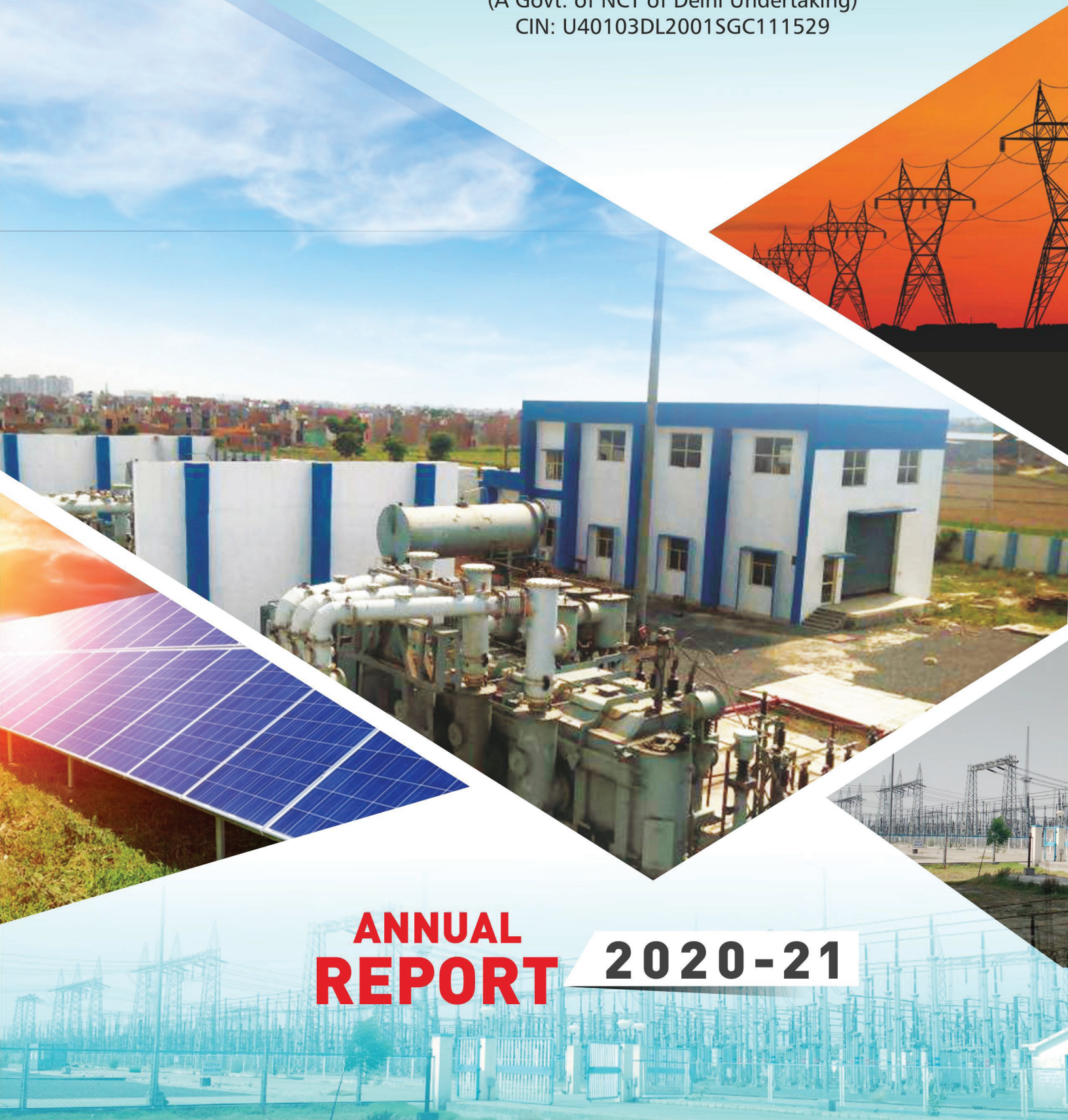




# DELHI TRANSCO LIMITED

(A Govt. of NCT of Delhi Undertaking)

CIN: U40103DL2001SGC111529



**ANNUAL  
REPORT**

**2020-21**

## **VISION**

Global Power in Power Sector

To establish, operate & maintain secure EHV network on sound commercial principle integrating HRD, R&D, process re-engineering creating-intellectual power, maximizing stakeholder's delight

## **MISSION**

## **MOTTO**

Our Pride :  
Stakeholder delight

Corporate Ethics  
Trust & Commitment  
Learning & Development  
Result & Excellence  
Organizational Pride

## **CORE VALUES**

## **GOAL**

Sarve Bhavantu Sukhinah:  
Good to all



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## BOARD OF DIRECTORS

|                                |                                |
|--------------------------------|--------------------------------|
| <b>Mr. Satya Gopal</b>         | Chairman and Managing Director |
| <b>Mr. Azimul Haque</b>        | Director (HR)                  |
| <b>Dr. Sanjay Kumar Lal</b>    | Director (Finance)             |
| <b>Mr. Mukesh Kumar Sharma</b> | Director (Ops.)                |
| <b>Mr. Sandeep Aggarwal</b>    | Independent Director           |
| <b>Dr. Ashok Sharma</b>        | Independent Director           |

### **Executive Director (CG) & Company Secretary**

**P. K. Mallik**

### **Auditors**

**M/s. H. K. Chaudhry & Co.**

Chartered Accountants

101, Nirmal Tower, 26 Barakhamba Road,  
New Delhi-110001

### **Bankers**

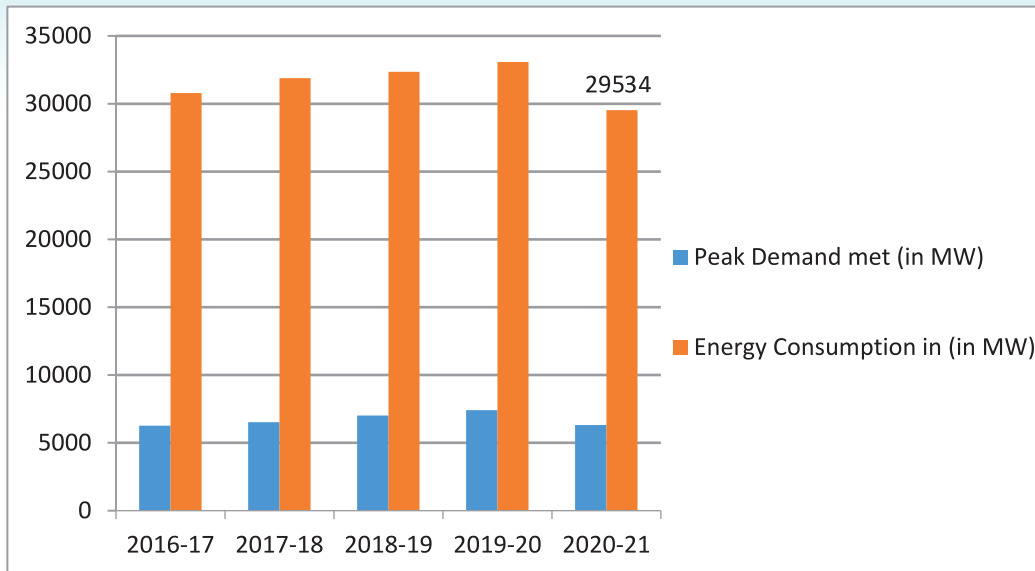
State Bank of India,  
Syndicate Bank  
Corporation Bank  
Union Bank of India  
Allahabad Bank

### **Registered Office**

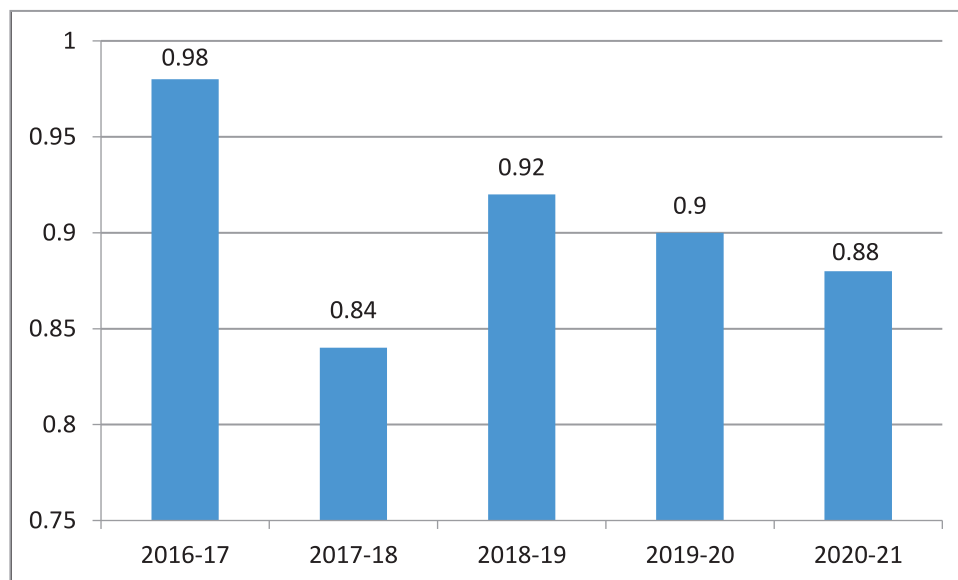
Shakti Sadan, Kotla Marg, New Delhi-110002



