



DELHI TRANSCO LIMITED
 (An undertaking of Government of NCT of Delhi)
 CIN: U40103DL2001SGC111529
 Balance Sheet as at 31 March 2020

| Particulars | Note No. | As at 31 March 2020 | INR Lakhs As at 31 March 2019 |
|--|----------|------------------------|-------------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 3,52,716.09 | 3,26,597.51 |
| Capital work-in-progress | 3 | 6,083.11 | 27,114.91 |
| Intangible assets | 4 | 12,718.34 | 13,668.71 |
| Financial assets | 5 | 44.08 | 44.08 |
| Other non-current assets | 6 | 5,120.55 | 28,957.54 |
| Total non-current assets | | 3,76,682.17 | 3,96,382.75 |
| Current assets | | | |
| Inventories | 7 | 600.49 | 1,497.14 |
| Financial assets | | | |
| Trade receivables | 8 | 1,08,347.72 | 1,58,262.01 |
| Cash and cash equivalents | 9 | 53,783.76 | 28,784.74 |
| Bank Balances other than Cash and cash equivalents | 9A | 7,705.93 | |
| Other financial assets | 10 | 9,019.23 | 11,271.17 |
| Current tax assets (net) | 11 | 16,784.94 | 12,609.18 |
| Other current assets | 12 | 5,605.92 | 4,418.47 |
| Total current assets | | 2,01,847.99 | 2,16,842.71 |
| TOTAL ASSETS | | 5,78,530.16 | 6,13,225.46 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity share capital | 13 | 3,95,100.00 | 3,95,100.00 |
| Other equity | 14 | (54,084.82) | (70,941.94) |
| Total equity | | 3,41,015.18 | 3,24,158.06 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Financial liabilities | | | |
| Borrowings | 15 | 63,051.53 | 78,762.19 |
| Provisions | 16 | 7,303.99 | 5,286.63 |
| Deferred tax liabilities (net) | 17 | 63,915.72 | 47,396.62 |
| Total non-current liabilities | | 1,34,271.24 | 1,31,445.44 |
| Current liabilities | | | |
| Financial liabilities | | | |
| Trade payables | 18 | 14,188.08 | 40,320.08 |
| Other financial liabilities | 19 | 35,434.78 | 32,701.35 |
| Other current liabilities | 20 | 19,060.93 | 59,152.76 |
| Provisions | 16 | 12,789.72 | 3,396.37 |
| Current tax liabilities | 21 | 83.47 | 83.47 |
| Total current liabilities | | 81,556.98 | 1,35,654.03 |
| Deferred revenue | 22 | 21,686.76 | 21,967.93 |
| TOTAL EQUITY AND LIABILITIES | | 5,78,530.16 | 6,13,225.46 |
| Significant accounting policies | 1 | - | - |

The accompanying notes 1 to 53 form an integral part of these financial statements.

As per our Report of even date attached For and on behalf of the Board of Directors

For H.K.Chaudhry & Co.

Chartered Accountants

Monish Baweja

Partner
Membership No. : 087384
Firm Reg. No.: 006154N

Place : New Delhi
Dated : 25/11/2020

Kamalesh Gupta

Chief Financial Officer

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

c/w

Mukesh Kumar Sharma

Director (Operation)

DIN: 08572379

Padmini Singla

Chairperson and
Managing Director
DIN: 007539635





DELHI TRANSCO LIMITED
 (An undertaking of Government of NCT of Delhi)
 CIN: U40103DL2001SGC111S29
 Statement of Profit and Loss for the year ended 31 March 2020

| Particulars | Note No. | For the year ended 31 March 2020 | INR Lakhs For the year ended 31 March 2019 |
|---|----------|-------------------------------------|--|
| Revenue | | | |
| Revenue from operations | 23 | 1,06,350.27 | 1,14,478.60 |
| Other income | 24 | 4,681.44 | 9,687.51 |
| Total revenue | | 1,11,031.71 | 1,24,166.11 |
| Expenses | | | |
| Employee benefits expense | 25 | 29,470.24 | 18,329.52 |
| Finance costs | 26 | 6,804.36 | 12,409.66 |
| Depreciation and amortisation expense | 27 | 25,695.24 | 19,222.93 |
| Other expenses | 28 | 13,874.27 | 14,112.56 |
| Total expenses | | 75,844.11 | 64,074.67 |
| Profit before tax | | 35,187.60 | 60,091.44 |
| Tax expense | 37 | | |
| Current tax | | 6,009.76 | 14,345.35 |
| Deferred tax | | 16,519.09 | 7,426.17 |
| MAT credit entitlement | | (4,811.90) | (1,480.30) |
| Tax Paid for earlier years | | 335.03 | |
| Total tax expense | | 18,051.98 | 20,291.22 |
| Profit for the year | | 17,135.62 | 39,800.22 |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss (net of tax) | | | |
| - Net actuarial gains/(losses) on defined benefit plans | | (278.50) | 123.04 |
| - Less: Income tax relating to above items | | | 43.00 |
| Other comprehensive income for the year, net of income tax | | (278.50) | 80.04 |
| Total comprehensive income for the year | | 16,857.12 | 39,880.26 |
| Significant accounting policies | 1 | | |
| Earnings per equity share (Par value INR 10/- each) | 34 | | |
| Basic and diluted (INR) | | 0.43 | 1.01 |
| As per our Report of even date attached | | | |
| For H.K.Chaudhry & Co. | | | |
| Chartered Accountants | | | |
| <i>Monish Baweja</i> | | | |
| Monish Baweja | | | |
| Partner | | | |
| Membership No.: 087384 | | | |
| Firm Reg. No.: 006154N | | | |
| Place : New Delhi | | | |
| Dated : 25/11/2020 | | | |
|  | | | |
| <i>Kanika</i> | | | |
| Kanika Gupta | | | |
| Chief Financial Officer | | | |
| P.K. Mallik | | | |
| Director (Finance) & | | | |
| Company Secretary | | | |
| DIN: 07842789 | | | |
| <i>Mukesh Kumar Sharma</i> | | | |
| Mukesh Kumar Sharma | | | |
| Director (Operation) | | | |
| <i>Padmini Singla</i> | | | |
| Padmini Singla | | | |
| Chairperson and Managing Director | | | |
| DIN: 08572379 | | | |
| DIN: 007539635 | | | |

DELHI TRANSCO LIMITED
 (An undertaking of Government of NCT of Delhi)
 CIN: U40103DL2001SGC111529
 Statement of Cash Flows for the year ended 31 March 2020

| Particulars | INR Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| A. Cash Flow From Operating Activities | | |
| Net Profit before tax as per Statement of Profit and Loss | 35,187.60 | 60,091.44 |
| Adjustment for | | |
| Depreciation/ Amortisation | 25,695.24 | 19,222.93 |
| Interest cost | 6,804.36 | 12,409.66 |
| Interest income | (2,518.28) | (4,153.66) |
| Grant Income | (1,085.57) | (4,802.71) |
| Provision no longer required written back | | |
| (Profit)/Loss on sale of fixed asset | (104.19) | (5.01) |
| Operating Cash profit before working capital changes | 63,979.16 | 82,762.65 |
| Adjustment for - | | |
| (Increase)/Decrease in inventory | 896.65 | (1,041.82) |
| (Increase)/Decrease in trade receivables | 49,914.29 | 15,689.92 |
| (Increase)/Decrease in other financial assets | 2,251.94 | (155.55) |
| (Increase)/Decrease in other current assets | (1,187.45) | (878.47) |
| Increase/(Decrease) in trade payables | (26,132.00) | 12,476.43 |
| Increase/(Decrease) in other financial liabilities | 3,091.56 | 4,058.17 |
| Increase/(Decrease) in other current liabilities | (40,091.83) | 23,013.28 |
| Increase/(Decrease) in provisions | 11,132.21 | 1,018.36 |
| Grant received | 804.40 | 3,766.39 |
| Cash generated from operations | 64,658.93 | 1,40,709.41 |
| Less: Income Taxes paid | 5,708.64 | 7,587.40 |
| Net cash inflow from operating activities [A] | 58,950.29 | 1,33,122.01 |
| B. Cash Flow From Investment Activities | | |
| Payments for property, plant and equipment | (5,994.66) | (39,975.87) |
| Proceeds from sale of property, plant and equipment (Net) | 104.19 | 5.01 |
| Net cash outflow from investing activities [B] | (5,890.47) | (39,970.86) |
| C. Cash Flow From Financing Activities | | |
| Repayments of non-current borrowings (refer a below) | (20,377.33) | (85,091.58) |
| Proceeds from non-current borrowings (refer a below) | 5,000.00 | 5,000.00 |
| Repayment of short term borrowings | | |
| Interest paid | (7,495.82) | (12,675.86) |
| Interest received | 2,518.28 | 4,153.66 |
| Net cash inflow/outflow from financing activities [C] | (20,354.87) | (88,613.78) |
| Net increase/(decrease) in cash and cash equivalents [A+B+C] | 32,704.95 | 4,537.37 |
| Cash and Cash equivalents at the beginning of the year | 28,784.74 | 24,247.37 |
| Cash and Cash equivalents at the end of the year (Refer note 9 & 9A) | 61,489.69 | 28,784.74 |

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) | |
|------------------------------------|-------------------------------|-------------------------------|
| | (Non - Current borrowings) | (Non - Current borrowings) |
| For the year ended 31 March 2020 | | |
| Balance as at 1 April 2019 | 96,295.78 | 176653.62 |
| Loan drawals | 5,000.00 | 5000 |
| Loan repayments | (20,377.33) | (85,091.58) |
| Interest accrued during the year | (691.46) | 12487.86 |
| Interest payment during the year | (7,495.82) | (13,464.26) |
| Balance as at 31 March 2020 | 80,226.99 | 95585.64 |

