

TATA POWER DELHI DISTRIBUTION LIMITED



V. SANKAR AIYAR & CO.
CHARTERED ACCOUNTANTS

Satyam Cinema Complex, Ranjit Nagar Community Centre, New Delhi – 110 008

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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 31st March, 2016, 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. 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

We draw attention to Note no. 32(e) 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). 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 Regulatory Asset estimated at Rs. 23,879 lacs relating to Rithala Gas Plant as at 31st March 2016, which includes carrying cost of Rs. 2,566 lacs for the period 1st April 2015 to 31st March 2016. The impact of the above on the standalone financial statements as at 31st March 2016 cannot presently be determined by the Company, pending 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 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 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report express an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("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 B" a statement on the matters specified in the paragraphs 3 and 4 of the said Order.

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

Ajay Gupta

Ajay Gupta
Partner
Membership No. 90104

Place : New Delhi
Dated: 13th May 2016



Annexure "A" to the Independent Auditors' Report

(Referred to in Paragraph 1(f) under 'Report on Other Legal and Regulatory requirements' of our report on even date)

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company;



and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Place : New Delhi
Dated : 13th May 2016

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

Ajay Gupta

**Ajay Gupta.
Partner
Membership No. 90104**



Annexure "B" to the Independent Auditors' Report

(Referred to in Paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report on even date)

- 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.
 - c) The Company does not own any land in its name. As regard the building, the Company retains the operational right over the building used for the purpose of carrying out distribution business under a license granted by DERC. Thus, verification of title deeds is not applicable on building.
- ii The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on physical verification
- iii a) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships 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) to (c) of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us and the representation obtained from the management (i) the Company has not granted any loans to any of its directors or any other person in whom director is interested or given guarantee or provided any security in connection with any loan taken by him or such other person within the meaning of section 185 of the Act and (ii) the Company has not given any loan, given any guarantee or provided any security in connection with a loan and acquired securities within the meaning of section 186 of the Act.
- v The Company has not accepted deposits within the provisions of sections 73 to 76 of the Act 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, service tax, duty of customs, value added tax, cess and other material statutory dues with the appropriate authorities. 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 31st March, 2016, 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 31st March, 2016 in respect of income tax or sale 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 |

- viii On the basis of the verification of records and information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to financial institutions and banks. The Company does not have any loans or borrowings from government or debenture holders in the books of accounts at any time during the year.
- ix The Company did not raise any money by way of initial / further public offer (including debt instruments) and term loans taken during the year have been applied for the purpose for which they were obtained.
- x Based on the audit procedure performed and the representation obtained from the management, no material fraud by the Company or on the Company by its officers and employees has been noticed or reported during the year.
- xi According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V of the Act.
- xii The Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Therefore, the provisions of clause 3(xiv) of the Order are not applicable.
- xv According to the information and explanations given to us and the representation obtained from the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Therefore, the provisions of clause 3(xv) of the Order are not applicable.
- xvi In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-l of the Reserve Bank of India Act, 1934.

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

Ajay Gupta

**Ajay Gupta.
Partner
Membership No. 90104**

**Place : New Delhi
Dated : 13th May 2016**



TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
BALANCE SHEET AS AT 31 MARCH, 2016

| | Note No. | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|---|-------------|---------------------------------|---------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| (1) Shareholders' funds | | | |
| (a) Share capital | 3 | 105,200.00 | 105,200.00 |
| (b) Reserves and surplus | 4 | 208,205.95 | 198,892.31 |
| | | <u>313,405.95</u> | <u>304,092.31</u> |
| (2) Capital grants | 5 | 780.03 | 830.07 |
| (3) Consumer contribution for capital works (CCCW) | 6 | 59,078.40 | 50,717.65 |
| (4) Non-current liabilities | | | |
| (a) Long-term borrowings | 7 | 242,923.63 | 302,321.96 |
| (b) Deferred tax liabilities (Net) Less: Adjustable in future tariff | 8 | 57,000.47 | 52,200.46 |
| | | <u>57,000.47</u> | <u>52,200.46</u> |
| (c) Other long term liabilities | 9 | 77,932.02 | 76,094.19 |
| (d) Long-term provisions | 10 | 2,850.36 | 2,098.11 |
| | | <u>323,706.01</u> | <u>380,514.26</u> |
| (5) Current liabilities | | | |
| (a) Short-term borrowings | 11 | 16,660.96 | 8,252.57 |
| (b) Trade payables | 12 | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | 161.61 | 74.88 |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 91,779.05 | 88,374.49 |
| (c) Other current liabilities | 13 | 105,909.42 | 88,399.79 |
| (d) Short-term provisions | 14 | 28,511.92 | 25,451.45 |
| | | <u>243,022.96</u> | <u>210,553.18</u> |
| TOTAL | | <u>939,993.35</u> | <u>946,707.47</u> |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Fixed assets | 15 | | |
| Tangible assets | | 326,671.86 | 309,570.26 |
| Intangible assets | | 2,649.36 | 2,577.52 |
| Capital work-in-progress | | 14,922.78 | 16,191.78 |
| | | <u>344,244.00</u> | <u>328,339.56</u> |
| (b) Non-current Investments | 16 | 5.00 | 5.00 |
| (c) Long-term loans and advances | 17 | 4,576.88 | 4,536.36 |
| (d) Other non current assets - Regulatory Asset | 18 | 424,203.26 | 485,689.26 |
| | | <u>773,029.14</u> | <u>818,570.18</u> |
| (2) Current assets | | | |
| (a) Inventories | 19 | 1,297.45 | 920.40 |
| (b) Trade receivables | 20 | 16,606.14 | 14,049.74 |
| (c) Cash and cash equivalents | 21 | 18,779.17 | 16,980.44 |
| (d) Short-term loans and advances | 22 | 53,743.31 | 18,754.01 |
| (e) Other current assets | 23 | 76,538.14 | 77,432.70 |
| | | <u>166,964.21</u> | <u>128,137.29</u> |
| TOTAL | | <u>939,993.35</u> | <u>946,707.47</u> |

See accompanying notes forming part of the financial statements

1 to 45

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants

Ajay Gupta

Ajay Gupta
Partner



New Delhi
13 May, 2016

For and on behalf of the Board of Directors

Anil Sardana

Anil Sardana
Chairman

Praveer Sinha

Praveer Sinha
CEO & Managing Director

Ajay Kalsie

Ajay Kalsie
Company Secretary

Ajay Kapoor

Ajay Kapoor
Chief Financial Officer

New Delhi
13 May, 2016

TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2016

| | Note No. | Year ended 31.03.2016 Rs./Lacs | Year ended 31.03.2015 Rs./Lacs |
|---|-------------|--------------------------------------|--------------------------------------|
| INCOME | | | |
| 1 Revenue from operations | 25 | 687,451.65 | 643,535.25 |
| Less: energy tax | | <u>29,374.60</u> | <u>27,412.50</u> |
| | | 658,077.05 | 616,122.75 |
| 2 Other operating income | 26 | <u>17,336.45</u> | <u>15,570.53</u> |
| 3 Total Revenue from operations | | 675,413.50 | 631,693.28 |
| 4 Other income | 27 | 5,799.11 | 3,579.01 |
| 5 Total income | | <u>681,212.61</u> | <u>635,272.29</u> |
| EXPENSES | | | |
| 6 Fuel cost | | (240.39) | - |
| 7 Cost of power purchased (net) (excludes own generation) | 28 | 465,386.72 | 491,002.95 |
| 8 Employee benefits expense | 29 | 35,464.51 | 32,574.43 |
| 9 Finance costs | 30 | 40,023.65 | 44,537.33 |
| 10 Depreciation and amortisation expense | 15 | 17,850.51 | 17,418.89 |
| 11 Other expenses | 31 | 25,454.94 | 26,783.33 |
| 12 Total | | <u>583,939.94</u> | <u>612,316.93</u> |
| PROFIT/(LOSS) BEFORE TAX & RATE REGULATED ACTIVITIES | | 97,272.67 | 22,955.36 |
| 13 Regulatory Income/(Expense) | 32 | (63,803.00) | 21,178.00 |
| PROFIT/(LOSS) BEFORE TAX | | 33,469.67 | 44,133.36 |
| 14 Tax expense | | | |
| - Current tax | | 7,633.33 | 10,534.55 |
| - Deferred tax | 8 | | |
| Provision for the current year | | 4,800.01 | 6,911.23 |
| Less: Adjustable in future tariff | | <u>(4,800.01)</u> | <u>(6,911.23)</u> |
| PROFIT/(LOSS) AFTER TAX | | <u>25,836.34</u> | <u>33,598.81</u> |
| Basic and Diluted Earnings per share (Rs.) | 34 | 3.37 | 4.78 |

