

**TATA POWER DELHI DISTRIBUTION LIMITED**



**V. SANKAR AIYAR & CO.**  
**CHARTERED ACCOUNTANTS**

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**Independent Auditor's Report**

To the Members of  
**Tata Power Delhi Distribution Limited**  
(Formerly North Delhi Power Limited)

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **Tata Power Delhi Distribution Limited (Formerly North Delhi Power Limited)** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2015, and its profit and its cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to Note no. 32(d) of 'Notes forming part of the standalone financial statements' regarding uncertainties relating to disallowance of expenses by Delhi Electricity Regulation Commission (DERC). The Company had preferred an appeal before Appellate Tribunal of Electricity. ATE vide its Order dated 10.02.2015 has remanded back matter to DERC for final determination of Tariff rate. As stated in the Note, no adjustment have been made for such disallowances to the Income recoverable from future tariff estimated at Rs. 21,313 lacs as at 31<sup>st</sup> March 2015, which includes carrying cost of Rs. 2,810 lacs for the period 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015. The impact of the above on the standalone financial statements as at 31<sup>st</sup> March 2015 cannot presently be determined, pending final determination of Tariff by DERC. Therefore, in view of the Company, supported by legal opinion, no adjustment has been considered necessary. Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1: As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

2. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act and
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : New Delhi  
Dated: 8<sup>th</sup> May 2015

For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

*Ajay Gupta*

Ajay Gupta  
Partner  
Membership No. 90104



## Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2015, we report that:

- i a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) The Company has a regular program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management, during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- ii a) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are 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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties required to be covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable.
- iv 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 purchase of inventory and fixed assets and sale of services. During the course of our audit, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in internal control system of the Company. The Company's operation did not give rise to sale of goods during the year and hence clause (iv) of the Order are not applicable with respect to sale of goods.
- v The Company has not accepted deposits within the provisions of sections 73 of the Act or any other relevant provisions and the Rules framed there under.
- vi We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records for the year with a view to determine whether they are accurate and complete.
- vii a) According to the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues with the appropriate authorities except for delay in payment of instalment of advance tax. We are informed that there is no liability to the company on account of duty of excise. There were no arrears of undisputed statutory dues as at 31<sup>st</sup> March, 2015, which were outstanding for a period of more than six months from the date they became payable.



b) There are no disputed dues which have remained unpaid as on 31<sup>st</sup> March, 2015 in respect of income tax or sale tax or wealth tax or service tax or duty of customs or value added tax or cess except as follows.

<u>Name of Statute</u>	<u>Nature of Dues</u>	<u>Forum where Dispute is pending</u>	<u>Period to which amount relates</u>	<u>Amount Involved (Rs. In lacs)</u>
Income Tax Act, 1961	Demand of Interest on short deduction of TDS and tax on interest income.	Commissioner of Income Tax (Appeals)	FY 2007-08	166.33
Income Tax Act, 1961	Demand of Interest on short deduction of TDS and late deposit of TDS	Commissioner of Income Tax (Appeals)	FY 2008-09	114.74
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	Commissioner of Income Tax (Appeals)	FY 2009-10	0.12
Income Tax Act, 1961	Demand on short allowance of TDS and interest thereon	Commissioner of Income Tax (Appeals)	FY 2010-11	4.54
Income Tax Act, 1961	Demand on account of disallowance of certain expenses	Commissioner of Income Tax (Appeals)	FY 2011-12	46.15
Income Tax Act, 1961	Demand of short deduction of TDS and interest thereon	Commissioner of Income Tax (Appeals)	FY 2012-13	0.45

c) Based on the information and explanations obtained, the company has no liability or requirement to transfer any amount to investor education & protection fund in accordance with the relevant provisions of the Act.

- viii The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks. There are no debentures outstanding in the books of accounts at any time during the year.
- x According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi According to the records of the Company, term loans taken during the year have been applied for the purpose for which they were obtained.
- xii Based on the audit procedure performed and the representation obtained from the management, no material fraud on or by the Company has been noticed or reported during the course of audit.

For V. Sankar Aiyar & Co.  
Chartered Accountants  
ICAI Firm Regn. No. 109208W

*Ajay Gupta*

Ajay Gupta.  
Partner  
Membership No. 90104

Place : New Delhi  
Dated : 8<sup>th</sup> May 2015



**TATA POWER DELHI DISTRIBUTION LIMITED**  
(Formerly NORTH DELHI POWER LIMITED)  
BALANCE SHEET AS AT 31 MARCH, 2015

	Note No.	As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	3	105,200.00	105,200.00
(b) Reserves and surplus	4	198,892.31	181,816.20
		<u>304,092.31</u>	<u>287,016.20</u>
<b>(2) Capital grants</b>	5	830.07	881.74
<b>(3) Consumer contribution for capital works (CCCW)</b>	6	50,717.65	44,038.57
<b>(4) Non-current liabilities</b>			
(a) Long-term borrowings	7	302,321.96	329,738.88
(b) Deferred tax liabilities (Net) Less: Adjustable in future tariff	8	52,200.46	45,289.23
		<u>52,200.46</u>	<u>45,289.23</u>
(c) Other long term liabilities	9	76,094.19	73,320.01
(d) Long-term provisions	10	2,098.11	1,691.03
		<u>380,514.26</u>	<u>404,749.92</u>
<b>(5) Current liabilities</b>			
(a) Short-term borrowings	11	8,252.57	18,590.64
(b) Trade payables	12	88,449.37	79,988.87
(c) Other current liabilities	13	88,399.79	71,428.63
(d) Short-term provisions	14	25,451.45	17,338.97
		<u>210,553.18</u>	<u>187,347.11</u>
<b>TOTAL</b>		<u><b>946,707.47</b></u>	<u><b>924,033.54</b></u>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	15		
Tangible assets		309,570.26	295,428.60
Intangible assets		2,577.52	3,074.18
Capital work-in-progress		16,191.78	21,686.74
		<u>328,339.56</u>	<u>320,189.52</u>
(b) Non-current investments	16	5.00	5.00
(c) Long-term loans and advances	17	4,536.36	5,005.77
(d) Other non-current assets	18	485,689.26	466,319.26
		<u>818,570.18</u>	<u>791,519.55</u>
<b>(2) Current assets</b>			
(a) Inventories	19	920.40	1,266.09
(b) Trade receivables	20	14,049.74	12,079.05
(c) Cash and cash equivalents	21	16,980.44	14,460.00
(d) Short-term loans and advances	22	18,754.01	27,623.48
(e) Other current assets	23	77,432.70	77,085.37
		<u>128,137.29</u>	<u>132,513.99</u>
<b>TOTAL</b>		<u><b>946,707.47</b></u>	<u><b>924,033.54</b></u>

See accompanying notes forming part of the financial statements

1 to 43

In terms of our report attached

For V Sankar Aiyar & Co.  
Chartered Accountants

*Ajay Gupta*

Ajay Gupta  
Partner



New Delhi  
08 May, 2015

For and on behalf of the Board of Directors

*Anil Sardana*

Anil Sardana  
Chairman

*Praveer Sinha*

Praveer Sinha  
CEO & Executive Director

*Ajay Kalsie*

Ajay Kalsie  
Company Secretary

*Ajay Kapoor*

Ajay Kapoor  
Chief Financial Officer

New Delhi  
08 May, 2015

**TATA POWER DELHI DISTRIBUTION LIMITED**  
**(Formerly NORTH DELHI POWER LIMITED)**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

	Note No.	Year ended 31.03.2015 Rs./Lacs	Year ended 31.03.2014 Rs./Lacs
<b>INCOME</b>			
1 Revenue from operations	25	643,535.25	564,401.26
Less: energy tax		<u>27,412.50</u>	<u>23,914.77</u>
		616,122.75	540,486.49
2 Other operating income	26	<u>15,570.53</u>	<u>13,918.79</u>
3 Total Revenue from operations		631,693.28	554,405.28
4 Other income	27	3,579.01	3,027.11
5 Total income excluding income adjustable from future tariff		<u>635,272.29</u>	<u>557,432.39</u>
<b>EXPENSES</b>			
6 Fuel cost			31.90
7 Cost of power purchased (net) (excludes own generation)	28	491,002.95	445,872.14
8 Employee benefits expense	29	32,574.43	30,291.47
9 Finance costs	30	44,537.33	43,715.80
10 Depreciation and amortisation expense	15	17,418.89	19,177.21
11 Other expenses	31	26,783.33	19,395.63
12 Total		<u>612,316.93</u>	<u>558,484.15</u>
<b>PROFIT/(LOSS) BEFORE INCOME ADJUSTABLE FROM FUTURE TARIFF</b>		22,955.36	(1,051.76)
13 Income adjustable from future tariff	32	21,178.00	43,446.00
<b>PROFIT BEFORE TAX</b>		44,133.36	42,394.24
14 Tax expense			
- Current tax		10,534.55	9,007.98
- Deferred tax	8		
Provision for the current year		6,911.23	9,252.47
Less: Adjustable in future tariff		<u>(6,911.23)</u>	<u>(9,252.47)</u>
<b>PROFIT AFTER TAX</b>		<u>33,598.81</u>	<u>33,386.26</u>
Basic and Diluted Earnings per share (Rs.)	34	4.78	4.78
See accompanying notes forming part of the financial statements	1 to 43		

