



**DELHI TRANSCO LIMITED**  
(An undertaking of Government of NCT of Delhi)  
Balance Sheet as at 31 March 2018

INR Lakhs

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	302,854.39	319,058.65
Capital work-in-progress	3	13,710.50	6,349.13
Intangible assets	4	14,428.21	9,434.16
Financial assets	5	44.08	44.08
Other non-current assets	6	44,592.63	26,890.98
<b>Total non-current assets</b>		<b>375,629.81</b>	<b>361,777.00</b>
<b>Current assets</b>			
Inventories	7	455.32	374.96
<b>Financial assets</b>			
Trade receivables	8	173,951.93	157,469.89
Cash and cash equivalents	9	24,247.37	27,485.91
Other financial assets	10	11,115.62	9,757.91
Current tax assets (net)	11	17,886.83	15,047.15
Other current assets	12	3,540.00	873.38
<b>Total current assets</b>		<b>231,197.07</b>	<b>211,009.20</b>
<b>TOTAL ASSETS</b>		<b>606,826.88</b>	<b>572,786.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	395,100.00	395,100.00
Other equity	14	(110,822.26)	(173,606.71)
<b>Total equity</b>		<b>284,277.74</b>	<b>221,493.29</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	145,127.30	155,504.75
Provisions	16	4,631.55	9,560.09
Deferred tax liabilities (net)	17	39,927.45	35,002.22
<b>Total non-current liabilities</b>		<b>189,686.30</b>	<b>200,067.06</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Trade payables	18	27,843.60	24,719.84
Other financial liabilities	19	42,635.91	83,538.83
Other current liabilities	20	36,139.48	13,026.07
Provisions	16	3,156.13	4,172.01
Current tax liabilities	21	83.47	83.47
<b>Total current liabilities</b>		<b>109,858.59</b>	<b>125,540.22</b>
Deferred revenue	22	23,004.25	25,685.63
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>606,826.88</b>	<b>572,786.20</b>

Significant accounting policies

1

The accompanying notes 1 to 49 form an integral part of these financial statements.

As per our Report of even date attached  
For S.N. Nanda & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

S. N. Nanda  
Partner  
Membership No. : 005909  
Firm Reg. No.: 000685N

Place : New Delhi  
Dated : 31 July 2018



N.D. Gobhil  
DGM (Finance) &  
Chief Financial Officer

P.K. Mallik  
Director (Finance) &  
Company Secretary  
DIN: 07842789

Pram Prakash  
Director (Operation)  
DIN: 07222695

Varsha Joshi  
Chairperson and  
Managing Director  
DIN: 07056514



**DELHI TRANSCO LIMITED**  
(An undertaking of Government of NCT of Delhi)  
Statement of Profit and Loss for the year ended 31 March 2018

INR Lakhs

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations	23	115,547.08	109,237.60
Other income	24	37,848.67	3,573.24
<b>Total revenue</b>		<u>153,395.75</u>	<u>112,810.84</u>
<b>Expenses</b>			
Employee benefits expense	25	18,502.15	16,300.50
Finance costs	26	16,975.68	18,609.77
Depreciation and amortisation expense	27	24,172.44	21,409.97
Other expenses	28	9,837.76	8,543.76
<b>Total expenses</b>		<u>69,488.03</u>	<u>64,864.00</u>
<b>Profit before tax</b>		83,907.72	47,946.84
<b>Tax expense</b>	37		
Current tax		22,413.44	11,430.31
Deferred tax		4,890.17	5,533.06
MAT credit entitlement		(6,114.09)	(1,309.46)
<b>Total tax expense</b>		<u>21,189.52</u>	<u>15,653.91</u>
<b>Profit for the year</b>		<u>62,718.20</u>	<u>32,292.93</u>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss (net of tax)			
- Net actuarial gains/(losses) on defined benefit plans		101.31	9.06
- Less: Income tax relating to above items		35.06	3.14
<b>Other comprehensive income for the year, net of income tax</b>		<u>66.25</u>	<u>5.92</u>
<b>Total comprehensive income for the year</b>		<u>62,784.45</u>	<u>32,298.85</u>
Significant accounting policies	1		
Earnings per equity share (Par value INR 10/- each)	34		
Basic and diluted (INR)		1.59	0.82

The accompanying notes 1 to 49 form an integral part of these financial statements.

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**DELHI TRANSCO LIMITED**  
(An undertaking of Government of NCT of Delhi)  
Statement of Cash Flows for the year ended 31 March 2018

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash Flow From Operating Activities</b>		
Net Profit as per Statement of Profit and Loss	83,907.72	47,946.84
Adjustment for		
Depreciation/ Amortisation	24,172.44	21,409.97
Interest cost	16,975.68	18,609.77
Interest income	(1,535.22)	(2,109.38)
Grant income	(2,681.39)	(754.88)
Provision no longer required written back	(6,036.21)	-
(Profit)/Loss on sale of fixed asset	(279.58)	122.49
Operating profit before working capital changes	114,523.44	85,224.81
Adjustment for -		
(Increase)/Decrease in inventory	(80.36)	276.03
(Increase)/Decrease in trade receivables	(16,482.04)	(21,942.35)
(Increase)/Decrease in other financial assets	(1,357.71)	350.77
(Increase)/Decrease in other current assets	(2,666.62)	80.55
Increase/(Decrease) in trade payables	3,123.76	12,299.60
Increase/(Decrease) in other financial liabilities	638.72	(7,267.96)
Increase/(Decrease) in other current liabilities	23,113.41	(795.54)
Increase/(Decrease) in provisions	193.10	2,474.83
Grant received	-	1,139.76
Cash generated from operations	121,005.70	71,840.50
Less: Income Taxes paid	19,139.03	2,654.62
Net cash inflow from operating activities [A]	101,866.67	69,185.88
<b>B. Cash Flow From Investment Activities</b>		
Payments for property, plant and equipment	(38,103.43)	(28,809.50)
Proceeds from sale of property, plant and equipment	357.77	123.01
Net cash outflow from investing activities [B]	(37,745.66)	(28,686.49)
<b>C. Cash Flow From Financing Activities</b>		
Repayments of non-current borrowings (refer a below)	(39,806.32)	(16,766.70)
Proceeds from non-current borrowings (refer a below)	15,000.00	10,000.00
Repayment of short term borrowings	-	(20,000.00)
Interest paid	(44,088.45)	(18,609.77)
Interest received	1,535.22	2,109.38
Net cash inflow/outflow from financing activities [C]	(67,359.55)	(43,267.09)
Net increase/(decrease) in cash and cash equivalents [A+B+C]	(3,238.54)	(2,767.70)
Cash and Cash equivalents at the beginning of the year	27,485.91	30,253.61
Cash and Cash equivalents at the end of the year (Refer note 9)	24,247.37	27,485.91

a. Comparative figures have been adjusted to conform to the current year's presentation to enhance comparability.

b. Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities:

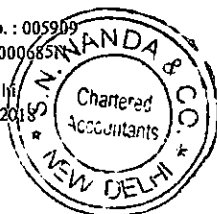
Particulars	Non-current borrowings
For the year ended 31 March 2018	
Balance as at 1 April 2017	228,572.71
Loan drawals	15,000.00
Loan repayments	(39,806.32)
Interest accrued during the year	17,901.26
Interest payment during the year	(45,014.03)
Balance as at 31 March 2018	176,653.62

As per our Report of even date attached  
For S.N. Nanda & Co.  
Chartered Accountants

For and on behalf of the Board of Directors

S. N. Nanda  
Partner  
Membership No. : 005909  
Firm Reg. No.: 000685N

Place : New Delhi  
Dated : 31 July 2018



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**DELHI TRANSCO LIMITED**  
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Statement of Changes in Equity for the year ended 31 March 2018

(A) Equity share capital

For the year ended 31 March 2018		INR Lakhs
Balance as at 1 April 2017		395,100.00
Changes in equity during the year		-
Balance as at 31 March 2018		395,100.00

For the year ended 31 March 2017

Balance as at 1 April 2016	395,100.00
Changes in equity during the year	-
Balance as at 31 March 2017	395,100.00

(B) Other equity

Particulars	Reserves and surplus			INR Lakhs
	Debenture redemption reserve	Insurance reserve	Retained earnings	Total
Balance as at 1 April 2017	8,000.00	2,327.25	(183,933.96)	(173,606.71)
Profit for the year	-	-	62,718.20	62,718.20
Other comprehensive income	-	-	66.25	66.25
Total comprehensive income	-	-	62,784.45	62,784.45
Adjustment during the year				
Transfer (to)/ from retained earnings	(1,000.00)	466.45	-	(533.55)
Transfer (to)/ from other reserves	-	-	533.55	533.55
Balance as at 31 March 2018	7,000.00	2,793.70	(120,615.96)	(110,822.26)

For the year ended 31 March 2017

Particulars	Reserves and surplus			INR Lakhs
	Debenture redemption reserve	Insurance reserve	Retained earnings	Total
Balance as at 1 April 2016	9,000.00	1,866.77	(216,772.33)	(205,905.56)
Profit for the year	-	-	32,292.93	32,292.93
Other comprehensive income	-	-	5.92	5.92
Total comprehensive income	-	-	32,298.85	32,298.85
Adjustment during the year				
Transfer (to)/ from retained earnings	(1,000.00)	460.48	-	(539.52)
Transfer (to)/ from other reserves	-	-	539.52	539.52
Balance as at 31 March 2017	8,000.00	2,327.25	(183,933.96)	(173,606.71)

(C) Analysis of accumulated OCI, net of tax

Particulars	Remeasurement of defined benefit liability		INR Lakhs
	For the year ended 31 March 2018	For the year ended 31 March 2017	
Opening balance	73.05	67.13	
Remeasurement of defined benefit liability	66.25	5.92	
Closing balance	139.30	73.05	

As per our Report of even date attached  
For S.N. Nanda & Co.  
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DIN: 07056514

Place : New Delhi  
Dated : 31 July 2018



**Note 1. Company Information and Significant Accounting Policies**

**A. Reporting entity**

Delhi Transco Limited (the "Company") is a Company limited by shares, incorporated and domiciled in India (CIN: U40103DL2001SGC111529). The Company is a public sector enterprise promoted by Government of National Capital Territory of Delhi (GNCTD) and Delhi Power Company Limited (DPCL). The address of the Company's registered office is Shakti Sadan, Kotla Road, New Delhi 110 002.