See accompanying notes forming part of financial statements 1 to 45

In terms of our report attached

For V Sankar Aiyar & Co.
Chartered Accountants

Ajay Gupta

Ajay Gupta
Partner



New Delhi
13 May, 2016

For and on behalf of the Board of Directors

Anil Sardana

Anil Sardana
Chairman

Praveer Sinha

Praveer Sinha
CEO & Managing Director

Ajay Kalsie

Ajay Kalsie
Company Secretary

Ajay Kapoor

Ajay Kapoor
Chief Financial Officer

New Delhi
13 May, 2016

TATA POWER DELHI DISTRIBUTION LIMITED
(Formerly NORTH DELHI POWER LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2016

| | Year ended 31.03.2016 Rs./Lacs | Year ended 31.03.2015 Rs./Lacs |
|--|--------------------------------------|--------------------------------------|
| A. Cash flow from Operating Activities | | |
| Net profit before tax | 33,469.67 | 44,133.36 |
| Adjustments for : | | |
| Depreciation and amortisation | 17,850.51 | 17,418.89 |
| Finance costs | 40,023.65 | 44,537.33 |
| Interest income | (1,246.80) | (710.84) |
| Net gain on sale of current investments (non-trade) | (176.28) | (115.94) |
| Loss on sale / retirement of assets | 617.61 | 81.68 |
| Transfer of capital grants / CCCW | (2,483.21) | (2,480.65) |
| Obsolete inventory written off / provision for obsolete inventory | 118.05 | 22.07 |
| Bad debts written off | 200.84 | 122.69 |
| Provision for Contingencies | 3,500.45 | 5,559.00 |
| Provision for doubtful debts / advances | (1,405.77) | 381.73 |
| Operating profit before working capital changes | 90,468.72 | 108,949.32 |
| Changes in working capital: | | |
| Adjustments for (increase) / decrease in operating assets: | | |
| Inventories | (495.10) | 323.62 |
| Trade receivables | (1,790.68) | (2,974.09) |
| Short term loans and advances | (34,989.30) | 8,869.47 |
| Long term loans and advances | 87.39 | 128.77 |
| Other non current assets | 61,486.00 | (19,370.00) |
| Other current assets | 860.63 | (303.29) |
| Adjustments for increase / (decrease) in operating liabilities: | | |
| Trade payables | 3,491.29 | 8,460.50 |
| Other current liabilities | 4,194.46 | (4,853.22) |
| Other long term liabilities | (2,425.00) | (1,701.05) |
| Short term provisions | 205.04 | 216.71 |
| Long term provisions | 752.25 | 407.08 |
| Cash generated from operations | 121,845.70 | 98,153.82 |
| Taxes paid (including tax deducted at source) | (8,305.30) | (9,723.56) |
| Net Cash from/(used in) Operating Activities | (A) 113,540.40 | 88,430.26 |
| B. Cash Flow from Investing Activities | | |
| Purchase of fixed assets | (34,318.73) | (25,026.39) |
| Proceeds from sale of fixed assets | 633.03 | 705.71 |
| Interest received | 1,280.73 | 666.80 |
| Purchase of current investments | (163,500.00) | (95,575.00) |
| Sale of current investments | 163,676.28 | 95,690.94 |
| Net Cash from/(used in) Investing Activities | (B) (32,228.69) | (23,537.94) |
| C. Cash Flow from Financing Activities | | |
| Interest paid on long term loans | (36,710.18) | (41,322.98) |
| Interest paid on short term loans | (529.04) | (857.55) |
| Interest paid on consumer deposits | (3,469.74) | (3,128.86) |
| Other interest/borrowing cost paid | (48.20) | (102.19) |
| Proceeds of short term loans | 2,000.00 | 16,500.00 |
| Repayment of short term loans | (2,000.00) | (26,500.00) |
| (Repayment)/proceeds from cash credit accounts | 8,408.39 | (338.07) |
| Proceeds of long term loans | 26,250.00 | 43,750.00 |
| Repayment of long term loans | (72,167.91) | (49,215.14) |
| Proceeds from capital grants/CCCW | 10,793.92 | 9,108.06 |
| Consumers' security deposits | 4,482.48 | 4,735.08 |
| Dividend paid (including dividend tax) | (16,522.70) | (15,000.23) |
| Net Cash from/(used in) Financing Activities | (C) (79,512.98) | (62,371.88) |
| Net decrease in Cash and Cash Equivalents | (A+B+C) 1,798.73 | 2,520.44 |
| Cash and cash equivalents at the beginning of the year | 16,980.44 | 14,460.00 |
| Cash and cash equivalents at the end of the year (See note 21)* | 18,779.17 | 16,980.44 |

* Cash & cash equivalents include Rs. 3,710.43 Lacs (Previous year Rs. 3,696.51 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
13 May, 2016

For and on behalf of the Board of Directors

Anil Sardana

Anil Sardana
Chairman

Praveer Sinha

Praveer Sinha
CEO & Managing Director

Ajay Kalsie

Ajay Kalsie
Company Secretary

Ajay Kapoor

Ajay Kapoor
Chief Financial Officer

New Delhi
13 May, 2016

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

NOTE 1

Background

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



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

| <u>Description/Class of Assets</u> | <u>Useful Life (years)</u> |
|--|----------------------------|
| 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 'Regulatory Income/Expense'.

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.

v. In case of Consultancy service contracts, revenue is recognized proportionately by reference to the performance of each act specified under the contracts. Foreseeable losses on such contracts are recognised when probable.

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.

Ahluwalia



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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

Erstwhile DVB Employees

The liability for retirement pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier) is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognized immediately in the statement of profit and loss.

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. Leases

Operating lease payments are recognized as expenditure in the Profit and Loss account as per the terms of the respective lease agreement.

p. 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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| | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--|---------------------------------|---------------------------------|
| NOTE 3 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 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. | 50,000.00 | 50,000.00 |
| | 125,000.00 | 125,000.00 |
| Issued, Subscribed and Paid up | | |
| 5,520 lacs [Previous year 5,520 lacs] equity shares of Rs. 10 each fully paid up with voting rights. | 55,200.00 | 55,200.00 |
| 500 lacs [Previous year 500 lacs] 12% Cumulative Redeemable Preference Shares of Rs. 100 each without voting rights. | 50,000.00 | 50,000.00 |
| | 105,200.00 | 105,200.00 |

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 13 May, 2016 proposed dividend of Rs.12 per share on the 12% cumulative redeemable preference shares for financial year 2015-16. Further the Board also proposed dividend of Rs. 1.40 per equity share for financial year 2015-16. 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, 2016 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 |
|--|--------------------|-------------|--------------------|
| Equity Shares | | | |
| Year ended 31 March, 2016 | | | |
| - Number of shares (in Lacs) | 5,520.00 | - | 5,520.00 |
| - Amount (Rs./Lacs) | 55,200.00 | - | 55,200.00 |
| 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 |
| 12% Cumulative Redeemable Preference Shares | | | |
| Year ended 31 March, 2016 | | | |
| - Number of shares (in Lacs) | 500.00 | - | 500.00 |
| - Amount (Rs./Lacs) | 50,000.00 | - | 50,000.00 |
| Year ended 31 March, 2015 | | | |
| - Number of shares (in Lacs) | 500.00 | - | 500.00 |
| - Amount (Rs./Lacs) | 50,000.00 | - | 50,000.00 |

Signature



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NOTE 4

RESERVES AND SURPLUS

(a) General Reserve

| | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--|---------------------------------|---------------------------------|
| (i) Opening balance | 7,850.00 | 6,150.00 |
| (ii) Add: Transferred from surplus in statement of Profit & loss | 1,300.00 | 1,700.00 |
| (iii) Closing balance | 9,150.00 | 7,850.00 |

(b) Surplus in Statement of Profit and Loss

| | | |
|--|-------------------|-------------------|
| (i) Opening balance | 191,042.31 | 175,666.20 |
| (ii) Add: Additions during the year | 25,836.34 | 33,598.81 |
| (iii) Less: Proposed Dividend | 13,728.00 | 13,728.00 |
| (iv) Less: Tax on proposed dividend | 2,794.70 | 2,794.70 |
| (v) Less: Transferred to general reserve | 1,300.00 | 1,700.00 |
| (vi) Closing balance | 199,055.95 | 191,042.31 |
| | 208,205.95 | 198,892.31 |

NOTE 5

CAPITAL GRANTS

| | | |
|--|--------|--------|
| (a) Opening balance | 830.07 | 881.74 |
| (b) Add: Additions during the year | - | - |
| (c) Less: Transfer to statement of profit and loss | 50.04 | 51.67 |
| (d) Closing balance | 780.03 | 830.07 |

NOTE 6

CONSUMER CONTRIBUTION FOR CAPITAL WORKS

| | | |
|--|-----------|-----------|
| (a) Opening balance | 50,717.65 | 44,038.57 |
| (b) Add: Additions during the year | 10,793.92 | 9,108.06 |
| (c) Less: Transfer to statement of profit and loss | 2,433.17 | 2,428.98 |
| (d) Closing balance | 59,078.40 | 50,717.65 |

NOTE 7

LONG-TERM BORROWINGS

TERM LOANS

(A) From banks

| | | |
|---------------------------------------|------------|------------|
| (i) Secured | | |
| (a) State Bank of India | - | 450.00 |
| (b) Punjab & Sind Bank | 62,697.28 | 53,026.24 |
| (c) Union Bank of India | 8,625.65 | 11,315.72 |
| (d) Canara Bank | 44,027.78 | 52,805.56 |
| (e) Dena Bank | - | 1,500.00 |
| (f) Karnataka Bank | 4,500.00 | 6,500.00 |
| (g) Allahabad Bank | 31,510.42 | 37,413.19 |
| (h) Syndicate Bank | 32,500.00 | 42,500.00 |
| (i) State Bank of Mysore | 18,125.00 | 17,750.00 |
| (j) IDFC Bank | 28,562.50 | 37,192.50 |
| | 230,548.63 | 260,453.21 |
| (ii) Unsecured | | |
| (a) Dena Bank | 3,000.00 | 13,500.00 |
| (b) Canara bank | 3,750.00 | 18,750.00 |
| | 6,750.00 | 32,250.00 |
| Total long term borrowings from banks | 237,298.63 | 292,703.21 |

(B) From other parties

| | | |
|--|------------|------------|
| (i) Secured | | |
| (a) Aditya Birla Finance Limited | 5,625.00 | 6,618.75 |
| (b) L&T Fincorp Limited | - | 1,125.00 |
| (c) L&T Infrastructure Finance Company Limited | - | 1,875.00 |
| | 5,625.00 | 9,618.75 |
| Total long term borrowings | 242,923.63 | 302,321.96 |

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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) 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 10.25% p.a. 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 10.25% p.a. 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.
- iii. During the year for Rs. 10,000 lacs at an interest rate of base rate plus 0.25% (floating), presently 10% p.a. with reset every year. The loan is repayable in 32 quarterly installments of Rs. 312.50 lacs each starting from 15 April, 2018. The Company has drawn Rs. 3,000 lacs during current year.