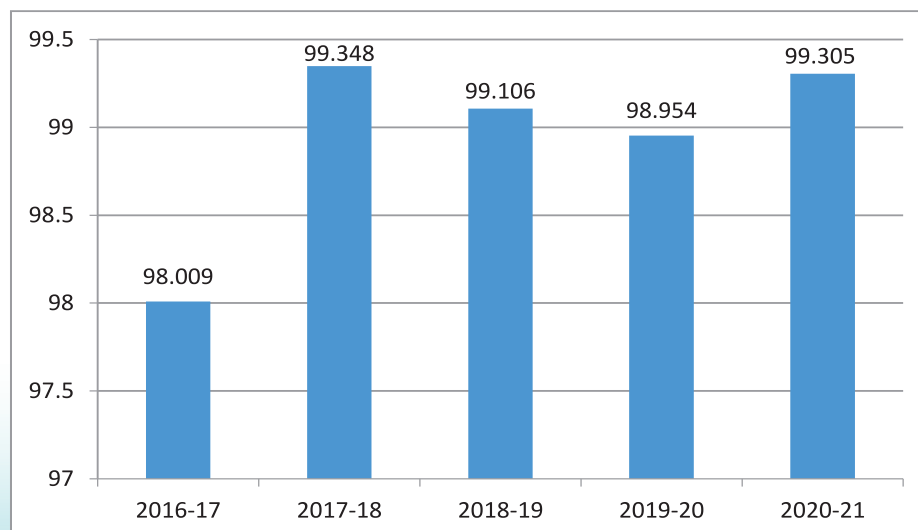
### DTL'S PERFORMANCE

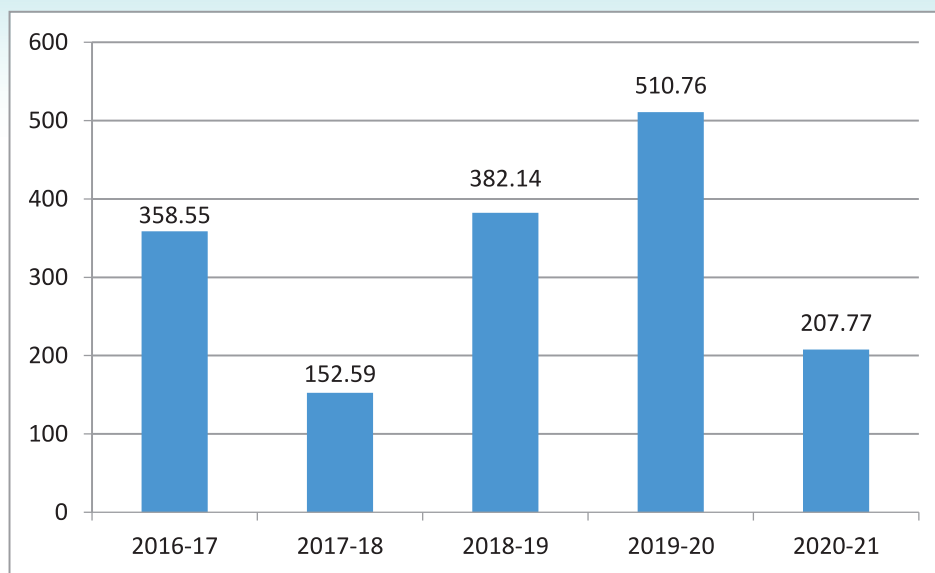
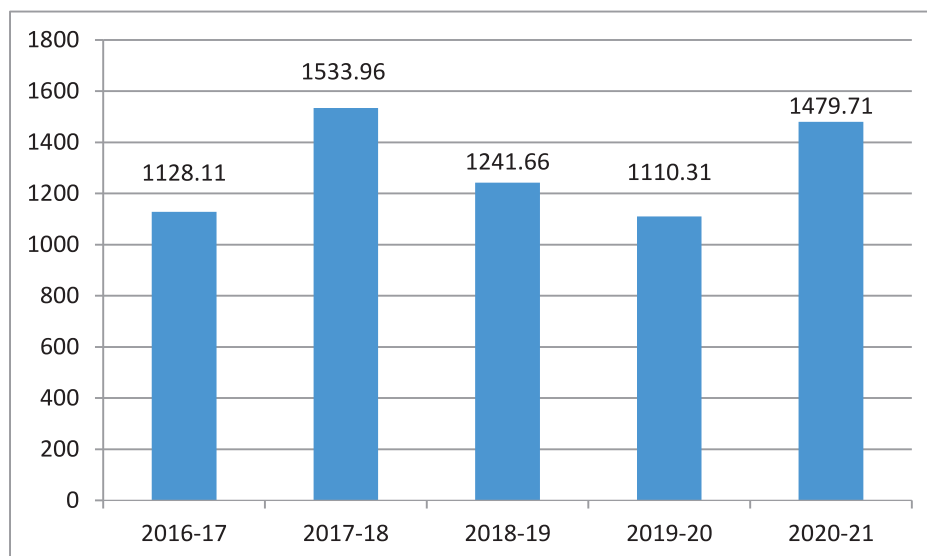
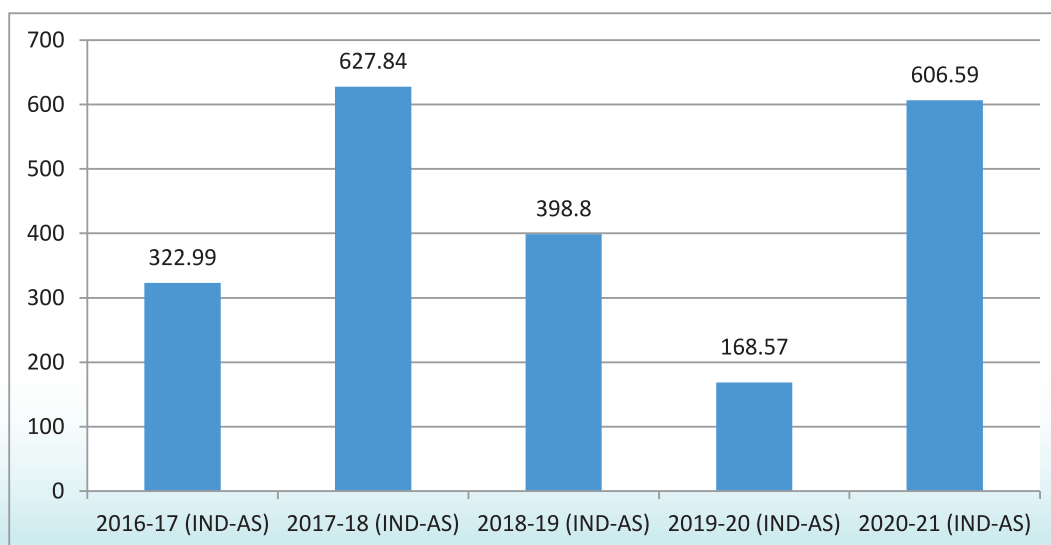


### TRANSMISSION LOSSES (%)



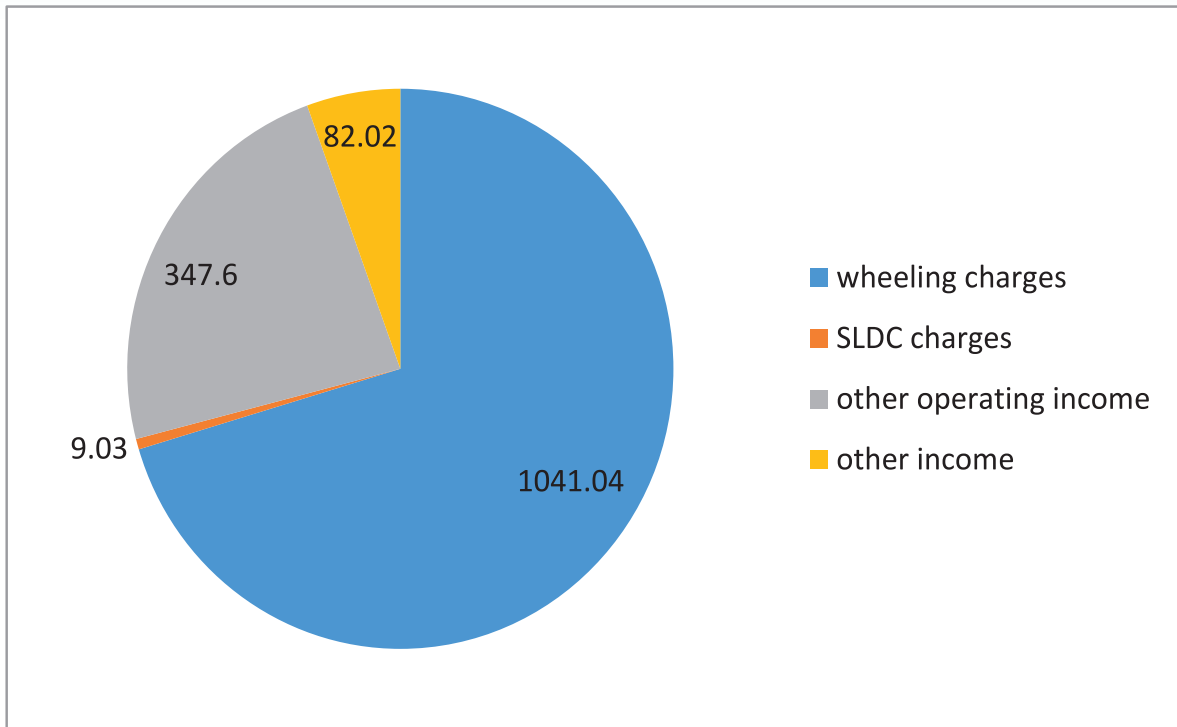
### SYSTEM AVAILABILITY (%)



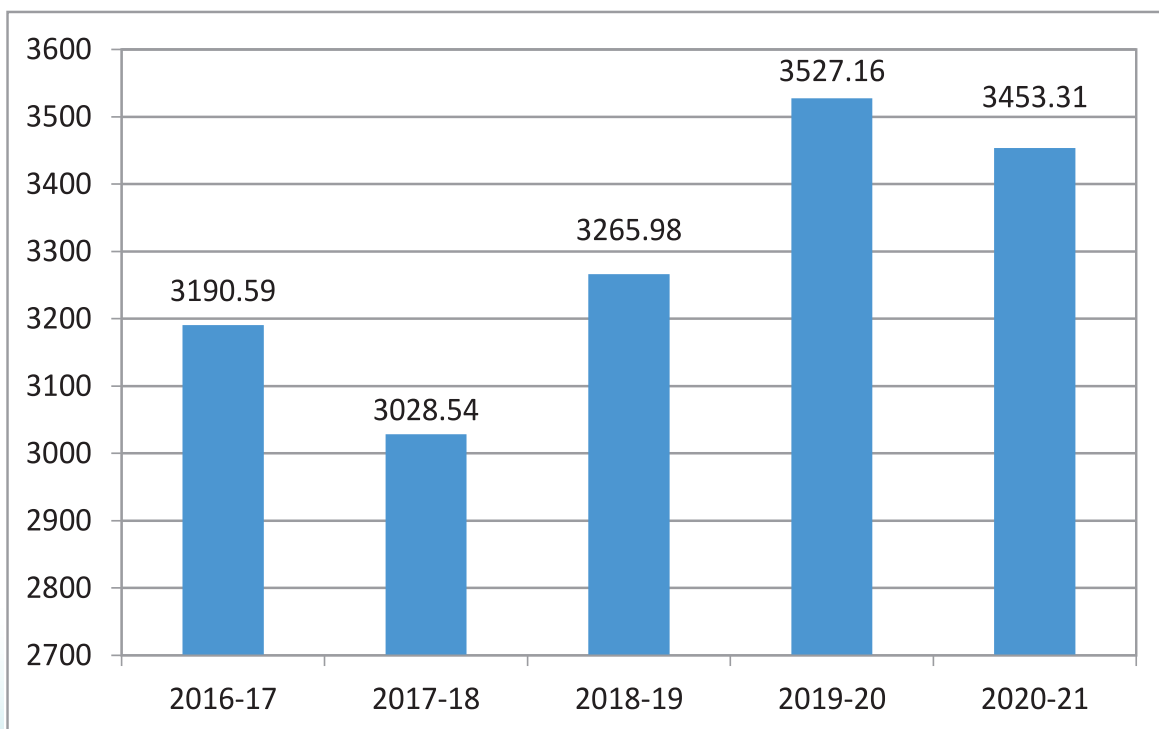
**ASSET CAPITALIZATION (RS. CRORES)**

**GROSS INCOME (RS. CRORES)**

**PROFIT AFTER TAX (PAT) (RS. CRORES)**




### INCOME BREAKUP 2019-20 (RS. CRORES)



### NET FIXED ASSETS (RS. CRORES)



## Five Years' Summary

(Rs. in crore)

