revised tariffs represent 21.77% increase over the tariffs determined by DERC in May 2009. Further, in its Order, DERC has also allowed implementation of fuel surcharge adjustment wherein the difference in the actual variable cost incurred and the variable cost factored by DERC in Tariff Computation shall be allowed to be recovered on a quarterly basis. The above fuel price adjustment was applicable from the quarter ended 31 December, 2011 in terms of the Tariff Order.
- d. During the year DERC has released MYT Regulations which are applicable for the period FY 2012-13 to FY 2014-15. According to these Regulations the Company was required to file petitions for true up of FY 2010-11, ARR for FY 2012-13 to FY 2014-15 and tariff determination for FY 2012-13. The Company has filed these petitions on 7 February, 2012 and the proceedings are in progress. The earlier MYT Regulations were applicable for the extended period of FY 2011-12.
- e. The Company has filed a petition before DERC seeking determination of provisional Generation Tariff for 108 MW Rithala Combined Cycle Power Plant (Purchased as second hand) ('Generation Plant') under Section 62 read with Part VII of the Electricity Act, 2003 and the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2007 in October 2011 and the proceedings are in progress.

During the process of determination of Generation Tariff DERC may also determine the life of Generation Plant.

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NOTE 34

Current Tax

The Company had made provision for bad debts out of its receivables from the customers for the FY 2002-03 to FY 2006-07. The Company did not add back the provision for doubtful debts while computing book profits u/s 115JB of the Income Tax Act, 1961 as the Company was of the view that provision for doubtful debts is not a provision for unascertained liability but a provision for diminution in value of an asset. Further there were judicial precedents saying that provision in doubtful debts is a diminution in value of asset and therefore is not to be added back to book profits.

The Finance Act 2009 has made a retrospective amendment in Section 115JB for adding back the provision for diminution in value of an asset while computing book profits under this section. Since the provisions of Section 115JB has been amended retrospectively w.e.f. assessment year 1 April 2001, the Company has made a provision for tax on provision for doubtful debts for FY 2002-03 to FY 2006-07 amounting to Rs. 1,416.13.

NOTE 35

Earnings Per Share

The earnings considered in ascertaining the Company's EPS comprises the profit available for shareholders (i.e. profit after tax and statutory/regulatory appropriations).

<u>Particulars</u>	<u>Units</u>	<u>Year ended</u> <u>31.03.12</u>	<u>Year ended</u> <u>31.03.11</u>
Profit after tax	Rs./lacs	33,864.93	25,818.04
Weighted average number of equity shares	Nos./lacs	5,520.00	5,520.00
Basic and diluted earnings per share of Rs. 10 each	Rs.	6.13	4.68
Nominal Value of equity shares	Rs.	10	10

The Company did not have any potential dilutive equity shares

NOTE 36

Disclosure pursuant to Accounting Standard 15 (revised 2005) on 'Employee benefits'

a. Defined contribution plan

i. Provident Fund Plan

The Company makes contributions 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.

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. 1,606.15 lacs (Previous Year 1,527.67 lacs) has been charged to statement of profit and loss during the year.

b. 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.

c. Policy for recognising actuarial gains and losses

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



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d. 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, 2012:

i. Change in benefit obligations:

Particulars		Gratuity (Funded)	
		31.03.12 (Rs./lacs)	31.03.11 (Rs./lacs)
Present value of obligations as on 1 April	A	621.61	446.24
Current Service Cost	B	149.54	119.52
Interest Cost	C	58.78	40.03
Past Service Cost	D	-	-
Actuarial (gain)/loss on obligation	E	98.61	67.21
Benefits Paid	F	47.81	51.39
Present Value of obligation as on 31 March (A+B+C+D+E-F)		880.73	621.61

ii. Change in Plan Assets

Fair Value of Plan Assets as on 1 April	A	571.78	428.15
Expected Return on plan assets	B	51.45	38.20
Employer's Contribution	C	275.03	157.17
Actuarial Gain / (loss)	D	(0.59)	(0.35)
Benefits Paid	E	47.82	51.39
Fair Value of plan asset as on 31 March (A+B+C+D-E)		849.85	571.78

iii. Net Liability / (Asset) recognised in Balance Sheet

Net Liability/(Asset) (i-ii)		30.88	49.83
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iv. Expense recognised in the Statement of profit and loss