As per our Report of even date attached

For H.K.Chaudhry & Co.
Chartered Accountants

Monish Baweja

Monish Baweja
Partner
Membership No.: 087384
Firm Reg. No.: 006154N

For and on behalf of the Board of Directors

Karma Gupta
Karma Gupta
Chief Financial Officer

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

Mukesh Kumar Sharma
Mukesh Kumar Sharma
Director (Operation)
DIN: 08572379

Padmika Singla
Padmika Singla
Chairperson and
Managing Director
DIN: 007539635



Place : New Delhi
Dated : 25/11/2020



DELHI TRANSCO LIMITED
 (An undertaking of Government of NCT of Delhi)
 Statement of Changes in Equity for the year ended 31 March 2020

(A) Equity share capital

| For the year ended 31 March 2020 | | INR Lakhs |
|------------------------------------|--|--------------------|
| Balance as at 1 April 2019 | | 3,95,100.00 |
| Changes in equity during the year | | - |
| Balance as at 31 March 2020 | | 3,95,100.00 |

For the year ended 31 March 2019

| For the year ended 31 March 2019 | | INR Lakhs |
|------------------------------------|--|--------------------|
| Balance as at 1 April 2018 | | 3,95,100.00 |
| Changes in equity during the year | | - |
| Balance as at 31 March 2019 | | 3,95,100.00 |

(B) Other equity

For the year ended 31 March 2020

| Particulars | Reserves and surplus | | | INR Lakhs |
|---------------------------------------|------------------------------|-------------------|--------------------|--------------------|
| | Debenture redemption reserve | Insurance reserve | Retained earnings | |
| Balance as at 1 April 2019 | 6,000.00 | 3,302.31 | (80,244.25) | (70,941.94) |
| Profit for the year | - | - | 17,135.62 | 17,135.62 |
| Other comprehensive income | - | - | (278.50) | (278.50) |
| Total comprehensive income | - | - | 16,857.12 | 16,857.12 |
| Adjustment during the year | | | | |
| Transfer (to)/ from retained earnings | (1,000.00) | 559.42 | - | (440.58) |
| Transfer (to)/ from other reserves | - | - | 440.58 | 440.58 |
| Balance as at 31 March 2020 | 5,000.00 | 3,861.73 | (62,946.55) | (54,084.82) |

For the year ended 31 March 2019

| Particulars | Reserves and surplus | | | INR Lakhs |
|---------------------------------------|------------------------------|-------------------|--------------------|--------------------|
| | Debenture redemption reserve | Insurance reserve | Retained earnings | |
| Balance as at 1 April 2018 | 7,000.00 | 2,793.70 | (1,20,615.96) | (1,10,822.26) |
| Profit for the year | - | - | 39,800.22 | 39,800.22 |
| Other comprehensive income | - | - | 80.04 | 80.04 |
| Total comprehensive income | - | - | 39,880.26 | 39,880.26 |
| Adjustment during the year | | | | |
| Transfer (to)/ from retained earnings | (1,000.00) | 508.61 | - | (491.39) |
| Transfer (to)/ from other reserves | - | - | 491.39 | 491.39 |
| Balance as at 31 March 2019 | 6,000.00 | 3,302.31 | (80,244.25) | (70,941.94) |

(C) Analysis of accumulated OCI, net of tax

| Particulars | INR Lakhs | |
|--|----------------------------------|----------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Opening balance | 219.34 | 139.30 |
| Remeasurement of defined benefit liability | (278.50) | 80.04 |
| Closing balance | (59.16) | 219.34 |

As per our Report of even date attached
 For H.K.Chaudhry & Co.
 Chartered Accountants

Monish Baweja
 Partner

Membership No. : 087384
 Firm Reg. No.: 006154N

Place : New Delhi
 Dated : 25/11/2020



Kamna Gupta
 Chief Financial Officer

P.K. Mallik
 Director (Finance) &
 Company Secretary

DIN: 07842789

MUKESH KUMAR SHARMA
 DIRECTOR (COPR)
 DIN: 08572379

Padmimi Singla
 Chairperson and
 Managing Director
 DIN: 007539635

Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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 110002.

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 1st 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 1st 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 1st 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 31st March 2007, the Company ceased to carry on the business of bulk purchase and sale of electricity and thus with effect from 1st 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 25th November 2020.

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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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 as 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. 1st April 2015. Therefore, the carrying amounts of property, plant and equipment and intangible assets as per the previous GAAP as at 1st April 2015, i.e; the Company's date of transition to Ind AS, were maintained on transition to Ind AS.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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. De-recognition

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.

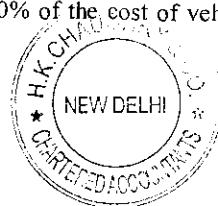
C.1.4. Depreciation

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) (Terms and Conditions for determination of tariff) regulation 2017 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



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

officers. As per the policy, the vehicles shall be transferred in the name of the officers concerned after 5 years at nil value.

The Company is depreciating gross book value of laptops provided to officers on straight line method for a period of 4 years as per the policy of the Company. The laptop shall be transferred in the name of the officers concerned after 4 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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

C.5. Inventories

C.5.1. Recognition and measurement

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. In respect of Slow/non – moving inventory not moved for a period of 5 or more years, provision to the extent of 100% of book value of the inventory item is made.

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 hence charged to revenue. 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.

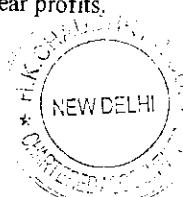
C.7. Government grants

Grants-in-aid from Central Government or other authorities towards expenditure for projects, betterment of transmission systems and specific depreciable assets initially are treated as deferred income when there is a reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. Deferred Income is recognized in the Statement of Profit and Loss over the useful life of related asset in proportion to which depreciation on these assets is provided. Grants that compensate the Company for expenses incurred are recognized over the period in which the related costs are incurred.

As per Delhi Electricity Regulatory Commission (DERC) (Terms and Conditions for determination of tariff) regulation 2017, the amount of any grant or contribution received for execution of the project shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation. Since the company follows the Income approach of IndAS 20, the Capital Cost (Gross Assets) although includes project executed under Grant but the assets acquired out of grants are excluded while submitting financial data to DERC.

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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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.

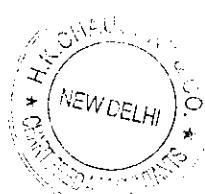
C.11. Revenue

Revenue is measured based on the consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties and taxes. The Company recognizes revenue when it transfers control over promised product or service to a customer. Effective from 1st April 2018, the Company has adopted Ind AS 115 "Revenue from Contract with Customers" using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

The details of accounting policies as per Ind AS 18 and Ind AS 11 are disclosed separately if they are different from those under Ind AS 115.

Significant Financing Component

Where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year, the Company assesses the effects of significant financing component in the contract. As a consequence, the Company makes adjustment in the transaction prices for the effects of time value of money. No such adjustment has been made for the comparative period.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

Revenue from Operations

Wheeling Charges (Transmission)

Transmission Income is accounted for based on tariff orders notified by the DERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for on provisional basis as per tariff regulations and orders of the DERC in similar cases. Difference, if any, is accounted on issuance of final tariff orders by the DERC. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

SLDC Charges

SLDC was created under DTL to ensure integrated operation of power system in Delhi. SLDC is responsible for

- (i) Integrated operation for power system and gives direction and exercise supervision and control to achieve maximum economy and efficiency of power system.
- (ii) Coordinate shutdowns of generating units, substations including transmission lines for continuous supply
- (iii) System restoration in shortest possible duration following grid disturbances
- (iv) Accounting of energy handled by state system, SCADA system operation and maintenance
- (v) These functions are performed under DTL and billings are charged to DISCOM etc. The charges also include True up (reconciliation) from previous years as the revenue and expenses are budgeted in beginning of FY and later on adjusted.

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 exist and is therefore accounted for on receipt basis.

Operating Charges-Open Access is a facility extended to the consumer with heavy usage of electricity typically more than 1 MW to purchase the electricity directly from the suppliers or producers of electricity rather than to purchase it from local utility or DISCOM's. The use of transmission lines is basically the operating charges that are charged to the customers. Other charges including wheeling charges, additional surcharge, backup costs etc. are covered under this. It is accounted on accrual basis according to the per day usage charges agreed with the customers.

Reactive Energy Charges is a charge for "non-working" power, or power that has to be made up due to inefficiencies at the customer's load source is accounted as a provision for reactive energy services.

Incentives from Discoms are the incentive that is received from Discoms from making transmission system available on time for transmission purposes. It is accounted on accrual basis.

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).

License fee recovery, and Other Miscellaneous Receipts like warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Income from Revised tariff is accounted for on receipt basis.

Dividend income is recognized when right to receive payment is established.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

C.12. Lease

C.12.1. Initial recognition and measurement

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability.