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. 30,000 lacs presently at an interest rate of 10% 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 24 quarterly installments of Rs. 1,250 lacs each starting from 15 July, 2014.
- v. For Rs. 30,000 lacs presently at an interest rate of 10% 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 32 quarterly installments of Rs. 937.50 lacs each starting from 15 April, 2015.
- vi. During the year for Rs. 15,000 lacs at an interest rate of base rate (floating), presently 9.75% 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 24 quarterly installments of Rs. 625 lacs each starting from July, 2017.
- vii. During the year for Rs. 20,000 lacs at an interest rate of base rate plus 0.25% (floating), presently 10% 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 24 quarterly installments of Rs. 833.33 lacs each starting from 15 April, 2018. The Company has drawn Rs. 2,000 lacs during current year.

(c) 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 10.15% 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 10.15% 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.

(d) 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 9.80% p.a. with reset every year, repayable in 16 quarterly installments of Rs. 937.50 lacs each starting from 1 March, 2014.
- ii. For Rs. 10,000 lacs presently at an interest rate of 9.80% p.a. with reset every year, repayable in 36 equal quarterly installments of Rs. 277.78 lacs each starting from 15 July, 2014.



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iii. For Rs. 20,000 lacs presently at an interest rate of 10% p.a. with reset every year. The Company has drawn remaining Rs. 4,000 lacs during current year. The loan is repayable in 32 equal quarterly installments of Rs. 625 lacs each starting from July, 2016.

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 9.80% 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 16 quarterly installments of Rs. 937.50 lacs each starting from July, 2015.

v. for Rs. 10,000 lacs presently at an interest rate of 10% 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 24 quarterly installments of Rs. 416.67 lacs each starting from July, 2016.

(e) Dena Bank

Term loan from Dena Bank at an interest rate of 10.25% p.a. was 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. However the company has prepaid entire outstanding amount on 9 November, 2015 at the time of reset.

(f) Karnataka Bank

Term loan from Karnataka Bank presently at an interest rate of 10.25% 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 30 August 2014.

(g) 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 9.70% 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 9.95% 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 10.10% 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 32 equal quarterly installments of Rs. 781.25 lacs each starting from 15 January, 2016.

(h) Syndicate Bank

Term loan from Syndicate Bank for Rs. 50,000 lacs presently at an interest rate of 9.85% 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

Term loan from State Bank of Mysore presently at an interest rate of 9.90% p.a. with reset every year. The Company has drawn remaining Rs. 2,250 lacs during current 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 of Rs. 625 lacs each starting from August, 2016.



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

(i) IDFC Bank

| Repayment Terms | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--|--|--|
| 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. | 1,380.00 | 4,140.00 |
| II 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. Also there is a first charge on Debt Service Reserve Account (exclusive to this loan) for Rs. 3,000 lacs out of total loan of Rs. 17,500 lacs . | 4,812.50 | 6,562.50 |
| III 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). | 2,250.00 | 2,750.00 |
| IV 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. 1,250 lacs each starting from February, 2016. | 28,750.00 | 30,000.00 |

(k) For secured loans outstanding from banks amounting Rs. 37,642.50 lacs (Previous Year Rs. 44,502.50 lacs) and from other parties amounting Rs. 6,618.75 lacs (Previous Year Rs. 7,575.00 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 10.25% 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 10% p.a. is repayable in 16 quarterly installments of Rs. 3,750 lacs each starting from 1 October 2013.

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TATA POWER DELHI DISTRIBUTION LIMITED
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TERM LOANS - From other parties

(i) Secured

(a) 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 to be repaid in 40 quarterly installments of Rs. 100 lacs each thereafter. This loan has been fully repaid during current year.

(b) Aditya Birla Finance Limited

Term loan from Aditya Birla Finance Limited presently at an interest rate of 10.50% 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 from September, 2014.

(c) 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 at an interest rate of 11.53% p.a. to be reset after two years. The loan was secured by fourth pari-passu charge on all the present and future receivables and was repayable in 24 structured quarterly installments starting from 15 April, 2014. However the Company has prepaid entire outstanding amount on 24 April, 2015 at the time of reset.

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

Current maturities of long term loans includes repayment to be made before due date of 12 months, due date being a holiday.

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, 2016, as detailed below reflect the quantum of tax liabilities accrued up to 31 March, 2016.

| Particulars | Opening | (All amounts in Rs./lacs) | |
|---|------------------|---|------------------|
| | | Charged to Statement of Profit and Loss | Closing |
| Deferred tax liability relating to fixed assets | 57,006.05 | 4,655.36 | 61,661.41 |
| Deferred tax assets on account of : | | | |
| Provision for doubtful debts & advances | 3,601.61 | (486.57) | 3,115.04 |
| Leave salary & gratuity | 1,045.16 | 336.23 | 1,381.39 |
| Others | 158.82 | 5.69 | 164.51 |
| Deferred Tax Liabilities (net) | 52,200.46 | 4,800.01 | 57,000.47 |

- (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, 2016 of Rs. 57,000.47 lacs (Previous Year Rs. 52,200.46 lacs) including deferred tax charge of Rs. 4,800.01 lacs (Previous year Rs. 6,911.23 lacs) for the year ended 31 March, 2016 has been shown as adjustable from future tariff.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--------------------------------------|---------------------------------|---------------------------------|
| NOTE 9 | | |
| OTHER LONG TERM LIABILITIES | | |
| Trade deposits and security deposits | | |
| (i) Consumers' security deposit | 53,072.46 | 48,809.63 |
| (ii) Consumers' deposits for works | 24,654.36 | 27,231.43 |
| (iii) Other security deposits | 205.20 | 53.13 |
| | <u>77,932.02</u> | <u>76,094.19</u> |

NOTE 10

LONG TERM PROVISIONS

| | | |
|----------------------------------|----------|----------|
| Provision for employees benefits | 2,850.36 | 2,098.11 |
|----------------------------------|----------|----------|

NOTE 11

SHORT-TERM BORROWINGS

(a) LOANS REPAYABLE ON DEMAND

| | | |
|-------------------------|------------------|-----------------|
| From banks - Secured | | |
| Cash credit | 13,550.90 | 8,252.57 |
| From banks - Unsecured | | |
| Axis Bank Overdraft A/c | 3,110.06 | - |
| | <u>16,660.96</u> | <u>8,252.57</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.

Unsecured - Overdraft Account

The company has an unsecured overdraft facility to the extent of Rs. 10,000 lacs from Axis Bank.

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 |
|---------------|---------------|------------------|------------------------|----------------|
| 09.06.2015 | 1995.60 | 2000.00 | 8.05 | 19.06.2015 |

NOTE 12

TRADE PAYABLES

| | | |
|---|-----------|-----------|
| Other than acceptances (See note below) | 91,940.66 | 88,449.37 |
|---|-----------|-----------|

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. 161.61 lacs. (Previous year Rs. 74.88 lacs) and no interest during the year has been paid or is payable under the terms of the MSMED Act, 2006 or otherwise. This has been relied upon by the auditors.

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

| | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--|---------------------------------|---------------------------------|
| NOTE 13 | | |
| OTHER CURRENT LIABILITIES | | |
| (a) Current maturities of long term borrowings (See note 7) | | |
| (A) From banks | | |
| (i) Secured | | |
| (a) State Bank of India | 450.00 | 600.00 |
| (b) Punjab & Sind Bank | 10,328.96 | 10,328.96 |
| (c) Union Bank of India | 2,690.07 | 2,690.07 |
| (d) Canara Bank | 12,777.78 | 7,673.61 |
| (e) Dena Bank | - | 3,000.00 |
| (f) Karnataka Bank | 2,000.00 | 2,000.00 |
| (g) Allahabad Bank | 5,902.78 | 3,559.03 |
| (h) Syndicate Bank | 10,000.00 | 7,500.00 |
| (i) State Bank of Mysore | 1,875.00 | - |
| (i) IDFC Bank | 8,630.00 | 6,260.00 |
| | <u>54,654.59</u> | <u>43,611.67</u> |
| (ii) Unsecured | | |
| (a) Dena Bank | 10,500.00 | 7,500.00 |
| (b) Canara bank | 15,000.00 | 15,000.00 |
| | <u>25,500.00</u> | <u>22,500.00</u> |
| (B) From other parties | | |
| (i) Secured | | |
| (a) Power Finance Corporation Limited | - | 300.00 |
| (b) Aditya Birla Finance Limited | 993.75 | 656.25 |
| (c) L&T Fincorp Limited | - | 225.00 |
| (d) L&T Infrastructure Finance Company Limited | - | 375.00 |
| | <u>993.75</u> | <u>1,556.25</u> |
| Total current maturities of long term borrowings | <u>81,148.34</u> | <u>67,667.92</u> |
| (b) Interest accrued but not due on borrowings | 208.34 | 277.57 |
| (c) Income received in advance | 562.60 | 337.54 |
| (d) Book overdraft | 12.06 | 0.13 |
| (e) Trade deposits and security deposits | | |
| (i) Consumers' security deposit | 3,581.79 | 3,362.14 |
| (ii) Consumers' deposits for works | 181.29 | 200.95 |
| (iii) Other security deposits | 5,111.76 | 4,885.33 |
| (f) Other payables | 15,103.24 | 11,668.21 |
| | <u>105,909.42</u> | <u>88,399.79</u> |
| Other payables includes: | | |
| (a) Statutory dues | 8,624.72 | 6,135.85 |
| (b) Payables on purchase of fixed assets | 953.16 | 687.46 |
| (c) Advance from consumers | 4,493.19 | 3,988.60 |
| (d) Interest accrued on security deposits | - | 142.16 |
| (e) Advance government subsidy (to be adjusted upon billing) | 162.70 | - |
| (f) Others | 869.47 | 714.14 |
| NOTE 14 | | |
| SHORT TERM PROVISIONS | | |
| (a) Provision for employees benefits | 1,141.17 | 921.92 |
| (b) Proposed Dividend | 13,728.00 | 13,728.00 |
| (c) Provision for tax on proposed dividend | 2,794.70 | 2,794.70 |
| (d) Provision for taxation [Net of payment of income tax Rs. 63,259.76 lacs (Previous year Rs. 54,981.41 lacs)] | 1,787.96 | 2,432.98 |
| (e) Provision for Contingencies* [See note 32 (d)] | 9,059.45 | 5,559.00 |
| (f) Provision for wealth tax | 0.64 | 14.85 |
| | <u>28,511.92</u> | <u>25,451.45</u> |
| * Opening Balance | 5,559.00 | - |
| Add: Additions during the year | 3,500.45 | 5,559.00 |
| Less: Utilised/Reversed during the year | - | - |
| Closing Balance | <u>9,059.45</u> | <u>5,559.00</u> |