As a part of power reforms brought into effect by the GNCTD, the erstwhile Delhi Vidyut Board (DVB) was unbundled into five successor entities and one holding company w.e.f 1<sup>st</sup> July 2002 namely Indraprastha Power Generation Company Limited (IPGCL), Delhi Transco Limited (DTL), North Delhi Power Limited (NDPL) now known as Tata Power Delhi Distribution Limited (TPDDL), BSES Yamuna Private Limited (BYPL), BSES Rajdhani Power Limited (BRPL) and Delhi Power Company Limited (DPCL) and these successor entities were incorporated as companies under the Companies Act, 1956 (now repealed by Companies Act, 2013) and were assigned separately the business of generation, transmission, bulk sale and purchase and distribution of electricity in the state of Delhi. The scope of business, assets and liabilities of these entities and other incidental and consequential matters were also laid down in the Transfer Scheme Rules, 2001 notified by the GNCTD with effect from 1<sup>st</sup> July 2002. As per the transfer scheme, the company incorporated as one of the successor entities, was transferred part of assets and liabilities of erstwhile DVB pertaining to transmission as on 1<sup>st</sup> July 2002 and started the business of bulk supply and transmission of electricity to Distribution Companies (DISCOMs) i.e. BRPL, BYPL, TPDDL, New Delhi Municipal Council (NDMC) and Military Engineering Services (MES) in National Capital Territory of Delhi. On the expiry of the policy direction period on 31<sup>st</sup> March 2007, the Company ceased to carry on the business of bulk purchase and sale of electricity and thus with effect from 1<sup>st</sup> April 2007 the Company is involved in the transmission of electricity (wheeling operations) and discharging the function of State Load Dispatch Centre.

**B. Basis of preparation**

**B.1. Statement of Compliance**

These financial statements are prepared on accrual basis of accounting in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto notified under Section 133 of Companies Act, 2013, other relevant provisions of the Companies Act, 2013 (to the extent notified) and the provisions of the Electricity Act, 2003 to the extent applicable.

These financial statements were authorized for issue by Board of Directors on 31<sup>st</sup> July 2018.

**B.2. Basis of measurement**

The financial statements have been prepared on the historical cost basis except for right to use land that is measured at fair value and certain financial assets and liabilities recognised at fair value.

Historical cost is the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition or the amount of proceeds received in exchange for the obligation, or the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The methods used to measure fair values are discussed further in notes to financial statements.

**B.3. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.



#### B.4. Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current. Current liabilities include current portion of non-current financial liabilities.

Deferred tax assets/ liabilities are classified as non-current.

#### C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are given below. These accounting policies have been applied consistently to all periods presented in the financial statements.

The Company has elected to utilize the option under Ind AS 101 by not applying the provisions of Ind AS 16 and Ind AS 38 retrospectively and use fair value for right to use land and the previous GAAP carrying amounts for other assets as the deemed cost under Ind AS at the date of transition to Ind AS i.e. 1<sup>st</sup> April 2015. Therefore, the carrying amounts of property, plant and equipment and intangible assets as per the previous GAAP as at 1<sup>st</sup> April 2015, i.e; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.

##### C.1. Property, plant and equipment (PPE)

###### C.1.1. Initial recognition and measurement

Items of property, plant and equipment are initially recognized at cost less accumulated depreciation/ amortization and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and working condition necessary for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are recognized separately.

In the case of assets put to use/deposit works/cost plus contracts, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.

Transmission system assets are considered as ready for intended use from the date of commercial operation declared in terms of Delhi Electricity Regulatory Commission (DERC) Tariff Regulations and capitalized accordingly.

Assets and systems common to more than one transmission system are capitalized on the basis of engineering estimates/assessments.

Claims for price-variation in case of contracts are accounted for on acceptance basis.



Items of spare parts (procured along with plant and machinery or subsequently) which meet the definition of property, plant and equipment are capitalized except individual items valuing less than Rs. 25,000. Other spare parts are carried as inventory and recognized in the statement of profit and loss on consumption.

#### C.1.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

#### C.1.3. Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

#### C.1.4. Depreciation

Depreciation on the assets of the transmission of electricity business and on the assets of Corporate and other offices is charged on straight line method, net of their residual values following the rates and methodology notified by the Delhi Electricity Regulatory Commission (DERC) Tariff Regulations, 2011 in accordance with Part 'B' of Schedule II of the Companies Act, 2013.

Depreciation on additions to/ deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the month in which the asset is available for use/ disposed.

Assets purchased during the year costing Rs. 5,000 or less are depreciated at the rate of 100%.

In respect of vehicles allotted to the officers of the Company as per its old vehicle policy, the company has charged depreciation at the rate of 20% after realizing the 10% of the cost of vehicle from the concerned officers. As per the policy, the vehicles shall be transferred in the name of the officers concerned after 5 years at nil value.

Depreciation on assets ceases at the earlier of the date the asset is derecognised or at the end of its useful life.

Where the cost of depreciable assets has undergone a change during the year due to increase/ decrease in long term liabilities on account of exchange fluctuation, price adjustment, change in duties or similar factors, and the unamortized balance of such asset is depreciated prospectively over the remaining useful life following the rates and methodology notified by DERC Tariff Regulations.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

### C.2. Capital work-in-progress

On the date of transition to Ind AS, the Company has considered the carrying value of CWIP as per previous GAAP to be the deemed cost as per Ind AS 101.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to the location and working condition necessary for its intended use.

Expenses directly attributable to construction of property, plant and equipment incurred till they are ready for their intended use are identified and allocated on a systematic basis on the cost of related assets.

Deposit works/ cost plus contracts are accounted for on the basis of statements of account received from the contractors.



Unsettled liabilities for price variation/exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

### C.3. Intangible assets

#### C.3.1. Initial recognition and measurement

Intangible assets that are acquired by the Company have finite useful lives, are recognized at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

#### C.3.2. Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

#### C.3.3. Amortisation

Cost of software recognized as intangible asset, is amortized on straight line method over a period of legal right to use or 6 years, whichever is less. Right to use land is amortized on straight line method over the period of legal right to use such land or life of the related asset, whichever is less. Right of way is amortized on straight line method over the life of the related asset.

### C.4. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction/ development or erection of qualifying assets are capitalized as part of cost of such asset until such time the assets are substantially ready for their intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use or sale.

The income on temporary investment of the borrowed funds is reduced from the amount of interest cost on the said borrowings.

When the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the borrowing costs incurred are capitalized. When Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the capitalization of the borrowing costs is computed based on the weighted average cost of general borrowing that are outstanding during the period and used for the acquisition, construction or erection of the qualifying assets.

Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Income earned on temporary investment of the borrowings pending their expenditure on the qualifying assets is deducted from the borrowing costs eligible for capitalization. Borrowing costs include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Other borrowing costs are recognized as an expense in the year in which they are incurred.





#### C.5. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Construction steel scrap is valued at estimated realizable value or book value whichever is less.

Other scrap is accounted for as and when sold.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained by committee and provided for.

The Company has a main store for inventories of various materials, tools, spares etc., from where the said items are issued to the various sub-stations and offices. The spares issued from the main store to the sub-stations and sites against the requirements of scheduled maintenance and execution of works is treated as stores consumable. However the quantitative records of the materials, spares and tools at the respective substations and sites are maintained for the control purpose.

#### C.6. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### C.7. Government grants

Government grants are recognized initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Non-monetary grants received from government are measured at fair value. Grants that compensate the Company for the cost of an asset are recognized in profit or loss on a systematic basis over the useful life of the related asset. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred and deducted from the related expenses.

#### C.8. Insurance Reserve

The company creates insurance reserve @ 0.10% of the gross block of property plant and equipment in order to meet the risk of loss due to fire, theft, earthquake, natural calamities etc. with respect to assets of the company by transfer every year of its current year profits.

#### C.9. Provisions, contingent liabilities and contingent assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.



Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. The timing of cash flows cannot be ascertained.

#### C.10. Foreign currency transactions and translation

Transactions in foreign currencies are initially recorded at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss in the year in which it arises.

Non-monetary items are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

#### C.11. Revenue

Company's revenue arises from transmission of energy, providing service of state load dispatch center, construction and other income. Revenue from transmission of energy and state load dispatch center are mostly regulated and governed by the applicable DERC Tariff Regulations under Electricity Act, 2003 and Delhi Electricity Reforms Act, 2000.

##### C.11.1. Revenue from transmission of energy

Revenue from transmission of energy is accounted for based on tariff rates approved by the DERC as modified by the orders of Appellate Tribunal for Electricity to the extent applicable.

Customers are billed on a periodic and regular basis. As at each reporting date, revenue from transmission of energy includes an accrual for electricity transmitted to customers but not yet billed i.e. unbilled revenue.

The incentives/disincentives are accounted for based on the norms notified/approved by the DERC or agreements with the beneficiaries as per principles enunciated in Ind AS 18.

Rebates allowed to beneficiaries as early payment incentives are deducted from the amount of revenue.

The interest/ surcharge on late payment/overdue sundry debtors for transmission of energy is not recognized due to significant uncertainty as to measurability or collectability exists and is therefore accounted for on receipt basis.

The income or expenditure as the case may be on account of revision in tariff is accounted for on the basis of receipts of orders of DERC/CERC.

##### C.11.2. Revenue from services

Revenue from cost plus construction contracts or project management and supervision services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of the respective consultancy contracts.

##### C.11.3. Other income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Scrap other than steel scrap is accounted for as and when sold. Insurance claims are accounted for in the year of acceptance.

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.



Interest/ surcharge recoverable on advances to suppliers as well as warranty claims wherever there is uncertainty of realization/ acceptance are not treated as accrued and are therefore, accounted for on receipt/ acceptance.

#### C.12. Lease

##### Accounting for finance leases

Leases of property, plant and equipment where the Company, as lessee has substantially all risks and rewards of ownership are classified as finance leases. On initial recognition, assets held under finance leases are recorded as property, plant and equipment and the related liability is recognized under borrowings. At inception of the lease, finance leases are recorded at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

##### Accounting for operating Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are recognized as an expense over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

#### C.13. Employee benefits

##### C.13.1. Employees employed before unbundling (DVB Employees)

Benefits for employees employed before unbundling (DVB employees) are administered through a separate trust; DVB Employee Terminal Benefit Fund (Pension Trust), which is a multi-employer plan. The liability of the company towards the trust is a defined percentage of pay and grade pay of employee for leave encashment and pension contribution as per rates notified by Central Government. The contributions to the trust for the year are recognized as an expense and charged to the statement of profit and loss.

##### C.13.2. Short-term benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short-term employee benefits. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### C.13.3. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as employee benefits expense in profit or loss in the period during which services are rendered by employees.

The Company has a defined contribution provident fund and national pension scheme which are administered and managed by Government of India for employees employed after unbundling (other than DVB employees). Both the employee and the Company make monthly contribution equal to a specified percentage of the employee's salary. The Company's monthly contribution is charged to the statement of profit and loss.