A) Right-of-use asset (ROU) shall be measured at cost and the cost of the right-of-use asset shall comprise:

- (i) At the commencement date, a lessee shall measure the Right-of-use-asset at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.
- (ii) Any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) Any initial direct costs incurred by the lessee; and
- (iv) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

B) Lease Liability

At the commencement date, a lessee shall measure the Lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments:

- (i) Fixed payments, less any lease incentives receivable.
- (ii) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- (iii) Amounts expected to be payable by the lessee under residual value guarantees.
- (iv) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- (v) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

C.12.2. Subsequent Recognition

(A) Right-of-use asset (ROU)

After the commencement date, a lessee shall measure the right-of-use asset applying a cost model and to apply a cost model, a lessee shall measure the right-of-use asset at cost:

(i) Less any accumulated depreciation and any accumulated impairment

losses (lessee shall apply the depreciation requirements in Ind AS 16, Property, Plant and Equipment, in depreciating the right-of-use asset); and

(ii) adjusted for any re-measurement of the lease liability



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

(B) Lease liability

After the commencement date, a lessee shall measure the lease liability by:

- (i) Increasing the carrying amount to reflect interest on the lease liability;
- (ii) Reducing the carrying amount to reflect the lease payments made; and
- (iii) Re-evaluating the carrying amount to reflect any reassessment or lease modifications



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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").



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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 de-recognition 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:



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

- 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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

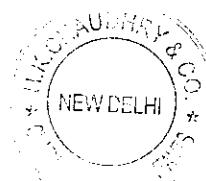
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109, 'Financial Instruments' are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to 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.



Delhi Transco Limited
Notes to financial statements for the year ended 31 March 2020

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.

D.6. Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of trade receivables and unbilled revenue, the company has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. In view of the nature of the Company's business, the regulated tariff mechanism applicable to the major part of the company's revenue and based on the current indicators of future economic conditions, the company expects to recover the carrying amount of these assets.



Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2020

2 Property, plant and equipment (PP&E)

As at 31 March 2020

| Particulars | Gross block | | Depreciation | | Upto 31 March 2020 | Net block As at 31 March 2020 |
|------------------------|-----------------------|------------------|----------------------------|------------------------|-----------------------|-------------------------------------|
| | As at 1 April 2019 | Additions | Deductions/ adjustments | As at 31 March 2020 | | |
| Buildings | | | | | | |
| Office | 538.14 | - | - | 538.14 | 125.42 | 11.24 |
| Residential | 262.12 | 3.41 | - | 265.53 | 25.69 | 4.95 |
| Sub-station | 3,989.15 | 956.95 | - | 4,946.10 | 517.40 | 139.04 |
| Computer | 423.74 | 3.19 | - | 426.93 | 216.50 | 63.50 |
| ERP hardware | 108.72 | - | - | 108.72 | 47.90 | 13.06 |
| Four days of 400kV | 533.61 | - | - | 533.61 | 136.70 | 18.50 |
| Furniture and fixtures | 283.41 | 21.17 | - | 304.58 | 127.23 | 23.79 |
| Lines, cables, network | 1,361.33 | 23,863.25 | 55.03 | 1,80,051.40 | 35,464.25 | 9,889.75 |
| Meters | 117.23 | - | - | 117.23 | 38.63 | 10.15 |
| Office equipments | 533.68 | 73.77 | - | 607.45 | 224.49 | 45.93 |
| Other civil works | 23,808.98 | 212.84 | - | 24,021.82 | 3,414.28 | 836.45 |
| Plant and machinery | 2,21,969.59 | 25,988.80 | (50.56) | 2,47,817.84 | 41,965.00 | 13,866.50 |
| Capital Spares | 135.85 | - | - | 135.85 | 31.40 | 8.83 |
| SCADA - Owned | 134.89 | - | - | 134.89 | 104.51 | 7.62 |
| Small value assets | 7.79 | - | - | 7.79 | 7.79 | 0 |
| Vehicles- Office | 103.22 | - | - | 103.22 | 40.17 | 9.54 |
| Vehicles- Staff | 67.56 | - | - | 67.56 | 65.89 | 1.38 |
| Laptop-Staff | - | 42.96 | - | 42.96 | - | 1.63 |
| Total | <u>4,09,150.80</u> | <u>51,076.34</u> | <u>4.48</u> | <u>4,60,231.61</u> | <u>82,553.25</u> | <u>24,951.86</u> |
| | | | | | | |

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

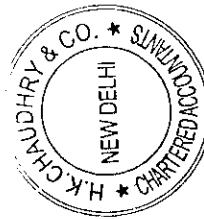
b) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2020 is INR 30,858.02 lakhs (31 March 2019: INR 40,007.02 lakhs).

c) Borrowing costs capitalised during the year amounts to INR 225.01 lakhs (31 March 2019: INR 50.55 lakhs).

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

e) On adoption of IND AS from net value of assets as on 01/04/2015 (Refer Note 1 C)

| Particulars | Gross block | | Depreciation | | Upto 31 March 2019 | Net block As at 31 March 2019 |
|------------------------|-----------------------|------------------|----------------------------|------------------------|-----------------------|-------------------------------------|
| | As at 1 April 2018 | Additions | Deductions/ adjustments | As at 31 March 2019 | | |
| Buildings | | | | | | |
| Office | 538.14 | - | - | 538.14 | 114.17 | 11.25 |
| Residential | 262.12 | - | - | 262.12 | 20.84 | 4.85 |
| Sub-station | 3,989.15 | - | - | 3,989.15 | 379.90 | 138.40 |
| Computer | 380.73 | 43.01 | - | 423.74 | 144.89 | 71.61 |
| ERP hardware | 84.83 | 23.89 | - | 108.72 | 38.08 | 5.82 |
| Four days of 400kV | 533.61 | - | - | 533.61 | 196.62 | 18.49 |
| Furniture and fixtures | 2,31.43 | 51.98 | - | 283.41 | 104.80 | 22.43 |
| Lines, cables, network | 1,51,795.38 | 4,1337.74 | - | 1,56,133.12 | 25,441.08 | 9,662.75 |
| Meters | 117.23 | - | - | 117.23 | 28.48 | 10.15 |
| Office equipments | 494.79 | 38.89 | - | 533.68 | 185.80 | 38.69 |
| Other civil works | 21,25.91 | 2,043.07 | - | 23,808.98 | 2,530.46 | 883.82 |
| Plant and machinery | 1,86,340.34 | 35,629.05 | - | 2,21,969.59 | 34,690.18 | 7,350.56 |
| Capital Spares | 135.81 | - | - | 135.81 | 22.58 | 8.82 |
| SCADA - Owned | 134.89 | - | - | 134.89 | 95.00 | 9.51 |
| Small value assets | 7.79 | - | - | 7.79 | 7.79 | - |
| Vehicles- Office | 103.22 | - | - | 103.22 | 30.34 | 9.63 |
| Vehicles- Staff | 70.71 | - | (3.15) | 67.56 | 61.58 | 6.36 |
| Total | <u>3,65,946.28</u> | <u>42,207.63</u> | <u>(3.15)</u> | <u>4,09,150.76</u> | <u>64,091.89</u> | <u>18,257.14</u> |
| | | | | | | |



3 Capital work-in-progress

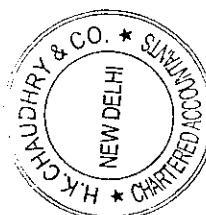
| | As at 31 March 2020 | | As at 1 April 2019 | | Deductions/ adjustments | | Capitalised | | INR Lakhs | |
|--------------------------|---------------------|-------------|--------------------|-----------|----------------------------|---------------------|---------------------|-------------|---------------------|--|
| Particulars | As at 31 March 2020 | Particulars | As at 1 April 2019 | Additions | Particulars | As at 31 March 2019 | Capitalised | Particulars | As at 31 March 2020 | |
| Capital work-in-progress | 27,114.91 | | 30,018.32 | | (114.87) | | (50,935.25) | | 6,083.11 | |
| As at 31 March 2019 | | Particulars | As at 1 April 2018 | Additions | Deductions/ adjustments | Particulars | As at 31 March 2019 | Capitalised | As at 31 March 2020 | |

Capital work-in-progress 13,710.50 56,954.85 (1,500.58) (42,049.85) 27,114.91

4 Intangible assets

| | As at 31 March 2020 | | As at 1 April 2019 | | Deductions/ adjustments | | Amortisation | | INR Lakhs | | | |
|-----------------------------------|---------------------|--------------------|--------------------|-----------|----------------------------|----------------------|-----------------|----------------------------|-----------------------|-------------------------------------|-----------------------|-------------------------------------|
| Particulars | Gross block | As at 1 April 2019 | As at 1 April 2018 | Additions | As at 31 March 2020 | Upto 1 April 2019 | For the year | Deductions/ adjustments | Upto 31 March 2019 | Net block As at 31 March 2020 | | |
| Right to use land (refer a below) | 10,568.29 | - | - | - | 10,568.29 | 2,326.63 | 581.66 | - | 2,908.29 | 7,660.00 | | |
| Right of way | 5,849.39 | - | - | (234.37) | 5,615.02 | 458.28 | 176.25 | (26.24) | 614.29 | 5,007.73 | | |
| Software | 195.54 | 24.45 | - | - | 219.99 | 159.60 | 2.79 | - | 162.39 | 57.60 | | |
| Total | 16,613.22 | 24.45 | (234.37) | - | 16,403.30 | 2,944.51 | 760.70 | (26.24) | 3,684.97 | 12,718.33 | | |
| As at 31 March 2019 | | | | | | | | | | | | |
| Particulars | Gross block | As at 1 April 2018 | As at 1 April 2017 | Additions | Deductions/ adjustments | As at 31 March 2019 | Amortisation | Upto 1 April 2018 | For the year | Deductions/ adjustments | Upto 31 March 2019 | Net block As at 31 March 2019 |
| Right to use land (refer a below) | 10,568.29 | - | - | - | 10,568.29 | 1,744.98 | 581.65 | - | 2,326.63 | 8,241.66 | | |
| Right of way | 5,849.39 | - | - | - | 5,849.39 | 282.03 | 176.25 | - | 458.28 | 5,391.11 | | |
| Software | 195.54 | - | - | - | 195.54 | 157.97 | 1.63 | - | 159.60 | 35.94 | | |
| Total | 16,613.22 | - | - | - | 16,613.22 | 2,184.98 | 755.53 | - | 2,944.51 | 13,667.71 | | |