In terms of our report attached

For V Sankar Aiyar & Co.  
Chartered Accountants

*Ajay Gupta*

Ajay Gupta  
Partner



New Delhi  
08 May, 2015

For and on behalf of the Board of Directors

*Anil Sardana*

Anil Sardana  
Chairman

*Praveer Sinha*

Praveer Sinha  
CEO & Executive Director

*Ajay Kalsie*

Ajay Kalsie  
Company Secretary

*Ajay Kapoor*

Ajay Kapoor  
Chief Financial Officer

New Delhi  
08 May, 2015

**TATA POWER DELHI DISTRIBUTION LIMITED**  
(Formerly NORTH DELHI POWER LIMITED)  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

	Year ended 31.03.2015 Rs./Lacs	Year ended 31.03.2014 Rs./Lacs
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax	44,133.36	42,394.24
Adjustments for :		
Depreciation and amortisation	17,418.89	19,177.21
Finance costs	44,537.33	43,715.80
Interest income	(710.84)	(1,912.15)
Net gain on sale of current investments (non-trade)	(115.94)	(51.47)
Loss on sale / retirement of assets	81.68	813.58
Transfer of capital grants / CCCW	(2,480.65)	(1,804.76)
Obsolete inventory written off / provision for obsolete inventory	22.07	160.70
Bad debts written off	122.69	170.99
Provision for Contingencies	5,559.00	-
Provision for doubtful debts / advances	381.73	225.39
Operating profit before working capital changes	108,949.32	102,889.53
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	323.62	(394.89)
Trade receivables	(2,974.09)	4,001.75
Short term loans and advances	8,869.47	(14,603.98)
Long term loans and advances	128.77	5,285.80
Other non current assets	(19,370.00)	(40,244.00)
Other current assets	(303.29)	(7,592.88)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	8,460.50	(3,317.80)
Other current liabilities	(4,853.22)	5,356.30
Other long term liabilities	(1,701.05)	(2,467.72)
Short term provisions	216.71	66.66
Long term provisions	407.08	159.52
Cash generated from operations	98,153.82	49,138.29
Taxes paid (including tax deducted at source)	(9,720.25)	(10,536.01)
<b>Net Cash from/(used in) Operating Activities</b>	<b>(A) 88,433.57</b>	<b>38,602.28</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(25,720.84)	(31,146.20)
Proceeds from sale of fixed assets	705.71	771.99
Interest received	666.80	1,910.08
Purchase of current investments	(95,575.00)	(79,150.00)
Sale of current investments	95,690.94	79,201.47
<b>Net Cash from/(used in) Investing Activities</b>	<b>(B) (24,232.39)</b>	<b>(28,412.66)</b>
<b>C. Cash Flow from Financing Activities</b>		
Interest paid on long term loans	(40,628.53)	(39,537.73)
Interest paid on short term loans	(857.55)	(1,194.04)
Interest paid on consumer deposits	(3,128.86)	(2,839.86)
Other interest/borrowing cost paid	(105.50)	(330.29)
Proceeds of short term loans	16,500.00	124,500.00
Repayment of short term loans	(26,500.00)	(114,500.00)
(Repayment)/proceeds from cash credit accounts	(338.07)	633.97
Proceeds of long term loans	43,750.00	106,500.00
Repayment of long term loans	(49,215.14)	(99,299.31)
Proceeds from capital grants/CCCW	9,108.06	8,999.93
Consumers' security deposits	4,735.08	4,319.12
Dividend paid (including dividend tax)	(15,000.23)	-
<b>Net Cash from/(used in) Financing Activities</b>	<b>(C) (61,680.74)</b>	<b>(12,748.21)</b>
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(A+B+C) 2,520.44</b>	<b>(2,558.59)</b>
Cash and cash equivalents at the beginning of the year	14,460.00	17,018.59
<b>Cash and cash equivalents at the end of the year (See note 21)*</b>	<b>16,980.44</b>	<b>14,460.00</b>

\* Cash & cash equivalents include Rs. 3,696.51 Lacs (Previous year Rs. 241.58 lacs) which are earmarked pursuant to court order or contractual obligations.

In terms of our report attached

**For V Sankar Aiyar & Co.**  
Chartered Accountants

*Ajay Gupta*

**Ajay Gupta**  
Partner



New Delhi  
08 May, 2015

**For and on behalf of the Board of Directors**

*Anil Sardana*

**Anil Sardana**  
Chairman

*Praveer Sinha*

**Praveer Sinha**  
CEO & Executive Director

*Ajay Kalsie*

**Ajay Kalsie**  
Company Secretary

*Ajay Kapoor*

**Ajay Kapoor**  
Chief Financial Officer

New Delhi  
08 May, 2015

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

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**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 financial year 2011-12, 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 specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. 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 (or the Companies Act, 2013). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. 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/amortisation**

- 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 Capital Territory of Delhi (GNCTD) under the Transfer Scheme. Values were 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. With effect from 1 April, 2014, Schedule II of the Companies Act, 2013 has been notified & in accordance with Part B of Schedule II, the rate/useful life given in DERC regulations are applied for computing depreciation on assets. However in case of assets where no useful life is prescribed in DERC regulations, the useful life & residual value as given in Part C of schedule II of the Companies Act, 2013 is followed. Further in case of any class of asset where useful life as estimated by Management and/or certified by Independent valuer is lower than DERC or Part C Schedule II of the Companies Act, 2013 then such lower useful life is followed for computing depreciation on such asset.
- v. Depreciation for the year in respect of fixed assets has been provided on the straight line method so as to write off the cost of the assets over the useful lives as per Schedule II of the Companies Act, 2013.
- vi. Residual value is taken at the rate of 10% for assets where rate/useful life is prescribed in DERC regulations and 5% where useful life as per Part C of Schedule II of the Companies Act, 2013 is considered.



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

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

Description/Class of Assets	Useful Life (years)
Office Buildings, Housing Colonies	50
Temporary structures	5
Meters	10
General Plant & Machinery, SCADA (including software), Street lightening, Office equipment, Furniture & Fittings	15
Computers, End use devices, Server & Network Devices, software, Batteries etc	3-6
Overhead Lines, Solar PV	25
Plant & Machinery (not covered in above asset class)	25
Underground Cables	35
Motor Vehicles	8-10

viii. Depreciation for the year in respect of fixed assets used for electricity generation has been provided on straight line method as per rates/useful life 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 which is average 15 years. The depreciation has been calculated in a manner which has the effect of depreciating ninety percent (90%) of the capitalised cost of each such depreciable asset.

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

x. Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**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 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 adjustable from future tariff'.

In respect of power generation, the Company is required to recover fuel cost, Operations & Maintenance expenses and other cost along with return on equity as stated in Delhi Electricity Regulatory Commission (Terms and Conditions for determination of Generation Tariff) regulations subject to the availability factor.

- iii. 'Late Payment Surcharge' on electricity billed and bills raised for dishonest abstraction of power & interest on Unscheduled Interchange (UI) 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 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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**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 statement of profit and loss. Monetary 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.

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

**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 prevailing 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 as per company policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the statement of profit and loss.



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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 with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the tax holiday period. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

**i. Consumer contribution to capital works**

Consumer's contribution towards cost of capital assets is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the statement of profit and loss over the useful life of the assets.

**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 the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding 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. Contingent assets are not recognised in the financial statements.

**o. Operating Cycle**

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



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	<u>As at</u> <u>31.03.2015</u> Rs./Lacs	<u>As at</u> <u>31.03.2014</u> Rs./Lacs
<b>NOTE 3</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
7,500 lacs [Previous year 7,500 lacs] equity shares of Rs. 10 each with voting rights.	75,000.00	75,000.00
500 lacs [Previous year 500 lacs] 12% Cumulative Redeemable Preference Shares of Rs. 100 each without voting rights.	<u>50,000.00</u>	<u>50,000.00</u>
	<u>125,000.00</u>	<u>125,000.00</u>
<b>Issued, Subscribed and Paid up</b>		
5,520 lacs [Previous year 5,520 lacs] equity shares of Rs. 10 each fully paid up with voting rights.	55,200.00	55,200.00
500 lacs [Previous year 500 lacs] 12% Cumulative Redeemable Preference Shares of Rs. 100 each without voting rights.	<u>50,000.00</u>	<u>50,000.00</u>
	<u>105,200.00</u>	<u>105,200.00</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 The 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. 255 lacs [Previous year 255 lacs] i.e. 51% (Previous year 51%) Preference shares of Rs. 100 each without voting rights are held by The Tata Power Company Limited, the holding company
4. 245 lacs [Previous year 245 lacs] i.e. 49% (Previous year 49%) preference shares of Rs. 100 each without voting rights are held by Delhi Power Company Limited
5. The equity shares of the Company have a par value of Rs. 10 each. Each shareholder is eligible for one vote per share held.
6. The maximum term of the aforesaid preference shares is 20 years (i.e. upto 19th March, 2033). However the Board of Directors of the Company shall have the option to redeem the preference shares at any time after the allotment thereof keeping in view the availability of the profitability/Surplus funds.
7. The Board of Directors in their meeting held on 8 May, 2015 proposed dividend of Rs.12 per share on the 12% cumulative redeemable preference shares for financial year 2014-15. Further the Board also proposed dividend of Rs. 1.40 per equity share for financial year 2014-15. The proposal is subject to the approval of shareholders at the ensuing Annual General Meeting. The total dividend appropriation for the year ended 31st March, 2015 amounted to Rs. 16,522.70 lacs including corporate dividend tax of Rs. 2,794.70 lacs.