##### C.13.4. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity and baggage allowance for settlement at home town after retirement are in the nature of defined benefit plans.



Every employee who has rendered continuous service of five years or more is entitled for gratuity at 15 days salary (Basic salary plus dearness allowance) for each completed year (or part thereof) of service. The liability towards gratuity arises on superannuation, resignation, termination, disablement or death.

The Company's net obligation in respect of gratuity is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any related assets is deducted. At each reporting date Indian government securities that have maturity dates approximating the terms of the Company's obligations and same currency in which the benefits are expected to be paid are used for the purpose of discounting the liability to its present value.

The calculation is performed annually by a qualified actuary using the projected unit credit method. Asset is recognized only to the extent economic benefits are available in the form of any future refunds from the plan or reductions in future contributions to the plan. Any actuarial gains or losses are recognized in other comprehensive income (OCI) in the period in which they arise.

The Company has baggage allowances, under which retired employee are provided allowances for settlement at home town after retirement subject to the limits prescribed.

#### C.13.5. Other long-term employee benefits

Benefits under the Company's leave encashment and leave travel concession constitute other long term employee benefits. The Company's net obligation in respect of leave encashment and leave travel concession is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recognized in the Statement of Profit and Loss in the period in which they arise.

#### C.14. Income tax

##### C.14.1 Current Tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year determined in accordance with provisions of Income Tax Act, 1961 and other applicable tax laws, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

##### C.14.2 Deferred Tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



Minimum Alternative Tax (MAT) under the provisions of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as an asset only to the extent it is probable that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additionally, MAT credit asset is disclosed along with Deferred Tax Asset balance.

**C.15. Impairment of non-financial assets**

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36, 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

After the recognition of an impairment loss, the depreciation (amortization) charge for the asset shall be adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), over its remaining useful life.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**C.16. Operating segments**

In accordance with Ind AS 108, 'Operating Segment' the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108.

**C.17. Material prior period errors**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

**C.18. Earnings per share**

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.



**C.19. Statement of Cash flows**

Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7, 'Statement of Cash Flows'.

**C.20. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**C.20.1. Financial assets**

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

**Subsequent measurement**

**a. Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**b. Debt instrument at FVTOCI (Fair Value through Other Comprehensive Income)**

A 'debt instrument' is classified as at FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

**c. Debt instrument at FVTPL (Fair value through profit or loss)**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or



• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

#### Impairment of financial assets

In accordance with Ind AS 109, 'Financial Instruments' the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposures:

- (a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, and bank balance.
- (b) Trade receivables under Ind AS 18.

For recognition of impairment losses on financial assets and risk exposures, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

#### C.20.2. Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### a. Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to borrowings, trade payables and other contractual liabilities.

##### b. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.



Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109, 'Financial Instruments' are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liabilities are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### C.20.3. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business in the event of default, insolvency or bankruptcy of the company or the counterparty.





**D. Use of estimates and management judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgments are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is as under:

**D.1. Employee benefit plans**

Employee benefit obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.

**D.2. Revenues**

The Company records revenue from transmission of energy based on tariff rates approved by the DERC as modified by the orders of Appellate Tribunal for Electricity, as per principles enunciated under Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable DERC Tariff Regulations.

**D.3. Provisions and contingencies**

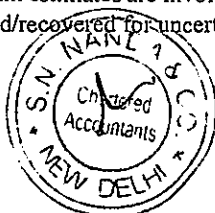
The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

**D.4. Right to use**

Significant judgment is required to estimate the fair value of land received on right to use basis from GNCTD at nil/nominal rates.

**D.5. Income taxes**

Significant estimates are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.



**E. Standards issued but not yet effective**

**E.1. Ind AS 115 'Revenue from Contracts with Customers'**

On 28 March 2018, Ministry of Corporate Affairs (MCA) has notified the Ind AS 115, 'Revenue from Contract with Customers'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach).

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1<sup>st</sup> April 2018. The Company will adopt the standard on 1<sup>st</sup> April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ended 31<sup>st</sup> March 2018 will not be retrospectively adjusted. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**E.2. Appendix B to Ind AS 21, foreign currency transactions and advance consideration**

On 28 March 2018, MCA has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1<sup>st</sup> April 2018. The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.



Delhi Transco Limited  
Notes to financial statements for the year ended 31 March 2018

2 Property, plant and equipment (PPE)

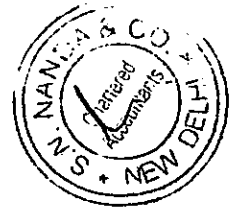
Particulars	Gross block			Depreciation			Net block As at 31 March 2018	
	As at 1 April 2017	Additions	Deductions/ adjustments	As at 31 March 2018	Upto 1 April 2017	For the year		Deductions/ adjustments
Buildings								
Office	538.14	-	-	538.14	102.76	11.41	-	114.17
Residential	257.92	8.38	(4.18)	262.12	16.28	4.67	(0.11)	20.84
Sub-station	2,883.87	1,105.28	-	3,989.15	241.57	137.43	-	379.00
Computer	269.30	111.43	-	380.73	91.64	53.25	-	144.89
ERP hardware	30.37	54.46	-	84.83	30.37	7.71	-	38.08
Four bays of 400KV	533.61	-	-	533.61	126.68	69.94	-	196.62
Furniture and fixtures	215.25	16.18	-	231.43	51.85	52.95	-	104.80
Lines, cables, network	156,612.59	2,048.87	(6,866.08)	151,795.38	15,936.68	10,010.17	(505.77)	25,441.08
Meters	117.23	-	-	117.23	18.33	10.15	-	28.48
Office equipments	468.95	25.84	-	494.79	89.09	96.71	-	185.80
Other civil works	21,509.73	216.18	-	21,725.91	1,753.82	776.64	-	2,530.46
Plant and machinery	175,896.63	11,826.15	(1,382.24)	186,340.54	22,042.60	12,773.70	(126.12)	34,690.18
Capital Spares	135.81	-	-	135.81	13.75	8.83	-	22.58
SCADA - Owned	134.89	-	-	134.89	85.15	9.85	-	95.00
Small value assets	7.79	-	-	7.79	7.79	-	-	7.79
Vehicles- Office	55.40	47.82	-	103.22	23.96	6.58	-	30.54
Vehicles- Staff	70.71	-	-	70.71	47.22	14.36	-	61.58
<b>Total</b>	<b>359,738.19</b>	<b>15,460.59</b>	<b>(8,252.50)</b>	<b>366,946.28</b>	<b>40,679.54</b>	<b>24,044.35</b>	<b>(632.00)</b>	<b>64,091.89</b>

a) Refer Note 15 for information on property, plant and equipment pledged as security by the company.

b) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2018 is INR 52,406.34 lakhs (31 March 2017: INR 66,180.44 lakhs).

c) Borrowing costs capitalised during the year amounts to INR 816.71 lakhs (31 March 2017: INR 1,902.60 lakhs).

d) Deduction/adjustments from gross block and depreciation for the year represents disposal/retirement of asset.



**Delhi Transco Limited**  
**Notes to financial statements for the year ended 31 March 2018**

**2 Property, plant and equipment (PPE)**

Particulars	As at 31 March 2017				Gross block			Depreciation			INR Lakhs	
	As at		Additions	Deductions/ adjustments	As at 31 March 2017	Upto 1 April 2016	For the year	Deductions/ adjustments	Upto 31 March 2017	Net block		
	1 April 2016	31 March 2017								As at 1 April 2016	As at 31 March 2017	
<b>Buildings</b>												
Office	538.14	538.14	-	-	538.14	52.01	50.75	-	102.76	435.38	435.38	
Residential	257.92	257.92	-	-	257.92	7.43	8.85	-	16.28	241.64	241.64	
Sub-station	2,740.40	2,883.87	143.47	-	2,883.87	122.57	1,19.00	-	241.57	2,642.30	2,642.30	
Computer	222.19	269.30	47.11	-	269.30	53.86	37.78	-	91.64	177.66	177.66	
ERP hardware	30.37	30.37	-	-	30.37	30.37	-	-	30.37	-	-	
Four bays of 400KV	533.61	533.61	-	-	533.61	63.34	63.34	-	126.68	406.93	406.93	
Furnitures and fixtures	206.82	215.25	8.43	-	215.25	29.84	22.01	-	51.85	163.40	163.40	
Lines, cables, network	132,499.32	156,612.59	24,113.27	-	156,612.59	7,461.00	8,475.68	-	15,936.68	140,675.91	140,675.91	
Meters	117.23	117.23	-	-	117.23	9.37	8.96	-	18.33	98.90	98.90	
Office equipments	447.33	468.95	21.62	-	468.95	44.54	44.55	-	89.09	379.86	379.86	
Other civil works	20,356.73	21,509.73	1,153.00	-	21,509.73	882.28	871.54	-	1,753.82	19,755.91	19,755.91	
Plant and machinery	166,147.24	175,896.63	10,444.92	(695.53)	175,896.63	11,412.16	11,080.47	(450.03)	22,042.60	153,854.03	153,854.03	
Capital Spares	102.20	135.81	33.61	-	135.81	6.82	6.93	-	13.75	122.06	122.06	
SCADA - Owned	134.89	134.89	-	-	134.89	73.73	11.42	-	85.15	49.74	49.74	
Small value assets	7.42	7.79	0.37	-	7.79	7.42	0.37	-	7.79	-	-	
Vehicles- Office	55.40	55.40	-	-	55.40	18.18	5.78	-	23.96	31.44	31.44	
Vehicles- Staff	70.71	70.71	-	-	70.71	26.34	20.88	-	47.22	23.49	23.49	
<b>Total</b>	<b>324,467.92</b>	<b>359,738.19</b>	<b>35,965.80</b>	<b>(695.53)</b>	<b>359,738.19</b>	<b>20,301.26</b>	<b>20,828.31</b>	<b>(450.03)</b>	<b>40,679.54</b>	<b>319,058.65</b>	<b>319,058.65</b>	



Delhi Transeo Limited  
Notes to financial statements for the year ended 31 March 2018

3 Capital work-in-progress

As at 31 March 2018 Particulars	INR Lakhs	
	As at 1 April 2017	As at 31 March 2018
Capital work-in-progress	6,349.13	13,710.50
	22,620.68	(15,259.31)
		Capitalised
		6,349.13

4 Intangible assets

As at 31 March 2018 Particulars	Gross block		Amortisation		INR Lakhs Net block As at 31 March 2018
	As at 1 April 2017	As at 31 March 2018	Upto 1 April 2017	Upto 31 March 2018	
Right to use land (refer a below)	10,568.29	10,568.29	1,163.32	1,744.98	8,823.31
Right of way (refer note 49)	-	5,849.39	-	282.03	5,567.36
Software	185.92	195.51	156.73	157.97	37.54
	9.59	-			
	9.59	16,613.19	1,320.05	2,184.98	14,428.21

As at 31 March 2017 Particulars	Gross block		Amortisation		INR Lakhs Net block As at 31 March 2017
	As at 1 April 2016	As at 31 March 2017	Upto 1 April 2016	Upto 31 March 2017	
Right to use land (refer a below)	10,568.29	10,568.29	581.66	1,163.32	9,404.97
Software	185.92	185.92	156.73	156.73	29.19
	-	-	-	-	
	-	10,754.21	738.39	1,320.05	9,434.16

a) The legal title of lands vests with the GNCTD and lands were allotted to the Company on "right to use" basis.