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



Delhi Tranco Limited
Notes to financial statements for the year ended 31 March 2020

5 Financial assets

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------------------|------------------------|------------------------|
| Unsecured, considered good | | |
| Security deposits | 44.08 | 44.08 |
| Total | 44.08 | 44.08 |

6 Other non-current assets

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Unsecured, considered good | | |
| Capital advances (Refer Note No.47) | 5,120.28 | 28,957.54 |
| Bank deposit with more than 12 Months maturity | 0.27 | |
| Total | 5,120.55 | 28,957.54 |

7 Inventories

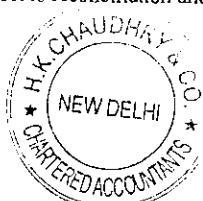
| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Stores, spares and loose tools (as valued and certified by management) | 965.71 | 1,632.09 |
| Less: Provision for slow moving spares | 365.22 | 134.95 |
| Total | 600.49 | 1,497.14 |

- a) Inventory items have been valued as per accounting policy C.5 (Note 1)
 b) Inventories recognised as expense during the year under other expenses (Refer Note No. 28).

8 Trade receivables

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|----------------------------|------------------------|------------------------|
| Unsecured, considered good | 1,08,347.72 | 1,58,262.01 |
| Total | 1,08,347.72 | 1,58,262.01 |

- 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 | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Balances with banks | | |
| Current accounts | 2,383.11 | 1,563.75 |
| Deposits with original maturity upto three months (including interest accrued)* | 51,400.27 | 27,220.61 |
| Cash in hand | 0.38 | 0.38 |
| Total | 53,783.76 | 28,784.74 |

* Deposits includes INR 750.97 Lakhs (31 March 2019: INR 1500 Lakhs) invested out of grants received with respect to PSDF schemes and INR 450.00 Lakhs (31 March 2019: INR 3615.52 Lakhs) related to State Load Dispatch Center.

9A Bank Balances other than Cash and cash equivalents

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Deposits with original maturity more than three months but upto 12 Months (including interest accrued)* | 7,705.93 | |
| | 7,705.93 | - |

* Deposits includes INR 4019.57 Lakhs (31 March 2019: INR 3615.52 Lakhs) related to State Load Dispatch Center.

10 Other financial assets

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Unsecured, considered good | | |
| Recoverables from related parties | | |
| Government of NCT of Delhi (GNCTD) | 1,036.05 | 738.13 |
| Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)- BAWANA (Deposit Work) (Refer Note No.39 (A)) | 812.61 | 812.61 |
| Unbilled revenue (refer below) | 7,170.57 | 9,720.43 |
| Total | 9,019.23 | 11,271.17 |

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 | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Advance tax and tax deducted at source | 1,04,029.74 | 93,021.32 |
| Less: Provision for tax | 87,244.80 | 80,412.14 |
| Total | 16,784.94 | 12,609.18 |



12 Other current assets

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Unsecured, considered good | | |
| Deposit under protest | 3,087.04 | 3,087.04 |
| STOA charges receivable | 1,202.26 | - |
| Advance to employees | 59.70 | 93.78 |
| Advance against supply of goods and services | 28.42 | 28.42 |
| Prepaid expenses | 1,167.70 | 1,158.81 |
| Other receivables | 60.80 | 50.42 |
| Total | 5,605.92 | 4,418.47 |



Delhi Transeo Limited
Notes to financial statements for the year ended 31 March 2020

13 Share capital

| Particulars | INR Lakhs | |
|---|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Authorised | | |
| 4,500,000,000 (31 March 2020: 4,500,000,000) equity shares of par value INR 10/- each | 4,50,000.00 | 4,50,000.00 |
| Issued, subscribed and fully paid up | | |
| 3,951,000,000 (31 March 2020: 3,951,000,000) equity shares of par value INR 10/- each | 3,95,100.00 | 3,95,100.00 |

- 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 |
|------------------------------------|-----------------------|-------------------|
| As at 31 March 2020 | | |
| Government of NCT Delhi (GNCTD) | 3,69,10,00,000 | 93.42 |
| Delhi Power Company Limited (DPCL) | 25,99,99,991 | 6.58 |
| Total | 3,95,09,99,991 | 100 |
| As at 31 March 2019 | | |
| Government of NCT Delhi (GNCTD) | 3,69,10,00,000 | 93.42 |
| Delhi Power Company Limited (DPCL) | 26,00,00,000 | 6.58 |
| Total | 3,95,10,00,000 | 100 |

14 Other equity

| Particulars | As at | |
|--------------------------------------|--------------------|--------------------|
| | 31 March 2020 | 31 March 2019 |
| Debenture (Bonds) redemption reserve | 5,000.00 | 6,000.00 |
| Insurance reserve | 3,861.73 | 3,302.31 |
| Retained earnings | (62,946.55) | (80,244.25) |
| Total | (54,084.82) | (70,941.94) |

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 | For the year ended | For the year ended |
|-------------------------------|--------------------|--------------------|
| | 31 March 2020 | 31 March 2019 |
| Opening balance | 6,000.00 | 7,000.00 |
| Transfer to retained earnings | (1,000.00) | (1,000.00) |
| Closing balance | 5,000.00 | 6,000.00 |

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 at 0.10% of Gross Block of the Property Plant & Equipment which is INR 559422.68 Lakhs (31 March 2019: INR 508610.81 Lakhs)



| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Opening balance | 3,302.31 | 2,793.70 |
| Transfer from retained earnings | 559.42 | 508.61 |
| Closing balance | 3,861.73 | 3,302.31 |

c) **Movement in retained earning:**

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Opening balance | (80,244.24) | (1,20,615.96) |
| Profit for the year | 17,135.62 | 39,800.22 |
| Other comprehensive income | (278.50) | 80.04 |
| Transfer from debenture (bonds) redemption reserve | 1,000.00 | 1,000.00 |
| Transfer to insurance reserve | (559.42) | (508.61) |
| Closing balance | (62,946.54) | (80,244.31) |

15 **Non-current borrowings**

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| 9.5% secured redeemable non-convertible power bonds | 10,077.87 | 12,093.70 |
| Secured rupee term loans from banks | 42,372.52 | 50,749.85 |
| Unsecured rupee term loans from GNCTD | 27,776.60 | 33,452.23 |
| | 80,226.99 | 96,295.78 |
| 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 | 8,321.00 | 8,321.00 |
| Unsecured rupee term loans from GNCTD | 1,666.66 | 1,333.33 |
| | 11,987.66 | 11,654.33 |
| Less: Interest accrued and due on borrowings | | |
| Less: Interest accrued but not due on borrowings | 5,187.80 | 5,879.26 |
| Total | 63,051.53 | 78,762.19 |

- 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 77.87 Lakhs (31 March 2019: INR 93.70 Lakhs).
- b) Term loan from Allahabad bank is secured by way of pari passu charge over assets of the company carry interest rate @ 8.70% (31 March 2019: 9.25%) 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 @ 8.50% (31 March 2019: 8.70%). 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 15000 Lakhs are repayable in 15 equal annual installments ending in October 2032 and Loan of INR 5000 Lakhs are repayable in 15 equal annual installments ending in February 2034. 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 @ 9.50% (31 March 2019: 9.25%) for Allahabad Bank and interest rate of 8.70% (31 March 2019: 8.70%) for SB1 Bank.
- f) The Company has Cash Credit facility of INR 10,000 Lakhs (31 March 2019: INR 10,000 Lakhs) including non fund based sub facility of stand by letter of credit of INR 5,000 Lakhs (31 March 2019: INR 5,000 Lakhs) from Allahabad Bank & INR 4,000 Lakhs from State Bank of India. Letter of Credit outstanding as on 31 March 2020 is INR 146.24 Lakhs (31 March 2019: INR 1335.62 Lakhs).



16 Provisions

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Non-current provisions | | |
| Provision for employee benefit expenses | | |
| Gratuity | 2,532.06 | 1,937.20 |
| Leave encashment | 4,665.99 | 3,265.19 |
| Leave travel concession | 105.94 | 84.24 |
| Total | 7,303.99 | 5,286.63 |
| Current provisions | | |
| Provision for employee benefit expenses | | |
| Gratuity | 32.89 | 23.83 |
| Leave encashment | 53.17 | 39.79 |
| Leave travel concession | 14.62 | 13.24 |
| Pay Revision (Refer Note No.49) | 9,166.85 | - |
| Provision for others | 3,522.18 | 3,319.51 |
| Total | 12,789.72 | 3,396.37 |
| Total Provisions | 20,093.71 | 8,683.00 |

a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 32.

b) Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 46.