Signature



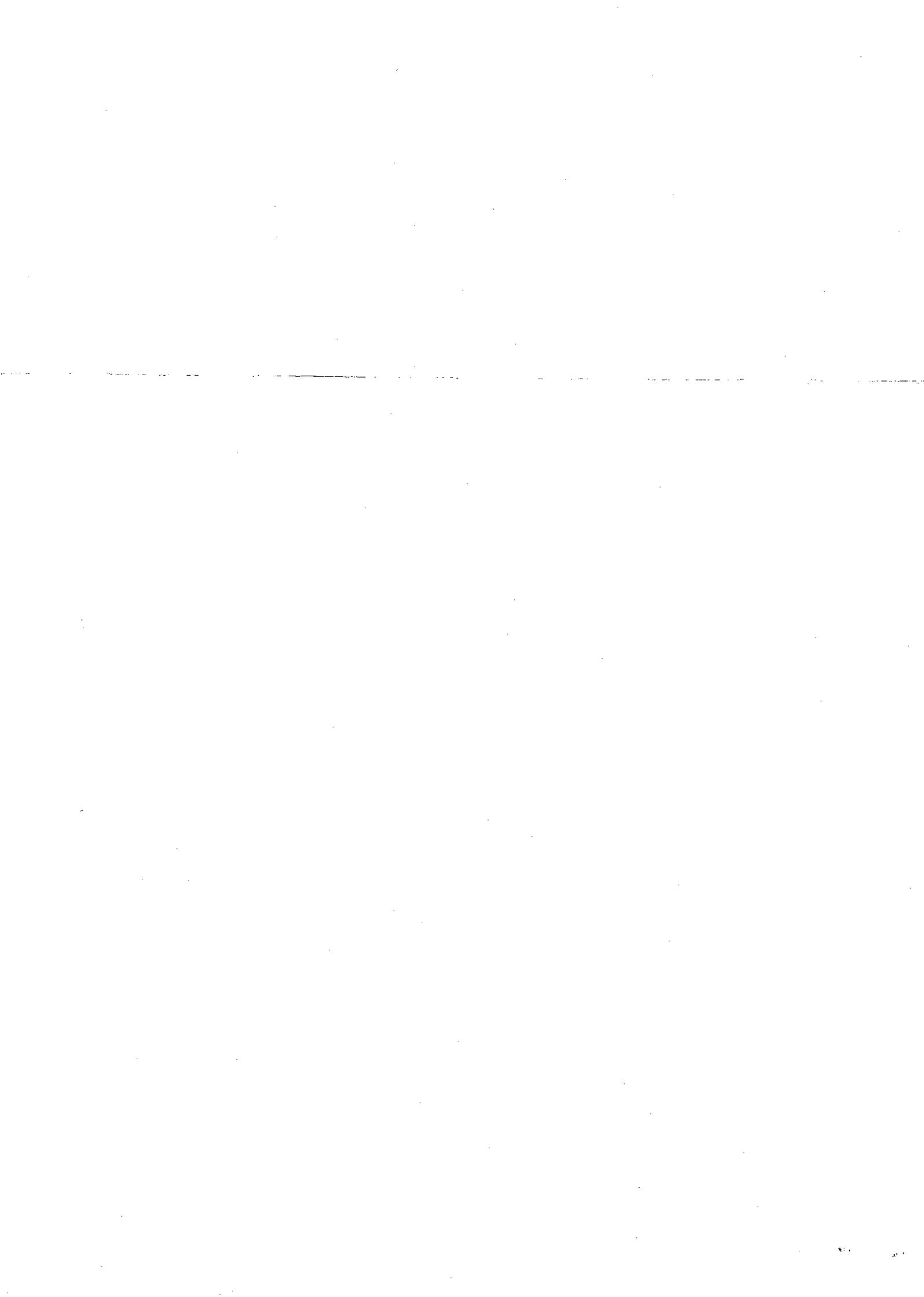
TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| NOTE 15 | GROSS BLOCK | | | | | | DEPRECIATION AND AMORTISATION | | | | NET BLOCK | |
|--|---------------------|------------------|--------------------|------------------|---------------------|---------------------|-------------------------------|-----------------|---------------------|---------------------|---------------------|--|
| | As at 01.04.2015 | Additions | Borrowing costs | Deletions | As at 31.03.2016 | As at 01.04.2015 | For the year | Deletions | As at 31.03.2016 | As at 31.03.2016 | As at 31.03.2015 | |
| 1 FIXED ASSETS (At Cost) | | | | | | | | | | | | |
| A) TANGIBLE | | | | | | | | | | | | |
| (a) Buildings - Plant | 27,837.51 | 2,296.06 | 40.49 | - | 30,174.06 | 9,177.25 | 622.43 | - | 9,799.68 | 20,374.38 | 18,660.26 | |
| (b) Building - Others | 3,798.33 | 157.68 | - | - | 3,956.01 | 1,704.92 | 131.11 | - | 1,836.03 | 2,119.98 | 2,093.41 | |
| (c) Plant and machinery | 240,323.34 | 16,340.32 | 178.18 | 2,017.33 | 254,824.51 | 82,500.62 | 11,302.11 | 1,319.07 | 92,483.66 | 162,340.85 | 157,822.72 | |
| (d) Transmission lines and cable network | 201,916.33 | 14,637.56 | 227.92 | 22.36 | 216,759.45 | 75,394.96 | 4,589.35 | 6.80 | 79,977.51 | 136,781.94 | 126,521.37 | |
| (e) Furniture and fixtures | 1,172.25 | 158.44 | - | 6.73 | 1,323.96 | 731.37 | 48.41 | 3.68 | 776.10 | 547.86 | 440.88 | |
| (f) Vehicles | 3,182.53 | 948.46 | - | 911.20 | 3,219.79 | 864.03 | 371.89 | 384.77 | 851.15 | 2,368.64 | 2,318.50 | |
| (g) Office equipment | 2,924.34 | 610.56 | - | 15.77 | 3,519.13 | 1,211.22 | 178.13 | 8.43 | 1,380.92 | 2,138.21 | 1,713.12 | |
| Total | 481,154.63 | 35,149.08 | 446.59 | 2,973.39 | 513,776.91 | 171,584.37 | 17,243.43 | 1,722.75 | 187,105.05 | 326,671.86 | 309,570.26 | |
| | (451,356.68) | (31,297.37) | (367.26) | (1,866.68) | (481,154.63) | (155,928.08) | (16,735.58) | (1,079.29) | (171,584.37) | (309,570.26) | | |
| B) INTANGIBLE | | | | | | | | | | | | |
| Computer software | 5,995.68 | 678.92 | - | - | 6,674.60 | 3,418.16 | 607.08 | - | 4,025.24 | 2,649.36 | 2,577.52 | |
| Total | 5,995.68 | 678.92 | - | - | 6,674.60 | 3,418.16 | 607.08 | - | 4,025.24 | 2,649.36 | 2,577.52 | |
| | (5,809.03) | (186.65) | - | - | (5,995.68) | (2,734.85) | (683.31) | - | (3,418.16) | (2,577.52) | | |
| GRAND TOTAL | 487,150.31 | 35,828.00 | 446.59 | 2,973.39 | 520,451.51 | 175,002.53 | 17,850.51 | 1,722.75 | 191,130.29 | 329,321.22 | 312,147.78 | |
| | (457,165.71) | (31,484.02) | (367.26) | (1,866.68) | (487,150.31) | (158,662.93) | (17,418.89) | (1,079.29) | (175,002.53) | (312,147.78) | | |
| 2 CAPITAL WORK - IN - PROGRESS (CWIP) (See note below) | 16,191.78 | 32,361.27 | 102.48 | 33,732.75 | 14,922.78 | - | - | - | - | 14,922.78 | 16,191.78 | |
| | (21,686.74) | (24,535.52) | (327.19) | (30,357.67) | (16,191.78) | - | - | - | - | (16,191.78) | | |

Note:
CWIP includes closing capital inventory of Rs. 5,035.07 lacs (Previous year Rs. 3,977.78 lacs).
Figures in brackets represent the previous year figures.