Delhi Transeo Limited  
Notes to financial statements for the year ended 31 March 2018

5 Financial assets

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good Security deposits	44.08	44.08
<b>Total</b>	<b>44.08</b>	<b>44.08</b>

6 Other non-current assets

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good Capital advances	44,592.63	26,890.98
<b>Total</b>	<b>44,592.63</b>	<b>26,890.98</b>

7 Inventories

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Stores, spares and loose tools (as valued and certified by management)	590.27	509.91
Less: Provision for slow moving spares	134.95	134.95
<b>Total</b>	<b>455.32</b>	<b>374.96</b>

- a) Inventory items have been valued as per accounting policy C.5 (Note 1)  
b) Inventories amounting to INR 1,028.95 Lakhs (31 March 2017: INR 1,919.87 Lakhs) has been recognised as expense during the year under other expenses (note 28).

8 Trade receivables

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good	173,951.93	157,469.89
<b>Total</b>	<b>173,951.93</b>	<b>157,469.89</b>

- a) As per Bulk Power Transmission agreement (BPTA) executed between company and distribution utilities, former is entitled to Late payment surcharge (LPSC) against the delay in payment of Bills after due date and therefore on account of the same LPSC is also recoverable from Discoms on the amount of overdue bills. However as per the approved accounting policy of the company the amount of LPSC is recognised as income and recoverable from utilities only on receipt basis. Therefore the outstanding amount of Trade Receivables as shown above does not include the amount of LPSC recoverable from utilities. The outstanding amount due from utilities as shown above is subject to reconciliation and confirmation.  
b) Refer Note 36 for related party disclosure.  
c) Refer Note 30 for credit risk management.



## 9 Cash and cash equivalents

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Balances with banks		
Current accounts	2,781.58	10,688.68
Deposits with original maturity upto three months (including interest accrued)	21,464.81	16,794.61
Cash on hand	0.98	2.62
<b>Total</b>	<b>24,247.37</b>	<b>27,485.91</b>

a) Deposits includes INR Nil (31 March 2017: INR 1,089.46 Lakhs) invested out of capital grants received with respect to PSDF schemes and INR 2,862.00 Lakhs (31 March 2017: INR 1,901.60 Lakhs) related to State Load Dispatch Center excluding interest accrued thereon.

## 10 Other financial assets

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
Recoverables from related parties		
Government of NCT of Delhi (GNCTD)	600.60	269.03
Indraprastha Power Generation Company Limited	-	26.76
Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)	812.61	812.61
Unbilled revenue (refer b below)	9,702.41	8,649.51
<b>Total</b>	<b>11,115.62</b>	<b>9,757.91</b>

a) The Company has billed INR 23.33 Lakhs (31 March 2017: INR 70 Lakhs) to DISCOMs on account of public grievance cell run by GNCTD as per DERC Tariff order. Same has been adjusted against recoverable from GNCTD.

b) Unbilled revenue represents revenue for the month of March billed to beneficiaries in the month of April of subsequent financial year.

## 11 Current tax assets (net)

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Advance tax and tax deducted at source	79,009.18	59,181.42
Less: Provision for tax	61,122.35	44,134.27
<b>Total</b>	<b>17,886.83</b>	<b>15,047.15</b>

## 12 Other current assets

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Unsecured, considered good		
Deposit under protest	3,087.04	695.95
Advance to employees	144.00	70.69
Advance against supply of goods and services	28.42	28.43
Prepaid expenses	219.21	0.19
Other receivables	61.33	78.12
<b>Total</b>	<b>3,540.00</b>	<b>873.38</b>



13 Share capital

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
<b>Authorised</b>		
4,500,000,000 (31 March 2017: 4,500,000,000) equity shares of par value INR 10/- each	450,000.00	450,000.00
<b>Issued, subscribed and fully paid up</b>		
3,951,000,000 (31 March 2017: 3,951,000,000) equity shares of par value INR 10/- each	395,100.00	395,100.00

- a) Movements in equity share capital: During the year, the Company has neither issued nor bought back any share.  
b) Terms and rights attached to equity shares: The Company has only one class of equity shares having a par value INR 10/- per share. The holders of the equity shares are entitled to receive dividends and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.  
c) Details of shareholders holding more than 5% shares in the Company:

Name of shareholder	No. of shares	% of Shareholding
<b>As at 31 March 2018</b>		
Government of NCT Delhi (GNCTD)	3,691,000,000	93.42%
Delhi Power Company Limited (DPCL)	260,000,000	6.58%
<b>Total</b>	<b>3,951,000,000</b>	<b>100.00%</b>
<b>As at 31 March 2017</b>		
Government of NCT Delhi (GNCTD)	3,691,000,000	93.42%
Delhi Power Company Limited (DPCL)	260,000,000	6.58%
<b>Total</b>	<b>3,951,000,000</b>	<b>100.00%</b>

14 Other equity

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Debenture (Bonds) redemption reserve	7,000.00	8,000.00
Insurance reserve	2,793.70	2,327.25
Retained earnings	(120,615.96)	(183,933.96)
<b>Total</b>	<b>(110,822.26)</b>	<b>(173,606.71)</b>

- a) Debenture (Bonds) redemption reserve  
In terms of Section 71 (4) of the Companies Act, 2013 and the SEBI Guidelines, the company has maintained Debenture (Bonds) Redemption Reserve out of the profits being 50% of the amount of Bonds outstanding as at year end.  
Movement in Debenture (Bonds) Redemption Reserve:

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	8,000.00	9,000.00
Transfer to retained earnings	(1,000.00)	(1,000.00)
<b>Closing balance</b>	<b>7,000.00</b>	<b>8,000.00</b>

- b) Insurance reserve  
Insurance reserve represents reserve created in order to meet the risk of loss due to fire, theft, earthquake, natural calamities etc. with respect to assets of the company. The reserve has been created as per the policy adopted by the company.  
Movement in insurance reserve:

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	2,327.25	1,866.77
Transfer from retained earnings	466.45	460.48
<b>Closing balance</b>	<b>2,793.70</b>	<b>2,327.25</b>





## c) Movement in retained earning:

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening balance	(183,933.96)	(216,772.33)
Profit for the year	62,718.20	32,292.93
Other comprehensive income	66.25	5.92
Transfer from debenture (bonds) redemption reserve	1,000.00	1,000.00
Transfer to insurance reserve	(466.45)	(460.48)
Closing balance	<u>(120,615.96)</u>	<u>(183,933.96)</u>

## 15 Non-current borrowings

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
9.5% secured redeemable non-convertible power bonds	14,109.32	16,124.93
Secured rupee term loans from banks	59,071.70	67,393.35
Unsecured rupee term loans from GNCTD	103,472.60	145,054.43
	<u>176,653.62</u>	<u>228,572.71</u>
Less: Current maturities of long term borrowings		
9.5% secured redeemable non-convertible power bonds	2,000.00	2,000.00
Secured rupee term loans from bank	8,325.00	8,325.00
Unsecured rupee term loans from GNCTD	15,055.80	29,484.67
	<u>25,380.80</u>	<u>39,809.67</u>
Less: Interest accrued and due on borrowings	-	27,650.93
Less: Interest accrued but not due on borrowings	6,145.52	5,607.36
Total	<u>145,127.30</u>	<u>155,504.75</u>

- a) Redeemable non-convertible power bonds are secured by way of pari passu charge over assets of the company bearing an interest rate of 9.5% and repayable in annual installments of INR 2,000.00 Lakhs ending in year 2025. It includes interest accrued amounting to INR 109.32 Lakhs (31 March 2017: INR 124.93 Lakhs).
- b) Term loan from Allahabad bank is secured by way of pari passu charge over assets of the company carry interest rate @ 8.75% (31 March 2017: 9.70%) and repayable in 12 equal annual installments of INR 4,583.00 Lakhs ending in year 2025.
- c) Term loan from State Bank of India is secured by way of pari passu charge over assets of the company and carry interest rate @ 8.70% (31 March 2017: 9.40%). Loan amounting to INR 3,312.00 Lakhs is repayable in two installments, one of INR 1,667.00 Lakhs in FY 2023-2024 and final installment of INR 1,645.00 Lakhs in March 2024. Other loans are repayable in equal annual installments ending in year 2025.
- d) Terms loan from related party (Government of NCT of Delhi) are unsecured and carry interest rate ranging from 9.00% to 10.00%. Loan of INR 6,250.00 Lakhs is repayable in equal annual installments of INR 1,250.00 Lakhs ending in March 2023 and balance loans are repayable in 15 equal annual installments ending in October 2032. Refer note 30 for maturity profile.
- e) Working capital loan from banks are secured by first pari-passu charge on current assets of the Company and carry an interest rate of @ 8.75% (31 March 2017: 9.70%) for Allahabad Bank and interest rate of 8.70% (31 March 2017: 9.40%) for SBI Bank.
- f) The Company has Cash Credit facility of INR 10,000 Lakhs (31 March 2017: INR 20,000 Lakhs) including non fund based sub facility of stand by letter of credit of INR 5,000 Lakhs (31 March 2017: INR Nil Lakhs) from Allahabad Bank. Letter of Credit outstanding as on 31 March 2018 is INR 472.43 Lakhs.