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

	Opening balance	Fresh Issue	Closing balance
<b>Equity Shares</b>			
Year ended 31 March, 2015			
- Number of shares (In Lacs)	5,520.00	-	5,520.00
- Amount (Rs./Lacs)	55,200.00	-	55,200.00
Year ended 31 March, 2014			
- Number of shares (In Lacs)	5,520.00	-	5,520.00
- Amount (Rs./Lacs)	55,200.00	-	55,200.00
<b>12% Cumulative Redeemable Preference Shares</b>			
Year ended 31 March, 2015			
- Number of shares (In Lacs)	500.00	-	500.00
- Amount (Rs./Lacs)	50,000.00	-	50,000.00
Year ended 31 March, 2014			
- Number of shares (In Lacs)	500.00	-	500.00
- Amount (Rs./Lacs)	50,000.00	-	50,000.00





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**NOTE 4**

**RESERVES AND SURPLUS**

**(a) General Reserve**

	As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
(i) Opening balance	6,150.00	5,300.00
(ii) Add: Transferred from surplus in statement of Profit & loss	<u>1,700.00</u>	<u>850.00</u>
(iii) Closing balance	<u>7,850.00</u>	<u>6,150.00</u>

**(b) Surplus in Statement of Profit and Loss**

(i) Opening balance	175,666.20	158,130.17
(ii) Add: Additions during the year	33,598.81	33,386.26
(iii) Less: Proposed Dividend	13,728.00	12,821.26
(iv) Less: Tax on proposed dividend	2,794.70	2,178.97
(v) Less: Transferred to general reserve	<u>1,700.00</u>	<u>850.00</u>
(vi) Closing balance	<u>191,042.31</u>	<u>175,666.20</u>
	<u>198,892.31</u>	<u>181,816.20</u>

**NOTE 5**

**CAPITAL GRANTS**

(a) Opening balance	881.74	890.71
(b) Add: Additions during the year	-	49.22
(c) Less: Transfer to statement of profit and loss	<u>51.67</u>	<u>58.19</u>
(d) Closing balance	<u>830.07</u>	<u>881.74</u>

**NOTE 6**

**CONSUMER CONTRIBUTION FOR CAPITAL WORKS**

(a) Opening balance	44,038.57	36,834.43
(b) Add: Additions during the year	9,108.06	8,950.71
(c) Less: Transfer to statement of profit and loss	<u>2,428.98</u>	<u>1,746.57</u>
(d) Closing balance	<u>50,717.65</u>	<u>44,038.57</u>

**NOTE 7**

**LONG-TERM BORROWINGS**

**TERM LOANS**

**(A) From banks**

(i) Secured		
(a) State Bank of India	450.00	1,050.00
(b) United Bank of India	-	3,500.00
(c) Punjab & Sind Bank	53,026.24	63,355.20
(d) Union Bank of India	11,315.72	14,005.79
(e) Canara Bank	52,805.56	34,479.17
(f) Dena Bank	1,500.00	4,500.00
(g) Karnataka Bank	6,500.00	8,500.00
(h) Allahabad Bank	37,413.19	40,972.22
(i) Syndicate Bank	42,500.00	50,000.00
(j) State Bank of Mysore	<u>17,750.00</u>	<u>-</u>
	<u>223,260.71</u>	<u>220,362.38</u>
(ii) Unsecured		
(a) Dena Bank	13,500.00	21,000.00
(b) Canara bank	<u>18,750.00</u>	<u>33,750.00</u>
	<u>32,250.00</u>	<u>54,750.00</u>
Total long term borrowings from banks	<u>255,510.71</u>	<u>275,112.38</u>

**(B) From other parties**

(i) Secured		
(a) Infrastructure Development Finance Company Limited	37,192.50	43,452.50
(b) Power Finance Corporation Limited	-	300.00
(c) Aditya Birla Finance Limited	6,618.75	7,274.00
(d) L&T Fincorp Limited	1,125.00	1,350.00
(e) L&T Infrastructure Finance Company Limited	<u>1,875.00</u>	<u>2,250.00</u>
	<u>46,811.25</u>	<u>54,626.50</u>
Total long term borrowings	<u>302,321.96</u>	<u>329,738.88</u>

*Aher*



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**NOTES:**

**TERM LOANS - From banks**

**(i) Secured**

**(a) State Bank of India**

Term loan from State Bank of India presently 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 has already been done and the balance 60% of the loan is repayable in 20 equal quarterly installments of Rs. 150 lacs each whose repayment has commenced from 15 January, 2012.

**(b) United Bank of India**

Term loan from United Bank of India at an interest rate of 11.75% p.a. was secured by first pari passu charge on all the present and future immovable and movable assets (except book debts) and a third pari passu charge over the receivables. The repayment of loan has commenced from 15 October, 2008 and was to be repaid in 40 quarterly installments of Rs. 250 lacs each. However the Company has prepaid amount outstanding of Rs. 3,750 lacs on 06 November, 2014

**(c) Punjab & Sind Bank**

The Company has entered into term loan agreements with Punjab & Sind Bank:

- i. For Rs. 10,000 lacs presently at an interest rate of 10.75% with reset at every two years. The repayment of loan has commenced from 15 April, 2010 and will be repaid in 38 quarterly installments of Rs. 263.16 lacs each.
- ii. For Rs. 5,000 lacs presently at an interest rate of 10.75% with reset at every two years. The repayment of loan has commenced from 15 May, 2010 and will be repaid in 38 quarterly installments of Rs. 131.58 lacs each.

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.

- iii. For Rs. 30,000 lacs presently at an interest rate of 10.75% per annum with reset every year. 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 starting from 15 July, 2014.
- iv. For Rs. 30,000 lacs presently at an interest rate of 10.75% per annum with reset every year. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 32 quarterly installments of Rs. 937.50 lacs each starting from 15 April, 2015.

**(d) Union Bank of India**

The Company has entered into term loan agreements with Union Bank of India:

- i. For Rs. 15,000 lacs presently at an interest rate of 10.50% p.a. with reset at every three years, repayable in 38 quarterly installments of Rs. 394.74 lacs each starting from 15 October, 2010.
- ii. For Rs. 10,000 lacs presently at an interest rate of 10.50% p.a. with reset at every three years, repayable in 36 quarterly installments of Rs. 277.78 lacs each starting from 15 October, 2011.

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.

**(e) Canara Bank**

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

- i. For Rs. 15,000 lacs presently at an interest rate of 10.85% p.a. with reset every year, repayable in 16 quarterly installments of Rs. 937.50 lacs each starting from March, 2014.
- ii. For Rs. 10,000 lacs presently at an interest rate of 10.55% per annum with reset every year, repayable in 36 equal quarterly installments of Rs. 277.78 lacs each starting from July, 2014.
- iii. During the current year for Rs. 20,000 lacs at an interest rate of base rate plus 0.50% (floating), presently 10.70% per annum with reset every year. The Company has drawn Rs. 16,000 lacs during the year. The loan is repayable in 32 equal quarterly installments starting from July, 2016.



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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.

- iv. For Rs. 15,000 lacs presently at an interest rate of 10.70% per annum with reset every year. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 16 quarterly installments of Rs. 937.50 lacs each starting from July, 2015.
- v. During the current year for Rs. 10,000 lacs at an interest rate of base rate plus 0.50% (floating), presently 10.70% per annum with reset every year. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 24 quarterly installments starting from July, 2016.

**(f) Dena Bank**

Term loan from Dena Bank presently at an interest rate of 11.00% p.a. 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.

**(g) Karnataka Bank**

Term loan from Karnataka Bank presently at an interest rate of 10.75% p.a. is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 20 quarterly installments of Rs. 500 lacs each commencing from August 2014.

**(h) Allahabad Bank**

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

- i. For Rs. 10,000 lacs presently at an interest rate of 10.25% p.a. 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 presently at an interest rate of 10.50% p.a. 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.

- iii. For Rs. 25,000 lacs presently at an interest rate of 10.65% per annum with reset every year. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 32 equal quarterly installments of Rs. 781.25 lacs each starting from 15 January, 2016.

**(i) Syndicate Bank**

Term loan from Syndicate Bank for Rs. 50,000 lacs presently at an interest rate of 10.75% p.a. with reset every year. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 20 quarterly installments of Rs. 2,500 lacs each starting from Sep, 2015.

**(i) State Bank of Mysore**

The Company has entered into term loan agreements with State Bank of Mysore during the current year for Rs. 20,000 lacs at an interest rate of base rate plus 0.50% (floating) presently at 10.75% p.a. with reset every year. The Company has drawn Rs. 17,750 lacs during the year. The loan is secured by first pari-passu charge over fixed assets of the Company & a third pari-passu charge over receivables & is repayable in 32 quarterly installments after moratorium period of 2 years from the date of first disbursement.

- (k)** For secured loans outstanding from banks amounting Rs. 1,050.00 lacs (Previous Year Rs. 6,150.00 lacs) and from other parties amounting Rs. 51,027.50 lacs (Previous Year Rs. 57,362.50 lacs) the Tata Power Company Limited (the holding company) has given undertaking to retain management control and majority representation on the Board of Directors of the Company.

**(ii) Unsecured**

**(a) Dena Bank**

The Company has entered into term loan agreements with the bank:

- i. For Rs. 15,000 lacs presently at an interest rate of 11.10% p.a. with reset at every three years, repayable in 2 yearly installments of Rs. 7,500 lacs each starting from August 2015.
- ii. For Rs. 6,000 lacs presently at an interest rate of 10.80% p.a. with reset at every two years, repayable in 2 yearly installments of Rs. 3,000 lacs each starting from April 2016.

**(b) Canara Bank**

Term loan of Rs. 60,000 lacs from Canara Bank presently at an interest rate of 11% p.a. is repayable in 16 quarterly installments of Rs. 3,750 lacs each starting from October 2013.