17 Deferred tax liabilities (net)

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Deferred tax liabilities | | |
| Difference in net book value and tax base of property, plant and equipment and intangible assets | 69,579.81 | 50,709.35 |
| | 69,579.81 | 50,709.35 |
| Less: Deferred tax assets | | |
| Provision for employee benefits | 2,587.49 | 2,105.60 |
| Other provisions | 3,076.60 | 1,207.13 |
| | 5,664.09 | 3,312.73 |
| Total | 63,915.72 | 47,396.62 |

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 | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Micro, small and medium enterprises | | |
| Other than micro, small and medium enterprises | 14,188.08 | 40,320.08 |
| Total | 14,188.08 | 40,320.08 |

a) Refer Note 36 for related party disclosure.

b) The Company has recognised amount due to MSME on the basis of information available with it and paid the same within due date and no interest has been paid or payable during the year under the terms of Micro, Small and Medium Enterprises Development Act, 2006.



19 Other current financial liabilities

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| Current maturities of non-current borrowings | 11,987.66 | 11,654.33 |
| Interest accrued but not due | 5,187.80 | 5,169.12 |
| Retention money | 16,042.25 | 13,968.80 |
| Other payables | | |
| Deposits from customers/vendors | 563.29 | 491.40 |
| Payable to employees | 1,093.00 | 1,178.90 |
| Reactive Energy Pool | 307.05 | - |
| Others | 253.73 | 238.80 |
| Total | 35,434.78 | 32,701.35 |

- 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 | As at 31 March 2020 | As at 31 March 2019 |
|---|------------------------|------------------------|
| Advances against deposit work (Refer Note 39 (B)) | 627.78 | 875.09 |
| Advances from customers and others | 5,397.37 | 10,433.09 |
| Payable against STOA Receipts | - | 35,887.54 |
| Payable to related parties | | |
| Delhi Power Company Limited (DPCL) | 4,752.82 | 5,026.84 |
| Indraprastha Power Generation Company Limited (IPGCL) | 296.75 | 225.11 |
| DVB Employee Terminal Benefit Fund | 3,224.05 | 6,231.86 |
| Tax deducted at source and other statutory dues | 4,762.16 | 473.23 |
| Total | 19,060.93 | 59,152.76 |

21 Current tax liabilities

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|-----------------------|------------------------|------------------------|
| Current tax liability | 83.47 | 83.47 |
| Total | 83.47 | 83.47 |

22 Deferred Revenue

| Particulars | As at 31 March 2020 | As at 31 March 2019 |
|--|------------------------|------------------------|
| On account of government grant for: | | |
| Right to use land (refer a below) | 4,129.77 | 4,443.35 |
| Grant under MOU-I for PGCIL projects (refer b below) | 16,284.66 | 15,901.54 |
| Power sector development fund (PSDF) (refer c below) | 1,272.33 | 1,623.04 |
| Total | 21,686.76 | 21,967.93 |

- 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 of INR 804.40 Lakhs from Power sector development fund (PSDF) of Central Government during the year 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.



Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2020

23 Revenue from operations

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Sale of services | | |
| Transmission Business | | |
| Wheeling charges | 88,486.00 | 1,11,857.00 |
| Less: Rebate on wheeling charges | 546.83 | 501.12 |
| | 87,939.17 | 1,11,355.88 |
| State Load Dispatch Center (SLDC) Charges | 903.56 | 903.56 |
| Other operating revenue | | |
| Operating Charges - Open Access - SLDC | 184.00 | 156.93 |
| Income due to True up for FY 2017-18 (As per Tariff order for Fy 2019-20) | | |
| -STOA Charges (refer c below) | 11,172.88 | |
| -ISTS Charges (refer e below) | 5,952.00 | |
| Incentive from Discom | 33.13 | 168.73 |
| Income loading data ABT meter | 1.18 | 1.58 |
| Application Money Open Access - SLDC | 164.35 | 166.88 |
| Late payment surcharge on wheeling charges (refer b below) | - | 1,725.04 |
| STOA Disbursement (As per Tariff order for Fy 2019-20) (refer d below) | - | |
| - Income INR 47119.86 | - | |
| - Expense INR 47119.86 | - | |
| Total | 1,06,350.27 | 1,14,478.60 |

- 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 2019-20 have been billed to the DISCOMS, MES and NDMC as per the Tariff Order dated 31 July 2019 issued by DERC. For SLDC as per the provisional order passed by DERC in year 2008-09.
- b) As per the accounting policy of the company, late payment surcharge (LPSC) on wheeling charges recoverable from DISCOMs is accounted for on receipt basis due to existence of significant uncertainty as to measurability or collectability. In the earlier years the DISCOMs were depositing only TDS against the LPSC due from them and the Company was recognizing income to the extent of TDS deposited. Due to continuous non-payment of LPSC by these DISCOMs, as a matter of prudence it is required that income recognition would only be made when its measurability is agreed and there is actual realization of income from these DISCOMs. Therefore, LPSC including TDS would be recognized on receipt basis. Due to change in above practice, TDS to the extent of Rs 2168.16 Lakhs has not been recognized in these financial statements.

Income recognized due due to True Up of FY 2017-18

- c) The Company is collecting STOA charges from various RLDCs. Upto 31.08.2017 the company was retaining 25% and distributed balance 75% to the beneficiaries. In tariff order dated 31.08.2017, DERC has disallowed the STOA Charges received from various Regional load despatch Centres (RLDCs) to be taken as income of the Company. Similar practice has been followed by DERC in its Tariff order for FY 2018-19. Till a year ended 31 March 2019 the company received INR 24714.56 lakhs (31 March 2018 INR 11172.88 lakhs) on account of STOA Charges. The company has sought clarification from DERC regarding treatment to be followed by the company on STOA Charges received from RLDCs. The DERC directed from FY 2018-19 onwards the company to disburse the charges to DISCOMs on account of short term open access charges as per applicable rules and regulations". The fund collected till 31.03.2018 i.e INR 11172.88 Lakhs was however deducted from the ARR of the company as Non Tariff income. In view of the above the amount of INR 11172.88 Lakhs is now written off as Liability Payable no longer payable and considered as income in FY 2019-20 due to True up of Tariff for FY 2017-18.
- d) As per the tariff order dated 31st July 2019 issued by DERC, the Company has to refund the STOA received during the period 01.04.2018 to 31.03.2020 amounting to Rs. 47119.86 Lakhs to the Discoms. To comply with the said order, the Company adjusted the above amount from the wheeling charges due from the DISCOMs. As the amount of STOA received was not accounted as income, the Company in order to comply with the order of the DERC the company has accounted equivalent amount of income and expenditure in these financial statements to the extent of INR 47119.86 Lakhs. There is no impact on the profit of Company for the year on account of this.



- e) In the tariff order of DERC dated 31st July 2019 on trueing up of expenditure of FY 2017-18, Tariff on ISTS Lines of Rs. 9178 Lakhs was considered as non tariff income in the current year and deducted the same from the from the ARR (Tariff) for FY 2019-20. Since receipts on account of ISTS Charges were only INR 5952 Lakhs in FY 2017-18 and the same were shown as liability in FY 2017-18 the balance of INR 3226 Lakhs was on account of carrying cost, the amount of INR 5952 Lakhs is now written off from liability and considered as income in FY 2019-20 due to True up of Tariff for FY 2017-18 as per Order of DERC.
- f) Refer Note No.33 for disclosure as per INDAS 115 " Revenue from Contracts with customer".

24 Other income

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest income from financial assets measured at amortised cost | | |
| Bank deposits | 2,518.28 | 2,506.53 |
| Advances | - | - |
| Interest income from income tax refund | | 1,647.13 |
| Other non-operating income | | |
| Income from revised tariff (refer a below) | - | 23.85 |
| Profit on sale of scrap | 45.49 | 212.00 |
| Net gain on foreign exchange transactions and translation | - | 92.82 |
| Profit on sale of property plant and equipment | 104.19 | 5.01 |
| Grant income for: | | |
| Right to use land | 313.58 | 313.58 |
| Grant under MOU-I for PGCIL projects (Refer Note No.48) | (383.12) | 1,249.56 |
| Power sector development fund (PSDF) | 1,155.11 | 3,239.58 |
| License fee recovery | 17.92 | 17.66 |
| Liability No Longer payable | 450.05 | |
| Other miscellaneous receipts | 459.94 | 379.80 |
| Total | 4,681.44 | 9,687.51 |

- 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.

25 Employee benefits expenses

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Salaries, wages, allowances and bonus | 30,958.09 | 19,727.06 |
| Contribution to provident and other funds | 599.28 | 515.30 |
| Staff welfare expenses | 875.24 | 793.19 |
| | 32,432.61 | 21,035.55 |
| Less: Employee cost capitalised during the year | 2,962.37 | 2,706.03 |
| Total | 29,470.24 | 18,329.52 |

- 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 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Interest on financial liabilities measured at amortised cost | | |
| Non-convertible redeemable power bonds | 1,125.74 | 1,314.38 |
| Rupee term loans | 5,930.67 | 11,173.48 |
| Short term loans | | |
| | 7,056.41 | 12,487.86 |
| Less: Finance income on fixed deposits | 27.04 | 27.65 |
| Less: Finance cost capitalised during the year | 225.01 | 50.55 |
| Total | 6,804.36 | 12,409.66 |



27 Depreciation and amortisation expense

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Depreciation on property, plant and equipment | 24,951.86 | 18,257.14 |
| Amortisation of intangible assets | 760.70 | 759.53 |
| Depreciation adjustment | (17.31) | 206.27 |
| Total | 25,695.24 | 19,222.93 |