| Particulars                                                          | 2016-17<br>(Audited) | 2017-18<br>(Audited) | 2018-19<br>(Audited) | 2019-20<br>(Audited) | 2020-21<br>(Audited) |
|----------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Gross Income                                                         | 1,128.11             | 1533.96              | 1241.66              | 1110.32              | 1479.71              |
| Revised Power Cost (Net)-A                                           | -                    | -                    | -                    | -                    | -                    |
| Administrative & General Expenses-B                                  | 248.38               | 282.74               | 323.62               | 433.45               | 407.06               |
| Depreciation-C                                                       | 214.10               | 241.72               | 192.23               | 256.95               | 281.14               |
| Total Expenses (A+B+C)                                               | 462.48               | 524.46               | 515.85               | 690.40               | 688.21               |
| Profit before interest                                               | 665.63               | 1009.50              | 725.81               | 419.92               | 841.93               |
| Interest paid                                                        | 186.10               | 169.76               | 124.10               | 68.04                | 50.43                |
| Profit after interest but before prior period and extraordinary item | 479.53               | 839.74               | 601.71               | 351.88               | 791.49               |
| Exceptional & Extraordinary items                                    | -                    | -                    | -                    | -                    | -                    |
| Prior period adjustment and provisions                               | -                    | -                    | -                    | -                    | -                    |
| Profit before tax                                                    | 479.53               | 839.74               | 601.71               | 351.88               | 791.49               |
| Tax provision                                                        | 156.54               | 211.90               | 202.91               | 180.52               | 184.89               |
| Profit after Tax                                                     | 322.99               | 627.84               | 398.90               | 171.36               | 606.59               |
| Dividend Paid                                                        | -                    | -                    | -                    | -                    | -                    |
| Earnings per share                                                   | 0.82                 | 1.59                 | 1.01                 | 0.43                 | 1.54                 |



## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Twentieth Annual Report along with the audited financial statements for the Financial Year ended on March 31, 2021.

During the year, the Company has achieved significant improvement in the operational performance by providing reliable power supply in Delhi. The Company has successfully met peak demand of 6314 MW and maximum daily consumption of 129.6 MUs in the summer days of the year. Transmission losses have been maintained at 0.88% during the year along with system availability of 99.3%. In the project execution, the Company recorded a capitalization of Rs. 207.77 crore.

The Company was entrusted with the transmission and bulk supply of power activities along with the related assets and undertaking under the Transfer Scheme of the Government of NCT of Delhi effective from 01.07.2002. Subsequently, in terms of the provisions of the Electricity Act, 2003, the bulk supply of power activities were discontinued and w.e.f. 01.04.2007, the Company is engaged in the business of transmission of power only.

The Government of NCT of Delhi on 21.03.2003 had notified the Company as the State Transmission Utility (STU). The Company is discharging all the functions of a State Transmission Utility as specified under the Electricity Act, 2003. Besides, the Company is operating the State Load Despatch Centre under its ambit.

The Company has successfully fulfilled its obligation of transmission of power in Delhi with optimum operation, maintenance and augmentation of its transmission network consisting of four number of 400 KV and forty one number of 220 KV substations with associated transmission lines. Transmission Loss of 0.88% during the Financial Year 2020-21 which is considerably lower than the other State Transmission Utilities in the Country. The successful addition of transmission assets has facilitated seamless power transfer in the National Capital Territory of Delhi.

## FINANCIAL HIGHLIGHTS

### OPERATING PROFITS

During the financial year 2020-21, the company has earned a net profit after tax (total comprehensive income) of Rs. 608.97 crore as against Rs. 271.95 crore in the previous year.

## FINANCIAL RESULTS

(Rs. In Crore)

|               | PARTICULARS                                                       | 2020-21        | 2019-20        |
|---------------|-------------------------------------------------------------------|----------------|----------------|
| <b>A</b>      | <b>Revenue</b>                                                    |                |                |
|               | Revenue from operations                                           | 1397.68        | 1063.50        |
|               | Other income                                                      | 82.03          | 46.81          |
|               | <b>Total revenue</b>                                              | <b>1479.71</b> | <b>1110.31</b> |
| <b>B</b>      | <b>Expenses</b>                                                   |                |                |
|               | Employee benefits expense                                         | 201.78         | 294.70         |
|               | Finance costs                                                     | 50.44          | 68.05          |
|               | Depreciation and amortization expense                             | 281.15         | 256.95         |
|               | Other expenses                                                    | 154.84         | 138.74         |
|               | <b>Total expenses</b>                                             | <b>688.21</b>  | <b>758.44</b>  |
| <b>C=A-B</b>  | <b>Profit before tax</b>                                          | 791.50         | 351.87         |
| <b>D</b>      | <b>Total tax expense</b>                                          | 184.90         | 77.14          |
| <b>E= C-D</b> | <b>Profit for the year</b>                                        | 606.60         | 274.73         |
| <b>F</b>      | <b>Other comprehensive income for the year, net of income tax</b> | 2.37           | (2.78)         |
| <b>G=E+F</b>  | <b>Total comprehensive income for the year</b>                    | 608.97         | 271.95         |
|               | <b>Earning per equity share</b>                                   | 1.54           | 0.70           |

The revenue from operations has increased from Rs. 1063.50 crore in 2019-20 to Rs. 1397.68 crore in 2020-21.

## CAPITAL WORKS

During the financial year 2020-21, the company has completed the ongoing projects to the tune of 207.77 crore as compared to the previous year amounting to Rs. 510.76 crore.

## DIVIDEND

Carried over previous losses as on 31.03.2020 were Rs. 473.46 crore. This has been wiped out in the current year due to inclusion of LPSC amount of Rs. 337.64 crore on accrual basis. Payment of dividend will be considered on actual realisation of LPSC.

## RECOVERY OF OUTSTANDING WHEELING CHARGES FROM DISCOMS.

BRPL & BYPL have not paid their outstanding dues during the financial year 2020-21. For the realization of the outstanding dues, the company is already pursuing administrative and legal action against the said Discoms. The outstanding dues on account of wheeling charges for financial year 2020-21 is Rs. 644.61 crore and on account of LPSC for financial year 2020-21 is Rs. 337.64 crore. The total



outsatanding including of all previous year for wheeling charges is Rs. 1208.94 crore and for LPSC is Rs. 2200.05 crore. Thus the total outstanding as on 31.03.2021 is Rs. 3408.94 crore. The company is pursuing for realization of full amount of outstanding dues from BRPL & BYPL.

### **FIXED DEPOSITS**

The Company has not accepted any fixed deposit during the year ending 31st March, 2021.

### **GENERAL RESERVES**

No amount has been proposed to be transferred to reserves during the financial year 2020-21.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any loan or guarantee or made any investment during the year, which would be covered under section 186 of the Companies Act, 2013.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1)**

The contract or arrangement entered into by the Company with related parties have been done at arm's length and are in the ordinary course of business. The provisions of section 188 of the Companies Act are, therefore, not attracted and accordingly this disclosure in Form AOC – 2 is not required.

### **CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there has been no change in the nature of business of the Company.

### **STATE OF COMPANY'S AFFAIRS**

Discussion on state of Company's affairs has been covered in the information provided in this Board's Report under the heads Financial Performance, Operational Performance and Future Outlook of the Company.

## **AUDITORS**

### **STATUTORY & COST AUDIT**

The office of CAG of India had appointed M/s H. K. Chaudhry & Co., Chartered Accountants, as Statutory Auditors for the financial year 2020-21 who have audited the accounts for the said financial year. For the financial year 2021-22 also, M/s. H. K. Chaudhry & Co., Chartered Accountants have been appointed as Statutory Auditors by the C&AG.

Ministry of Corporate Affairs, Government of India has issued order dated 16th Sept, 2005 directing audit of cost accounts to be maintained by the company from the financial year 2005-06 onwards. Since then the Company has been regularly complying with the directions of the Government. M/s K. L. Jaisingh & Co., Cost Accountants were appointed as Cost Auditors for the financial year 2020-21. The cost records for the financial year 2020-21 have been audited by the cost auditors and the same have been approved by the Board of Directors.

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 is required by the Company and accordingly such accounts and records are made and maintained.

### **AUDIT OBSERVATIONS**

The replies of the management on the observations made by the Statutory Auditors on the Financial Statements of the Company for the Financial Year 2020-21 are appended to this report as **ANNEXURE - I.**

### **COMMENTS OF COMPTROLLER & AUDITOR GENERAL OF INDIA (C & AG)**

The Comptroller & Auditor General of India (C&AG) has given NIL comments on the Accounts of the Company for the Financial Year 2020-21. The comments form part of this Report as **ANNEXURE - II.**

### **SECRETARIAL AUDIT**

The Company has engaged M/s P.P. Agarwal & Co., Practicing Company Secretaries, Delhi for conducting Annual Secretarial Audit of the Company for the Financial Year 2020-21 in terms of Section 204 of the Companies Act, 2013 read with relevant rules made there under. The Secretarial Audit Report in Form MR-3 issued by the Secretarial Auditor in this regard which forms part of this report is furnished as **ANNEXURE-III.** The management comments on Secretarial Audit Report are enclosed as **ANNEXURE -IV** to this report.



## OPERATIONAL PERFORMANCE

### ACHIEVEMENTS

- **Loop in & Loop out of 220kV D/C 1000sq.mm U/G XLPE cable from Ridge Valley to AIIMS Trauma Centre at R.K. Puram:**

220/66kV GIS substation has been constructed at Circuit-II of LILO at R.K. Puram has been charged on 30.03.2021.

Circuit-I of LILO at R.K. Puram has been charged on 31.03.2021.

- **Re-conductoring of Overhead Transmission Lines using HTLS Conductor**

To enhance the loading capacity of overhead transmission lines, re-conductoring using HTLS Conductor is being carried out in various sections in phased manner.

HTLS reconductoring of Mandola-South of wazirabad Circuit-I, II, III & IV have been completed in November 2020 and Bawana- Shalimarbagh Circuit-I & II have been completed in March 2021.

- **ETC for addition of 2 no. 220/66kV 160MVA Power Transformer at Sarita Vihar and DSIIDC Bawana (1 no. each)**

Sarita Vihar transformer is commissioned on 24.06.2020. DSIIDC Bawana transformer is commissioned on 31.03.2021.

- **Commissioning of 220 kV D/C, U/G cable between Dwarka and Pappankalan-I substation**

Circuit-II has been charged on 7.07.2020.

Circuit-I has been charged on 30.07.2020.