16 Provisions

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
<b>Non-current provisions</b>		
Provision for employee benefit expenses		
Gratuity	1,671.83	928.52
Leave encashment	2,715.69	2,146.40
Leave travel concession	244.03	448.96
Provision for disputed claims	-	6,036.21
<b>Total</b>	<b>4,631.55</b>	<b>9,560.09</b>
<b>Current provisions</b>		
Provision for employee benefit expenses		
Gratuity	19.53	18.24
Leave encashment	33.32	29.12
Leave travel concession	15.19	16.11
Pay revision (refer b below)	-	1,536.05
Provision for others	3,088.09	2,572.49
<b>Total</b>	<b>3,156.13</b>	<b>4,172.01</b>
<b>Total Provisions</b>	<b>7,787.68</b>	<b>13,732.10</b>

- a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 32.  
b) GNCTD has constituted the Wage Revision Committee to review the structure of pay scales and allowances/benefits of various categories of Power Sector Enterprises and suggest changes. Pending issuance of recommendations of the committee, the Company is paying interim relief to the employees.  
c) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 46.

17 Deferred tax liabilities (net)

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
<b>Deferred tax liabilities</b>		
Difference in net book value and tax base of property, plant and equipment and intangible assets	42,909.49	37,390.83
	42,909.49	37,390.83
<b>Less: Deferred tax assets</b>		
Provision for employee benefits	1,855.78	1,451.62
Other provisions	1,126.26	936.99
	2,982.04	2,388.61
<b>Total</b>	<b>39,927.45</b>	<b>35,002.22</b>

- a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.  
b) Refer Note 37 for disclosures related to Ind AS 12 Income taxes.

18 Trade Payables

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Micro, small and medium enterprises	-	-
Other than micro, small and medium enterprises	27,843.60	24,719.84
<b>Total</b>	<b>27,843.60</b>	<b>24,719.84</b>

- a) Refer Note 36 for related party disclosure.  
b) The company pays the amount due to micro, small and medium enterprises within 30 days and no interest has been paid or payable during the year under the terms of Micro, Small and Medium Enterprises Development Act, 2006.



Delhi Transco Limited  
Notes to financial statements for the year ended 31 March 2018

19 Other current financial liabilities

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Current maturities of non-current borrowings	25,380.80	39,809.67
Interest accrued and due	-	27,650.93
Interest accrued but not due	6,145.52	5,607.36
Retention money	9,276.89	8,799.12
Other payables		
Deposits from customers/vendors	496.86	494.50
Payable to employees	1,147.58	996.52
Others	188.26	180.73
<b>Total</b>	<b>42,635.91</b>	<b>83,538.83</b>

- a) Details in respect of rate of interest and terms of repayment of current maturities of secured and unsecured long term borrowings indicated above are disclosed in Note 15.  
b) Refer Note 36 for related party disclosure.

20 Other current liabilities

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Advances against deposit work	1,251.36	1,509.36
Advances from customers and others	20,658.45	34.29
Payable to related parties		
Delhi Power Company Limited (DPCL)	5,272.05	5,532.66
Indraprastha Power Generation Company Limited (IPGCL)	13.44	-
DVB Employee Terminal Benefit Fund	8,514.49	5,602.70
Tax deducted at source and other statutory dues	429.69	347.06
<b>Total</b>	<b>36,139.48</b>	<b>13,026.07</b>

21 Current tax liabilities

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Current tax liability	83.47	83.47
<b>Total</b>	<b>83.47</b>	<b>83.47</b>

22 Deferred revenue

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
On account of government grant for:		
Right to use land (refer a below)	4,756.92	5,070.50
Grant under MOU-I for PGCIL projects (refer b below)	17,151.10	19,490.43
Power sector development fund (PSDF) (refer c below)	1,096.23	1,124.70
<b>Total</b>	<b>23,004.25</b>	<b>25,685.63</b>

- a) The company has recognised grant against land received free of cost on right to use basis from GNCTD at fair value.  
b) The company received INR 20,000 Lakhs as grant from Government of India under the Scheme "NCT of Delhi Transmission System Improvement Project for strengthening of the Intra State Transmission System in Delhi". The project for which the grant was received has been commissioned and there are no unfulfilled conditions or other contingencies attached to above grant.  
c) The Company has received grant from Power sector development fund (PSDF) of central government for rectification and up gradation of protection system and replacement of outlived equipments in substations of company. There are no unfulfilled conditions or other contingencies attached to above grant.



23 Revenue from operations

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Rendering of services</b>		
Wheeling charges	108,359.00	101,841.00
Less: Rebate on wheeling charges	299.17	128.18
	<u>108,059.83</u>	<u>101,712.82</u>
State Load Dispatch Center (SLDC) Charges	903.56	903.56
<b>Other operating revenue</b>		
STU Charges - Open Access	2,153.18	3,763.08
Operating Charges - Open Access - SLDC	183.26	105.33
Incentive from Discom	375.93	11.71
Income loading data ABT meter	1.76	1.76
Application Money Open Access - SLDC	114.78	118.45
Reactive energy charges	748.47	444.52
External project - revenue	1,117.00	141.37
Late payment surcharge on wheeling charges (refer b below)	1,889.31	2,035.00
<b>Total</b>	<u><u>115,547.08</u></u>	<u><u>109,237.60</u></u>

- a) The Company has ceased to carry on the business of bulk purchase and sale of power post the expiry of policy direction period with effect from 31 March 2007. The Company is carrying on the business of transmission of power (wheeling operations) and also discharging the functions of SLDC as State Transmission Utility (STU). Wheeling charges for the financial year 2017-18 have been billed to the DISCOMS, MES and NDMC as per the Tariff Order dated 31 August 2017 issued by DERC and for SLDC as per the provisional order passed by DERC in year 2008-09.
- b) The Company has recognised late payment surcharge of INR 1,229.34 Lakhs (31 March 2017: INR 1,091.80 Lakhs) and INR 659.97 Lakhs (31 March 2017: INR 943.20 Lakhs) received from BSES Rajdhani Power Ltd. and BSES Yamuna Power Ltd. respectively to the extent of TDS deposited by the said DISCOMS on account of the Company. In line with the accounting policy of the Company, surcharge is recognised when no significant uncertainty as to measurability or collectability exists.

24 Other income

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Interest income from financial assets measured at amortised cost</b>		
Bank deposits	1,524.18	1,320.57
Advances	11.04	5.08
<b>Interest income from income tax refund</b>	-	783.73
<b>Other non-operating income</b>		
Income from revised tariff (refer a below)	26,710.11	-
Profit on sale of scrap	134.00	135.48
Provision no longer required written back	6,036.21	0.92
Net gain on foreign exchange transactions and translation	118.45	501.53
Profit on sale of property plant and equipment	279.58	-
Grant income for:		
Right to use land	313.58	313.58
Grant under MOU-I for PGCIL projects	2,339.33	432.20
Power sector development fund (PSDF)	28.48	9.10
License fee recovery	20.28	15.09
Other miscellaneous receipts	333.43	55.96
<b>Total</b>	<u><u>37,848.67</u></u>	<u><u>3,573.24</u></u>

- a) Income from revised tariff represents income earned towards power purchase cost against the revised tariffs announced by CERC/appellate bodies in respect of power purchased by the Company before 1 April 2007 from various generating utilities.



Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2018

25 Employee benefits expenses

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages, allowances and bonus	19,918.71	16,867.09
Contribution to provident and other funds	467.66	350.07
Staff welfare expenses	733.71	872.77
	<u>21,120.08</u>	<u>18,089.93</u>
Less: Employee cost capitalised during the year	2,617.93	1,789.43
Total	<u>18,502.15</u>	<u>16,300.50</u>

a) Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 32.

26 Finance cost

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest on financial liabilities measured at amortised cost		
Non-convertible redeemable power bonds	1,504.38	1,694.38
Rupee term loans	16,396.88	18,204.40
Short term loans	-	1,240.58
	<u>17,901.26</u>	<u>21,139.36</u>
Less: Finance income on fixed deposits	108.87	626.99
Less: Finance cost capitalised during the year	816.71	1,902.60
Total	<u>16,975.68</u>	<u>18,609.77</u>

27 Depreciation and amortisation expense

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation on property, plant and equipment	24,044.35	20,828.31
Amortisation of intangible assets	764.95	581.66
Less: Depreciation adjustment (refer a below)	636.86	-
Total	<u>24,172.44</u>	<u>21,409.97</u>

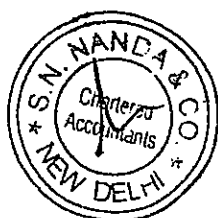
a) Refer note 47 and 49 for depreciation adjustment.



## 28 Other expenses

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Repairs and maintenance</b>		
Building	226.99	373.10
Lines, cables and network assets	1,658.05	1,328.87
Vehicles	9.70	11.08
Others	129.45	252.37
	<u>2,024.19</u>	<u>1,965.42</u>
<b>Consumption of stores and spares</b>	1,028.95	1,919.87
<b>Administration, general and other expenses</b>		
Electricity and water charges	624.46	554.11
Communication expenses	77.86	60.13
Professional charges	97.67	119.25
Travelling and conveyance	51.33	81.70
Advertisement and publication	79.18	90.85
Medical expenses	501.33	380.82
Security expenses	2,430.95	1,482.15
Payment to the auditors (refer a below)	14.76	11.98
Ground rent	150.00	130.00
Property tax	707.72	954.39
License fees for land	429.72	133.95
License fees	50.00	50.00
Legal expenses	69.99	46.65
Loss on sale of assets	-	122.49
External project cost	1,064.01	122.93
Miscellaneous expenses (refer b below)	487.04	372.56
	<u>9,889.16</u>	<u>8,599.25</u>
Less: Capitalised during the year	51.40	55.49
<b>Total</b>	<u><u>9,837.76</u></u>	<u><u>8,543.76</u></u>
a) Details in respect of payment to auditors:		
Statutory audit fees	8.11	6.66
Tax audit fees	1.62	1.33
Reimbursement of expenses	0.62	0.60
In other capacity	2.40	1.60
GST/Service tax	2.01	1.79
<b>Total</b>	<u><u>14.76</u></u>	<u><u>11.98</u></u>

b) Miscellaneous expenses includes training expense, printing and stationery, vehicle hiring charges, and other miscellaneous expenses.



29 Fair Value Measurements

All financial assets and liabilities viz. security deposits, trade receivables, cash and cash equivalents, claims recoverable, borrowings, trade payables, interest accrued but not due on borrowings, interest accrued and due on borrowings, employee related liabilities, payable to related parties, deposits from contractors and vendors and payable for expenses are measured at amortized cost.

This section represents the judgements and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements along with their respective carrying value.