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**TERM LOANS - From other parties**

**(i) Secured**

**(a) Industrial Development Finance Company Limited (IDFC)**

<b>Repayment Terms</b>	<b>As at 31.03.2015 Rs./Lacs</b>	<b>As at 31.03.2014 Rs./Lacs</b>
I The Company had entered into a term loan agreement during the previous years for Rs. 27,600 lacs presently at an interest rate of 10.90% 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).	4,140.00	6,900.00
II The Company had entered into a term loan agreement during the previous years for Rs. 10,000 lacs presently at an interest rate of 11.70% p.a. Repayment of loan 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 loan of Rs. 3,000 lacs had commenced from 15 April, 2006 and was to be repaid in 40 quarterly installments of Rs. 75 lacs each, however company has repaid entire outstanding amount of Rs. 825 lacs on 15 May, 2013 at the time of reset of interest . 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).	-	700.00
III The Company had entered into a term loan agreement during the previous years for Rs. 17,500 lacs presently at an interest rate of 10.75% p.a. 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).	6,562.50	8,312.50
IV The Company had entered into a term loan agreement during the previous years for Rs. 5,000 lacs presently at an interest rate of 10.75% 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).	2,750.00	3,250.00
V The Company had entered into a term loan agreement during the previous year for Rs. 30,000 lacs presently at an interest rate of 10.75% p.a. The loan is secured by fourth pari-passu charge on all the present and future receivables and a first charge on a Debt Service Reserve Account (exclusive to this loan). The loan is repayable in 24 quarterly installments of Rs.1250 lacs each starting from February, 2016.	30,000.00	30,000.00

*Alh...*



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

**(b) Power Finance Corporation Limited**

Term loan from Power Finance Corporation Limited taken presently 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.

**(c) Aditya Birla Finance Limited**

Term loan from Aditya Birla Finance Limited presently at an interest rate of 10.75% p.a. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 20 structured quarterly installments starting at the end of 9th quarter after the first disbursement from September, 2014.

**(d) L&T Infrastructure Finance Company Limited and L&T Fincorp Limited**

Term loan from L&T Infrastructure Finance Company Limited and L&T Fincorp Limited presently at an interest rate of 11.53% per annum to be reset after two years. The loan is secured by fourth pari-passu charge on all the present and future receivables and is repayable in 24 structured quarterly installments starting from 15 April, 2014.

**(ii) Unsecured**

**(a) Axis Bank CLSS 8 Trust 2010**

Term loan from Axis Bank CLSS 8 Trust 2010 presently at an interest rate of 9.50% p.a. is repayable in 20 quarterly installments of Rs. 500 lacs each starting from 15 July, 2010 and is fully repaid on 27 March, 2015.

For the current maturities of long-term borrowings, refer item (a) in Note 13 Other current liabilities.

**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 (net) as on 31 March, 2015, as detailed below reflect the quantum of tax liabilities accrued up to 31 March, 2015.

Particulars	Opening	(All amounts in Rs./lacs)	
		Charged to Statement of Profit and Loss	Closing
Deferred tax liability relating to fixed assets	45,289.23	11,716.82	57,006.05
Deferred tax assets on account of :			
Provision for doubtful debts & advances	-	3,601.61	3,601.61
Leave salary & gratuity	-	1,045.16	1,045.16
Others	-	158.82	158.82
<b>Deferred Tax Liabilities (net)</b>	<b>45,289.23</b>	<b>6,911.23</b>	<b>52,200.46</b>

- (c) In accordance with MYT regulations for determination of tariff, deferred tax liability (net) 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 (net) as at 31 March, 2015 of Rs. 52,200.46 lacs (Previous Year Rs. 45,289.23 lacs) including deferred tax charge of Rs. 6,911.23 lacs (Previous year Rs. 9,252.47 lacs) for the year ended 31 March, 2015 has been shown as adjustable from future tariff.
- (d) The Company is under tax holiday period under Section 80IA which ends on 31st March, 2016. During the year, based on reasonable certainty of their realization the Company has accounted for deferred tax assets on amounts, which are likely to be reversed after the tax holiday period.

*Abh*



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

	As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
<b>NOTE 9</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Trade deposits and security deposits		
(I) Consumers' security deposit	48,809.63	44,334.40
(II) Consumers' deposits for works	27,231.43	28,733.75
(III) Other security deposits	53.13	251.86
	<u>76,094.19</u>	<u>73,320.01</u>

**NOTE 10**

**LONG TERM PROVISIONS**

Provision for employees benefits	<u>2,098.11</u>	<u>1,691.03</u>
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**NOTE 11**

**SHORT-TERM BORROWINGS**

**(a) LOANS REPAYABLE ON DEMAND**

From banks - Secured

Cash credit	<u>8,252.57</u>	<u>8,590.64</u>
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**(b) TERM LOANS**

From other parties - Unsecured

Commercial Paper	-	10,000.00
	<u>-</u>	<u>10,000.00</u>
	<u>8,252.57</u>	<u>18,590.64</u>

**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 first charge on stores and spares (not relating to plant and machinery) and first pari passu charge on fixed assets, and third charge on receivables.

**TERM LOANS - From other parties**

**Unsecured**

**Commercial paper**

During the current year the company has issued & repaid/repayable commercial paper as follows:

Date of issue	Amount (lacs)	Face Value(lacs)	Discount Rate (%) p.a.	Repayment Date
20.03.2014	9761.32	10000.00	10.50	13.06.2014
15.04.2014	998.23	1000.00	9.25	22.04.2014
09.07.2014	7912.38	8000.00	8.60	25.08.2014
09.07.2014	3358.44	3500.00	9.05	26.12.2014
05.09.2014	3983.11	4000.00	8.60	23.09.2014

**NOTE 12**

**TRADE PAYABLES**

Other than acceptances (See note below)	<u>88,449.37</u>	<u>79,988.87</u>
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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. 74.88 lacs. (Previous year Rs. 80.93 lacs) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006. This has been relied upon by the auditors.

*(Signature)*



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

	As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
<b>NOTE 13</b>		
<b>OTHER CURRENT LIABILITIES</b>		
(a) Current maturities of long term borrowings (See note 7)		
(A) From banks		
(i) Secured		
(a) State Bank of India	600.00	600.00
(b) United Bank of India	-	1,000.00
(c) Punjab & Sind Bank	10,328.96	5,328.96
(d) Union Bank of India	2,690.07	2,690.07
(e) Canara Bank	7,673.61	4,583.33
(f) Dena Bank	3,000.00	3,000.00
(g) Karnataka Bank	2,000.00	1,500.00
(h) Allahabad Bank	3,559.03	2,777.78
(i) Syndicate Bank	7,500.00	-
	<u>37,351.67</u>	<u>21,480.14</u>
(ii) Unsecured		
(a) Dena Bank	7,500.00	-
(b) Canara bank	15,000.00	15,000.00
	<u>22,500.00</u>	<u>15,000.00</u>
(B) From other parties		
(i) Secured		
(a) Infrastructure Development Finance Company Limited	6,260.00	5,710.00
(b) Power Finance Corporation Limited	300.00	400.00
(c) Aditya Birla Finance Limited	656.25	226.00
(d) L&T Fincorp Limited	225.00	150.00
(e) L&T Infrastructure Finance Company Limited	375.00	250.00
	<u>7,816.25</u>	<u>6,736.00</u>
(ii) Unsecured		
(a) Axis Bank CLSS 8 Trust 2010	-	2,500.00
	<u>-</u>	<u>2,500.00</u>
	<u>67,667.92</u>	<u>45,716.14</u>
(b) Interest accrued but not due on borrowings	277.57	376.69
(c) Income received in advance	337.54	125.43
(d) Book overdraft	0.13	9.12
(e) Trade deposits and security deposits		
(i) Consumers' security deposit	3,362.14	3,102.29
(ii) Consumers' deposits for works	200.95	203.54
(iii) Other security deposits	4,885.33	5,391.87
(f) Other payables	11,668.21	16,503.55
	<u>88,399.79</u>	<u>71,428.63</u>
Other payables includes:		
(a) Statutory dues	6,135.85	6,008.22
(b) Payables on purchase of fixed assets	687.46	392.62
(c) Advance from consumers	3,988.60	3,484.53
(d) Interest accrued on security deposits	142.16	226.15
(e) Advance government subsidy (to be adjusted upon billing)	-	2,333.93
(f) Power Banking payable	-	2,398.10
(g) Others	714.14	1,660.00

**NOTE 14**

**SHORT TERM PROVISIONS**

(a) Provision for employees benefits	921.92	706.37
(b) Proposed Dividend	13,728.00	12,821.26
(c) Provision for tax on proposed dividend	2,794.70	2,178.97
(d) Provision for taxation	2,432.98	1,618.68
[Net of payment of income tax Rs. 54,981.41 lacs (Previous year Rs. 45,323.04 lacs)]		
(e) Provision for Contingencies* [See note 32 (c)]	5,559.00	-
(f) Provision for wealth tax	14.85	13.69
	<u>25,451.45</u>	<u>17,338.97</u>