- **Commissioning of additional 5 Nos. 66kV bays at 220/66kV Substation Mehrauli.**

5 Number of 66kV Bays have been added / commissioned at 220/66kV Mehrauli Substation in July 2020.

Comparison of Salient performance Parameters

| Description                                        | 2020-21 | 2019-20 | 2018-19 |
|----------------------------------------------------|---------|---------|---------|
| Peak Demand Met (MW)                               | 6314    | 7409    | 7016    |
| Energy Supplied (MUs)                              | 29533   | 33083   | 32360   |
| Load Shedding (MUs)                                | 5.512   | 10.851  | 17.848  |
| Load Shedding as Percentage of energy supplied (%) | 0.019   | 0.033   | 0.055   |
| Transmission System availability (%)               | 99.30   | 98.953  | 99.106  |
| Transmission losses (%)                            | 0.88    | 0.90    | 0.92    |

|                          |        |        |         |
|--------------------------|--------|--------|---------|
| Transformation capacity: |        |        |         |
| at 400kV level (MVA)     | 11040* | 11040* | 11040 * |
| at 220kV level (MVA)     | 14380  | 14060  | 12820   |

(\* Transformation Capacity including PGCIL Substations Mandola & Maharani Bagh)

### MAJOR SUBSTATION / TRANSFORMER AUGMENTATION WORKS UNDER EXECUTION DURING THE YEAR

- **Establishment of 220/33kV GIS at Timarpur**

Contract has been awarded and work is under execution. This station will cater to load of North West Delhi Area under TPDDL Discom.

- **Establishment of 220/33kV GIS at Dev Nagar**

Contract has been awarded and work is under execution. This station will cater to load of Central Delhi Area under BYPL & TPDDL Discoms.

- **Establishment of 220/33kV GIS at Rajghat Power House (RPH)**

Contract has been awarded and work is under execution. This station will cater to load of Central & East Delhi Area under BYPL Discom.

- **Supply & ETC of 07 no. 220/33/11kV 100MVA Power Transformers at different locations of Delhi**

Contract has been awarded and work is under execution.

- **66kV GIS at existing 220kV Gopalpur Substation**

Contract has been awarded and work is under execution.

- **06 no. 66kV bays (2no. each) at Gazipur, South of Wazirabad, & Sarita Vihar**

Contract has been awarded and work is under execution.

- **Commissioning of 33kV GIS and dismantling of existing 33kV conventional Switchyard at 220/33kV Substation Okhla**

Contract has been awarded and work is under execution.

### COMMISSIONING OF REACTORS:

To overcome the problem of reactive power compensation in the grid, reactors are being installed at different locations.

- **One No. 220 kV 50 MVAR Shunt Reactor alongwith associated Equipments and Civil works at Peeragarhi**

Contract has been awarded and work is under execution.



- **Two Nos. 220 kV 50 MVAR Shunt Reactor along with associated Equipments and Civil works at Harsh Vihar**

Contract has been awarded and work is under execution.

## **PROGRESS OF MAJOR TRANSMISSION LINE WORKS DURING THE YEAR**

- **Erection, Testing & Commissioning of 220KV Single Circuit 1200 Sq.mm. U/G Cable Link between Park Street-Electric Lane-Lodhi Road**

This work is being carried out by PGCIL and is under execution.

- **Shifting /Realignment of a section of 220 KV 1X1000 Sq mm, U/G Cable LILO of Bamnauli T/L at DIAL(Four Ckts) for implementation of Dwarka Express Way Project of NHAI**

This work has been completed in May 2021.

- **Commissioning of 220 KV D/C 1X1200 sq.mm U/G XLPE Cable from 400 KV Tuglakabad Substation to 220 kV Masjid Moth Substation**

Contract has been awarded and work is under execution.

- **Commissioning of 220 KV D/C 1X1200 sq.mm U/G XLPE Cable from 220 KV Kashmiri Gate Substation to 220 KV GIS substation at Timarpur**

Contract has been awarded and work is under execution.

- **Commissioning of 220 D/C 1X1200 Sq mm U/G XLPE Cable from 400KV Dwarka Sec-5 to 220 KV Pappankalan-II Substation**

Contract has been awarded and work is under execution.

- **Commissioning of 220 KV D/C 1X1200 sq.mm U/G XLPE Cable from 400Kv Tughlakabad to 220Kv RK puram Substation**

Contract has been awarded and work is under execution.

- **Commissioning of 220 KV D/C 1X1200 sq.mm U/G XLPE Cable from LILO Point of Electric Lane –Park Street S/C Cable to 220 KV GIS Substation at Dev Nagar**

Contract has been awarded and work is under execution.

## **O & M ACTIVITIES**

During imminent major grid disturbance in the Northern Region, the power supply to Airport, Delhi Metro Rail, Water Treatment Plants, Indian Railways and Hospitals is a major area of concern and to overcome this issue, Delhi Islanding Scheme was commissioned in the Year 2013

and subsequently renewed from time to time with the commissioning of new sub stations in DTL network. This scheme has been revised in 32nd NRPC Protection Sub Committee with the major change of merging of all the islands within Delhi with a single big island due to closure of Rajghat Power House, Rithala Generating Plant, BTPS and less scheduling at CCGT Bawana.

As a step towards automation of DTL Grid Substations, KEMA submitted a report and in line with its recommendations, conventional protection relays have been replaced with Numerical Type Relays on 400/220/66/33kV feeders. The Transformer differential relays on most of 315/160/100MVA transformers have also been replaced with the latest Numerical Relays.

KEMA also suggested Condition Based Monitoring maintenance practices as against routine and reactive maintenance regimes and accordingly platform data-basing is being done by collecting the condition based data through a centralized testing group engaged for specialized testing like DGA, Tan delta and SFRA testing of the Power Transformers. Thermo vision scanning of switch yard equipments and transmission line is being carried out regularly by O&M Department in order to minimize outage of Transmission Elements.

Schemes have been framed and procurement action has been initiated in some cases for upgrading the protection system and replacement of old and outlived substation equipments under the funding scheme of Power System Development Fund of Govt. of India.

At 220kV substation Maharani Bagh, a remote control switching center is established, for which, in the first phase, the sub stations where SAS is already commissioned are being considered.

## **STATE LOAD DESPATCH CENTRE**

- In pursuance of section 31 of the Electricity Act, 2003, SLDC was constituted and Govt. of NCT of Delhi authorized Delhi Transco Limited to manage the Load Despatch Centre.
- The company has smoothly and timely performed all the functions assigned to SLDC under section 32 of the Indian Electricity Act, 2003.
- Regular meetings have taken place with the constituents of Delhi's power sector i.e. Generating Companies, Distribution Licensees, Deemed Distribution Licensees and Transmission Company (DTL) for a harmonious and seamless operation of the system.
- Intra-state ABT is in operation by the order of the Commission dated 31.03.2007. State Energy Accounts are prepared on the pattern of the Regional Energy Accounting carried out by NRPC for the payment of



fixed charges and variable charges of the Generators.

- An in-house developed scheduling software is being used for scheduling as well as for Energy Accounting and billing purposes. Also, a new web based Scheduling software has been developed and is used by licensees / open access consumers for submitting their daily schedules. Efforts are being made for procurement of integrated software for energy accounting, billing and other associated activities of SLDC.
- Deviation settlement mechanism has been implemented in Delhi from 17.02.2014 after the notification of regulation by CERC on 06.01.2014. With the implementation of Deviation settlement mechanism frequency band has been further tightened i.e. 49.95 Hz to 50.05 Hz.
- Delhi Electricity Regulatory Commission issued the DERC Open Access Regulations, 2005 for availing the open Access by different categories of consumers in the state of Delhi. Further DERC vide order dated 24.12.2013 issued the guidelines for implementing the open access for consumers having load 1 MW and above.
- SLDC is also operating Intra- State UI (now DSM) account in same line with that being operated by NRPC at Regional level.
- Sequence of event recorder forms a part of energy system and was initially designed to indicate the opening and closing of the breakers and isolators etc. Subsequently, the relay operations were also integrated in the SOE so as to facilitate the operating staff in SLDC to get the information of relay operations i.e. Distance, Differential, Over-current & Earth Fault, Bus-Bar and Under Frequency Relays etc. along with the breaker operations.
- The SCADA system at SLDC Delhi has been replaced under ULDC scheme (phase-II) in coordinated manner with other Northern Region states and Delhi Distribution licensees. SCADA system of all Delhi Distribution licensees has been integrated with new SLDC system through ICCC links for monitoring entire power system from a single location.
- SLDC has replaced old RTUs which were more than 15 years old with new RTUs having latest technology and faster communication interfaces. A total number of 25 RTUs were replaced at various stations of DTL. This will improve availability of real time data for better load forecasting, accurate scheduling and efficient system operations.
- The OPGW (Optical Ground Wire) of 12 core which was installed under ULDC phase I (Northern Region) scheme is being replaced with 24 core OPGW under ULDC-II scheme which strengthen the Communication and Tele protection system along with terminal equipments

under "Fibre Optic Cabling package (Package-V) under Establishment of Fibre Optic Communication System in Northern Region for State Sector." It enhances a user to keep an eye for a proper network monitoring and configuring remote sites. Further for uninterrupted data connectivity to SLDC control room ring topology is formed where data can flow on alternate routes in case of failure in the main path.

## FUTURE WORKS TO BE UNDERTAKEN

- In order to have adequate redundancy in transmission system, the following Schemes have been conceptualized and approved for execution:
- Erection, Testing & Commissioning of 400/220/33kV GIS with complete civil works & automation at Gopal Pur substation.
- Erection, Testing & Commissioning of 66kV GIS & 3 number of 160MVA Transformer with complete civil works & automation at BTPS.
- Erection, Testing & Commissioning of 66kV GIS & 3 number of 160MVA Transformer with complete civil works & automation at Dwarka Sec-5 substation.
- Erection Testing & Commissioning of 1 number each 160MVA, 220/66kV Power Transformer as Hot Reserve at Mundka, Mehrauli & Pappankala-I Substation.
- Replacement of 2 No. 220/66kV 100 MVA Power Transformers with 160MVA Power Transformers at Patparganj Substation.
- Erection Testing & Commissioning of 1 number each 100MVA, 220/33kV Power Transformer as Hot Reserve at 220/33kV Patparganj & Okhla Substation.
- Erection Testing & Commissioning of 12 number 220/66kV 160 MVA Transformers & 10 number 220/33kV 100MVA Power Transformers for various locations.
- Erection Testing & Commissioning of 01x500MVA as Hot Reserve at Bamnauli, 04x500MVA transformer at Tikrikalan & Bawana.
- Erection Testing & Commissioning of 125/50/25MVAR Reactors at various locations of DTL.
- HTLS reconductoring for 220 kV D/C Geeta Colony-Patparganj & Patparganj-I.P
- HTLS reconductoring for Bamnauli-Najafgarh, Najafgarh – Tikrikalan - Kanjhawala, Kanjhawala - Bawana, Bawana - DSIDC Bawana.
- HTLS re-conductoring of 220 kV D/C Gopalpur - Subzi Mandi Transmission line alongwith double circuit LILO at Timarpur substation

## ISO CERTIFICATION

- The Company has set Quality Policy and Quality Objectives and is committed to continual progress to



achieve Quality Objectives. During the Financial Year, the Company has completed the audit of the system in time and taken various steps for improvement of the System.