INR Lakhs

Particulars	As at 31 March 2018		As at 31 March 2017	
	Carrying amount	Fair value (Level 3)	Carrying amount	Fair value (Level 3)
<b>Financial liabilities:</b>				
Redeemable bonds	14,109.32	14,109.32	16,124.93	16,124.93
Term loan from banks	59,071.70	59,071.70	67,393.35	67,393.35
Term loan from related parties	103,472.60	102,002.51	145,054.43	145,040.07
<b>Total</b>	<b>176,653.62</b>	<b>175,183.53</b>	<b>228,572.71</b>	<b>228,558.35</b>

Redeemable bonds though listed are not traded and therefore its listed price is not available. Hence, it has been classified as Level 3 instead of Level 1. The carrying amount of redeemable bonds approximates the fair value of these bonds since the interest rate for fresh issuance of bonds for remaining maturity at each reporting date is same as the contractual rate of interest. Carrying amount of security deposits approximates its fair value as these are recoverable immediately.

The carrying amounts of security deposits, short term trade receivables, cash and cash equivalents, claim recoverables, borrowings, trade payables, interest accrued but not due on borrowings, interest accrued and due on borrowings, employee related liabilities, payable to related parties, deposits from contractors and vendors and payable for expenses are considered to be the same as their fair values, due to their short-term nature.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The fair value of financial assets and liabilities included in Level 3 is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The fair value of the financial instruments has been determined using discounted cash flow analysis. The company has a control framework with respect to the measurement of fair values. The company regularly reviews significant unobservable inputs and valuation adjustments.

30 Financial Risk Management

The Company's principal financial liabilities comprise loans and borrowings, trade payables and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks and financial institutions.

Cash and cash equivalents and Deposits with banks

The company has banking operations with scheduled banks owned by Government. The risk of default with government controlled entities is considered to be insignificant.

Recoverable from related parties

The company has amount recoverable from government or companies owned by Government. The risk of default with state controlled entities is considered to be insignificant.



30 Financial Risk Management

Trade receivables and unbilled revenue

The Company sells electricity to state distribution agencies which are either companies in which the Government of NCT of Delhi (GNCTD) (shareholder of the company) has significant influence or are government agencies. The risk of default in case of power supplied to:

a) Central Government agencies is considered to be insignificant.

b) Companies in which GNCTD has significant influence: In order to secure collection from such customers, GNCTD is diverting some portion of subsidy to be remitted to these customers to the company. The Company has not experienced any significant impairment losses in respect of trade receivables in the past years. Hence risk of default in these cases also is considered to be insignificant.

As per the bulk power transmission agreement (BPTA) executed between company and customers and applicable DERC regulations, the company charges late payment surcharge in cases where payment is not made within defined credit period. Hence there is no loss on account of time value of money in case of power supplied to any of the customers.

On account of adoption of Ind AS 109, 'Financial Instruments' the Company uses expected credit loss model to assess the impairment loss or gain. The Company takes into account available external and internal credit risk factors such as credit defaults, and the Company's historical experience for customers.

A default occurs when in the view of management there is no significant possibility of recovery of receivables after considering all available options for recovery.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Financial assets for which loss allowance is measured using:		
Lifetime Expected Credit Losses (ECL)		
Trade Receivable	173,951.93	157,469.89
12 months Expected Credit Losses (ECL)		
Security Deposits	44.08	44.08
Cash and cash equivalents	24,247.37	27,485.91
Unbilled Revenue	9,702.41	8,649.51
Recoverable from related parties	1,413.21	1,108.40
Total	<u>209,359.00</u>	<u>194,757.79</u>

(ii) Provision for expected credit losses

Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers (State government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables.

Financial assets for which loss allowance is measured using 12 month expected credit losses

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

(iii) Ageing analysis of trade receivables

Ageing	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Less than 180 days	29,458.98	17,374.60
More than 180 days	144,492.95	140,095.29
Total	<u>173,951.93</u>	<u>157,469.89</u>





30 Financial Risk Management

b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements of the Company. Short term liquidity situation is reviewed daily by Treasury. The Board of directors has established policies to manage liquidity risk and the Company's treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

(i) Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Floating-rate borrowings		
Loans repayable on demand (expiring within one year)	17,500.00	27,500.00

(ii) Maturities of financial liabilities

The following are the contractual maturities of financial liabilities, based on contractual cash flows:

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Bonds	-	2,109.32	2,000.00	6,000.00	4,000.00	14,109.32
Term loan from banks	3,334.00	4,991.00	8,325.00	24,975.00	17,446.70	59,071.70
Term loan from related parties	-	15,055.80	9,019.60	27,058.80	52,338.40	103,472.60
Trade payables	27,843.60	-	-	-	-	27,843.60
Retention money	9,276.89	-	-	-	-	9,276.89
Deposits from customers/Vendor	496.86	-	-	-	-	496.86
Payable to employees	1,147.58	-	-	-	-	1,147.58
Other payables	188.26	-	-	-	-	188.26
<b>Total</b>	<b>42,287.19</b>	<b>22,156.12</b>	<b>19,344.60</b>	<b>58,033.80</b>	<b>73,785.10</b>	<b>215,606.81</b>

Contractual maturities of financial liabilities	Contractual cash flows					Total
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	
Bonds	-	2,124.93	2,000.00	6,000.00	6,000.00	16,124.93
Term loan from banks	3,334.00	4,991.00	8,325.00	24,975.00	25,768.35	67,393.35
Term loan from related parties	55,231.76	7,386.27	8,019.60	24,058.80	50,358.00	145,054.43
Trade payables	24,719.84	-	-	-	-	24,719.84
Retention money	8,799.12	-	-	-	-	8,799.12
Deposits from customers/Vendor	494.50	-	-	-	-	494.50
Payable to employees	996.52	-	-	-	-	996.52
Other payables	180.73	-	-	-	-	180.73
<b>Total</b>	<b>93,756.47</b>	<b>14,502.20</b>	<b>18,344.60</b>	<b>55,033.80</b>	<b>82,126.35</b>	<b>263,763.42</b>

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Board of directors is responsible for setting up of policies and procedures to manage market risks of the company.



### 30 Financial Risk Management

#### Interest rate risk

The Company is exposed to interest rate risk because the cash flows associated with floating rate borrowing will fluctuate with changes in interest rate. Refer Note 15 for interest rate profile of the Company's interest-bearing financial instrument.

#### Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### Cash flow sensitivity analysis for variable-rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit before tax by the amounts shown below. This analysis assumes that all other variables remain constant and is performed on the same basis for the previous year.

Particulars	INR Lakhs			
	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Term loans from bank	678.95	(678.95)	716.09	(716.09)

#### Currency risk

The Company executes import agreements for the purpose of purchase of capital goods. There are no long term foreign currency monetary items and hence no risk of case of foreign exchange gain/loss for long term foreign currency monetary items. The exposure in case of foreign exchange gain/loss on short term foreign currency monetary items is listed below.

Currency	In Lakhs					
	As at 31 March 2018			As at 31 March 2017		
	Trade Payables	Retention Liabilities	Total	Trade Payables	Retention Liabilities	Total
USD	-	2,603.67	2,603.67	2,374.60	-	2,374.60
EURO	-	302.94	302.94	181.97	86.55	268.52

#### Sensitivity analysis

A strengthening of the Indian Rupee, as indicated below, against the USD and Euro at 31 March would have increased (decreased) equity and profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for previous year:

10% movement	INR Lakhs			
	As at 31 March 2018		As at 31 March 2017	
	Strengthening	Weakening	Strengthening	Weakening
USD	260.37	(260.37)	237.46	(237.46)
EURO	30.29	(30.29)	26.85	(26.85)
Total	290.66	(290.66)	264.31	(264.31)

### 31 Capital Management

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, and
- maintain an appropriate capital structure of debt and equity.

The Company is not subject to externally imposed capital requirements.

The Company monitors capital using gearing ratio which is net debt divided by total equity. Net debt comprises of long term and short term borrowings less cash and cash equivalents. Equity includes equity share capital and reserves that are managed as capital. The gearing ratio at the end of the reporting periods was as follows:

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Total liabilities	176,653.62	228,572.71
Less : Cash and cash equivalents	24,247.37	27,485.91
Net debt	152,406.25	201,086.80
Total equity	284,277.74	221,493.29
Net debt to equity ratio	0.54	0.91

For the purpose of company's capital management equity includes equity share capital and reserves.



32 Employee benefits

1 Employees employed post unbundling

(i) Defined contribution plans:

Amount of INR 467.66 lakhs (31 March 2017: INR 350.07 lakhs) pertaining to employers' contribution to provident fund is recognized as an expense and included in 'Employee benefits' in note 25.

(ii) Defined benefit plans:

A Gratuity

The Company operates an unfunded gratuity plan which provides lump sum benefits linked to the qualifying salary and completed years of service with the Company at the time of separation. Every employee employed after unbundling who has completed 5 years of continuous service is entitled to receive gratuity at the time of his retirement or separation from the organisation, whichever is earlier. The gratuity benefit that is payable to any employee, is computed in accordance with the provisions of "The Payment of Gratuity Act, 1972".

The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation.

Based on the actuarial valuation report, the following table sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at balance sheet date:

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
a) Net defined benefit (asset)/liability		
Non-current	1,671.83	928.52
Current	19.53	18.24
Total	1,691.36	946.76

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
b) Movement in net defined benefit (asset)/liability		
Opening balance	946.76	799.27
Included in profit or loss:		
Current service cost	176.22	105.66
Past service cost	603.52	-
Interest cost/income	71.39	63.14
Total amount recognized in profit or loss	851.13	168.80
Included in OCI (Remeasurement loss/(gain)):		
Actuarial loss (gain) arising from:		
Financial assumptions	(46.66)	51.39
Experience adjustment	(54.65)	(60.46)
Total amount recognized in other comprehensive income	(101.31)	(9.07)
Benefits paid	(5.22)	(12.24)
Closing balance	1,691.36	946.76

c) Actuarial assumptions

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
The following were the principal actuarial assumptions at the reporting date:		
Discount rate	7.71%	7.54%
Salary escalation rate	12.00%	12.00%
Retirement age (years)	60 years	60 years
Mortality rates inclusive of provision for disability	IALM (2006-08) ultimate table	
Withdrawal rate	1% per annum	1% per annum

The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on government bonds. The currency and term of the government bonds is consistent with the currency and estimated term of the post-employment benefit obligations.

Salary increase takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.



32 Employee benefits

d) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Particulars	Increase	Decrease
As at 31 March 2018		
Discount rate (0.50% movement)	(129.61)	143.24
Salary escalation rate (0.50% movement)	25.48	(27.06)
As at 31 March 2017		
Discount rate (0.50% movement)	(70.50)	77.96
Salary escalation rate (0.50% movement)	76.99	(71.93)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

e) Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed

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

**Inflation risks:** In the pension plans, the pensions payment are not linked to inflation, so this is a less material risk.

**Mortality risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. Valuation has been carried out using Indian Assured Lives Mortality (2006-08) ultimate table. A change in mortality rate will have a bearing on the plan's liability.