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

| | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--|---------------------------------|---------------------------------|
| NOTE 16 | | |
| NON - CURRENT INVESTMENTS | | |
| (See note 2(i)) | | |
| Long term, Trade Investments (unquoted) | | |
| Investments in equity instruments of wholly owned subsidiary company | | |
| (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> |
| NOTE 17 | | |
| LONG TERM LOANS AND ADVANCES | | |
| Unsecured and considered good | | |
| (a) Capital advances | 1,388.06 | 1,260.15 |
| (b) Security deposits | 89.49 | 113.23 |
| (c) Recoverable from SVRS Trust (See note 24g) | 159.68 | 288.25 |
| (d) Income tax paid under protest against demand | 2,811.57 | 2,811.57 |
| (e) Other loans and advances | 128.08 | 63.16 |
| | <u>4,576.88</u> | <u>4,536.36</u> |
| NOTE 18 | | |
| OTHER NON CURRENT ASSETS | | |
| Unsecured and considered good | | |
| Regulatory Asset (See note 32) | 424,203.26 | 485,689.26 |
| NOTE 19 | | |
| INVENTORIES | | |
| (a) Stores and spares | 1,256.57 | 871.81 |
| (b) Loose tools | 40.88 | 48.59 |
| | <u>1,297.45</u> | <u>920.40</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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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| | As at 31.03.2016 Rs./Lacs | As at 31.03.2015 Rs./Lacs |
|--|---------------------------------|---------------------------------|
| NOTE 20 | | |
| TRADE RECEIVABLES | | |
| (a) Debtors for billed revenue*# | | |
| (i) Debts outstanding for a period exceeding six months from the date they were due for payment | 12,912.76 | 13,489.22 |
| Less: Provision for doubtful debts | <u>12,912.76</u> | <u>13,489.22</u> |
| (ii) Other debts | 14,282.91 | 12,841.18 |
| Less: Provision for doubtful debts | <u>895.17</u> | <u>1,297.66</u> |
| | 13,387.74 | 11,543.52 |
| (b) Debtors for sale of power other than TPDDL license area - unsecured | 2.90 | 945.70 |
| (c) Other debtors - unsecured | 3,215.50 | 1,560.52 |
| | <u>16,606.14</u> | <u>14,049.74</u> |
| Of the above amounts, | | |
| Considered good | 16,606.14 | 14,049.74 |
| Considered doubtful | <u>13,807.93</u> | <u>14,786.88</u> |
| Out of (b) & (c) above: | | |
| (i) Debts outstanding for a period exceeding six months from the date they were due for payment | 534.14 | 290.63 |
| (ii) Other debts | 2,684.26 | 2,215.59 |
| * Secured | 7,614.49 | 6,102.22 |
| Unsecured | 19,581.18 | 20,228.18 |
| # including Government subsidy | 1,070.49 | 163.85 |
| NOTE 21 | | |
| CASH AND CASH EQUIVALENTS | | |
| (i) Balance with banks | | |
| - In current accounts | 11,611.94 | 10,188.47 |
| - In deposit accounts** | 3,760.42 | 3,742.75 |
| (ii) Cheques, drafts on hand | 3,298.66 | 2,923.00 |
| (iii) Cash on hand | 108.15 | 126.22 |
| | <u>18,779.17</u> | <u>16,980.44</u> |
| ** Includes Fixed Deposit which are earmarked pursuant to court order or contractual obligations | 3,710.43 | 3,696.51 |

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

| | As at 31.03.2016 | As at 31.03.2015 |
|--|-----------------------------|-----------------------------|
| | Rs./Lacs | Rs./Lacs |
| NOTE 22 | | |
| SHORT TERM LOANS AND ADVANCES | | |
| Unsecured and considered good | | |
| (a) Security deposits | 212.82 | 111.19 |
| (b) Income tax paid under protest against demand | 300.00 | 300.00 |
| (c) Recoverable from SVRS Trust (See note 24g) | 134.48 | 127.38 |
| (d) Other loans and advances | 53,275.38 | 18,394.81 |
| Less: Provision for doubtful advances | 179.37 | 179.37 |
| | 53,096.01 | 18,215.44 |
| | 53,743.31 | 18,754.01 |
| Other loans and advances includes: | | |
| (a) Prepaid insurance | 2,216.16 | 1,833.97 |
| (b) Prepaid expenses | 1,539.06 | 925.53 |
| (c) Power banking | 47,035.80 | 13,772.00 |
| (d) Others | 2,484.36 | 1,863.31 |
| NOTE 23 | | |
| OTHER CURRENT ASSETS | | |
| Unsecured and considered good | | |
| (a) Interest accrued but not due | 24.67 | 58.60 |
| (b) Unbilled revenue | 28,702.47 | 27,246.10 |
| (c) Regulatory Asset (See note 32) | 47,811.00 | 50,128.00 |
| | 76,538.14 | 77,432.70 |
| | 76,538.14 | 77,432.70 |

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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 31.03.16 Rs./lacs | As at 31.03.15 Rs./lacs |
|---|-------------------------------|-------------------------------|
| a. Claims against the Company not acknowledged as debts: | | |
| i. Legal cases filed by consumers, employees and others under litigation | 1,925.44 | 1,875.96 |
| ii. Property tax demands raised by municipal authorities | 2,027.00 | 2,027.00 |
| iii. Water charges demand raised by Delhi Jal Board (DJB) | 73.82 | 64.05 |
| iv. Sales tax authorities | 1,344.00 | 1,005.00 |
| b. Liabilities arising out of litigation etc due to provisions of Transfer Scheme pursuant to Delhi Electricity Reforms Act, 2002 | 100.00 | 100.00 |
| c. Taxation matters for which liability, relating to issues of deductibility and taxability, is disputed by the Company and provision is not made (computed on the basis of assessments which have been re-opened and assessments remaining to be completed): | | |
| (i) Matters on which decisions with the CIT(A) and various appellate authorities are pending | 1,358.72 | 1,359.14 |
| (ii) Interest demanded (as per demand order and appeal effect order) | 1,121.49 | 1,325.97 |
| (iii) TOTAL DEMAND* (i) + (ii) | <u>2,480.21</u> | <u>2,685.11</u> |
| (iv) Out of the above demand, amount paid under protest / adjusted by Income tax authorities | 1,951.56 | 2,156.00 |
| *No provision is considered necessary since the Company expects favourable decisions. | | |
| d. C' Forms pending issuance from sales tax department for the financial years 2008-09 to 2011-2012, including interest. | 146.93 | 65.87 |
| e. Claims of power suppliers, not acknowledged as expense and credits | 153,868.02 | 119,091.12 |
| (including Rs. 136,721.02 lacs [Previous year Rs. 100,985.30 lacs] of Damodar Valley Corporation [DVC] on account of fixed charges being claimed by DVC for the generating stations KTPS unit 1&2, MTPS unit 7&8 and DSTPS unit 1&2. Power from above stations had been surrendered by the Company due to delay in commissioning of these stations by DVC as the Company had made adequate power arrangements due to non-availability of power from above stations. Further approval of DERC for the same has also been obtained and duly communicated to DVC). | | |
| f. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | 25,647.63 | 22,075.79 |
| g. 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.

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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. 5,310.42 lacs (Previous Year Rs. 5,188.96 lacs) from pension, leave salary and other contribution totaling to Rs. 8,281.46 lacs (Previous Year Rs. 8,160 lacs), against a claim of Rs. 8,457.81 lacs (Previous Year Rs. 8,336.75 lacs) from the SVRS Trust in respect of retirees, who have expired or attained the age of superannuation till 31 March, 2016.

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. 294.16 lacs (Previous Year Rs. 415.63 lacs), as recoverable as on 31 March, 2016 and includes current portion of Rs. 134.48 lacs (previous year Rs. 127.38 lacs).

Apart from this, the Company has also been paying the retiral benefit including pension to the VSS optees till their respective dates of normal retirement or death (whichever is earlier). DERC has approved the aforesaid retiral benefit including pension amount in its Aggregate Revenue Requirement (ARR) and the same has been charged to the statement of profit and loss amounting to Rs. 223.48 lacs (previous year Rs. 246.62 lacs). In addition to this, during the year the Company has also recognized liability of Rs. 419.69 lacs (previous year Nil) for retiral pension payable to the VSS optees till their respective date of normal retirement or death (whichever is earlier) based on actuarial valuation as on 31 March, 2016



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| | Year ended 31.03.2016 Rs./Lacs | Year ended 31.03.2015 Rs./Lacs |
|---|--------------------------------------|--------------------------------------|
| NOTE 25 | | |
| REVENUE FROM OPERATIONS | | |
| (a) Sale of power* | 687,377.14 | 643,511.80 |
| (b) Income from open access charges | 74.51 | 23.45 |
| | 687,451.65 | 643,535.25 |
| NOTE 26 | | |
| OTHER OPERATING INCOME | | |
| (a) Late payment surcharge collected | 1,663.99 | 1,962.32 |
| (b) Service line charges | 3,735.96 | 3,011.57 |
| (c) Commission on | | |
| - DVB arrears collection | 1.83 | 2.02 |
| - Energy tax collection | 863.89 | 927.17 |
| (d) Maintenance charges | 2,014.40 | 2,133.79 |
| (e) Rebate on power purchase | 6,441.31 | 4,790.00 |
| (f) Transfer from capital grants | 50.04 | 51.67 |
| (g) Transfer from consumer contribution for capital works | 2,433.17 | 2,428.98 |
| (h) Miscellaneous operating income | 131.86 | 263.01 |
| | 17,336.45 | 15,570.53 |

* includes incentive on street light maintenance of Rs. 143.68 lacs (Previous period Rs. 151.36 lacs)

| | | |
|--|-----------------|-----------------|
| NOTE 27 | | |
| OTHER INCOME | | |
| (a) Interest | 1,246.80 | 710.84 |
| (b) Net gain/(loss) on sale of investments (non trade) | 176.28 | 115.94 |
| (c) Foreign exchange fluctuation gain (net) | - | 816.49 |
| (d) Income other than energy business | 4,039.95 | 1,737.02 |
| (e) Other non operating income | 336.08 | 198.72 |
| | 5,799.11 | 3,579.01 |

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 1970.84 million units (Previous period 1604.01 million units) of power to / in favour of other utilities. The power purchase cost of Rs. 465,386.72 lacs (Previous year Rs. 491,002.95 lacs) is net of sale of power/ UI receivables Rs. 71,956.40 lacs (Previous year Rs. 55,195.05 lacs) and excludes in-house power generation cost.