- The Company has been awarded 'ISO 9001:2015' for "Management of Operation, Maintenance and Monitoring of Extra High Voltage Network" by BSCIC.

## UPGRADATION OF TECHNOLOGY

### State of the art GAS Insulated substation

- As Delhi is a thickly populated city, establishment of new AIS substations and erection of new over-head tower lines in the densely habitated areas is not feasible. Capacity addition at the existing substations is also not possible due to space constraints. Further, the space required for establishment of conventional substations & right of way required for over-head transmission lines & towers in the populated areas is not available.
- In view of the above constraints, State of Art Gas Insulated Switch Gear (GIS) based substations have been planned at most of the new and up-coming sites. This will ensure uninterrupted reliable quality power to the people of Delhi.

### 220KV U/G XLPE Cable

- Due to right of way constraints in the city of Delhi, the Transmission lines between the new substations have been planned through underground 220KV Cables.
- To achieve better protection and for quick fault isolation, the existing protection schemes having electromechanical / static relays have been replaced with state of the art numerical relays.
- Power transmission capacity of the existing overhead lines having ACSR Zebra Conductor is being enhanced by reconductoring with High Temperature Low Sag (HTLS) conductor having low sag.
- Keeping in view the importance of continuity of power supply and its quick restoration in case of any power failure due to natural disaster, the Company has procured two sets of Emergency Restoration System (ERS).
- Multi-Circuits (M/C) Transmission Towers for enhancement of power transmission capacity and reducing the requirement of Right of Way of the power corridor are being used.
- Mono-Poles have been used in place of Lattice transmission towers where there are restrictions of available land.

### Reactive Power Management

- Addition of 400kV & 220kV cable systems in the company's Transmission Network has resulted in generation of over voltage condition during winter season. Over voltage in the system is not acceptable under IEGC. Schemes regarding installation of Reactors

at various 400kV & 220kV Substations have been approved in the NRPC/TCC meetings. The Company has accordingly prepared the schemes for installation of 450MVAR Reactors at various 400kV & 220kV Substations wherever feasible.

### Energy Conservation

- Energy conservation measures have been undertaken by providing/replacing Energy efficient lighting and equipment in the system and buildings. Green Building Code for Energy Efficient Building is also being followed in the Company.

## HUMAN RESOURCE DEVELOPMENT

### TRAINING

- The training department of the company has conducted various in-house as well as external training programmes in various fields viz. management, development, induction, technical & non-technical. The external training programmes were conducted at PGCIL (PAL), NPTI, PSTI, CBIP, PMI, ICWAI MARF, ESCI-Hyderabad, NPC, Power HR Forum etc.
- During 2020-21, a total number of 643 employees were trained in 50 numbers of training programmes including 04 numbers of in-house training programmes. The total mandays covered during FY 2020-21 are 2676.

### SAFETY

- EHV transmission lines of the company are spread across the city. Most of these lines were laid long back as per the norms. However, over the period people have encroached upon the land near/ beneath these lines and have made illegal constructions which create serious hazards for the lives and properties of the inhabitants. Besides, the unauthorized constructions within the Right of Way also hamper the smooth transmission of electricity. Keeping in view the safety of citizens as well as ensuring uninterrupted power supply, the company educated the people through media not to undertake any construction activity in the vicinity of these transmission lines.
- Similarly, efforts were also made to educate people to maintain distance from these lines and not to fly kites near them because when the kite with metal coated manjha comes in contact with the live wire, it can cause injuries or even death to the kite flyer. In addition, it may result in the power supply failure to a large area for a longer period.

### EMPLOYEE RELATIONS

- Employee Relation during the period under report was harmonious. A full – fledged Labour Welfare Department has been functioning which looks after implementation of various welfare schemes like Death



Relief Fund, New Group Insurance Scheme, widow fund, funeral expenses, etc.

- During 2020-21, Labour Welfare Department has dealt with 06 cases of widow fund, 06 cases of Death Relief Fund, 06 cases of Funeral Expenses and 38 cases of NGIS.

#### Transparency and Accountability

- The company is committed to execute its operations in most transparent manner. A transparent mechanism has been put in place for award of works, release of payment to contractors and other stake holders etc. Besides, any citizen can have information under Delhi Right to Information Act.-2001 and Right to Information Act-2005. During the year 2020-21, a total no of 95 persons accessed information under these Acts.

#### PARTICULARS OF EMPLOYEES

- As per provisions of section 197(12) of the Companies Act, 2013 read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company is required to disclose in the Directors' Report the ratio of the remuneration of each director to the median employee's remuneration and details of employees receiving remuneration exceeding limits as prescribed from time to time.
- However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

#### DISCLOSURE UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

- The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.
- The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- During the year under review, no complaints were received pertaining to sexual harassment nor was any case filed pursuant to Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

#### DIRECTORS

- Ms. Padmini Singla ceased to be the Chairperson & Managing Director of the Company w.e.f. 01.01.2021. Ms. Rinku Dhugga was appointed as the Chairperson & Managing Director w.e.f. 01.01.2021 and she continued till 31.03.2021. Mr. Satya Gopal was appointed as the Chairman & Managing Director w.e.f. 31.03.2021 and he is continuing since then.
- Mr. Mukesh Kumar Sharma continued as Director (Operations) of the Company during the financial year 2020-21.
- Mr. P. K. Mallik continued as Director (Finance) of the Company during the financial year 2020-21. He ceased to be the Director (Finance) w.e.f. 06.09.2021. Dr. Sanjay Kumar Lal was appointed as the Director (Finance) of the company w.e.f. 15.09.2021.
- Mr. D. Varma ceased to be Director (HR) w.e.f. 24.04.2020. In his place, Mr. Ravi Dadhich was appointed as the Director (HR) of the company w.e.f. 24.04.2020 and he ceased to hold office w.e.f. 09.09.2020. W.e.f. 09.09.2020, Mr. J.K. Jain was appointed as the Director (HR) of the company and he continued till 28.07.2021. Mr. Azimul Haque was appointed as the Director (HR) of the company w.e.f. 28.07.2021 and he is continuing since then.
- Ms. Seema Gupta continued as the Nominee Director of the Company during the year.
- Mr. Ajit Keshav Ranade continued as Independent Director during the year and he ceased to hold office on 31.05.2021 as his term of appointment of five years got expired.
- Mr. Sandeep Aggarwal and Dr. Ashok Kumar Sharma have been appointed as the Independent Directors of the company w.e.f. 31.08.2021.
- As per the notified exemption for government Companies, none of the Directors were required to retire by rotation.

#### AUDIT COMMITTEE

- The required number of Independent Directors has been appointed on the Board of the company. Accordingly, the Audit Committee has been reconstituted as per the provisions of the Companies Act, 2013. The present Audit Committee of the Company comprises Mr. Sandeep Aggarwal, Dr. Ashok Kumar Sharma & Mr. Azimul Haque as members.

#### VIGIL MECHANISM

- The Board of Directors has adopted the Vigil Mechanism Policy. The policy has provided a mechanism for Directors and employees of the Company to report to the competent authority, any instance of improper



activity, unethical behavior, actual or suspected fraud, gross misconduct, imprudent act etc. The policy is hosted on the website of the Company.

### **CORPORATE SOCIAL RESPONSIBILITY**

- In terms of section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted the Corporate Social Responsibility (CSR) Committee. The Corporate Social Responsibility Policy of the Company has been put in place.
- Annual Report on CSR for the financial year is annexed herewith as ANNEXURE - V.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

- Information in accordance with the provisions of Section 134(3) (m) of the Companies Act, 2013 read with relevant rules made there under regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is given at ANNEXURE -VI.

### **CORPORATE GOVERNANCE**

- A report on Corporate Governance is given at ANNEXURE-VII.

### **NOMINATION AND REMUNERATION COMMITTEE**

- The Nomination and Remuneration Committee has been reconstituted as per the provisions of section 178 of the Companies Act, 2013. The present Committee of the Company comprises Ms. Seema Gupta, Mr. Sandeep Aggarwal & Dr. Ashok Kumar Sharma as members.
- However, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 134 (3) (e) of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

### **PERFORMANCE EVALUATION OF THE DIRECTORS AND THE BOARD**

- Since the company is a Government Company, as per notification dated 5th June, 2015 issued by the Ministry of Corporate Affairs, Government Companies are exempted from complying with the provisions of Section 134 (3) (p) of the Companies Act, 2013. Therefore, such particulars have not been included as part of Directors' Report.

### **STATEMENT ON DECLARATION BY THE INDEPENDENT DIRECTORS**

- Mr. Ajit Keshav Ranade, Independent Director of the Company gave a declaration dated 29.09.2020 stating that he met the criteria of independence as per section 149(6) of the Companies Act, 2013.
- Mr. Sandeep Aggarwal & Dr. Ashok Kumar Sharma, Independent Directors of the Company have given declaration dated 31.08.2021 & 28.08.2021 respectively stating that they meet the criteria of independence as per section 149(6) of the Companies Act, 2013.

### **STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTOR**

- Mr. Ajit Keshav Ranade, Independent Director of the Company got himself registered with the Independent Director's Databank maintained by Indian Institute of Corporate Affairs on 29.02.2020.
- On 20.12.2020, he successfully qualified the Online Proficiency Self Assessment Test for Independent Director's Databank.
- Mr. Sandeep Aggarwal and Dr. Ashok Kumar Sharma, Independent Directors of the Company have been appointed on the Board of the Company w.e.f. 31.08.2021. Both of them are yet to successfully qualify the Online Proficiency Self Assessment Test/ claim exemption from passing the Online Proficiency Self Assessment Test on Independent Director's Databank of Indian Institute of Corporate Affairs.
- Based on the available documents, the Board is of the opinion that Mr. Ajit Keshav Ranade, Mr. Sandeep Aggarwal and Dr. Ashok Kumar Sharma Independent Directors have integrity, expertise, experience and proficiency (to the extent applicable) as prescribed under the provisions of the Companies Act, 2013 and the rules made there under.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under section 134(5) of the Companies Act, 2013, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The directors had prepared the annual accounts on a going concern basis;
- e) The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### INTERNAL FINANCIAL CONTROL AND RISK MANAGEMENT

Internal Financial Control Framework & Policy has been implemented since FY 2016-17.

The Company has Audit Committee to keep a close watch on compliance with internal control systems which include elements such as internal audit mechanism, periodical review of financial accounts, review of financial policies and MIS.

A comprehensive delegation of powers exists for smooth decision making and exercising financial control over activities. During the year, Internal Audit was being conducted on quarterly basis by an experienced firm of chartered accountants and the reports were being closely reviewed by the Audit Committee. Cost Audit also serves as an important tool of cost analysis and comparison of basic cost elements with industry standards with a view to have optimum cost control.