**Salary risk:** The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

f) Expected maturity analysis of the discounted gratuity benefits is as follows

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Duration of defined benefit payments		
Less than 1 year	19.53	18.24
Between 1-2 years	20.39	10.59
Between 2-5 years	76.43	33.00
Over 5 years	1575.01	884.93
Total	1,691.36	946.76

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are INR 365.79 Lakhs.

(iii) Other long term employee benefit plans

A Compensated Absences

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees which accrue annually at 30 days and 20 days respectively. Earned leave (EL) is not en-cashable while in service except on availing LTC benefit subject to maximum 60 days during the entire service period. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 50 years. Total number of leaves (i.e. EL and HPL combined) that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit.

The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of INR 579.01 Lakhs (31 March 2017: INR 392.47 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.



## 32 Employee benefits

## B Leave travel concession

As per the company's policy, every employee is entitled to get LTC with family members:

- One Home Town LTC in a block of two years and one Anywhere India LTC in a block of four years or
- Two Home Town LTC in block of four years.

Further, the LTC/Home Town LTC can be availed in the extended period i.e. one year from the end of the block year.

The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of INR 52.12 Lakhs (31 March 2017: INR 155.19 Lakhs) for the year have been made on the basis of actuarial valuation at the year end and debited to the Statement of Profit and Loss.

## II Employees employed before unbundling (DVB employees)

For post employment benefits of employees employed before unbundling, the company pays a defined monthly contribution to Pension Trust.

During the year ended 31 March 2018, INR 770.40 Lakhs (31 March 2017: INR 761.16 Lakhs) has been paid/payable to Pension Trust and charged as employee benefit expense.

## 33 Construction Contracts

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
The amount of contract revenue recognised as revenue during the year	1,117.00	141.37
Aggregate amount of costs incurred and recognised profits (less recognised losses) on contracts in progress upto reporting date	1,641.04	608.24
Amount of advances received against contracts in progress upto reporting date	1,452.40	593.40
The gross amount due from customers for contract works as an asset	188.65	35.47

## 34 Earnings per Share

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit attributable to equity shareholders	62,718.20	32,292.93
Weighted average number of equity shares		
Opening balance of issued equity shares	3,951,000,000	3,951,000,000
Effect of shares issued during the year, if any	-	-
Weighted average number of equity shares	3,951,000,000	3,951,000,000
Earning Per Share (Basic and Diluted)	1.59	0.82
Nominal value per share	10.00	10.00

- 35 As per the order of the GNCTD, the Company is discharging the SLDC function and maintaining separate central pool bank accounts for UI Energy, REA Energy and Congestion charges for and on behalf of Discoms and the other constituents in Delhi. The Company as SLDC is realising from and disbursing payments to the Discoms/constituents since 1st April 2007 but the same is not accounted for in the books of accounts as well as the financial statements of the Company. Bank accounts are being maintained and operated by the company. The following balances are outstanding:

Particulars	INR Lakhs	
	As at 31 March 2018	As at 31 March 2017
Balance in current account	828.64	5,079.94
Balance in Fixed Deposit	49,129.66	43,411.70
Total	49,958.30	48,491.64

Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest earned	4,326.33	4,516.78
TDS on Interest	432.63	451.68



36 Disclosure as per Indian Accounting Standnrd - 24 on 'Related Party Disclosures'

a) List of Related parties:

i) Key Managerial Personnel (KMP):

Sh.Sukesh Kumar Jain	Chairman	(Upto 09.11.2016)
Smt. Varsha Joshi	Chairperson	(w.e.f. 10.11.2016)
Smt. Varsha Joshi	Managing Director	(w.e.f. 19.01.2017)
Sh.Sanjeev Singh	Managing Director	(Upto 20.09.2016)
Sh.Prem Prakash	Managing Director	(w.e.f. 21.09.2016 to 18.01.2017)
Sh.Prem Prakash	Director (Operations)	
Sh. Surender Babbar	GM (Finance) and Chief Financial Officer	(Upto 01.05.2016)
Sh. Narendra Dev Gobhil	DGM (Finance) and Chief Financial Officer	(w.e.f. 22.06.2016)
Sh. J.P.S. Chawla	Director (Finance) and Director (HR)	(Upto 04.06.2017)
Sh.P.K.Mallik	Executive Director (C.G), Company Secretary	
Sh.P.K.Mallik	Director (Finance)	(w.e.f. 05.06.2017)
Sh. Mukesh Prasad	Director (HR)	(w.e.f. 26.09.2017)

ii) Post employment benefits plan:

DVB Employee Terminal Benefit Fund

iii) Entities under the control of the same government:

The Company is controlled by Delhi Government by holding majority of shares (refer Note 13). Pursuant to Paragraph 25 and 26 of Indian Accounting Standard 24, 'Related Party Disclosures' entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and has made limited disclosures in the financial statements. Such entities with which the Company has significant transactions include but not limited to Indraprastha Power Generation Company Limited (IPGCL), Delhi Power Company Limited (DPCL), BSES Rajdhani Power Ltd, BSES Yamuna Power Ltd, New Delhi Municipal Corporation, etc.

b) Transactions with the related parties are as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
INR Lakhs		
<b>i) Compensation to Key management personnel</b>		
Short term employee benefits	121.03	81.49
Post employment benefits	7.51	1.92
Other long term benefits	3.62	0.98
<b>Total Compensation</b>	<b>132.16</b>	<b>84.39</b>
<b>ii) Transactions with post employment benefit plans</b>		
DVB Employee Terminal Benefit Fund	Contributions made during the year	770.40
DVB Employee Terminal Benefit Fund	Recovery of salary	283.97
<b>iii) Transactions with the government and related parties under the control of the same government</b>		
GNCTD	Term Loans taken	15,000.00
GNCTD	Term Loans repaid	29,484.67
GNCTD	Interest expense	16,396.88
GNCTD	Interest paid	37,569.71
GNCTD	Rent recovered on behalf of GNCTD	8.71
GNCTD	Public Grievance Cell	316.93
Delhi Power Company Limited	Term Loans repaid	-
Delhi Power Company Limited	Interest expense	-
Delhi Power Company Limited	Salary and other admin expenses	260.60
BSES Yamuna Power Ltd	Wheeling Charges	22,885.38
BSES Yamuna Power Ltd	Incentive and reactive energy charges	129.76
BSES Yamuna Power Ltd	Late payment surcharge	659.97
BSES Yamuna Power Ltd	Distribution of STOA	1,365.77
BSES Rajdhani Power Ltd	Wheeling Charges	44,547.54
BSES Rajdhani Power Ltd	Incentive and reactive energy charges	627.28
BSES Rajdhani Power Ltd	Late payment surcharge	1,229.34
BSES Rajdhani Power Ltd	Distribution of STOA	2,673.15
Tata Power Delhi Distribution Ltd	Wheeling Charges	32,357.21
Tata Power Delhi Distribution Ltd	Incentive and reactive energy charges	334.81
Tata Power Delhi Distribution Ltd	Distribution of STOA	1,962.63
Tata Power Delhi Distribution Ltd	Rebate	218.40
Indraprastha Power Generation Company Ltd	Salary/expense of employees on deputation	40.19

c) Outstanding balances with related parties are as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
INR Lakhs		
<b>Amount payable to post employment benefit plans</b>		
DVB Employee Terminal Benefit Fund	Contributions	8,514.49
		5,602.70



36 Disclosure as per Indian Accounting Standard - 24 on 'Related Party Disclosures'

d) Terms and conditions of transactions with the related parties

- Transactions with the related parties are made on normal commercial terms and conditions and at market rates.
- Refer note 15 for terms related to borrowings and interest payments from/to related parties.
- Wheeling Charges and late payment surcharge are regulated and transacted as per DERC Regulations. Refer C.11 (note i).
- Salary and other admin expenses are shared on cost to cost basis.

37 Income taxes

i) Income tax recognised in Statement of Profit and Loss		INR Lakhs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	
Current tax expense			
Current year	22,645.35	11,430.31	
Adjustment for earlier years	(231.91)	-	
	22,413.44	11,430.31	
Deferred tax expense			
Origination and reversal of temporary differences	4,890.17	5,533.06	
MAT Credit Entitlement	(6,114.09)	(1,309.46)	
	(1,223.92)	4,223.60	
<b>Total income tax expense</b>	<b>21,189.52</b>	<b>15,653.91</b>	

ii) Income tax recognised in other comprehensive income		INR Lakhs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	
Net actuarial gains/(losses) on defined benefit plans			
Before tax	101.31	9.06	
Tax expense/ (benefit)	35.06	3.14	
Net of tax	66.25	5.92	

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

		INR Lakhs	
Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017	
Profit before tax	83,907.72	47,946.84	
Tax using the Company's domestic tax rate of 34.608% (31 March 2017 - 34.608%)	29,038.78	16,593.44	
Tax effect of:			
Minimum Alternative Tax (Credit)/Expense	(6,114.09)	3,333.44	
Permanent/Temporary Difference	(1,735.18)	(4,272.97)	
At the effective income tax rate: 25.2534% (31 March 2017: 32.6485%)	21,189.52	15,653.91	

iv) MAT Credit available to the Company in future but not recognised in the books:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Amount	Expiry date	Amount	Expiry date
For the year 2008-09	-	NA	599.56	2018-19
For the year 2009-10	-	NA	1,582.15	2019-20
For the year 2010-11	-	NA	3,339.74	2020-21
For the year 2011-12	19,521.81	2026-27	20,114.45	2021-22
For the year 2012-13	6,348.64	2027-28	6,348.64	2022-23
For the year 2014-15	5,422.10	2029-30	5,422.10	2024-25
For the year 2015-16	11,946.26	2030-31	11,946.26	2025-26



37 Income taxes

v) Movement in deferred tax balances

For the year ended 31 March 2018				INR Lakhs
Particulars	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
<b>Deferred tax liabilities</b>				
Difference in net book value and tax base of PPE and intangible assets	37,390.83	5,518.66	-	42,909.49
	<u>37,390.83</u>	<u>5,518.66</u>	<u>-</u>	<u>42,909.49</u>
<b>Deferred tax assets</b>				
Provision for employee benefits	1,451.62	439.22	(35.06)	1,855.78
Other provisions	936.99	189.27	-	1,126.26
	<u>2,388.61</u>	<u>628.49</u>	<u>(35.06)</u>	<u>2,982.04</u>
<b>Total</b>	<u>35,002.22</u>	<u>4,890.17</u>	<u>35.06</u>	<u>39,927.45</u>

For the year ended 31 March 2017				INR Lakhs
Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
<b>Deferred tax liabilities</b>				
Difference in net book value and tax base of PPE and intangible assets	31,507.81	5,883.02	-	37,390.83
	<u>31,507.81</u>	<u>5,883.02</u>	<u>-</u>	<u>37,390.83</u>
<b>Deferred tax assets</b>				
Provision for employee benefits	1,224.74	230.02	(3.14)	1,451.62
Other provisions	817.05	119.94	-	936.99
	<u>2,041.79</u>	<u>349.96</u>	<u>(3.14)</u>	<u>2,388.61</u>
<b>Total</b>	<u>29,466.02</u>	<u>5,533.06</u>	<u>3.14</u>	<u>35,002.22</u>

38 Operating Segments

In the opinion of the management, there is only one reportable segment ("power transmission and SLDC functions"). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company. Further, the Company operates only in one geographical segment which is India.