\*Provision made during current year, utilised/reversed during the year - NIL



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

NOTE 15	Particulars	GROSS BLOCK					DEPRECIATION AND AMORTISATION					NET BLOCK	
		As at 01.04.2014	Additions	Borrowing costs	Deletions	As at 31.03.2015	As at 01.04.2014	For the year	Deletions	As at 31.03.2015	As at 31.03.2015	As at 31.03.2014	
		(At Cost)											
<b>1 FIXED ASSETS</b>													
<b>A) TANGIBLE</b>													
(a) Buildings - Plant	26,640.30	1,189.17	8.04	-	27,837.51	8,589.66	587.59	-	9,177.25	18,660.26	18,050.64		
(b) Building - Others	3,399.72	374.94	23.67	-	3,798.33	1,637.32	67.60	-	1,704.92	2,093.41	1,762.40		
(c) Plant and machinery	226,582.83	15,015.34	132.14	1,406.97	240,323.34	72,094.68	11,295.21	889.27	82,500.62	157,822.72	154,488.15		
(d) Transmission lines and cable network	187,777.06	13,936.54	202.73	-	201,916.33	71,196.86	4,198.10	-	75,394.96	126,521.37	116,580.20		
(e) Furniture and fixtures	1,104.81	67.58	0.68	0.82	1,172.25	690.32	41.05	-	731.37	440.88	414.49		
(f) Vehicles	2,989.17	624.69	-	431.33	3,182.53	667.69	377.00	180.66	864.03	2,318.50	2,321.48		
(g) Office equipment	2,862.79	89.11	-	27.56	2,924.34	1,051.55	169.03	9.36	1,211.22	1,713.12	1,811.24		
<b>Total</b>	<b>451,356.68</b>	<b>31,297.37</b>	<b>367.26</b>	<b>1,866.68</b>	<b>481,154.63</b>	<b>155,928.08</b>	<b>16,735.58</b>	<b>1,079.29</b>	<b>171,584.37</b>	<b>309,570.26</b>	<b>295,428.60</b>		
	(422,210.71)	(33,550.62)	(333.78)	(4,738.43)	(451,356.68)	(140,528.53)	(18,552.41)	(3,152.86)	(155,928.08)	(295,428.60)			
<b>B) INTANGIBLE</b>													
Computer software	5,809.03	186.65	-	-	5,995.68	2,734.85	683.31	-	3,418.16	2,577.52	3,074.18		
<b>Total</b>	<b>5,809.03</b>	<b>186.65</b>	<b>-</b>	<b>-</b>	<b>5,995.68</b>	<b>2,734.85</b>	<b>683.31</b>	<b>-</b>	<b>3,418.16</b>	<b>2,577.52</b>	<b>3,074.18</b>		
	(5,396.08)	(412.62)	(0.33)	-	(5,809.03)	(2,110.05)	(624.80)	-	(2,734.85)	(3,074.18)			
<b>GRAND TOTAL</b>	<b>457,165.71</b>	<b>31,484.02</b>	<b>367.26</b>	<b>1,866.68</b>	<b>487,150.31</b>	<b>158,662.93</b>	<b>17,418.89</b>	<b>1,079.29</b>	<b>175,002.53</b>	<b>312,147.78</b>	<b>298,502.78</b>		
	(427,606.79)	(33,963.24)	(334.11)	(4,738.43)	(457,165.71)	(142,638.58)	(19,177.21)	(3,152.86)	(158,662.93)	(298,502.78)			
<b>2 CAPITAL WORK - IN - PROGRESS</b>	<b>21,686.74</b>	<b>24,535.52</b>	<b>327.19</b>	<b>30,357.67</b>	<b>16,191.78</b>	-	-	-	-	<b>16,191.78</b>	<b>21,686.74</b>		
(CWIP) (See note below)													
	(23,508.64)	(30,018.75)	(470.85)	(32,311.50)	(21,686.74)	-	-	-	-	(21,686.74)			

**Note:**  
CWIP includes closing capital inventory of Rs. 3,977.78 lacs (Previous year Rs. 4,157.37 lacs).  
\*Depreciation for the year includes Rs. 325.10 lacs in respect of assets where remaining useful life is NIL & adjusted in line with the provisions of Schedule II to the Companies Act, 2013.  
Figures in brackets represent the previous year figures.



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

	As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
<b>NOTE 16</b>		
<b>NON - CURRENT INVESTMENTS</b>		
(See note 2(l))		
<b>Long term, Trade Investments (unquoted)</b>		
<b>Investments in equity instruments of wholly owned subsidiary company</b>		
(a) NDPL Infra Limited 0.50 lacs (Previous year 0.50 lacs) Equity Shares of Rs. 10 each	5.00	5.00
	<u>5.00</u>	<u>5.00</u>
<b>NOTE 17</b>		
<b>LONG TERM LOANS AND ADVANCES</b>		
Unsecured and considered good		
(a) Capital advances	1,260.15	1,600.79
(b) Security deposits	113.23	110.85
(c) Recoverable from SVRS Trust (See note 24g)	288.25	433.20
(d) Income tax paid under protest against demand	2,811.57	2,811.57
(e) Other loans and advances	63.16	49.36
	<u>4,536.36</u>	<u>5,005.77</u>
<b>NOTE 18</b>		
<b>OTHER NON CURRENT ASSETS</b>		
Unsecured and considered good		
Tariff recoverable account	485,689.26	466,319.26
	<u>485,689.26</u>	<u>466,319.26</u>
<b>NOTE 19</b>		
<b>INVENTORIES</b>		
(a) Stores and spares	871.81	1,206.05
(b) Loose tools	48.59	60.04
	<u>920.40</u>	<u>1,266.09</u>

Inventories of stores and spare parts and loose tools are valued at lower of cost net of provision for diminution in value or net realisable value.



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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
<b>NOTE 20</b>		
<b>TRADE RECEIVABLES</b>		
(a) Debtors for billed revenue*#		
(i) Debts outstanding for a period exceeding six months from the date they were due for payment	13,489.22	12,648.22
Less: Provision for doubtful debts	<u>13,489.22</u>	<u>12,648.22</u>
(ii) Other debts	12,841.18	11,499.55
Less: Provision for doubtful debts	<u>1,297.66</u>	<u>1,264.61</u>
	11,543.52	10,234.94
(b) Debtors for sale of power other than TPDDL license area - unsecured	945.70	1,254.43
(c) Other debtors - unsecured	1,560.52	589.68
	<u>14,049.74</u>	<u>12,079.05</u>
Of the above amounts,		
Considered good	14,049.74	12,079.05
Considered doubtful	<u>14,786.88</u>	<u>13,912.83</u>
Out of (b) & (c) above:		
(i) Debts outstanding for a period exceeding six months from the date they were due for payment	290.63	418.78
(ii) Other debts	2,215.59	1,425.33
* Secured	6,102.22	5,879.65
Unsecured	20,228.18	18,268.12
# including Government subsidy	163.85	-
<b>NOTE 21</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
(i) Balance with banks		
- In current accounts	10,188.47	10,504.92
- In deposit accounts*	3,742.75	284.29
(ii) Cheques, drafts on hand	2,923.00	3,479.07
(iii) Cash on hand	126.22	191.72
	<u>16,980.44</u>	<u>14,460.00</u>
* Includes Fixed Deposit which are earmarked pursuant to court order or contractual obligations	3,696.51	241.58




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

As at 31.03.2015 Rs./Lacs	As at 31.03.2014 Rs./Lacs
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**NOTE 22**

**SHORT TERM LOANS AND ADVANCES**

Unsecured and considered good

(a) Security deposits	111.19	93.54
(b) Income tax paid under protest against demand	300.00	2,603.22
(c) Recoverable from SVRS Trust (See note 24g)	127.38	195.12
(d) Other loans and advances	18,394.81	24,910.97
Less: Provision for doubtful advances	179.37	179.37
	18,215.44	24,731.60
	18,754.01	27,623.48

Other loans and advances includes:

(a) Recoverable on account of short supply of gas	-	3,207.37
(b) Prepaid insurance	1,833.97	688.39
(c) Prepaid expenses	925.53	1,229.61
(d) Unamortised discount on commercial paper	-	204.98
(e) Power banking / Unscheduled Interchange (net)	13,772.00	15,740.80
(f) Others	1,863.31	3,839.82

**NOTE 23**

**OTHER CURRENT ASSETS**

Unsecured and considered good

(a) Interest accrued but not due	58.60	14.56
(b) Unbilled revenue	27,246.10	28,750.81
(c) Tariff recoverable account	50,128.00	48,320.00
	77,432.70	77,085.37



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

**NOTE 24**

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

Particulars	As at	As at
	31.03.15	31.03.14
	Rs./lacs	Rs./lacs
<b>a.</b> Claims against the Company not acknowledged as debts:		
i. Legal cases filed by consumers, employees and others under litigation	1,875.96	1,823.37
ii. Property tax demands raised by municipal authorities	2,027.00	812.00
iii. Water charges demand raised by Delhi Jal Board (DJB)	64.05	56.69
iv. Sales tax authorities	1,005.00	1,005.00
<b>b.</b> Liabilities arising out of litigation etc due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002	100.00	100.00
<b>c.</b> Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed):		
(i) Matters on which decisions with the CIT(A) and various appellate authorities are pending	1,359.14	1,694.73
(ii) Interest demanded (as per demand order and appeal effect order)	1,325.97	1,379.07
(iii) TOTAL DEMAND* (i) + (ii)	<u>2,685.11</u>	<u>3,073.80</u>
(iv) Out of the above demand, amount paid under protest / adjusted by Income tax authorities	2,156.00	2,156.00
*No provision is considered necessary since the Company expects favourable decisions.		
<b>d.</b> C' Forms pending issuance from sales tax department for the financial years 2002-03, 2003-04 and 2008-09 to 2011-2012	65.87	65.87
<b>e.</b> Claims of power suppliers, not acknowledged as expense and credits	119,091.12	75,014.83
<b>f.</b> Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	22,075.79	30,610.26
<b>g.</b> The Company had introduced a Voluntary Separation Scheme (VSS) for its employees in December 2003, in response to which initially 1,798 employees were separated. As per the Scheme, the retiring employees were paid Ex-gratia separation amount by the Company. They were further entitled to Retiral Benefits (i.e. gratuity, leave encashment, pension commutation, pension, medical and leave travel concession), the payment obligation of which became a matter of dispute between the Company and the DVB Employees Terminal Benefit Fund 2002 ('the Trust'). The Trust is, 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 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:

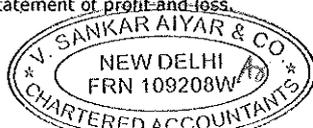
- (i) Terminal benefits due to the VSS optees and to be paid by Discoms which shall be reimbursed to Discoms by the Trust without interest on normal retirement / death (whichever is earlier) of such VSS optees. In addition, the Discoms shall pay the Retiral Pension to VSS optees till their respective 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 to be appointed within a stipulated period.