The business risks associated with the company purely as the State Transmission Utility are low as its transmission losses are below 1% level and the revenue earned is on cost plus basis. As the State Load Despatch Centre also, the company has secured business operations. However, non- payment of its substantial outstanding dues by the two distribution companies i.e BRPL & BYPL poses a threat to the operations & fund flow of the company, which the company views as temporary and is making all out efforts for early realisation of the dues. The past experience shows a very normal risk associated with the system availability and network disruption.

The company is in the process of making a comprehensive Risk Management Policy.

### WEB LINK OF ANNUAL RETURN

- In accordance with the provisions Companies Act, 2013, web-link of annual return of the company is [http://www.dtl.gov.in/content/352\\_2\\_AnnualReturn.aspx](http://www.dtl.gov.in/content/352_2_AnnualReturn.aspx)

### NUMBER OF MEETINGS OF THE BOARD

During the financial year under review, four Board meetings were convened and held, the details of which are given in the Corporate Governance Report enclosed as ANNEXURE-VII.

### SIGNIFICANT ORDERS PASSED BY REGULATORS, COURTS OR TRIBUNALS IMPACTING GOING CONCERN AND COMPANY'S OPERATIONS

The Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operations in future.

### NAMES OF THE COMPANIES WHICH HAVE BECOME / CEASED TO BE SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company did not have any subsidiary, joint venture or associate Company during the year under review. No Company has become / ceased to be subsidiary, Joint Venture or Associate Company during the year under review.

### ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere gratitude for the support and co-operation received from the Government of National Capital Territory of Delhi, particularly the Ministry of Power, Ministry of Finance, Ministry of Urban Development and Ministry of Law, Government of India, Central Electricity Authority, Central Electricity Regulatory Commission, Delhi Electricity Regulatory Commission & Delhi Power Company Limited.

Your Directors place on record their sincere appreciation for the constructive suggestions received from the Comptroller and Auditor General of India, the Statutory Auditors, the Internal Auditors, the Cost Auditors and the Secretarial Auditors.

Your Directors also acknowledge with deep sense of appreciation the services provided by the bankers and for the confidence reposed by them in the Company.



The Board also expresses its appreciation for the cooperation received from IPGCL, PPCL, PGCIL, NTPC, TPDDL, BRPL, BYPL, MES, NDMC and various other power utilities, contractors, consultants and other persons associated with the Company. The Board also likes to acknowledge the untiring efforts and contributions made by all employees, their loyalty, commitment and contribution at all levels for the smooth operations of the Company.

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

**Sd/-**

**(Satya Gopal)**

**Chairman & Managing Director**

Place: New Delhi

Date: 28.12.2021

**ANNEX-I**

## REPLIES OF THE MANAGEMENT ON THE QUALIFICATIONS OF THE STATUTORY AUDITORS ON THE ACCOUNTS OF THE COMPANY FOR THE FINANCIAL YEAR 2020-21

| Sl. No. | Audit Observations                                                                                                                                                                                                                                                                                                        | Replies of the Management of the Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | The company has disclosed various contingent liabilities in Note no. 46 B on account of arbitration/court cases, property tax/income tax and other claims. The company has not ascertained the probable outflow as required by Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets". | <p>As disclosed in Note 46B of the Financial statements which is reproduced as follows:</p> <p>The contingent liability on account of arbitration/ Court cases and other claims are INR 37732.31 Lakhs plus interest on 31 March 2021 (31 March 2020: INR 36,393.60 Lakhs plus interest). The company had filed counter claims of INR 1,348.87 Lakhs (31 March 2020: INR 1,348.87 lakhs) against these claims. The company has not assessed probable outflow (if any) of these claims and no provision has been made.</p> <p>However, Company is in the process of developing the required policy on subject issue.</p> |
| 2.      | Balances of trade receivables, trade payables, advances and payables/receivables to/from other parties are subject to confirmation and reconciliation, as referred to Note no. 40. These balances includes outstanding since 2010. The effect of the same is not ascertainable.                                           | Balances of trade receivables, trade payables, Advances and payables / receivables to /from other Parties shown in the Accounts for the financial year 2020-21 are under Confirmation/ Reconciliation.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3.      | Refer Note no. 50 regarding non- provision of amount doubtful of recovery from discoms on account of recalculation of income tax actually paid/assessed for F.Y. 2007-08 to 2011-12 to be recovered from discoms excluding income tax on income other than licence business as per the order of APTEL.                    | <p>As per the company, DERC in its order dated 30.12.2019 has decided the matter contrary to the specific direction of APTEL in order dated 01.02.2016.</p> <p>The Company has filed an appeal with the APTEL against the order of DERC and the matter is subjudice.</p> <p>Subject to outcome of the order of APTEL the effect of the same will be considered in Financial Statements.</p>                                                                                                                                                                                                                             |

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|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 4. | <p>Refer Note no. 51 which states that DERC vide its order dated 28.08.2020 directed the Company to pay INR 1735 lakhs towards carrying cost of revised power purchase on the basis of Aggregate Revenue Requirement (ARR) for F.Y. 2020-21. The Company has not made provision for same pending the final decision of the management. On account of this the profit for the year before tax expenses is overstated by INR 1735 Lakhs for the year.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Necessary compliance has been made as per management approval received in financial year 2021-22.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 5. | <p>Refer Note 23 (b) regarding change in Accounting Policy for accounting of Late Payment Surcharge Charges (LPSC) on accrual basis which were earlier accounted on cash basis. Consequent to the above change in accounting policy, INR 33764.24 lakhs on account of LPSC charges pertaining to financial year 2020-21 has been recognised as other Income in these financial statements (Refer Note 24). The above change in accounting policy is contrary to the provisions of IND AS -115. There has been continuous default by the discoms towards payment of these LPSC charges and there is significant uncertainty as to its recoverability, however, no provision for these doubtful debts has been made in these financial statements. The discoms from whom these LPSC charges are receivable have quantified a sum of INR 15144.62 lakhs as payable on account of LPSC on which TDS of INR 1154.09 lakhs has been deducted by them. The impact of this difference on subsequent reconciliation with the concerned discoms cannot be ascertained presently. Further, the above change is effective from F.Y. 2020-21 and LPSC charges receivable for F.Y. 2019-20 and earlier years have not been accounted for in these financial statements and hence previous year figures have not been restated. Contrary to the provisions of IND AS -8 the financial effect of retrospective application of the above change in accounting policy as required under IND AS -8 has not been ascertained. The above change in the accounting policy has resulted in profit for the year before tax expense being higher by INR 33764.24 lakhs, trade receivables higher by INR 32610.15 and current tax assets being higher by INR 1154.09 lakhs</p> | <p>As per the existing accounting policy of the company, late payment surcharge (LPSC) on wheeling charges recoverable from DISCOMs was accounted for on receipt basis due to the policy of not recognizing revenue when there was a significant uncertainty as to measurability or collectability of the income. This was because the DISCOMs were depositing only TDS against the LPSC due from them but the company was supposed to book the entire income on account of LPSC on accrual basis. Therefore, the company was only recognizing income to the extent of TDS deposited. Thus a large part of our revenue which was receivable from BRPL and BYPL was not being booked as per our accounting policy. However, in FY 2019-20 deviations in the accounting has been made from the earlier accounting policy and was decided that TDS would not be claimed at all and the TDS deducted would be foregone. Therefore even income to the extent of the TDS deducted was not booked for FY 2019-20.</p> <p>But, Income Tax department in recent years has not concurred with the policy adopted by DTL and has made addition of hundreds of crores. The quantum of additions for AY 2016-17 to 2018-19 is about Rs.563.19 crores. This addition has been made on account of LPSC not being recorded fully in the books of accounts of the company.</p> <p>Though the present accounting policy of the company has provided for taking LPSC into income on receipt basis, but the Audit Committee advised that necessary changes need to be brought into the accounting policy so that LPSC is taken and booked in the income of the company on accrual basis each year. This was decided because the Audit Committee viewed that this could be a case of prolonged</p> |



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|    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>litigation and if finally, an adverse decision comes against the company, it could impact the financial position of the company very seriously.</p> <p>Therefore, the Audit Committee advised that necessary changes including amendments, if any, may be made to the accounting policy of the company so that correct and appropriate accounting and taxation treatment may be applied to the LPSC as per the provisions of any or all applicable statutes in this regard. Therefore, BOD in the 113th meeting has decided that LPSC shall be accounted for in the books of accounts of DTL. Accordingly, LPSC has been recognized as Other Operational Revenue in the financial statements (Refer Note-23), hence not booked as other income as pointed out in the statutory audit report para 5.</p> <p>Secondly, As far as booking of LPSC for earlier years is concerned as pointed the audit report, since accounting policy itself is changed in the year 2020-21 the necessary changes in accounting of LPSC has been made prospectively from financial year 2020-21 onward.</p>                                                                                                                                                                                        |
| 6. | <p>Refer Note No .35 which states that as per the Order of DERC, the Company is acting as a Nodal agency and discharging the SLDC function and maintaining separate central pool bank accounts for UI Charges, Reactive Energy and Congestion charges for and on behalf of discoms and other constituents in Delhi. The Company is realising from and distributing payments to the discoms / constituents since 1st April 2007 but the same were not accounted for in books of accounts and the financial statements of the Company. The funds pertaining to the above pool accounts were held in the name of the Company in the form of Bank accounts/FDRs. With effect from financial year 2020-21 the Company decided that funds pertaining to UI charges/Reactive Energy and Congestion charges pool accounts to be accounted for in the books of the Company and the same have been incorporated in the books of account along with corresponding liability as "PSDF UI account", Central Pool Account –Congestion" and "Reactive Energy Pool Account". The transactions pertaining to the above accounts for the financial year 2020-21 have been recorded in the books of accounts of the</p> | <p>As per order of DERC, the Company is acting as a Nodal agency and discharging the State Load Dispatch Centre (SLDC) function and maintaining separate central pool bank accounts for UI Charges, Reactive Energy and Congestion charges for and on behalf of discoms and other constituents in Delhi. The State Load Dispatch Centre (SLDC), Delhi is the apex body to ensure integrated operation of the power system of the State of GNCTD. As per the PSDF regulation Act, 2019 the SLDC is required to maintain an account for UI energy, which is then required to be transferred to PSDF. The funds of Power Sector Development Fund (PSDF) are regulated and under the control of the GNCTD, through SLDC. These funds are controlled by way of PSDF Monitoring Committee. This Committee is to monitor the funds to be spent for the Power System Development in Delhi. It has been mandated that "The SLDC shall act as the nodal agency for collection and distribution of UI charges as far as intra-state ABT is concerned". An appraisal committee under the chairmanship of Secretary, Department of Power (GoNCTD) has been constituted for scrutiny (techno-economic appraisal) and prioritization of the various projects proposals for funding from PSDF.</p> |