Particulars		Gratuity (Funded)	
		2011-12 (Rs./lacs)	2010-11 (Rs./lacs)
Current Service cost	A	149.54	119.52
Interest cost	B	58.78	40.03
Expected return on plan assets	C	51.45	38.20
Actuarial (gain) / loss recognised during the year	D	99.20	67.56
Past service cost	E	-	-
Other adjustment	F	6.20	5.25
Net charge/(credit) (A+B-C+D+E+F)		262.27	194.16

v. Principal actuarial assumptions:

Particulars	Refer Notes	Year ended	
		31.03.12	31.03.11
Discount Rate (p.a.)	1	8.60%	8.00%
Expected rate of return on plan assets (p. a.)	2	9.30%	9.25%
Salary escalation rate (p.a.)	3	8.00%	8.00%

Notes:

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.

2 The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

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

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	Year ended 31.03.12	Year ended 31.03.11
Demographic assumptions:		
Retirement age	60 years	60 years
Mortality rate	Published rates under LIC (1994-96) mortality rates	Published rates under LIC (1994-96) mortality rates
Withdrawal rate	15%	15%

vi. The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	31.03.12	31.03.11
Government of India Securities	56.00%	76.85%
Debt instruments	36.00%	18.14%
Equity and preference shares	6.00%	4.77%
Other deposits	2.00%	0.24%
	100.00%	100.00%

The 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 categories of plan assets as a percentage of total plan assets is based on information provided by Life Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

vii. Particulars	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2009	Year ended 31.03.2008
	Rs. /lacs				
Present Value of Benefit Obligation	880.73	621.61	446.24	306.33	279.06
Fair Value of Plan Assets	849.85	571.78	428.15	146.71	165.27
Net liability	30.88	49.83	18.09	159.62	113.79

viii. The contribution expected to be made by the Company during the financial year 2012-13 has not been ascertained.

e. Principal actuarial assumptions for long term compensated absences

Particulars	Refer Notes	Year ended 31.03.12	Year ended 31.03.11
Discount Rate (p.a.)	1	8.60%	8.00%
Salary escalation rate (p.a.)	2	8.00%	8.00%

Notes:

- 1 The Discount Rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated
- 2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

	Year ended 31.03.12	Year ended 31.03.11
Demographic assumptions:		
Retirement age	60 years	60 years
Mortality rate	Published rates under LIC (1994-96) mortality rates	Published rates under LIC (1994-96) mortality rates
Withdrawal rate	15%	15%

NOTE 37

Power Generation Plant at Rithala

- a. The Company has set up a 108 MW Gas Based Combined Cycle Power Project in its area of supply at Rithala for supply of power to its consumers. The project consists of 3 units for generation of power out of which 2 gas turbine units commenced commercial operations in February, 2011 and the third unit steam turbine had started commercial operation in September, 2011.
- b. Gas Turbine unit 2 (GT 2) which has been insured, suffered a technical breakdown during the current year. Based on a technical evaluation of the underlying reasons for the breakdown received in February 2012, management is of the view that the expenditure incurred towards repairs of the turbine aggregating to Rs 1,694.45 lacs upto March 2012 is recoverable from the insurance company and hence the said expenditure has been accounted as insurance claims recoverable.

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TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 38

Segmental Reporting

The Company is engaged in the business of distribution and generation of power in North and North West of Delhi. As the Company operates in a single business and geographical segment, the reporting requirement for primary and secondary segment disclosure prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment reporting have not been provided in these financial statements.