28 Other expenses

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Repairs and maintenance | | |
| Building | 217.49 | 384.57 |
| Lines, cables and network assets | 3,386.72 | 2,131.60 |
| Vehicles | 5.44 | 11.01 |
| Others | 81.27 | 204.82 |
| | 3,690.92 | 2,732.00 |
| Consumption of stores and spares | 1,687.08 | 4,267.39 |
| Expense on account of Provision for Slow Moving Inventory | 230.27 | |
| Reactive Energy Charges | 453.40 | 205.68 |
| Revised Power Purchase Cost | 323.87 | - |
| Net loss on foreign exchange transactions and translation | 337.70 | - |
| Corporate Social Responsibility (CSR) Expenditure (Refer Note No. 45) | 36.10 | |
| Administration, general and other expenses | | |
| Electricity and water charges | 755.04 | 671.53 |
| Communication expenses | 17.56 | 27.48 |
| Professional charges | 95.29 | 137.69 |
| Travelling and conveyance | 89.02 | 43.62 |
| Advertisement and publication | 160.29 | 17.06 |
| Medical expenses | 541.92 | 516.20 |
| Security expenses | 2,514.64 | 2,865.87 |
| Payment to the auditors (refer a below) | 15.16 | 16.46 |
| Ground rent | 150.00 | 150.00 |
| Property tax | 308.85 | 323.27 |
| License fees for land | 1,158.63 | 1,158.63 |
| License fees | 50.00 | 50.00 |
| Legal expenses | 70.12 | 85.15 |
| Loss on sale of assets | - | - |
| Interest on Taxes | 25.09 | - |
| External project cost | - | - |
| Miscellaneous expenses (refer b below) | 1,229.14 | 902.79 |
| | 13,940.09 | 14,170.82 |
| Less: Capitalised during the year | 65.82 | 58.26 |
| Total | 13,874.27 | 14,112.56 |

a) **Details in respect of payment to auditors:**

| | | |
|----------------------------------|--------------|--------------|
| Statutory audit fees | 7.32 | 7.32 |
| Income Tax audit fees | 1.46 | 1.46 |
| GST audit fees | 1.00 | 2.00 |
| Reimbursement of expenses | 0.67 | 0.79 |
| In other capacity | 2.40 | 2.40 |
| Reimbursement of GST/Service tax | 2.31 | 2.49 |
| Total | 15.16 | 16.46 |

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



Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2020

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.

| Particulars | INR Lakhs | | | |
|--------------------------------|---------------------|----------------------|---------------------|----------------------|
| | As at 31 March 2020 | | As at 31 March 2019 | |
| | Carrying amount | Fair value (Level 3) | Carrying amount | Fair value (Level 3) |
| Financial liabilities: | | | | |
| Redeemable bonds | 10,077.87 | 10,077.87 | 12,093.70 | 12,093.70 |
| Term loan from banks | 42,372.52 | 42,372.52 | 50,749.85 | 50,749.85 |
| Term loan from related parties | 27,776.60 | 27,776.60 | 33,452.23 | 33,452.23 |
| Total | 80,226.99 | 80,226.99 | 96,295.78 | 96,295.78 |

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 counter party 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 transmits 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 transmitted 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 2020 | As at 31 March 2019 |
| Financial assets for which loss allowance is measured using: | | |
| Lifetime Expected Credit Losses (ECL) | | |
| Trade Receivable | 1,08,347.72 | 1,58,262.01 |
| 12 months Expected Credit Losses (ECL) | | |
| Security Deposits | 44.08 | 44.08 |
| Cash and cash equivalents | 61,489.69 | 28,784.74 |
| Unbilled Revenue | 7,170.57 | 9,720.43 |
| Recoverable from related parties | 1,036.05 | 738.13 |
| Recovery through ARR | 812.61 | 812.61 |
| Total | 1,78,900.72 | 1,98,362.00 |

(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.

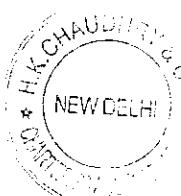
(iii) Ageing analysis of trade receivables

| Ageing | INR Lakhs | |
|--------------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Less than 180 days | 24,716.59 | 13,723.29 |
| More than 180 days | 83,631.14 | 1,44,538.72 |
| Total | 1,08,347.72 | 1,58,262.01 |

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 | As at 31 March 2020 | INR Lakhs As at 31 March 2019 |
|--|------------------------|-------------------------------------|
| Floating-rate borrowings | | |
| Loans repayable on demand (expiring within one year) | 14,000.00 | 17,500.00 |

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.

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.

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 | As at 31 March 2020 | INR Lakhs As at 31 March 2019 |
|----------------------------------|------------------------|-------------------------------------|
| Total liabilities | 80,226.99 | 96,295.78 |
| Less : Cash and cash equivalents | 61,489.69 | 28,784.74 |
| Net debt | 18,737.30 | 67,511.04 |
| Total equity | 3,41,015.18 | 3,24,158.06 |
| Net debt to equity ratio | 0.05 | 0.21 |

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



32

I Employees employed post unbundling

(i) Defined contribution plans:

Amount of INR 599.28 lakhs (31 March 2019: INR 515.30 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:

a) Net defined benefit (asset)/liability

| Particulars | INR Lakhs | |
|--------------|------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Non-current | 2,532.06 | 1,937.20 |
| Current | 32.89 | 23.83 |
| Total | 2,564.96 | 1,691.36 |

b) Movement in net defined benefit (asset)/liability

| Particulars | INR Lakhs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Opening balance | 1,961.03 | 1,691.36 |
| Included in profit or loss: | | |
| Current service cost | 323.45 | 264.23 |
| Past service cost | | |
| Interest cost/income | 150.02 | 130.40 |
| Total amount recognized in profit or loss | 473.47 | 394.63 |
| Included in OCI (Remeasurement loss/(gain)): | | |
| Actuarial loss (gain) arising from: | | |
| Demographic assumptions | (0.81) | |
| Financial assumptions | 317.86 | 17.91 |
| Experience adjustment | (169.96) | (140.95) |
| Total amount recognized in other comprehensive income | 147.09 | (123.04) |
| Benefits paid | (16.64) | (1.92) |
| Closing balance | 2,564.95 | 1,961.03 |

c) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

| Particulars | INR Lakhs | |
|---|---------------------------------------|------------------------|
| | As at 31 March 2020 | As at 31 March 2019 |
| Discount rate | 6.80% | 7.65% |
| Salary escalation rate | 12.00% | 12.00% |
| Retirement age (years) | 60 years | 60 years |
| Mortality rates inclusive of provision for disability | 100% of 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.

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 2020 | | |
| Discount rate (0.50% movement) | (194.15) | 214.83 |
| Salary escalation rate (0.50% movement) | 28.83 | (33.99) |
| As at 31 March 2019 | | |
| Discount rate (0.50% movement) | (161.00) | 165.51 |
| Salary escalation rate (0.50% movement) | 159.82 | (161.78) |

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 below:

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 2020 | As at 31 March 2019 |
| Duration of defined benefit payments | | |
| Less than 1 year | 32.89 | 23.83 |
| Between 1-2 years | 29.08 | 22.43 |
| Between 2-5 years | 163.28 | 84.43 |
| Over 5 years | 2339.7 | 1830.34 |
| Total | 2,564.95 | 1,961.03 |

Expected contributions to post-employment benefit plans for the year ending 31 March 2020 are INR 480.84 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 1430.01 Lakhs (31 March 2019: INR 558.58 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.

B Leave travel concession

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

- a) One Home Town LTC in a block of two years and one Anywhere India LTC in a block of four years or
- b) 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 24.50 Lakhs (31 March 2019: INR 36.86 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 2020, INR 5831.78 Lakhs (31 March 2019: INR 785.82 Lakhs) has been paid/payable to Pension Trust and charged as employee benefit expense.

33 Impact of application of Ind AS 115 'Revenue from Contracts with Customers'

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The company's accounting policies for its revenue streams are disclosed in Note C.11. Prior to implementation of Ind AS 115 net income accrued under construction contracts recognized as income. With application of Ind AS 115, this year income accrued is not recognized as it is not applicable now.

Other disclosures under Ind AS 115

(i) The description of Company's contracts with customers and its performance obligations under those contracts is contained in Note 23 (a)

(ii) Disaggregation of revenue recognised in Statement of Profit and Loss

| Particulars | INR Lakhs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Transmission Income (Tariff) | 88,486.00 | 1,11,857.00 |
| Revenue from contracts with customers | 88,486.00 | 1,11,857.00 |
| There is no impact on balance sheet, equity, statement of profit and loss and earnings per share for the year ended March 31, 2020 | | |
| The following table discloses the movement in unbilled revenue during the year ended March 31, 2020 and March 31, 2019. | | |



| Particulars | INR Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Balance at the beginning | 9,720.43 | 9,702.41 |
| Add: Revenue recognised during the period | 7,170.57 | 9,720.43 |
| Less: Invoiced during the period | 9,720.43 | 9,702.41 |
| Balance at the end | 7,170.57 | 9,720.43 |

The entity determines transaction price based on expected value method considering its past experiences of rebates or significant reversals in amount of revenue. Reconciliation of Contracted Price recognized vis-a-vis revenue recognized Statement of Profit and Loss is as follows-

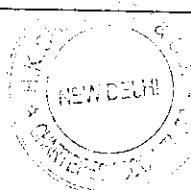
| Particulars | INR Lakhs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Contracted price | 88,486.00 | 1,11,857.00 |
| Less: Rebates provided to customer | 546.83 | 501.12 |
| Add / (Less): Other revenue | 18,411.10 | 3,122.72 |
| Revenue recognized in Statement of Profit and Loss | 1,06,350.27 | 1,14,478.60 |