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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Company. Interest received/accrued INR. 3505.70 lakhs for the F.Y. 2020-21 on FDRs pertaining to UI funds have been shown as Other Income of the Company and TDS of INR 265.84 lakhs deducted on the above interest income has been recognised as current tax asset in these financial statements. The above is contrary to generally accepted accounting principles and practices as this interest income has been earned on funds pertaining to UI funds and pertains to them. This change in accounting has been made effective from F.Y. 2020-21, whereas Interest received/accrued for the F.Y. 2019-20 and earlier years has been treated as part of PSDF UI pool account which is contrary to the principles of consistency.</p> <p>Further, apart from the above the Company has also accounted for balances receivable and payables from/to the constituents of the UI charges in the books of accounts. These balances are subject to confirmation and reconciliation and the impact of the difference, if any, arising on reconciliation cannot be ascertained presently. The accounting of the above in these financial statements has resulted in profit for the year before tax expense being overstated by INR 3505.70 lakhs, retained, Cash &amp; Cash Equivalents and Bank Balances being overstated by INR 78552.90 lakhs, Other Financial Assets by overstated INR 4147.79 lakhs, Current Tax Assets being overstated by INR 265.84 lakhs and Other Financial Liabilities being overstated by INR 79460.84 lakhs.</p> | <p>The Company is realising from and distributing payments to the discoms /constituents since 1st April 2007 but the same were not accounted for in books of accounts and the financial statements of the Company as the funds do not belong to DTL, but to PSDF which is of the GNCTD through SLDC. The funds pertaining to the above pool accounts were held in the name of the Company in the form of Bank accounts/FDRs.</p> <p>For financial year 2020-21 the Company decided that funds pertaining to UI charges/Reactive Energy and Congestion charges Pool accounts to be accounted for in the books of the Company and the same have been incorporated in the books of account along with corresponding liability as "PSDF UI account", "Central Pool Account -Congestion" and "Reactive Energy Pool Account". It has also been resolved that the same are to be transferred to PSDF account so that the same can be spent by the Committee under Chairmanship of Secretary of Power (GNCTD).</p> <p>The transactions pertaining to the above accounts for the financial year 2020- 21 have been recorded in the books of accounts of the Company for the purpose of Taxation and the same will be transferred to PSDF net of Taxes. This is because though these funds do not belong to DTL but TDS on the same has been deducted by the banks in the name of DTL. Interest received/accrued of INR 3505.70 Lakhs for the financial year 2020-21 pertaining to PSDF UI funds has been recognised as income of the Company and TDS of INR 265.84 Lakhs deducted on this interest income has been recognised as current tax assets in these financial statements. Interest received/accrued upto 31.03.2020 and earlier years has been treated as part of PSDF UI pool account. Further, apart from the above the Company has also accounted for balances receivable and payables from/to the constituents of the UI charges in the financial statements.</p> <p>Balances with few constituents have been reconciled and other are under reconciliation.</p> |
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**For and on behalf of the Board of Directors**

**Sd/-**

**(Satya Gopal)**

**Chairman & Managing Director**

Place: New Delhi

Date: 28.12.2021

**ANNEX-II****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DELHI TRANSCO LIMITED FOR THE YEAR ENDED 31 MARCH 2021**

The preparation of financial statements of Delhi Transco Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act, is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 13 November 2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Delhi Transco Limited for the year ended 31 March 2019 under section 143(6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143 (6)(b) of the Act.

**For and on behalf of the  
Comptroller and Auditor General of India**

**Sd/-  
(Samar Kant Thakur)  
Principal Accountant General (Audit), Delhi**

**Place : New Delhi**

**Date: 28.12.2021**



## **SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**DELHI TRANSCO LIMITED**

Shakti Sadan, Kotla Marg,

New Delhi – 110002

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Delhi Transco Limited** (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, subject to my observations mentioned hereinafter, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011– **Not Applicable;**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009– **Not applicable;**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999– **Not applicable;**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 ;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009– **Not Applicable;**
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 - **Not Applicable;** and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



(vi) **I further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the Electricity Act, 2003 and the rules and regulations made there under which is specifically applicable to the Company as per the management. I have also examined compliance made with respect to the applicable clauses of the following Secretarial Standards issued by the Institute of Company Secretaries of India:

I have also examined compliance made with respect to the applicable clauses of the following Secretarial Standards issued by the Institute of Company Secretaries of India:

- (i) Meetings of the Board of Directors (SS-1); and
- (ii) General Meetings (SS-2).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above subject to the following observation:

***During the year, the composition of the Board of Directors and the Audit Committee were not in due compliance with the provisions of Section 149(1) of the Companies Act, 2013 as the Company did not have requisite number of Independent directors on its Board. As against the requirement of two Independent Directors there was only one Independent Director on its Board. However, effective from 31st August, 2021 this non-compliance has been made good.***

**I further report that** in view of the reasons mentioned hereinbefore the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. However, the changes in the composition of the Board of Directors that took place during the Audit period were carried out in compliance with the provisions of the Act.

Generally, adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous in all cases and no dissenting views have been recorded.

**I further report that** based on the review of compliance mechanism established by the Company and on the basis of the Compliance Certificates issued by the various departmental heads of the Company on quarterly basis and taken on record by the Board of Directors at their meetings, I am of the opinion that subject to the following observations there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines:

**The Company is required to be registered under the Delhi Shop and Establishments Act, 1954. This non-compliance has also been made good effective from 31st August, 2021.**

**I further report that** during the audit period, there were no specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

For **P. P. Agarwal & Co.**  
Company Secretaries  
Sd/-  
**Pramod P. Agarwal**  
**Prop.**

Place: New Delhi  
Date: 21.12.2021

FCS No.: 4955  
C.P. No.: 10566

UDIN: F004955C001850911

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

**ANNEX- A**

To,

**The Members,**

**Delhi Transco Limited**

Our Secretarial Audit Report of even date for the financial year 2019-20 is to be read along with this letter.

**MANAGEMENT'S RESPONSIBILITY**

1. It is the responsibility of the Management to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**AUDITOR'S RESPONSIBILITY**

1. Our responsibility is to express an opinion on these secretarial records, standards and procedure followed by the Company with respect to secretarial compliances.
2. We believe that the audit evidence and information obtained from the Company's management are adequate and appropriate for us to provide a basis for our opinion. The verification was done on test check basis to ensure that correct facts are reflected in secretarial records.
3. Due to COVID-19 pandemic and Nation-wide lockdown to contain the spread of Corona Virus, work places/offices remained closed or working with less staff. In view of the advisory issued by the Government, very few physical visits to the office of the auditee company could be made and as such physical copies of the secretarial records could not be verified in detail. More reliance has been placed on the soft copies of the secretarial records/ documents etc. made available to us. Wherever required we have obtained the management's representation about the compliance of the laws, rules and regulations and happening of events etc.

**DISCLAIMER**

1. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
2. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **P. P. Agarwal & Co.**

Company Secretaries

**Sd/-**

**Pramod P. Agarwal**

Prop.

FCS No.: 4955

C.P. No.: 10566

UDIN: F004955C001850911

Place: New Delhi

Date: 21.12.2021



## ANNEX - IV

### REPLIES OF THE MANAGEMENT ON THE OBSERVATIONS OF SECRETARIAL AUDITOR

| Sl. No. | Observations of Secretarial Auditor                                                                                                                                                                                                                                                                                                                                                                                                                                | Reply of Management                                                                                                                                |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | During the year, the composition of the Board of Directors and the Audit Committee were not in due compliance with the provisions of Section 149(1) of the Companies Act, 2013 as the Company did not have requisite number of Independent directors on its Board. As against the requirement of two Independent Directors there was only one Independent Director on its Board. However, effective from 31st August, 2021 this non-compliance has been made good. | The appointment was made w.e.f. 31.08.2021 after the nomination of required number of Independent Directors on the Board by Govt. of NCT of Delhi. |
| 2.      | The Company is required to be registered under the Delhi Shop and Establishments Act, 1954. This non-compliance has also been made good effective from 31st August, 2021.                                                                                                                                                                                                                                                                                          | Matter of fact                                                                                                                                     |

For and on behalf of the Board of Directors

Sd/-

(Satya Gopal

Chairman & Managing Director

Place: New Delhi

Date: 28.12.2021

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY

### 1. A brief outline of the Company's CSR policy

The aim of the Corporate Social Responsibility Policy (CSR Policy) is to ensure that the Company remains a responsible corporate entity contributing towards improving the quality of life of the society at large. The Company through its CSR initiatives will be able to generate community goodwill for itself and help reinforce a positive & socially responsible image as a corporate entity.

### THRUST AREAS

The major thrust areas shall be related to power sector and the endeavour shall be to identify suitable projects relating to:-

- i. Eradicating extreme hunger and poverty
- ii. Promotion of education
- iii. Promoting gender equality and empowering women
- iv. Reducing child mortality and improving maternal health
- v. Combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases
- vi. Ensuring environmental sustainability
- vii. Employment enhancing vocational skills
- viii. Social business projects
- ix. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
- x. Such other matters as may be prescribed under Companies Act, 2013

### 2. Composition of CSR Committee

The Committee presently comprises the following Directors as members:

1. Dr. Ashok Sharma, Independent Director-Chairman
2. Mr. Sandeep Aggarwal, Independent Director-Member
3. Ms. Seema Gupta, Nominee Director-Member
4. Dr. Sanjay Kumar Lal, Director (Finance)-Member

The composition of the CSR Committee is in accordance with the provisions of section 135 of the Companies Act, 2013. The Company Secretary of the Company acts as the Secretary of the Committee.

The roles and responsibilities of the CSR Committee are to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject specified in Schedule VII, recommend the amount of expenditure to be incurred on CSR activities and monitor the CSR Policy of the company from time to time, formulate and recommend to the Board an annual action plan in pursuance of its CSR policy, etc.



No meeting of CSR Committee was held during the Financial Year 2020-21 due to COVID-19 pandemic.