NOTE 39

Related Party Disclosures

a. List of related parties

- i. Companies exercising control by holding more than one half in voting power of the Company
 - Tata Power Company Limited (TPCL)
- ii. Companies holding substantial interest in voting power of the Company
 - Delhi Power Company Limited (DPCL)
- iii. Subsidiary Company
 - NDPL Infra Limited (NDPLIL) (w.e.f. 23 August, 2011)
- iv. Fellow Subsidiaries
 - Tata Power Trading Company Limited (TPTCL)
 - Maithon Power Limited (MPL)
- v. Key Management Personnel
 - Mr. Sunil Wadhwa, Managing Director (w.e.f 1 August, 2010 to 30 March, 2012)
CEO and Executive Director (upto 31 July, 2010)
 - Mr. Parveer Sinha, CEO and Executive Director (w.e.f 1 March, 2012)

b. Transaction/ balances outstanding with Related Parties:

Transaction / Outstanding Balances	(All amounts in Rs. /lacs)				
	Holding Company	Companies Holding Substantial Interest	Fellow Subsidiaries	Subsidiary	Key Management Personnel
Purchase of goods/services			39,317.10		
	(-)	(-)	(26,796.49)	(-)	(-)
- TPTCL			23,842.31		
			(26,796.49)		
- MPL			15,474.79		
			(-)		
Sale of goods/ services	146.31	-	7,496.56	-	-
	(44.12)	(-)	(-)	(-)	(-)
- TPTCL			7,496.56		
			(-)		
Commission earned	-	10.26	-	-	-
	(-)	(3.11)	(-)	(-)	(-)
Managerial remuneration	-	-	-	-	218.26
	(-)	(-)	(-)	(-)	(175.14)
- Mr. Sunil Wadhwa					208.30
					(175.14)
- Mr. Parveer Sinha					9.96
					(-)
Other expenses	980.33	-	-	-	-
	(455.70)	(-)	(-)	(-)	(-)
Rebate on power purchase	-	-	616.74	-	-
	(-)	(-)	(22.96)	(-)	(-)
- TPTCL			404.60		
			(22.96)		
- MPL			212.14		
			(-)		
Rebate on sale of power	-	-	149.93	-	-
- TPTCL	(-)	(-)	(-)	(-)	(-)
Investment in equity shares of subsidiary company	-	-	-	5.00	-
	(-)	(-)	(-)	(-)	(-)
Payables	-	1,148.66	3,423.22	-	-
	(-)	(1,123.22)	(-)	(-)	(-)
- MPL			3,423.22		
			(-)		
Receivables	9.69	-	1.69	0.31	-
	(9.60)	(-)	(-)	(-)	-
- TPTCL			1.69		
			(-)		

* Figures in brackets represent the previous year figures

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 40	Year ended 31.03.12 Rs./lacs	Year ended 31.03.11 Rs./lacs
a. Expenditure in foreign currency		
Consultancy and other expenditure	0.77	14.13
Travelling	33.98	30.04
	<u>34.75</u>	<u>44.17</u>
b. CIF Value of Imports		
Capital goods	52.01	126.52
c. Earnings in Foreign Currency		
Consultancy income	14.84	9.07

NOTE 41

Detail of Auditors Remuneration*

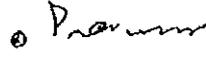
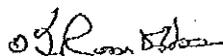
Other expenses include Auditor's remuneration as follows:

Particulars	Year ended 31.03.12 Rs./lacs	Year ended 31.03.11 Rs./lacs
Audit fee (including quarterly audits)	59.00	54.00
Tax audit	7.50	7.00
Other services	19.00	40.00
Reimbursement of out-of-pocket expenses	0.50	0.46
Total	<u>96.00</u>	<u>101.46</u>
* Exclusive of service tax		

NOTE 42

These financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous years' figures have been recast / restated.

For and on behalf of the Board of Directors



 Praveer Sinha S. Ramakrishnan
 CEO & Executive Director
 Director




 Ajay Kalsio
 Company Secretary

New Delhi

Date: 04 MAY 2012