34 Earnings per Share

| Particulars | INR Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Profit attributable to equity shareholders | 17,135.62 | 39,800.22 |
| Weighted average number of equity shares | | |
| Opening balance of issued equity shares | 3,95,10,00,000 | 3,95,10,00,000 |
| Effect of shares issued during the year, if any | | |
| Weighted average number of equity shares | 3,95,10,00,000 | 3,95,10,00,000 |
| Earning Per Share (Basic and Diluted) | 0.43 | 1.01 |
| 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 | |
|----------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Balance in current account | 1,909.66 | 3,344.02 |
| Balance in Fixed Deposit | 64,490.26 | 55,220.88 |
| Total | 66,399.92 | 58,564.90 |
| Particulars | INR Lakhs | |
| Interest earned | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| TDS on Interest | 1,482.07 | 5,032.68 |
| | 148.21 | 503.27 |



Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2020

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

a) List of Related parties:

i) Key Managerial Personnel (KMP):

| | | |
|-------------------------|---|-----------------------------------|
| Smt. Varsha Joshi | Chairperson | (w.e.f. 10.11.2016 to 21.12.2018) |
| Smt. Varsha Joshi | Managing Director | (w.e.f. 19.01.2017 to 21.12.2018) |
| Sh Madhup Vyas | Chairperson & Managing Director | (w.e.f. 11.01.2019 to 04.07.2019) |
| Smt. Padmuni Singla | Chairperson & Managing Director | (w.e.f. 05.07.2019) |
| Sh. Prem Prakash | Director (Operations) | (till 04.07.2019) |
| Sh. S M Verma | Director (Operations) | (w.e.f. 27.05.2019 to 05.09.2019) |
| Sh. Mukesh Kumar Sharma | Director (Operations) | (w.e.f. 25.09.2019) |
| Sh. P K. Mallik | Director (Finance) | (w.e.f. 05.06.2017) |
| Sh. Mukesh Prasad | Director (HR) | (till 04.07.2019) |
| Sh D Verma | Director (HR) | (w.e.f. 18.07.2019) |
| Sh. Narendra Dev Gobhil | DGM (Finance) and Chief Financial Officer | (w.e.f. 22.06.2016 to 20.12.2018) |
| Sh. Satender | Manager (Finance) and Chief Financial Officer | (w.e.f. 06.02.2019) |
| Sh. P.K. Mallik | Executive Director (C.G), Company Secretary | |

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, Tata Power Delhi Distribution Ltd etc.

b) Transactions with the related parties are as follows:

| Particulars | INR Lakhs | |
|---|--|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| i) Compensation to Key management personnel | | |
| Short term employee benefits | 76.57 | 98.83 |
| Post employment benefits | 7.30 | 1.19 |
| Other long term benefits | 4.75 | 1.49 |
| Total Compensation | 88.62 | 101.51 |
| ii) Transactions with post employment benefit plans | | |
| DVB Employee Terminal Benefit Fund | Contributions made during the year | 5,831.78 |
| DVB Employee Terminal Benefit Fund | Recovery of salary | 248.66 |
| iii) Transactions with the government and related parties under the control of the same government | | |
| GNCTD | Term Loans taken | 5,000.00 |
| GNCTD | Term Loans repaid | 10,000.00 |
| GNCTD | Interest expense | 1,744.50 |
| GNCTD | Rent recovered on behalf of GNCTD | - |
| GNCTD | Public Grievance Cell | 297.91 |
| Delhi Power Company Limited | Salary and other admin expenses | 274.02 |
| Indraprastha Power Generation Company Ltd | Salary/expense of employees on deputation paye | 330.23 |
| Indraprastha Power Generation Company Ltd | payments done by DTL | 347.14 |
| BSES Yamuna Power Ltd | Wheeling Charges | 20,377.40 |
| BSES Yamuna Power Ltd | Incentive and reactive energy charges | 369.25 |
| BSES Yamuna Power Ltd | Late payment surcharge | 916.66 |
| BSES Yamuna Power Ltd | Distribution of STOA | 9,827.72 |
| BSES Rajdhani Power Ltd | Wheeling Charges | 35,914.57 |
| BSES Rajdhani Power Ltd | Incentive and reactive energy charges | 762.80 |
| BSES Rajdhani Power Ltd | Late payment surcharge | 1,251.51 |
| BSES Rajdhani Power Ltd | Distribution of STOA | 17,115.68 |
| Tata Power Delhi Distribution Ltd | Wheeling Charges | 27,476.29 |
| Tata Power Delhi Distribution Ltd | Incentive and reactive energy charges | 777.91 |
| Tata Power Delhi Distribution Ltd | Distribution of STOA | 9,039.41 |
| Tata Power Delhi Distribution Ltd | Rebate | 489.19 |
| | | 425.15 |

c) Outstanding balances with related parties are as follows:

| Particulars | INR Lakhs | |
|-------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Receivable: | | |
| BSES Yamuna Power Ltd | 49,873.66 | 56,091.57 |
| BSES Rajdhani Power Ltd | 64,790.01 | 81,067.52 |



| | | | |
|--|--|-----------|-----------|
| Tata Power Delhi Distribution Ltd | | 477.10 | 6,428.82 |
| GNCTD (PGCELL) | | 1,036.05 | 738.13 |
| Payable: | | | |
| GNCTD (Loans) | | 27,776.60 | 33,452.23 |
| Delhi Power Company Limited | | 4,752.82 | 5,026.84 |
| Intraprastha Power Generation Company Ltd | | 296.75 | 225.11 |
| DVB Employee Terminal Benefit Fund (DERC Orilers) | | 2289.28 | 6,230.68 |
| Amount payable to post employment benefit plans | | | |
| DVB Employee Terminal Benefit Fund | | 934.77 | 1,183.43 |

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 1).
- 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

| Particulars | INR Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Current tax expense | | |
| Current year | 6,009.76 | 14,345.35 |
| Adjustment for earlier years | 335.03 | - |
| | 6,344.79 | 14,345.35 |
| Deferred tax expense | | |
| Origination and reversal of temporary differences | 16,519.09 | 7,426.17 |
| MAT Credit Entitlement | (4,811.90) | (1,480.30) |
| | 11,707.19 | 5,945.87 |
| Total income tax expense | 18,051.98 | 20,291.22 |

ii) Income tax recognised in other comprehensive income

| Particulars | INR Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Net actuarial gains/(losses) on defined benefit plans | | |
| Before tax | (278.50) | 123.04 |
| Tax expense/(benefit) | | 43.00 |
| Net of tax | (278.50) - | 80.04 |

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

| Particulars | INR Lakhs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Profit before tax | 35,187.60 | 60,091.44 |
| Tax using the Company's domestic tax rate of 34.944% (31 March 2019 - 34.944%) | 12,295.75 | 20,998.00 |
| Tax effect of: | | |
| Minimum Alternative Tax (Credit) Expense | (4,811.90) | (1,480.30) |
| Permanent/Temporary Difference | 10,568.13 | 773.52 |
| At the effective income tax rate: 34.944% (31 March 2019: 34.944%) | 18,051.98 | 20,291.22 |

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

| Particulars | As at 31 March 2020 | | As at 31 March 2019 | |
|----------------------|---------------------|-------------|---------------------|-------------|
| | Amount | Expiry date | Amount | Expiry date |
| For the year 2011-12 | 14300.39 | 2026-27 | 19,112.29 | 2026-27 |
| For the year 2012-13 | 6348.64 | 2027-28 | 6,348.64 | 2027-28 |
| For the year 2014-15 | 5422.10 | 2029-30 | 5,422.10 | 2029-30 |
| For the year 2015-16 | 11946.26 | 2030-31 | 11,946.26 | 2030-31 |



37 Income taxes

v) Movement in deferred tax balances
For the year ended 31 March 2020

| Particulars | Net balance 1 April 2019 | Recognised in profit or loss | Recognised in OCI | INR Lakhs Net balance 31 March 2020 |
|--|-----------------------------|---------------------------------|-------------------|---|
| Deferred tax liabilities | | | | |
| Difference in net book value and tax base of PPE and intangible assets | 50,709.35 | 18,870.46 | | 69,579.81 |
| | 50,709.35 | 18,870.46 | | 69,579.81 |
| Deferred tax assets | | | | |
| Provision for employee benefits | 2,105.60 | 481.89 | | 2,587.49 |
| Other provisions | 1,207.13 | 1,869.47 | | 3,076.60 |
| | 3,312.73 | 2,351.36 | | 5,664.09 |
| Total | 47,396.62 | 16,519.10 | | 63,915.72 |
| For the year ended 31 March 2019 | | | | |
| Particulars | Net balance 1 April 2018 | Recognised in profit or loss | Recognised in OCI | INR Lakhs Net balance 31 March 2019 |
| Deferred tax liabilities | | | | |
| Difference in net book value and tax base of PPE and intangible assets | 42,909.49 | 7,799.86 | - | 50,709.35 |
| | 42,909.49 | 7,799.86 | - | 50,709.35 |
| Deferred tax assets | | | | |
| Provision for employee benefits | 1,855.78 | 206.82 | 43.00 | 2,105.60 |
| Other provisions | 1,126.26 | 80.87 | | 1,207.13 |
| | 2,982.04 | 287.69 | 43.00 | 3,312.73 |
| Total | 39,927.45 | 7,512.17 | (43.00) | 47,396.62 |

38 Operating Segments

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 (Transmission Charges) from the following customers which amount to 10 per cent or more of Company's revenues:

| Particulars | For the year ended 31 March 2020 | For the year ended 31 March 2019 | INR Lakhs |
|-----------------------------------|-------------------------------------|-------------------------------------|-----------|
| BSES Yamuna Power Ltd | 20,377.40 | 25,903.36 | |
| BSES Rajdhani Power Ltd | 35,914.57 | 45,072.15 | |
| Tata Power Delhi Distribution Ltd | 27,476.29 | 33,879.52 | |

39 Work Executed on Deposit Work Basis:

(A) Certain capital works were executed by the Company for Bawana Project on behalf of DSIIDC. After adjustment of the Deposit Work amount received from them and an amount of INR 812.61 Lakhs on account of additional expenses incurred by the Company is pending to be recovered. DERC in its order dated 05.11.2004 has instructed that the additional claim, if any, would be provided through True up of Tariff of the Company. Till the True-Up orders on capitalization by DERC, the amount of INR 812.61 Lakhs is shown as amount recoverable under DSIIDC Bawana Project. The Company has lodged a claim of INR 2279 Lakhs with DERC as recoverable which includes supervision charges also and the same is under reconciliation.