The Company considers the second option as more appropriate and also estimates that the liability under this option shall be lower than under the first option which is presently being followed. Pending computation of the liability by the Arbitral Tribunal of Actuaries due to delay in appointment of the same, no adjustment has been made in these financial statements.

While the writ petition was pending, the Company had already advanced Rs. 7,774.35 lacs (Previous Year Rs. 7,774.35 lacs) to the SVRS Trust for payment of retiral dues to separated employees. In addition to the payment of terminal benefits / residual pension to the Trust, the Hon'ble Delhi High Court in its above Order dated 02.07.2007 in WP C 4827/2005 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. As mentioned above that due to pending computation of the liability by the Arbitral Tribunal of Actuaries, the Company has paid Rs. 801.27 lacs in FY 2008-09 as interest to VSS optees which is also shown as recoverable from SVRS Trust in case of option 'ii'. As the company was entitled to get reimbursement against advanced terminal benefit amount on superannuation age, the Company had recovered Rs. 2,971.04 lacs (Previous Year Rs. 2,971.04 lacs) and adjusted an amount of Rs. 5,188.96 lacs (Previous Year Rs. 4,976.26 lacs) from pension, leave salary and other contribution totalling to Rs. 8,160 lacs (Previous Year Rs. 7,947.30 lacs), against a claim of Rs. 8,336.75 lacs (Previous Year Rs. 8,033.53 lacs) from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31 March, 2015.

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 Rs. 415.63 lacs (Previous Year Rs. 628.32 lacs), as recoverable as on 31 March, 2015 and includes current portion of Rs. 127.38 lacs (previous year Rs. 195.12 lacs).

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 been charged to the statement of profit and loss.



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	Year ended 31.03.2015 Rs./Lacs	Year ended 31.03.2014 Rs./Lacs
<b>NOTE 25</b>		
<b>REVENUE FROM OPERATIONS</b>		
(a) Sale of power	643,511.80	564,401.26
(b) Income from open access charges	23.45	-
	643,535.25	564,401.26

**NOTE 26**

**OTHER OPERATING INCOME**

(a) Late payment surcharge collected	1,962.32	1,752.80
(b) Service line charges	3,011.57	2,916.94
(c) Commission on		
- DVB arrears collection	2.02	2.76
- Energy tax collection	927.17	578.07
(d) Maintenance charges*	2,133.79	1,942.56
(e) Rebate on power purchase	4,790.00	4,678.16
(f) Transfer from capital grants	51.67	58.19
(g) Transfer from consumer contribution for capital works	2,428.98	1,746.57
(h) Miscellaneous operating income	263.01	242.74
	15,570.53	13,918.79

\* includes incentive on street light maintenance of Rs. 151.36 lacs (Previous year Rs. 158.44 lacs)

**NOTE 27**

**OTHER INCOME**

(a) Interest - Government Securities		
- others	710.84	1,912.15
(b) Net gain/(loss) on sale of investments (non trade)	115.94	51.47
(c) Foreign exchange fluctuation gain (net)	816.49	(0.25)
(d) Income other than energy business	1,737.02	830.67
(e) Other non operating income	198.72	233.07
	3,579.01	3,027.11

**NOTE 28**

**Power Purchase Cost**

The Company has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Company has sold/under-drawn 1604.01 million units (Previous year 2718.94 million units) of power to / in favour of other utilities. The power purchase cost of Rs. 491,002.95 lacs (Previous year Rs. 445,872.14 lacs) is net of sale of power/ UI receivables Rs. 55,195.05 lacs (Previous year Rs. 84,275.11 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 the agreed period. Power banking transactions both ways are recorded at the rate of Rs. 4.00 per unit being the applicable rate as per directive of DERC/ contract rate. Details of power banked during the year ended 31 March, 2015 are as follows:

	Year ended 31.03.2015	Year ended 31.03.2014
	<b>Receivable</b>	<b>Receivable</b>
	Mus	Mus
Opening balance as at 1 April of the year (A)	403.29	70.63
Power banked (Outflow) (B)	455.65	569.71
Power due against banked (C)	464.71	585.72
Power receipt against opening (D)	403.29	70.63
Power receipt against current year transactions (E)	113.62	182.43
Balance receivable (A+C-D-E)	351.09	403.29
	<b>Payable</b>	<b>Payable</b>
	Mus	Mus
Opening balance as at 1 April of the year (A)	62.95	13.17
Actual receipt (B)	9.27	226.39
Power due against receipt (C)	8.94	238.94
Power outflow against opening (D)	62.95	13.17
Power outflow against current year transactions (E)	8.94	175.99
Balance payable (A+C-D-E)	0.00	62.95

*(Signature)*



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	Year ended 31.03.2015 Rs./Lacs	Year ended 31.03.2014 Rs./Lacs
<b>NOTE 29</b>		
<b>EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries, allowances and incentives	30,507.58	28,495.36
(b) Contribution to provident and other funds	2,847.21	2,340.17
(c) Staff welfare expenses	2,027.66	2,066.24
(d) Other personnel cost	456.40	352.82
	<u>35,838.85</u>	<u>33,254.59</u>
Less: Transferred to Capital-work-in-progress	3,511.04	3,315.75
	<u>32,327.81</u>	<u>29,938.84</u>
(e) Pension and other payment to VSS retirees	246.62	352.63
	<u>32,574.43</u>	<u>30,291.47</u>

**NOTE 30**

**FINANCE COSTS**

(a) Interest on term loan (gross)	41,223.86	40,188.39
Less: Capitalised	694.45	804.96
Interest on term loans (net)	<u>40,529.41</u>	<u>39,383.43</u>
(b) Interest on cash credit accounts/short term loans	857.55	1,194.04
(c) Interest on consumer security deposits	3,044.87	2,808.04
(d) Other borrowing costs	102.19	162.42
(e) Other interest	3.31	167.87
	<u>44,537.33</u>	<u>43,715.80</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. 3,044.87 lacs (Previous Year Rs. 2,808.04 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. 200.36 lacs (Previous Year Rs. 201.85 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.

**NOTE 31**

**OTHER EXPENSES**

**OPERATING AND MAINTENANCE EXPENSES**

(a) Stores and spares consumed (Net of recoveries)	2,044.02	2,017.28
(b) Repairs and maintenance:		
(i) Building	262.52	264.75
(ii) Plant and machinery	4,970.51	5,494.42
(iii) Others	3,926.73	3,593.56
(c) Loss on sale / retirement of assets	81.68	813.58
	<u>11,285.46</u>	<u>12,183.59</u>

**ADMINISTRATIVE AND GENERAL EXPENSES**

(a) Communication expenses	219.70	222.96
(b) Printing and stationery	307.16	295.71
(c) Legal and professional charges (see note 40)	1,649.49	1,180.56
(d) Travelling and conveyance	375.94	259.97
(e) Insurance	828.29	948.76
(f) Advertisement, publicity and business promotion	191.60	157.43
(g) CSR Expenses (excluding 5% administrative expenses)	811.34	147.40
(h) Rent and hire charges	27.53	20.86
(i) Rates and taxes	574.22	272.31
(j) Freight, handling and packing expenses	80.61	89.46
(k) Bill collection and distribution expenses	1,074.00	881.51
(l) Postage and courier charges	32.09	30.87
(m) Provision for Contingencies	5,559.00	-
(n) EDP expenses	602.15	611.80
(o) Housekeeping expenses	450.15	412.55
(p) Bad debts written off	122.69	170.99
(q) Provision for doubtful debts/advances	381.73	225.39
(r) Rebate	1,428.52	554.88
(s) Miscellaneous expenses	781.66	728.63
	<u>15,497.87</u>	<u>7,212.04</u>
	<u>26,783.33</u>	<u>19,395.63</u>



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**NOTE 32**

**INCOME ADJUSTABLE FROM FUTURE TARIFF**

- a. For the control period beginning from 1 April 2012 to 31 March 2015, DERC had issued MYT Regulations 2011 (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) on 2 December, 2011 for determination of Retail Supply Tariff (RST) which have further been extended for FY 2015-16 vide Order dated 22.10.2014 issued by the DERC. 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 Technical and Commercial (AT&C) loss reduction targets. In the event of over-achievement of AT&C loss reduction targets, the Company is entitled for incentive by the way of higher rate of Return on Equity in addition to the assured return of 16% p.a. on equity approved by DERC or vice versa.