Presently coal based power generating stations of NTPC, Maithon Power Limited and Damodar Valley Corporation have been raising power purchase bills to beneficiary based on the coal price as charged by coal companies, however, Gross Calorific Value (GCV) of coal on received basis used for calculation of Energy Charge Rate (ECR) was not in accordance with the price paid for the Coal with a grade slippage to the tune of 8-10 bands. In a recent judgement by CERC in petition no 33/MP/2014 and 283/GT/2014 on this issue has ordered that their cannot be significant variation in GCV of coal at the loading point and unloading point at site. Accordingly the Company has computed the difference of estimated excess bill charged by these coal based power generating stations for the period Apr 14 to Dec 15 (in line with CERC Regulations 14-19) amounting to Rs 120,000 lacs approx (unaudited). As GCV loss from loading point by Coal India Limited (CIL) to unloading point at the plant site cannot be significant, the Company has rationalized the ECR calculation based on the price notification of CIL & information provided by Gencos in Form 15.

The matter of excess charges refund by Gencos has been further taken up by the Company through a separate petition at CERC which is currently under adjudication.

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 period ended 31 March, 2016 are as follows:

| | Year ended 31.03.2016 Mus | Year ended 31.03.2015 Mus |
|---|---------------------------------|---------------------------------|
| | Receivable | Receivable |
| Opening balance as at 1 April of the year (A) | 351.09 | 403.29 |
| Power banked (Outflow) (B) | 1249.86 | 455.65 |
| Power due against banked (C) | 1309.79 | 464.71 |
| Power receipt against opening (D) | 351.09 | 403.29 |
| Power receipt against current period transactions (E) | 76.22 | 113.62 |
| Balance receivable (A+C-D-E) | 1233.57 | 351.09 |
| | Payable | Payable |
| Opening balance as at 1 April of the year (A) | 0.00 | 62.95 |
| Actual receipt (B) | 199.80 | 9.27 |
| Power due against receipt (C) | 211.59 | 8.94 |
| Power outflow against opening (D) | 0.00 | 62.95 |
| Power outflow against current period transactions (E) | 211.59 | 8.94 |
| Balance payable (A+C-D-E) | 0.00 | 0.00 |



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| | Year ended 31.03.2016 Rs./Lacs | Year ended 31.03.2015 Rs./Lacs |
|--|--------------------------------------|--------------------------------------|
| NOTE 29 | | |
| EMPLOYEE BENEFITS EXPENSE | | |
| (a) Salaries, allowances and incentives | 33,034.40 | 30,507.58 |
| (b) Contribution to provident and other funds | 2,769.05 | 2,847.21 |
| (c) Staff welfare expenses | 1,849.60 | 2,027.66 |
| (d) Other personnel cost | 854.46 | 456.40 |
| | <u>38,507.51</u> | <u>35,838.85</u> |
| Less: Transferred to Capital work-in-progress | 3,686.17 | 3,511.04 |
| | <u>34,821.34</u> | <u>32,327.81</u> |
| (e) Pension and other payment to VSS and other retirees (See note 24g) | 643.17 | 246.62 |
| | <u>35,464.51</u> | <u>32,574.43</u> |

NOTE 30

FINANCE COSTS

| | | |
|---|------------------|------------------|
| (a) Interest on term loan (gross) | 36,640.95 | 41,223.86 |
| Less: Capitalised | 549.07 | 694.45 |
| Interest on term loans (net) | <u>36,091.88</u> | <u>40,529.41</u> |
| (b) Interest on cash credit accounts/short term loans | 529.04 | 857.55 |
| (c) Interest on consumer security deposits | 3,327.58 | 3,044.87 |
| (d) Other borrowing costs | 48.20 | 102.19 |
| (e) Other interest | 26.95 | 3.31 |
| | <u>40,023.65</u> | <u>44,537.33</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. 3,327.58 lacs (Previous Year Rs. 3,044.87 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. 207.63 lacs (Previous Year Rs. 200.36 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) | 2,341.85 | 2,044.02 |
| (b) Repairs and maintenance: | | |
| (i) Building | 470.68 | 262.52 |
| (ii) Plant and machinery | 5,308.99 | 4,970.51 |
| (iii) Others | 4,326.41 | 4,060.52 |
| (c) Loss on sale / retirement of assets | 617.61 | 81.68 |
| | <u>13,065.54</u> | <u>11,419.25</u> |

ADMINISTRATIVE AND GENERAL EXPENSES

| | | |
|---|------------------|------------------|
| (a) Communication expenses | 227.20 | 219.70 |
| (b) Printing and stationery | 307.21 | 307.16 |
| (c) Legal and professional charges (see note 41) | 1,608.18 | 1,515.70 |
| (d) Travelling and conveyance | 441.58 | 375.94 |
| (e) Insurance | 455.97 | 828.29 |
| (f) Advertisement, publicity and business promotion | 437.59 | 191.60 |
| (g) CSR Expenses (excluding 5% administrative expenses) (see note 44) | 855.02 | 811.34 |
| (h) Rent and hire charges | 77.99 | 27.53 |
| (i) Rates and taxes | 531.42 | 574.22 |
| (j) Freight, handling and packing expenses | 21.03 | 80.61 |
| (k) Bill collection and distribution expenses | 1,139.05 | 1,074.00 |
| (l) Postage and courier charges | 33.03 | 32.09 |
| (m) Provision for Contingencies | 3,500.45 | 5,559.00 |
| (n) EDP expenses | 923.07 | 602.15 |
| (o) Housekeeping expenses | 496.27 | 450.15 |
| (p) Foreign exchange fluctuation loss (net) | 1.75 | - |
| (q) Bad debts written off | 200.84 | 122.69 |
| (r) Provision for doubtful debts/advances | (1,405.77) | 381.73 |
| (s) Rebate | 1,583.54 | 1,428.52 |
| (t) Miscellaneous expenses | 953.98 | 781.66 |
| | <u>12,389.40</u> | <u>15,364.08</u> |
| | <u>25,454.94</u> | <u>26,783.33</u> |



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NOTE 32

REGULATORY INCOME/EXPENSE - INCOME ADJUSTABLE IN FUTURE TARIFF (REGULATORY ASSET)

- a. As per Guidance Note on Rate Regulated Activities issued by ICAI which is applicable from 1 April 2015, the business of electricity distribution is a Rate Regulated activity where the Delhi Electricity Regulatory Commission (DERC) determines Retail Supply Tariff (RST) to be charged from consumers based on prevailing Regulations in place.
- b. 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 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.

Upon expiry of 2nd MYT Regulation as extended up to FY 15-16, the Hon'ble Commission has issued the Delhi Electricity Regulatory Commission (Composite Terms and Conditions for Tariff and Accounting) Regulations, 2015 (Draft MYT Regulation 2015) for determination of Annual Revenue Requirement for 3rd control period (i.e. FY 2016-17 to FY 2020-21) and sought stakeholders' comments on the same. TPDDL vide its letter date 15 Feb, 2016 has submitted its comments on Draft regulation which are yet to be notified. Pending notification of new MYT Regulation for 3rd control period, the Hon'ble Commission vide its letter F.3(390)/Tariff/DERC/2014-15/4596/036 dated 15/02/2016 has directed to submit Business Plan and MYT Petitions for the period from FY 2016-17 to FY 2020-21 based on the prevailing Acts, Policies and Regulations.

Therefore, in compliance to above directive, without prejudice and other remedy available to the TPDDL under various laws, TPDDL in accordance with MYT Regulations 2011, various judgments given by judicial authorities, past practice and justified reasons has filed its petition for true up of FY 2014-15 and ARR determination for FY 2016-17 on 07.04.2016.

Earlier as required by 2nd MYT Regulations 2011, the Company on 18th December, 2014 filed petitions for true up of FY 2013-14 & Annual Revenue Requirement (ARR) for FY 2015-16. After following the due process of tariff determination the DERC has issued the tariff order dated 29 Sept, 2015 which is applicable with effect from 01.10.2015. According to the tariff order, DERC has estimated Revenue Surplus for FY 2015-16, hence no tariff hike been proposed but continued to allow 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.

In the said tariff order the DERC has reopened the previous years trued up orders and again revised provisionally trued up Revenue Gap up to FY 2013 at Rs. 3,37,583 lacs as against earlier trued up Revenue Gap at Rs. 3,84,703 lacs vide tariff order dated 23 July 2014. DERC has further trued up Revenue Gap up to FY 31 March 2014 at Rs. 3,35,148 lacs. The analysis of the tariff order reveals that the DERC has reopened previous years orders by provisional truing up of capitalization, disallowance of decapitalised fixed assets and consequential corresponding impacts, reversal/ partial implementation of Hon'ble APTEL judgements etc. For the items which have been disallowed by the DERC and are contrary to the Tariff Regulations of DERC, or deviation from past practice or non/partial implementation of superior judicial authority judgements, the company has filed an appeal no. 301/2015 before the ATE on 17 Nov, 2015. Among others, there are certain items which have been disallowed either first time or reversed back after allowance of the same in earlier true up orders in the absence of clear regulations or unilateral interpretations for which the company has obtained legal opinion. According to the legal opinion on disallowance for decapitalized assets, it would be prudent that the company derecognize RoCE, Depreciation and corresponding other disallowances which were earlier allowed by the DERC and booked in financial books of account from the date of decapitalization. Accordingly the company has adjusted net amount of Rs 23,854 lacs on account of decapitalized assets, O&M and other expenses. The revenue gap as on 31 March, 2014 and 31 March, 2016 stands at Rs. 5,14,639 lacs and Rs. 4,72,014 lacs respectively in financial books of accounts. 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 in appeal before ATE on 15 April, 2014. The said appeal has been disposed off by Hon'ble ATE 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 consequently to give corresponding impact in earlier trued up revenue gap along with carrying cost.