Entity wide disclosures

a) Information about products and services:

Refer Note 23 for information about products and services.

b) Information about geographical areas:

The entire sales of the Company are made to customers which are domiciled in India. Also, all the non-current assets of the Company are located in India.

c) Information about major customers (from external customers):

The Company derives revenues from the following customers which amount to 10 per cent or more of Company's revenues:

Particulars	₹ Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
BSES Yamuna Power Ltd	23,675.10	21,564.20
BSES Rajdhani Power Ltd	46,404.17	40,366.01
Tata Power Delhi Distribution Ltd	32,473.62	32,887.71

39 For the purpose of arranging funds for DVB Pension Trust (ETBF,2002), the Hon'ble DERC is providing funds through distribution tariffs which are collected by the company as nodal agency from the distribution utilities and the realised amount is then remitted to DVB Pension Trust by the company. For the Financial Year 2017-18 the Hon'ble DERC has approved INR 23,884.17 lakhs (31 March 2017: INR 57,322.00 lakhs) towards the funding of DVB Pension Trust. As the company is merely a nodal agency in this behalf without incurring any liability towards the DVB Pension Trust, the said amount is not shown as the income of the company nor is it charged to expenses against payment to be released to DVB Pension Trust. During the financial year 2017-18, the Company has paid a sum of INR 19,035.33 lakhs (31 March 2017: INR 24,924.00 lakhs) to Pension Trust against the provision of INR 23,884.17 lakhs (31 March 2017: INR 57,322.00 lakhs) after realising the same from the three DISCOMs (namely BYPL, BRPL, TPDDL) in terms of the tariff order issued by Hon'ble Commission in pursuance to the representation/petition filed by DVB Pension Trust (ETBF,2002). As on 31 March 2018 a sum of INR 3,358.61 Lakhs (31 March 2017: INR 32,338.26 Lakhs) is due from the utilities.





- 40 Balances of Sundry Debtors, Sundry Creditors, Advances, other Parties and bank balances shown in the financial statements are subject to Confirmation/Reconciliation.
- 41 In the opinion of the management, the value of assets, other than fixed assets, on realization in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.
- 42 As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the Company is of the opinion that no case of impairment of assets exists.
- 43 Lease  
The company pays license fees for land received from GNCTD on right to use basis on operating lease. The land is received on perpetual lease basis. The company paid annual license fees of INR 429.72 Lakhs (31 March 2017: 133.95 Lakhs).
- 44 The Company has constituted a CSR Committee in pursuance to section 135 of the Companies Act, 2013 and is having a CSR Policy. The Company is required to spend in every financial year at least 2% of the average net profits of the company during the immediately 3 preceding financial years. The Company was required to incur INR 937.40 Lakhs (31 March 2017: INR 484.45 Lakhs) during the financial year 2017-18 towards the CSR activities as per the CSR policy. The company has not been able to spend money on CSR activities in view of financial crisis owing to the continuing default by BYPL and BRPL in releasing their dues against wheeling and other commercial charges.
- 45 Certain contracts of the Company for construction of substations with vendors awarded through ICB (International competitive bidding) which are denominated in third currency (i.e. a currency which not the functional currency of any of the parties to the contract) are falling under the purview of guidance provided as per Ind AS 109, 'Financial instruments' on derivatives and embedded derivatives. The management of the company has consulted the matter with other similar industry peers in generation and transmission of electricity having similar type of contracts and understands that none of those has accounted for these transactions and some of them also raised the matter to expert advisory committee of ICAI for their view which is awaited. In view of above accounting as required by Ind AS 109 for these transactions have not been recorded in the books of accounts for the year ended 31 March 2018.

## 46 Disclosure as per Indian Accounting Standard 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

## A. Provisions

## a) Provision for disputed claims\*

Movement in provision Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Provision for disputed claims		
Carrying amount at the beginning of the year	6,036.21	6,036.21
Provision written back during the year	(6,036.21)	-
Carrying amount at the end of the year	-	6,036.21

\*Also refer contingent liabilities mentioned below.

## b) Provision for others

Provision for others includes provision for ground rent and property tax payable to municipal corporations.

Movement in provision Particulars	INR Lakhs	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Provision for others		
Carrying amount at the beginning of the year	2,572.49	2,223.73
Add: Additions during the year	650.00	1,136.80
Less: Provision utilised during the year	134.40	788.05
Less: Provision reversed during the year	-	-
Carrying amount at the end of the year	3,088.09	2,572.49



46 Disclosure as per Indian Accounting Standard 37 on 'Provisions, Contingent Liabilities and Contingent Assets'

B. Contingent liabilities

- a) The contingent liability on account of arbitration/Court cases and other claims are INR 33,145.61 Lakhs plus interest on 31 March 2018 (31 March 2017: INR 33,148 Lakhs plus interest). The company had filed counter claims of INR 224.83 Lakhs (31 March 2017: INR 200.18 lakhs) against these claims. The company has not assessed probable outflow (if any) of these claims and no provision has been made.
  - b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters and others where the amount cannot be quantified.
  - c) North Delhi Municipal Corporation (NDMC) and East Delhi Municipal Corporation (EDMC) have raised the demand of Property Tax against towers amounting to INR 424.92 Lakhs and INR 22,631.04 Lakhs respectively. The judgment of Hon'ble High Court was in favour of the company. However EDMC has appealed against the judgment in the division bench of Hon'ble High Court.
  - d) South Delhi Municipal Corporation and North Delhi Municipal Corporation (NDMC) had demanded property tax against Building amounting to INR 1,684.66 Lakhs and INR 1,983.74 Lakhs respectively. Similarly property tax assessed on properties in EDMC areas are INR 240.50 Lakhs. The Company has contested before the MCD as well as by filing the writ petition before Hon'ble High Court of Delhi. Accordingly the amount has been shown as contingent liability. The company has not assessed probable outflow (if any) of these claims and no provision has been made.
  - e) INR 3,087.04 Lakhs (31 March 2017: INR 695.95 Lakhs) stands paid towards above contingent liabilities to contest the cases and is being shown as Other Current Assets.
  - f) Disputed Income Tax demands are pending before appellate authorities' amounting to INR 956.16 Lakhs (31 March 2017: INR 946.42 Lakhs). The Management has decided that the demand is not tenable as such no provision has been made.
  - g) A claim of INR 12,211.00 Lakhs has been raised by DPCL in FY 2012-13 against company for the payments released by DPCL for works, supplies, property tax etc. which pertains to unbundling period. However, the details of the same are yet to be received from DPCL. Further the admissibility of the said claim is under examination by the company in terms of the Transfer Scheme rules and therefore the said claim has not been acknowledged and the same has not been recognised in the accounts of the company in the current year but has been disclosed as contingent liability.
  - h) Late Payment Surcharge on the revised power purchase cost amounting to INR 1,050.41 Lakhs (31 March 2017: INR 951.57 Lakhs) has been claimed by SJVNL Ltd. which has been disputed by the company. However, the Board has approved the amount of INR 362.41 Lakhs which is taken as payable in the books.
  - i) In the True up order dated 31 July 2013, Hon'ble Delhi Electricity Regulatory Commission (DERC) has computed the amount of income tax liability of the company as recoverable from DISCOMs, NDMC and MES which is less than the amount of income tax liability assessed, discharged and claimed/recovered by the company from three discoms, NDMC and MES over and above the approved ARR for the each year of control period 2007-12. Thus Hon'ble DERC in its tariff order dated 31 July 2013 has directed the company to refund a sum of INR 21,839.00 Lakhs to Discoms, NDMC and MES. Aggrieved by the said computation of amount of Income tax recoverable from the said utilities, the company filed the appeal before the Hon'ble APTEL. Hon'ble APTEL has decided the case in favour of DTL and the matter is remanded back to DERC to consider the Income Tax amount paid with due verification and prudence check. Matter is under consideration before Hon'ble DERC.
  - j) DERC had demanded license fee and interest for the delay in payment of license fee for the previous years. The company has paid license fee but contested the interest amount of INR 315.00 Lakhs and shown as contingent liability.
- 47 The company has reconciled its GR/IR accounts where entries were outstanding since 2010. As a result INR 2218.07 Lakhs has been reduced from Property, plant & equipment (PPE) and INR 22.57 Lakhs from other expenses. Depreciation has been reduced by INR 333.66 Lakhs and thus total profit is increased by INR 356.23 Lakhs.
- 48 As per accounting policies of the company, depreciation on the assets for first 12 years should be charged on straight line method, net of their residual values following the rates of DERC and after that residual values should be amortised over remaining life of assets. However, in absence of adequate records of assets acquired during unbundling, the company has charged depreciation on all assets following rates method.



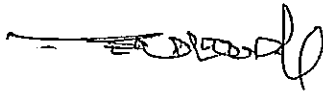
Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2018

- 49 Till previous year compensation paid for laying transmission lines was included with the cost of transmission lines. During the year such amount of INR 5849.39 Lakhs has been excluded from Property, plant & equipment (PPE) and has been included in Right of way under intangible assets. As a result depreciation for previous years has been reduced by INR 303.20 Lakhs and thus profit for the year is increased by INR 303.20 Lakhs.

As per our Report of even date attached  
For S.N. Nanda & Co.  
Chartered Accountants

For and on behalf of the Board of Directors



S. N. Nanda  
Partner  
Membership No. : 005909  
Firm Reg. No.: 000685N

Place : New Delhi  
Dated : 31 July 2018



N.D Gobhil  
DGM (Finance) &  
Chief Financial Officer

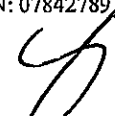


Anam Prakash  
Director (Operation)

DIN: 07222695



P.K. Mallik  
Director (Finance) &  
Company Secretary  
DIN: 07842789



Varsha Joshi  
Chairperson and  
Managing Director  
DIN: 07056514