Further, as required by these Regulations, the Company on 16 December, 2013 filed petitions for true up of FY 2012-13 & ARR for FY 2014-15. After following the due process of tariff determination the DERC has issued press release for announcement of tariff on 17 July, 2014 which states that it has revised the tariffs upwards by 8.32% on existing tariff and has continued to allow 8% surcharge for liquidation of past revenue gaps and carrying cost on the same and also continued the implementation of quarterly power purchase adjustment formula wherein the difference in the actual cost incurred in respect of long term power purchase and intra-state transmission agreements and the cost determined by DERC in the Tariff Computation shall be recoverable from the consumers. The detailed tariff order has been issued on 23 July, 2014.

Further the Company has also filed petition before Hon'ble Commission on 18.12.2014 for final true up to FY 12-13, true up of FY 13-14 and determination of tariff order for FY 15-16 for which DERC is in the process of carrying out the tariff exercise. In the tariff order issued on dated 23 July, 2014 the DERC has provisionally trued up Revenue Gap up to FY 2013 at Rs. 3,84,703 lacs as against filing of Rs. 4,77,333 lacs. Further DERC is under process of finalisation of capital expenditure, hence for the time being provisional true up has been done for capitalisation. The revenue gap as on 31 March, 2013 and 31 March, 2014 stands at Rs. 4,71,193 lacs and Rs. 5,14,639 lacs respectively in financial books of accounts. Against the true up of FY 12-13 in the tariff order of FY 14-15, issues/ findings which are contrary to the Tariff Regulations of DERC, or are deviations from past practice, subject to outcome of other tariff appeals have been challenged in Hon'ble ATE on 05 Sept, 2014 vide appeal No. 246/2014. During the year, the Company has adjusted a sum of Rs 5,689 lacs (excluding positive impact of carrying cost for the year ended 31 March, 2015) on the issues which have attained finality in various judgements and are in accordance with MYT Order/Regulations, legal opinions and latest order of Hon'ble APTEL. Delhi Electricity Regulatory Commission vide its order dated 11 March 2014 has also directed for refund of unspent amount of consumer contribution for capital works including interest which was challenged by the Company before ATE on 15 April, 2014 has been disposed off on 23 February, 2015 and the DERC has been directed to work out the assessment of amount required to be refunded to consumers along with interests and accordingly to give corresponding impact in trued up revenue gap consequently impacting the tariff order along with carrying cost.

- b. The deficit/{surplus} with respect to power purchase costs and other uncontrollable parameters which are adjustable from future tariffs in accordance with the provisions of the MYT Regulations aggregates to Rs. 21,178 lacs (Previous year Rs. 43,446 lacs). It is net of power purchase cost Rs. 500,859 lacs (Previous year Rs. 455,574 lacs) & all other prudent O&M cost including ROCE, carrying cost etc. Rs. 149,739 lacs (Previous year Rs. 137,014 lacs) over collection available for Aggregate Revenue Requirement Rs. 629,420 lacs (Previous year Rs. 549,142 lacs) for the year ended 31 March, 2015.
- c. The Company has filed a petition on 23 November, 2012 with DERC for determination of the final generation tariff for the Rithala 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 (from commercial operation date i.e. 5 February, 2011 to 31 March, 2012) and the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations, 2011 (for MYT period FY 2013 to 2015). Pending determination of the final generation tariff, the Company has recognised revenue of Rs. 9,592 lacs (Previous year Rs. 9,352 lacs) for the year ended 31 March, 2015. As a matter of prudence, the company has made provision for contingencies of Rs. 5,559 lacs during current year (Previous year NIL).

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

- d. Earlier Delhi Electricity Regulatory Commission (DERC) had issued the 'Order on True up for FY 2010-11, FY 2011-12, FY 2012-13, Aggregate Revenue Requirement for FY 2012-13 to FY 2014-15 and Distribution Tariff (Wheeling & Retail Supply) for FY 2012-13, FY 2013-14 and FY 2014-15 ('the Orders') on 13 July, 2012, 31 July 2013 and 23 July 2014 respectively. While approving the power purchase cost for these true up years, DERC had provisionally allowed the power purchase cost for generation of Rithala plant at the rate equivalent to the UI rates for units generated during the time when the Company was under-drawing from the grid instead of the actual cost of generation. Pending final determination of Rithala power purchase cost as stated in (c) above, aggrieved by the approach adopted by the DERC for provisional allowance of Rithala power purchase cost, the company had preferred appeal no 171/2012, 271/2013 and 246/2014 before the APTEL. Appeal no 171/2012 against the true up order of FY 2010-11 has been disposed off on 10 February, 2015 and the matter has been remanded back to DERC with the direction to recognize Rithala plant as a source of power and finalise the tariff. By following the above approach, DERC in its true up order for FY 2010-11 and FY 2011-12 has disallowed Rs. 762 lacs and Rs 9,019 lacs respectively. Pending implementation of the APTEL direction in appeal no 171/2012, the Company has based on management estimates, accounted for revenue of Rs. 762 lacs, Rs. 8,842 lacs and Rs. 4,968 lacs for FY 2010-11, FY 2011-12 and for the period 1 April, 2012 to 30 September, 2012 respectively aggregating to Rs. 14,572 lacs besides Rs. 6,741 lacs as entitlement towards carrying cost (which includes Rs. 2,810 lacs for the year ended 31 March, 2015) thus amounting to Rs 21,313 lacs, which amount is included in income adjustable from future tariff. The adjustments, if any will be recorded by the Company after decision taken by the DERC in ensuing tariff order as directed by the APTEL in appeal no 171/2012. With effect from 1 October, 2012, the scheduling of power generation at Rithala plant is being done as per the instructions, directions of State Load Dispatch Center.



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e. Further after admission of appeal no 271/2013 and 246/2014 against the tariff order dated 31 July, 2013 and 23 July 2014, the pleadings are at advance stage. The Company has also filed writ petition on certain issues of MYT Regulations 2011 in the Hon'ble Delhi High Court in April 2012. Appeal No. 271/2013 & writ petition is listed in May'15 & Appeal No. 246/2014 listed in July'15.

**NOTE 33**

**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 is continuing provision for tax on provision for doubtful debts for FY 2002-03 to FY 2006-07 amounting to Rs. 1,356.63 lacs (Previous year Rs. 1,416.13 lacs)

Provision of Current year Tax has been made in accordance with Section 115JB of the Income Tax Act, 1961 (Minimum Alternate Tax i.e. MAT). The Company is entitled to take credit in respect of MAT paid, aggregating to Rs. 48,288.58 lacs as at 31 March, 2015 (Previous year Rs 41,769.73 lacs) within a period as provided in the provisions of the Act. The MAT credit till 31 March, 2014 has been computed on the basis of actual filing & for current year it is as per provision for tax taken in financial statement for the year ended 31 March, 2015. The credit entitlement has not been recognised as a matter of prudence.

**NOTE 34**

**EARNINGS PER SHARE**

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

<b>Particulars</b>	<b>Units</b>	<b>Year ended 31.03.15</b>	<b>Year ended 31.03.14</b>
Profit for the year	Rs./lacs	33,598.81	33,386.26
Less: Dividend on cumulative redeemable preference shares including dividend distribution tax	Rs./lacs	7,221.46	7,019.70
Profit for the year attributable to equity shareholders	Rs./lacs	26,377.35	26,366.56
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.	4.78	4.78
Nominal value of equity shares	Rs.	10	10

The Company did not have any potential dilutive equity shares

**NOTE 35**

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

**a. Defined contribution plan**

**i. Provident Fund Plan and Employees State Insurance Scheme**

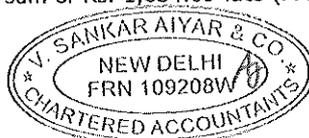
The Company makes contribution towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The Company's contribution to the Employees Provident Fund is deposited by the Company under the Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is recognised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

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

**ii. Pension and Leave Salary Contribution**

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

On account of Defined Contribution Plans, a sum of Rs. 1,654.09 lacs (Previous Year 1,579.74 lacs) has been charged to statement of profit and loss during the year.



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**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.

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, 2015:

**i. Change in benefit obligations:**

Particulars		Gratuity (Funded)	
		31.03.15 (Rs./lacs)	31.03.14 (Rs./lacs)
Present value of obligations as on 1 April	A	1,371.22	1,177.61
Current Service Cost	B	205.60	181.29
Interest Cost	C	131.92	105.92
Past Service Cost	D	-	-
Actuarial (gain)/loss on obligation	E	139.34	(31.97)
Benefits Paid	F	76.69	61.63
<b>Present Value of obligation as on 31 March (A+B+C+D+E-F)</b>		<b>1,771.39</b>	<b>1,371.22</b>

**ii. Change in Plan Assets**

Fair Value of Plan Assets as on 1 April	A	1,296.83	1,060.10
Expected Return on plan assets	B	115.20	97.60
Employer's Contribution	C	235.03	207.05
Actuarial Gain / (loss)	D	(2.23)	(6.29)
Benefits Paid	E	76.69	61.63
<b>Fair Value of plan asset as on 31 March (A+B+C+D-E)</b>		<b>1,568.14</b>	<b>1,296.83</b>

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

<b>Net Liability/(Asset) (i-ii)</b>		<b>203.25</b>	<b>74.39</b>
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**iv. Expense recognised in the statement of profit & loss**

Particulars		Gratuity (Funded)	
		2014-15 (Rs./lacs)	2013-14 (Rs./lacs)
Current Service cost	A	205.60	181.29
Interest cost	B	131.92	105.92
Expected return on plan assets	C	115.20	97.60
Actuarial (gain) / loss recognised during the year	D	141.58	(25.68)
Past service cost	E	-	-
Other adjustment	F	-	-
<b>Net charge/(credit) (A+B-C+D+E+F)</b>		<b>363.90</b>	<b>163.93</b>



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**v. Principal actuarial assumptions:**

Particulars	Refer Notes	Year ended 31.03.15	Year ended 31.03.14
Discount Rate (p.a.)	1	7.80%	9.10%
Expected rate of return on plan assets (p. a.)	2	8.85%	8.85%
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.