- c. The movement in Regulatory Asset/Liability as on 31 March, 2016 is as follows:

| <u>Particulars</u> | <u>Year ended</u> <u>31.03.16</u> <u>(Rs./lacs)</u> | <u>Year ended</u> <u>31.03.15</u> <u>(Rs./lacs)</u> |
|--|---|---|
| (A) Opening Regulatory Asset | 535,817.26 | 514,639.26 |
| (B) Regulatory Income/(Expense) during the year | | |
| (i) Power Purchase cost | 475,303.00 | 500,859.00 |
| (ii) All other prudent O&M cost including ROCE, carrying cost etc. | 131,045.00 | 150,830.00 |
| (iii) Collection available for ARR as per MYT order | 670,151.00 | 630,511.00 |
| (C) Regulatory Income/(Expense) (i)+(ii)-(iii) | (63,803.00) | 21,178.00 |
| Closing Regulatory Asset (A) + (C) | 472,014.26 | 535,817.26 |
| Current portion disclosed in Note no. 23 | 47,811.00 | 50,128.00 |
| Non Current portion disclosed in Note no. 18 | 424,203.26 | 485,689.26 |



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- d. 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. 9,581 lacs (Previous year Rs. 9,592 lacs) for the year ended 31 March, 2016. As a matter of prudence, the company has made provision for contingencies of Rs. 3,500.45 lacs during current year (Previous year Rs. 5,559.00 lacs). Also refer note no. 36.

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

- e. Earlier 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 (d) 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 which DERC has not done in current tariff order in compliance to the judgement of Hon'ble APTEL. 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. 9,307 lacs as entitlement towards carrying cost (which includes Rs. 2,566 lacs for the year ended 31 March, 2016) thus amounting to Rs 23,879 lacs, which is included in regulatory asset. With effect from 1 October, 2012, the scheduling of power generation at Rithala plant has been done as per the instructions, directions of State Load Dispatch Center.
- f. Further the pleadings of appeal no 271/2013 and 246/2014 against the tariff order dated 31 July, 2013 and 23 July 2014 are at advanced stage, and the Appeal no 301/2015 against true up of FY 13-14 and tariff order for FY 15-16 has been admitted. The next date of hearing against above Appeals have been fixed on 27 May 2016, 26 May 2016 & 18 May, 2016 respectively. The Company has also filed writ petition on certain issues of MYT Regulations 2011 in the Hon'ble Delhi High Court in April 2012 of which pleading are over and judgement has been reserved.

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. 1,356.63 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. 56,971.18 lacs as at 31 March, 2016 (Previous year Rs 48,288.58 lacs) within a period as provided in the provisions of the Act. The MAT credit till 31 March, 2015 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, 2016. 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).

| Particulars | Units | Year ended 31.03.16 | Year ended 31.03.15 |
|---|--------------|--------------------------------|--------------------------------|
| Profit/(Loss) for the year | Rs./lacs | 25,836.34 | 33,598.81 |
| Less: Dividend on cumulative redeemable preference shares including dividend distribution tax | Rs./lacs | 7,221.46 | 7,221.46 |
| Profit/(Loss) for the year attributable to equity shareholders | Rs./lacs | 18,614.88 | 26,377.35 |
| 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. | 3.37 | 4.78 |
| Nominal value of equity shares | Rs. | 10.00 | 10.00 |

The Company did not have any potential dilutive equity shares

(Signature)



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NOTE 35

Disclosure pursuant to Accounting Standard 15 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. 1,659.22 lacs (Previous Year 1,654.09 lacs) has been charged to statement of profit and loss during the year.

b. Defined Benefit plan (Gratuity Plan)

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

c. Policy for recognising actuarial gains and losses

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

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, 2016:

i. Change in benefit obligations:

| Particulars | | Gratuity (Funded) | |
|---|---|------------------------|------------------------|
| | | 31.03.16 (Rs./lacs) | 31.03.15 (Rs./lacs) |
| Present value of obligations as on 1 April | A | 1,771.39 | 1,371.22 |
| Current Service Cost | B | 236.23 | 205.60 |
| Interest Cost | C | 147.31 | 131.92 |
| Past Service Cost | D | - | - |
| Actuarial (gain)/loss on obligation | E | 87.12 | 139.34 |
| Benefits Paid | F | 76.27 | 76.69 |
| Present Value of obligation as on 31 March (A+B+C+D+E-F) | | 2,165.78 | 1,771.39 |

ii. Change in Plan Assets

| | | | |
|--|---|-----------------|-----------------|
| Fair Value of Plan Assets as on 1 April | A | 1,568.14 | 1,296.83 |
| Expected Return on plan assets | B | 140.30 | 115.20 |
| Employer's Contribution | C | 279.80 | 235.03 |
| Actuarial Gain / (loss) | D | (13.13) | (2.23) |
| Benefits Paid | E | 76.27 | 76.69 |
| Fair Value of plan asset as on 31 March (A+B+C+D-E) | | 1,898.84 | 1,568.14 |

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

Net Liability/(Asset) (i-ii)

266.94

203.25



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

iv. Expense recognised in the statement of profit & loss

| Particulars | | Gratuity (Funded) | |
|--|---|-----------------------|-----------------------|
| | | 2015-16 (Rs./lacs) | 2014-15 (Rs./lacs) |
| Current Service cost | A | 236.23 | 205.60 |
| Interest cost | B | 147.31 | 131.92 |
| Expected return on plan assets | C | 140.30 | 115.20 |
| Actuarial (gain) / loss recognised during the year | D | 100.24 | 141.58 |
| Past service cost | E | - | - |
| Other adjustment | F | (0.93) | - |
| Net charge/(credit) (A+B-C+D+E+F) | | 342.55 | 363.90 |

v. Principal actuarial assumptions:

| Particulars | Refer Notes | Year ended 31.03.16 | Year ended 31.03.15 |
|--|-------------|------------------------|------------------------|
| Discount Rate (p.a.) | 1 | 7.70% | 7.80% |
| Expected rate of return on plan assets (p. a.) | 2 | 8.35% | 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.

| | Year ended 31.03.16 | Year ended 31.03.15 |
|---------------------------------|--|--|
| Demographic assumptions: | | |
| Retirement age | 60 years | 60 years |
| Mortality rate | Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table. | Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table. |
| Withdrawal rate | 15% | 15% |

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TATA POWER DELHI DISTRIBUTION LIMITED
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vi. The major categories of plan assets as a percentage of total plan assets are as follows:

| Particulars | 31.03.16 | 31.03.15 |
|--------------------------------|-----------------|-----------------|
| Government of India Securities | 47.42% | 46.61% |
| Debt instruments | 34.01% | 34.61% |
| Equity and preference shares | 6.20% | 4.56% |
| Other deposits | 12.37% | 14.22% |
| | 100.00% | 100.00% |

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

| vii. Particulars | Year ended 31.03.2016 | Year ended 31.03.2015 | Year ended 31.03.2014 | Year ended 31.03.2013 | Year ended 31.03.2012 |
|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | Rs. /lacs |
| Present Value of Benefit Obligation | 2165.78 | 1771.39 | 1371.22 | 1177.61 | 880.73 |
| Fair Value of Plan Assets | 1898.84 | 1568.14 | 1296.83 | 1060.1 | 849.85 |
| Net liability | 266.94 | 203.25 | 74.39 | 117.51 | 30.88 |
| Experience adjustments on plan liabilities- (Loss)/Gain | 36.34 | 47.78 | 49.65 | 40.33 | 11.14 |
| Experience adjustments on plan assets - (Loss)/Gain | (11.35) | (0.04) | -3.21 | 37.91 | 25.85 |

viii. The contribution expected to be made by the Company during the financial year 2016-17 is Rs. 207.02 lacs

e. Principal actuarial assumptions for long term compensated absences

| Particulars | Refer Notes | Year ended 31.03.16 | Year ended 31.03.15 |
|-------------------------------|--------------------|--------------------------------|--------------------------------|
| Discount Rate (p.a.) | 1 | 7.70% | 7.80% |
| 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 31.03.16 | Year ended 31.03.15 |
|---------------------------------|--|--|
| Retirement age | 60 years | 60 years |
| Mortality rate | Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table. | Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table. |
| Withdrawal rate | 15% | 15% |

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTE 36

POWER GENERATION PLANT AT RITHALA

Gas supply to the Rithala Plant has progressively reduced from FY 2011-12 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. Also refer note no. 32 (d).