(B) The Company executed two Deposit Works projects on behalf of PWD. The supervision charges on these works have been accounted as income. The supervision charges include the work done for earlier years. However Deposits of INR 795.50 Lakhs received prior to F.Y. 2011-12 have been shown as liability under "Other Current Liabilities" as the same are subject to confirmation and reconciliation with PWD and income on the above will be accounted at the time of reconciliation.



Delhi Transco Limited

Notes to financial statements for the year ended 31 March 2020

40 Balances of Trade Receivables, Trade Payables, Advances and Payable/Receivable to/from Other Parties 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. IND AS 116 ("Leases") requires the "Period of Time" of the leases to be defined, however these lands are received on perpetual lease basis and IND AS 116 is not applicable these license fees paid for land. Annual license fees of INR 1158.63 Lakhs are treated as an expense. (31 March 2019: INR 1158.63 Lakhs)

44 Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

(in Lakhs)

| Particulars | Amount in foreign currency | | Amount in INR | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Trade Payables/deposits and retention money | 3.95 EURO | 3.95 EURO | 328.40 | 198.33 |
| | 33.41 USD | 33.41 USD | 2518.55 | 2310.93 |

45 Corporate Social Responsibility

| Particulars | INR Lakhs | |
|---|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Opening Balance | 3,572.68 | 2,330.11 |
| Amount Required to be spent during the year | 1,279.64 | 1,242.57 |
| Amount spent on CSR | 36.10 | - |
| Closing Balance | 4,816.22 | 3,572.68 |

The Company has constituted a CSR Committee in pursuance of 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 1279.64 Lakhs (31 March 2019: INR 1242.57 Lakhs) during the financial year 2019-20 towards the CSR activities as per the CSR policy. The Company has spent INR 36.10 Lakhs on CSR activities during the year and is in process of identifying activities for incurring expenditure on CSR.

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

A. Provisions

a) Provision for others

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

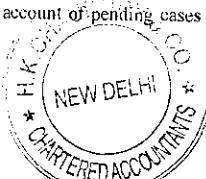
| Movement in provision Particulars | INR Lakhs | |
|--|-------------------------------------|-------------------------------------|
| | For the year ended 31 March 2020 | For the year ended 31 March 2019 |
| Provision for others | | |
| Carrying amount at the beginning of the year | 3,319.51 | 3,088.09 |
| Add: Additions during the year | 202.67 | 231.42 |
| Less: Provision utilised during the year | - | - |
| Less: Provision reversed during the year | - | - |
| Carrying amount at the end of the year | 3,522.18 | 3,319.51 |

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 36,853.60 Lakhs plus interest on 31 March 2020 (31 March 2019: INR 36,484.04 Lakhs plus interest). The company had filed counter claims of INR 1,348.87 Lakhs (31 March 2019: INR 1366.41 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) As decided by the GNCTD in the meeting held on the 16.11.2010, Power Utilities will pay service charges on the Govt. Land/ properties in accordance with Ministry of UD, Govt. of India. As per that the company is liable to pay property tax on 75% of the covered area. Accordingly DTL is paying 75% of the amount calculated as property tax. However, NDMC & SDMC have challenged such calculation and matter is sub-judice in High Court. Therefore 25% of the Property tax payable since 2010-11 amounting to INR 1,111.86 lakhs (31 March 2019: INR 1010.80 lakhs) is shown as contingent liability.
- f) INR 3,087.04 Lakhs (31 March 2019: INR 3,087.04 Lakhs) stands under protest paid towards above contingent liabilities to contest the cases and is being shown as Other Current Assets.
- g) Disputed Income Tax demands are pending before appellate authorities' amounting to INR 9,889.31 Lakhs (31 March 2019: INR 22106.17 Lakhs). The Management has decided that the demand is not tenable as such no provision has been made.
- h) 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.
- i) 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. Further DTL has filed the writ Petition (W.P.(C)2807/2019) under Article 226 of Constitution of India along with the Stay Application before Hon'ble High Court of Delhi. Also in order to avoid any further interest, DTL is depositing Annual License Fee of INR 50 Lakh.
- 47 The capital advance given to PGCIL for executing some projects on behalf of the company on deposit work basis. Though the work was already completed but due to non production of final invoices and pending financial closure by PGCIL, advances were not settled. Due to this, the assets and liability side was shown higher. This year in order to have fair presentation, assets & liability are reduced by INR 21018.00 Lakhs i.e. the amount by which though the work is completed but financial closure and final invoice is pending from PGCIL.
- 48 During the year the company has amortized grant related to MOU-I projects and recognized for income to the extent of INR 1125.19 Lakhs. However on account of excess grant income accounted for in the FY 2015-16 to FY 2018-2019 to the extent of INR 1508.30 Lakhs which has been rectified during the year resulting in negative grant income to the extent of INR 383.11 Lakhs on account of above rectification.
- 49 GNCTD had constituted the Wage Revision Committee (WRC) to review the structure of pay scales and allowances/benefits of various categories of Power Sector Enterprises and suggest changes. The Board of Directors of the Company in its meeting held on 24th June 2020 had approved the recommendations of WRC and the report submitted by the Committee and accordingly a provision of INR 9166.85 Lakhs on account of the above has been made in the financial statements.
- 50 Income tax refund for AY 2016-2017 of INR 5634.79 Lakhs(excluding interest) was determined and after adjustment of previous demand of INR 335.03 Lakhs, INR 5299.77 Lakhs was refunded on 30.11.2019 to the Company. No interest on the above refund was received by the company & after correspondence with Income Tax Department, The Assessing officer was directed to calculate the amount of interest due to the Company Upto 31.03.2020. neither any amount of interest due has been intimated nor paid by the Income Tax Department. No provision for interest if any on the above refund has been made it in these financial statements as the same is unascertained.
- 51 INR Rs. 362.41 Lakhs payable to SVJNL in respect of past power purchase liability bill was provided in the books of account in the F.Y. 2015-16. The above amount was not disbursed to SVJNL as they had not approve the same. However, now both the Companies have agreed on payment of above amount alongwith interest subject to approval of Board of both the Companies. An estimated provision of INR 88.91 Lakhs has been made towards interest in the financial statements.
- 52 The APTEL(Appellate Tribunal for Electricity) vide its order dated 01.12.2016 held that the Company(DTL) is entitled to claim the Income tax for FY 2007-08 to FY 2011-2012 actually paid /assessed excluding the income tax on income other than license business from discoms and remanded the matter to DERC for verification. The DERC vide its order dated 30.12.2019 upheld the same. The Company has filed an appeal with the Hon'ble APTEL against the above order. The Company is showing INR 22412.70 Lakhs recoverable from discoms on account of income tax assessed/actually paid without segregating the income tax assessed/actually paid into income tax on licence and non- license business as per the order of the APTEL. No provision has been made in the accounts in respect of the amount doubtful of recovery from the discoms on recalculation of the above amount in accordance with the order of the APTEL.



53 Disclosure of material impact of COVID-19 pandemic

The company is mainly engaged in the business of transmission of electricity and the tariffs for the transmission services are regulated in terms of the DERC Tariff Regulations which provide for recovery of the annual transmission charges based on system availability.

Due to the COVID pandemic, a lockdown was announced by the Government of India effective from 25th March 2020. As per the Government guidelines, transmission units and services were exempted from the lockdown. Company has issued guidelines and protocols to be followed by its various units for the operation and maintenance of its transmission network during the pandemic. Company has also implemented digital solutions such as implementing e-office, ERP systems, Video Conferencing etc. Due to the various steps taken by the company, there has been no significant impact due to the pandemic on the availability of the transmission system of the Company.

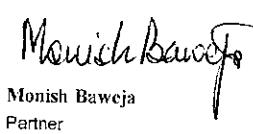
In the above backdrop, the company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2020.

There has been no material impact on the operations or profitability of the group during the financial year due to the pandemic.

As per our Report of even date attached

For H.K.Chaudhry & Co.

Chartered Accountants


Monish Baweja
Partner
Membership No. : 087384

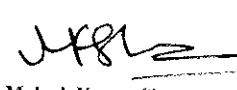
Firm Reg. No.: 006154N

Place : New Delhi
Dated : 25/11/2020

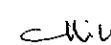


For and on behalf of the Board of Directors

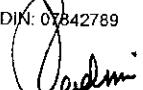

Kamna Gupta
Chief Financial
Officer


Mukesh Kumar Sharma
Director (Operation)

DIN: 08572379


P.K. Malik
Director (Finance) &
Company Secretary

DIN: 07842789


Padmini Singla
Chairperson and
Managing Director
DIN: 007539635