Demographic assumptions:	Year ended 31.03.15	Year ended 31.03.14
Retirement age	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (1994-1996) (modified) ultimate table.
Withdrawal rate	15%	15%

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

Particulars	31.03.15	31.03.14
Government of India Securities	46.61%	48.54%
Debt Instruments	34.61%	31.90%
Equity and preference shares	4.56%	5.08%
Other deposits	14.22%	14.48%
	<b>100.00%</b>	<b>100.00%</b>

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

vii. Particulars	Year ended 31.03.2015	Year ended 31.03.2014	Year ended 31.03.2013	Year ended 31.03.2012	Year ended 31.03.2011
	Rs. /lacs				
Present Value of Benefit Obligation	1771.39	1371.22	1177.61	880.73	621.61
Fair Value of Plan Assets	1568.14	1296.83	1060.1	849.85	571.78
Net liability	203.25	74.39	117.51	30.88	49.83
Experience adjustments on plan liabilities- (Loss)/Gain	47.78	49.65	40.33	11.14	(5.20)
Experience adjustments on plan assets - (Loss)/Gain	(0.04)	(3.21)	37.91	25.85	19.45

viii. The contribution expected to be made by the Company during the financial year 2015-16 is Rs. 296.46 lacs




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**e. Principal actuarial assumptions for long term compensated absences**

Particulars	Refer Notes	Year ended 31.03.15	Year ended 31.03.14
Discount Rate (p.a.)	1	7.80%	9.10%
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 term of obligations.

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

Demographic assumptions:	Year ended 31.03.15	Year ended 31.03.14
Retirement age	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (1994-1996) (modified) ultimate table.
Withdrawal rate	15%	15%

**NOTE 36**

**POWER GENERATION PLANT AT RITHALA**

Gas supply to the Rithala Plant has progressively reduced from FY 11-12 with approx. 60% in April, 2012, which further reduced to 30% by Sept, 2012 and was completely curtailed by March 2013 as per the directions under Gas Utilization Policy of Ministry of Petroleum and Natural Gas, Govt. of India and EGOM on gas set up by Govt. of India, which provides for a higher priority to LPG and Fertilizers. While adequate alternate Spot Gas Arrangements have been executed by TPDDL to ensure the Plant Availability, the same is not being dispatched by the State Load Dispatch Center under Merit Order owing to high cost of Spot gas. Under such situation, only fixed cost for the unit is being billed based on its availability.

**NOTE 37**

**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 38**

**RELATED PARTY DISCLOSURES**

**a. List of related parties**

- i. Company exercising control by holding more than one half in voting power of the Company
  - The Tata Power Company Limited (TPCL)
- ii. Company holding substantial interest in voting power of the Company
  - Delhi Power Company Limited (DPCL)
- iii. Wholly owned Subsidiary Company
  - NDPL Infra Limited (NDPLIL)
- iv. Fellow Subsidiaries (with whom the Company has transactions)
  - Tata Power Trading Company Limited (TPTCL)
  - Tata Power Solar Systems Limited (TPSSL)
  - Tata Power Jamshedpur Distribution Limited (TPJDL)
  - Tata Power International Pte Limited (TPIPL)
- v. Key Management Personnel
  - Mr. Praveer Sinha, CEO and Executive Director




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(Rs./Lacs)					
b. Transaction / balances outstanding with Related Parties:					
Transaction / Outstanding Balances	Holding Company	Company Holding Substantial Interest	Fellow Subsidiaries	Wholly owned Subsidiary company	Key Management Personnel
<b>A. Transactions during the year</b>					
<b>Purchase of goods/services</b>	-	-	105,447.04	-	-
	(-)	(-)	(90,637.67)	(-)	(-)
- TPTCL	-	-	105,440.20	-	-
	(-)	(-)	(90,637.67)	(-)	(-)
- TPSSL	-	-	6.84	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Sale of goods/ services*</b>	59.56	-	160.47	268.33	-
	(32.45)	(-)	(9,296.52)	(170.93)	(-)
- TPTCL	-	-	-	-	-
	(-)	(-)	(9,228.14)	(-)	(-)
- TPJDL	-	-	14.81	-	-
	(-)	(-)	(68.38)	(-)	(-)
- TPIPL	-	-	145.66	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Commission earned</b>	-	2.02	-	-	-
	(-)	(2.76)	(-)	(-)	(-)
<b>Managerial remuneration</b>	-	-	-	-	302.25
- Mr. Praveer Sinha	(-)	(-)	(-)	(-)	(216.89)
<b>Other expenses</b>	525.97	-	-	-	-
	(899.45)	(-)	(-)	(-)	(-)
<b>Recovery of Expenses</b>	-	-	14.94	15.45	-
	(-)	(-)	(20.42)	(51.28)	(-)
- TPJDL	-	-	4.44	-	-
	(-)	(-)	(20.42)	(-)	(-)
- TPIPL	-	-	10.50	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Loans availed</b>	-	-	-	-	-
	(34,000.00)	(-)	(-)	(-)	(-)
<b>Loans repaid</b>	-	-	-	-	-
	(34,000.00)	(-)	(-)	(-)	(-)
<b>Interest paid on loans</b>	-	-	-	-	-
	(40.24)	(-)	(-)	(-)	(-)
<b>Rebate on power purchase</b>	-	-	940.69	-	-
- TPTCL	(-)	(-)	(889.16)	(-)	(-)
<b>Rebate on sale of power</b>	-	-	20.06	-	-
- TPTCL	(-)	(-)	(196.01)	(-)	(-)
<b>Dividend paid on equity shares</b>	3,378.24	3,245.76	-	-	-
	(-)	(-)	(-)	(-)	(-)
<b>Dividend paid on Preference shares</b>	3,160.60	3,036.66	-	-	-
	(-)	(-)	(-)	(-)	(-)

\* including sale of Fixed asset to TPCL Rs. 4.63 lacs



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Transaction / Outstanding Balances	Holding Company	Company Holding Substantial Interest	Fellow Subsidiaries	Wholly owned Subsidiary company	(Rs./Lacs) Key Management Personnel
<b>B. Balance outstanding</b>					
Investment in equity shares of subsidiary company	-	-	-	5.00	-
	(-)	(-)	(-)	(5.00)	(-)
<b>Other Liabilities (Power Banking)</b>	-	-	-	-	-
- TPTCL	(-)	(-)	(2,398.10)	(-)	-
<b>Payables</b>	150.81	904.53	27,042.82	-	-
	(66.04)	(1,096.86)	(13,550.74)	(-)	(-)
- TPTCL	-	-	27,014.27	-	-
	(-)	(-)	(13,456.16)	(-)	(-)
- TPSSL	-	-	28.55	-	-
	(-)	(-)	(94.58)	(-)	(-)
<b>Receivables</b>	-	-	8.12	55.29	-
	(-)	(-)	(22.84)	(19.08)	(-)
- TPIPL	-	-	8.12	-	-
	(-)	(-)	(-)	(-)	(-)
- TPJDL	-	-	-	-	-
	(-)	(-)	(22.84)	(-)	(-)

\* Figures in brackets represent the previous year figures

**NOTE 39**

**a. Expenditure in foreign currency**

Consultancy and other expenditure  
Travelling

	Year ended 31.03.15	Year ended 31.03.14
	Rs./lacs	Rs./lacs
	8.07	10.39
	17.91	9.11
	25.98	19.50

**b. CIF Value of Imports**

**c. Earnings in Foreign Currency**

Consultancy/Training income

121.73      12.85

**NOTE 40**

**Detail of Auditors Remuneration\***

Legal & professional charges include Auditor's remuneration as follows:

Particulars	Year ended 31.03.15	Year ended 31.03.14
	Rs./lacs	Rs./lacs
Audit fee (including quarterly audits)	48.25	45.00
Other services	15.95	5.00
Reimbursement of out-of-pocket expenses	1.39	0.80
<b>Total</b>	<b>65.59</b>	<b>50.80</b>

\* Exclusive of service tax

**NOTE 41**

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Company is required to get a transfer pricing study conducted to determine whether the transactions with related parties were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2015 is currently in progress and hence adjustments, if any, which may arise there from will be considered in the financial statements for the year ended 31 March, 2016. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.



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**NOTE 42**

Unhedged foreign currency exposure :

Particulars	As at 31.03 2015		As at 31.03 2014	
	Foreign currency	Rs./lacs	Foreign currency	Rs./lacs
Trade receivable (in USD)	12,985	8.12	-	-

**NOTE 43**

Previous period figures have been presented for the purpose of comparison and have been regrouped where necessary.

**For V Sankar Aiyar & Co.**  
Chartered Accountants



**Ajay Gupta**  
Partner



New Delhi  
08 May, 2015

**For and on behalf of the Board of Directors**



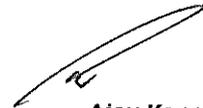
**Anil Sardana**  
Chairman



**Praveer Sinha**  
CEO & Executive  
Director



**Ajay Kalsie**  
Company Secretary



**Ajay Kapoor**  
Chief Financial Officer

New Delhi  
08 May, 2015