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 (As per AS-18)

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 Managing Director
 - Mr. Arup Ghosh, CTO and Executive Director (w.e.f. 31 July, 2015 till 30 Nov, 2015)



TATA POWER DELHI DISTRIBUTION LIMITED
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| b. Transaction/ balances outstanding with Related Parties: | | | | | | (Rs./Lacs) |
|---|------------------------|---|----------------------------|--|---------------------------------|-------------------|
| Transaction / Outstanding Balances | Holding Company | Company Holding Substantial Interest | Fellow Subsidiaries | Wholly owned Subsidiary company | Key Management Personnel | |
| A. Transactions during the year | | | | | | |
| Purchase of goods/services | - | - | 94,252.23 | - | - | |
| | (-) | (-) | (105,447.04) | (-) | (-) | |
| - TPTCL | - | - | 94,252.35 | - | - | |
| | (-) | (-) | (105,440.20) | (-) | (-) | |
| - TPSSL | - | - | -0.12 | - | - | |
| | (-) | (-) | (6.84) | (-) | (-) | |
| Sale of goods/ services | 108.35 | - | 90.71 | 264.37 | - | |
| | (59.56) | (-) | (160.47) | (268.33) | (-) | |
| - TPJDL | - | - | - | - | - | |
| | (-) | (-) | (14.81) | (-) | (-) | |
| - TPIPL | - | - | 90.71 | - | - | |
| | (-) | (-) | (145.66) | (-) | (-) | |
| Commission earned | - | 1.83 | - | - | - | |
| | (-) | (2.02) | (-) | (-) | (-) | |
| # Managerial remuneration | - | - | - | - | 348.21 | |
| | (-) | (-) | (-) | (-) | (302.25) | |
| Other expenses | 399.96 | 0.43 | - | - | - | |
| | (525.97) | (-) | (-) | (-) | (-) | |
| Recovery of Expenses | - | - | 1.56 | 15.24 | - | |
| | (-) | (-) | (14.94) | (15.45) | (-) | |
| - TPJDL | - | - | - | - | - | |
| | (-) | (-) | (4.44) | (-) | (-) | |
| - TPIPL | - | - | 1.56 | - | - | |
| | (-) | (-) | (10.50) | (-) | (-) | |
| Rebate on power purchase | - | - | 1,735.74 | - | - | |
| - TPTCL | - | - | (940.69) | (-) | (-) | |
| Rebate on sale of power | - | - | - | - | - | |
| - TPTCL | - | - | (20.06) | (-) | (-) | |
| Dividend paid on equity shares | 3,941.28 | 3,786.72 | - | - | - | |
| | (3,378.24) | (3,245.76) | (-) | (-) | (-) | |
| Dividend paid on Preference shares | 3,060.00 | 2,940.00 | - | - | - | |
| | (3,160.60) | (3,036.66) | (-) | (-) | (-) | |
| B. Balance outstanding | | | | | | |
| Investment in equity shares of subsidiary company | - | - | - | 5.00 | - | |
| | (-) | (-) | (-) | (5.00) | (-) | |
| Payables | - | 978.61 | 7,340.66 | - | - | |
| | (150.81) | (904.53) | (27,042.82) | (-) | (-) | |
| - TPTCL | - | - | 7,312.25 | - | - | |
| | (-) | (-) | (27,014.27) | (-) | (-) | |
| - TPSSL | - | - | 28.41 | - | - | |
| | (-) | (-) | (28.55) | (-) | (-) | |
| Receivables | 28.65 | - | 22.31 | 3.78 | - | |
| | (-) | (-) | (8.12) | (55.29) | (-) | |
| - TPIPL | - | - | 22.31 | - | - | |
| | (-) | (-) | (8.12) | (-) | (-) | |
| - TPJDL | - | - | - | - | - | |
| | (-) | (-) | (-) | (-) | (-) | |

* Figures in brackets represent the previous year figures

Reimbursed to holding company & included in other expenses.

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TATA POWER DELHI DISTRIBUTION LIMITED
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NOTE 39

Disclosure pursuant to DERC directive 6.13 (j) specified in Tariff order dated 29 Sep, 2015.

Categorywise billing, collection & subsidy information

| | | Year ended 31.03.16 | | | | | (Rs./Lacs) | |
|-------------|--------------------------------------|---------------------|------------------|------------------|------------------|------------------|-------------------|--|
| (A) Billing | S.No Category | Revenue Billed | Surcharge Billed | PPAC Billed | Electricity Duty | TOD Surcharge | TOD Rebate | |
| | 1 Domestic | 217,005.54 | 14,961.46 | 5,383.37 | 9,684.43 | - | - | |
| | 2 Non-Domestic | 166,163.48 | 11,514.63 | 4,215.32 | 6,865.93 | 2,706.68 | (1,252.92) | |
| | 3 Industrial | 244,202.96 | 16,831.23 | 6,244.48 | 10,721.05 | 6,474.12 | (3,898.66) | |
| | 4 Agriculture & Mushroom Cultivation | 500.76 | 34.45 | 13.55 | 20.33 | - | - | |
| | 5 Public Lighting | 12,163.88 | 867.48 | 331.69 | 134.95 | - | - | |
| | 6 Delhi Jal Board | 21,265.35 | 1,461.55 | 539.19 | 961.43 | 639.12 | (527.77) | |
| | 7 Railway Traction | 3,771.51 | 272.20 | 96.85 | - | 143.96 | (116.61) | |
| | 8 DMRC | 11,149.28 | 765.55 | 301.27 | 503.53 | 504.32 | (138.43) | |
| | 9 Advertisement & Hoardings | 160.94 | 11.58 | 3.90 | 6.31 | - | - | |
| | 10 Temporary Supply | 6,456.39 | 444.48 | 165.37 | 286.52 | 104.30 | (80.65) | |
| | 11 Staff | 620.14 | 42.89 | 15.16 | 26.68 | - | - | |
| | 12 MISUSE | 691.46 | 49.23 | 14.84 | 27.69 | 8.80 | (6.02) | |
| | 13 Enforcement | 1,814.73 | 127.79 | 26.86 | 80.97 | - | - | |
| | 14 Other Adjustments | 99.78 | - | - | 3.98 | - | - | |
| | Grand Total | 686,066.20 | 47,384.52 | 17,351.85 | 29,323.80 | 10,581.30 | (6,021.06) | |

| | | Year ended 31.03.16 | | | | (Rs./Lacs) | |
|----------------|--------------------------------------|---------------------|---------------------|------------------|----------------------------|------------|--|
| (B) Collection | S.No Category | Revenue Collected | Surcharge Collected | PPAC Collected | Electricity Duty Collected | | |
| | 1 Domestic | 220,195.09 | 15,069.11 | 5,260.73 | 9,774.90 | | |
| | 2 Non-Domestic | 170,540.05 | 11,833.15 | 4,231.19 | 7,084.70 | | |
| | 3 Industrial | 244,233.63 | 16,853.32 | 6,164.53 | 10,733.81 | | |
| | 4 Agriculture & Mushroom Cultivation | 542.76 | 37.34 | 13.85 | 21.98 | | |
| | 5 Public Lighting | 11,932.54 | 838.12 | 299.61 | 123.94 | | |
| | 6 Delhi Jal Board | 21,065.35 | 1,431.99 | 523.51 | 941.61 | | |
| | 7 Railway Traction | 3,771.51 | 272.20 | 96.85 | - | | |
| | 8 DMRC | 10,692.18 | 768.70 | 301.27 | - | | |
| | 9 Advertisement & Hoardings | 194.64 | 13.93 | 4.59 | 7.70 | | |
| | 10 Staff | 620.68 | 42.91 | 14.91 | 26.72 | | |
| | 11 Enforcement | 1,814.73 | 127.79 | 26.86 | 80.97 | | |
| | 12 Other Adjustments | 99.78 | - | - | - | | |
| | Grand Total | 685,702.94 | 47,288.56 | 16,937.90 | 28,796.33 | | |

| | | Year ended 31.03.16 | | (Rs./Lacs) | |
|--|---------------------------------|---------------------|--|------------|------------------|
| (C) Subsidy Disbursed (including amnesty scheme) | | | | | |
| | 1 Agriculture | | | | 0.06 |
| | 2 Domestic | | | | 40,871.39 |
| | 3 Amnesty scheme for JJ cluster | | | | 1,070.49 |
| | Grand Total | | | | 41,941.94 |

Notes:

- 1 Collection against temporary connection & Misuse is included in respective tariff category
- 2 E tax collection include E tax collected on open Access
- 3 Revenue Billed & collected include energy charges, fixed charges, e tax, surcharge, PPAC, TOD Surcharge, TOD rebate etc..
- 4 Revenue collected includes deemed collection on account of subsidy, CD interest, Rebate on number of bills etc.

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

NOTE 40

| | Year ended | Year ended |
|---|--------------|--------------|
| | 31.03.16 | 31.03.15 |
| | Rs./lacs | Rs./lacs |
| a. Expenditure in foreign currency | | |
| Consultancy and other expenditure | 28.19 | 8.07 |
| Travelling | 35.49 | 17.91 |
| | <u>63.68</u> | <u>25.98</u> |
| b. Earnings in Foreign Currency | | |
| Consultancy/Training income | 165.58 | 121.73 |

NOTE 41

Detail of Auditors Remuneration*

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

| Particulars | Year ended | Year ended |
|---|--------------|--------------|
| | 31.03.16 | 31.03.15 |
| | Rs./lacs | Rs./lacs |
| Audit fee (including quarterly audits) | 55.25 | 48.25 |
| Other services | 10.85 | 15.95 |
| Reimbursement of out-of-pocket expenses | 1.70 | 1.39 |
| Total | <u>67.80</u> | <u>65.59</u> |

* Exclusive of service tax

NOTE 42

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, 2016 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, 2017. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

NOTE 43

Unhedged foreign currency exposure :

| Particulars | As at 31.03 2016 | | As at 31.03 2015 | |
|---------------------------|------------------|----------|------------------|----------|
| | Foreign currency | Rs./lacs | Foreign currency | Rs./lacs |
| Trade receivable (in USD) | 43,355 | 28.72 | 12,985 | 8.12 |

NOTE 44

CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the eligibility criteria, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. TPDDL's CSR programs/projects focuses on sectors & issues as mentioned in Schedule VII read with Section 135 of Companies Act, 2013. A CSR committee has been formed by the company as per the Act.

a) Gross amount required to be spent by the company during the year is Rs. 848.41 lacs.

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

| S.No. | Particulars | In Cash | Yet to be paid in cash | Rs./lacs |
|-------|---|---------|------------------------|----------|
| | | | | Total |
| (i) | Construction / acquisition of any asset | - | - | - |
| (ii) | On purposes other than (i) above | 855.02 | - | 855.02 |



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

NOTE 45

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

For V Sankar Aiyar & Co.
Chartered Accountants

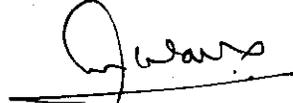


Ajay Gupta
Partner



New Delhi
13 May, 2016

For and on behalf of the Board of Directors



Anil Sardana
Chairman



Praveer Sinha
CEO & Managing Director



Ajay Kalsie
Company Secretary



Ajay Kapoor
Chief Financial Officer

New Delhi
13 May, 2016