### 3. Web link:

The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company is [http://www.dtl.gov.in/content/176\\_1\\_CSR.aspx](http://www.dtl.gov.in/content/176_1_CSR.aspx)

4. The details of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of Companies (CSR Policy) Rules, 2014 -**Not applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (CSR Policy) Rules, 2014 and amount required for set off for the financial year-NIL

### 6. Average net profit of the company as per section 135(5)

Net Profit before tax for last three financial years:

|         |   |                  |
|---------|---|------------------|
| 2019-20 | : | Rs. 351.87 crore |
| 2018-19 | : | Rs. 600.91 crore |
| 2017-18 | : | Rs. 839.08 crore |

**Average net profit Rs. 597.29 crore**

7. (a) 2% of average net profit of the company as per section 135(5)- Rs. 11.95 crore
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years-NIL
- (c) Amount required to be set off for the financial year, if any-NIL
- (d) Total CSR obligation for the financial year (7a+7b-7c)- Rs. 11.95 crore

### 8. (a) CSR amount spent or unspent for the financial year:

|                                                    | Amount Unspent (In Rs.)                                               |                  |                                                                                                     |                 |                  |
|----------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|-----------------|------------------|
| Total Amount Spent for the Financial Year (In Rs.) | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |                 |                  |
|                                                    | Amount                                                                | Date of transfer | Name of the Fund                                                                                    | Amount (in Rs.) | Date of transfer |
| NIL                                                | NIL                                                                   | Not applicable   | Swatch Bharat Kosh                                                                                  | 3,00,00,000.00  | 16.09.2021       |
|                                                    |                                                                       |                  | Clean Ganga Fund                                                                                    | 3,00,00,000.00  | 16.09.2021       |
|                                                    |                                                                       |                  | Prime Minister's National Relief Fund                                                               | 3,00,00,000.00  | 16.09.2021       |
|                                                    |                                                                       |                  | PM CARES Fund                                                                                       | 2,95,00,000.00  | 22.09.2021       |

- (a) Details of CSR amount spent against ongoing projects for the financial year: NIL
- (b) Details of CSR amount spent against other than ongoing projects for the financial year: NIL
- (c) Amount spent in Administrative Overheads-NIL
- (d) Amount spent on Impact Assessment- Not applicable
- (e) Total amount spent for the Financial Year (8b+8c+8d+8e)-NIL
- (f) Excess amount for set off- NIL



## 9. (a) Details of unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount Spent in the reporting Financial Year (in Rs) | Amount transferred to any fund specified under Schedule VII as per section 135(6) if any |                 |                  | Amount remaining to be spent in succeeding financial years (in Rs.) |
|---------|--------------------------|--------------------------------------------------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------------|-----------------|------------------|---------------------------------------------------------------------|
|         |                          |                                                                          |                                                      | Name of the Fund                                                                         | Amount (in Rs.) | Date of Transfer |                                                                     |
| 1       | 2018-19                  | NIL                                                                      | NIL                                                  | NIL                                                                                      | NIL             | NIL              | NIL                                                                 |
| 2       | 2019-20                  | NIL                                                                      | 0.3610 Crore                                         | NIL                                                                                      | NIL             | NIL              | NIL                                                                 |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. NIL

**11. Specify the reason(s), if the company has failed to spend 2% of the average net profit as per section 135(5)**

The expenditure on the projects approved by the Board could not be spent because of the ongoing COVID-19 pandemic.

Sd/-

Chairman & Managing Director

Board of Directors

Sd/-

Chairman

CSR Committee

**ANNEX-VI**

## PARTICULARS REQUIRED UNDER RULE 8 OF THE COMPANIES ACT, 2013 READ WITH SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013.

**(A) CONSERVATION OF ENERGY:****i) Energy Conservation measures taken**

Energy conservation measures have been undertaken by providing/replacing energy efficient lighting and equipment in the system and buildings. Solar Street Lights & LED lighting has been installed at many substations and Green Building Code for Energy Efficient Building is also being followed in the company.

**ii) Measures for utilizing alternate sources of energy**

The company is in the process of installation of Solar Plants at its substation buildings in pursuance of Scheme of MNRE, GOI named Jawaharlal Nehru Solar Plant Rooftop Scheme. Under this scheme, Solar Plants have been installed at various 400 and 220kV substations.

**iii) Capital investment on energy conservation equipments**

Not very significant.

**(B) TECHNOLOGY ABSORPTION**

Efforts made in technology absorption as per **Form 'B'** herein below.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The company does not have any export activity. There were no foreign exchange earnings. The outstanding Foreign Exchange payable due to foreign imports were Rs.27.96 Crore as on 31st March 2021.

**FORM 'B'****Form for disclosure of particulars with respect to absorption of technology:-****Research and Development, Technology absorption, adaptation and innovation****i) Efforts, in brief made towards technology absorption, adaptation and innovation.**

- Emergency Restoration System.
- HTLS conductors
- Reactive Power Management
- Automated sub stations
- Charging Stations for Electric Vehicle.

**IT & ERP INITIATIVE**

- As a Management initiative towards seamless integrated operation and utilization of all the resources and in order to bring transparency in working of the company, ERP on SAP platform was implemented in the year 2010-11. Since then all the operations of the company are being conducted through this system on real time.
- Proposal for up-gradation & replacement of ERP Servers Hardware platform is under consideration.
- Proposal for up-gradation & replacement of ERP Data center Hardware such as Online UPS & Precision Air Conditioners is under consideration.
- Cyber Security measures and guidelines are being implemented in the company as per the directions of NCIIPC, CERT-In and PGCIL to secure transmission system from Cyber attacks.
- The transmission assets of the company are mapped for GIS on a common platform at the level of Delhi state as a whole.
- Website and Email Services are being utilized at NIC platform on Gov domain.



- New website of Public Grievance Cell, Power Department is launched to facilitate 24x7 online Registration of Grievances of electricity consumers of Delhi. It automates entire complaint process right from registration to closure.

**ii) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.**

Transmission losses have been kept steady throughout the year and the company has been able to maintain overall system Availability above 99%.

**iii) In case of imported technology (imported during last 3 years reckoned from the beginning of the Financial Year), following information may be furnished.**

DTL in recent times have switched to Domestic Competitive Bidding for Projects worth Rs. 200 crore as per the Guidelines of Government of India to encourage "Make in India" policy.

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

Sd/-

**(Satya Gopal)**

**Chairman & Managing Director**

Place: New Delhi

Date: 28.12.2021

**ANNEX-VII****REPORT ON CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance enshrines the goal of achieving the highest level of transparency, accountability and equity in all spheres of its operations and in all its dealings with the shareholders, employees, the government and other stakeholders.

The Company will continue to focus its resources, strengths and strategies to achieve its vision of becoming a global power in power sector, while upholding its core values.

**BOARD COMPOSITION**

At the end of the year there were six Directors including one Managing Director, three functional directors, one Independent Director and one Non-Executive Director.

**BOARD MEETINGS**

The Company holds the Board meetings in such a manner that not more than one hundred and twenty days intervene between two consecutive meetings.

Board meetings are scheduled well in advance and notices are sent sufficiently before time. Agenda papers along with explanatory notes are circulated to the Directors well in advance.

During the Financial Year 2020-21, four meetings of the Board of Directors were held on 24th June, 2020, 09th September, 2020, 25th November, 2020, and 30th December, 2020.

The details of the information on meetings attended by the Directors are furnished as under: -

| Year    | Name / Category of Director                         | Total No. of Board meetings held in the year | Total No. of meetings attended by the Directors | No. of meetings required to be attended | Whether AGM Attended by the Directors |
|---------|-----------------------------------------------------|----------------------------------------------|-------------------------------------------------|-----------------------------------------|---------------------------------------|
| 2020-21 | <b>1. Functional Directors</b>                      | 04                                           |                                                 |                                         |                                       |
|         | Ms. Padmini Singla, Chairperson & Managing Director |                                              | 3                                               | 4                                       | Yes                                   |
|         | Mr. P.K. Mallik Director (Finance)                  |                                              | 4                                               | 4                                       | Yes                                   |
|         | Mr. Mukesh Kumar Sharma, Director (Operations)      |                                              | 4                                               | 4                                       | Yes                                   |
|         | Mr. Ravi Dadhich Director (HR)                      |                                              | 1                                               | 1                                       | Not applicable                        |
|         | Mr. J.K. Jain, Director (HR)                        |                                              | 3                                               | 3                                       | Yes                                   |
|         | <b>2. Non-executive Directors</b>                   | 04                                           |                                                 |                                         |                                       |
|         | Ms. Seema Gupta, Nominee Director                   |                                              | 4                                               | 4                                       | Yes                                   |
|         | <b>3. Independent Director</b>                      | 04                                           |                                                 |                                         |                                       |
|         | Mr. Ajit Keshav Ranade                              |                                              | 4                                               | 4                                       | Yes                                   |

\* 'Not applicable' indicates that concerned person was not a Director on DTL's Board on the relevant date.

The Directors' Report attached to the Financial Statements of the Company includes a Directors Responsibility Statement. In preparation of the Annual financial statements, the applicable accounting standards are followed. In case of any material departure, proper explanation is also given. The Directors take proper and sufficient care for

adherence to adequate accounting standards and the provisions of the Companies Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

## **AUDIT COMMITTEE**

The Committee presently comprises the following Directors as members:

1. Mr. Sandeep Aggarwal, Independent Director- Chairman
2. Dr. Ashok Sharma, Independent Director- Member
3. Mr. Azimul Haque, Director (HR)- Member

The terms of reference of the Audit Committee are to investigate into any matter as per section 177, to hold discussions with auditors periodically about Internal Control System and the scope of audit, review of periodical and annual financial statements and submit the same to the Board with recommendations, review of financial and risk management policies of the company and review of fraud and irregularities.

Three meetings of Audit Committee were held during the Financial Year 2020-21 on 24th June, 2020, 25th November, 2020, and 30th December, 2020.

The details of the meetings of Audit Committee attended by the members are as under:

| Audit Committee Meetings         | Attendance Particulars                  |                   |
|----------------------------------|-----------------------------------------|-------------------|
| Name of the Member Director      | No. of Meetings required to be attended | Meetings attended |
| Mr. Ajit Keshav Ranade, Chairman | 3                                       | 3                 |
| Ms. Seema Gupta, Member          | 3                                       | 3                 |
| Mr. Ravi Dadhich, Member         | 1                                       | 0                 |
| Mr. Mukesh Kumar Sharma, Member  | 2                                       | 2                 |

During the FY 2020-21, the composition of the Audit Committee was not in accordance with the provisions of section 177 of the Companies Act, 2013 because the required number of Independent Directors was not appointed. The Chairman of the Audit Committee was an Independent Director. Statutory Auditors and Internal Auditors are invited regularly to attend the audit Committee meetings of the Company.

The Committee reviews the Annual Financial Statements before submission to the Board. The Board accepts the suggestions and deficiencies pointed out by the Committee. The Chairman of the Audit Committee attended the Annual General Meeting of the Company.

The Company Secretary of the Company acts as the Secretary of the Committee.

## **REMUNERATION OF NON-EXECUTIVE DIRECTORS**

Non-Executive Directors including Independent Directors do not have any pecuniary relationship or transactions with the Company except that the Independent Director is being paid the sitting fees for attending the Meetings of the Board and other Committees.

## **ANNUAL GENERAL MEETING**

Location and time where the last 3 Annual General Meetings were held:

| Year    | AGM  | Location                                   | Date       | Time      |
|---------|------|--------------------------------------------|------------|-----------|
| 2019-20 | 19th | Shakti Sadan, Kotla Marg, New Delhi-110002 | 30.12.2020 | 03.00 P.M |
| 2018-19 | 18th | Shakti Sadan, Kotla Marg, New Delhi-110002 | 23.12.2019 | 02.30 P.M |
| 2017-18 | 17th | Shakti Sadan, Kotla Marg, New Delhi-110002 | 14.11.2018 | 03.00 P.M |

**ANNUAL GENERAL MEETING FOR 2020-21:**

Date : 29.12.2021  
Time : 03.00 P.M  
Venue : The Conference Room of the Company at 4<sup>th</sup> Floor, Shakti Sadan, Kotla Marg, New Delhi - 110002

The Company provides an open and motivating environment and believes that the development of the Company is possible with development of its human resources. Continuous training for the development of skills and knowledge of the employees has become part of the corporate strategy. The management encourages employees to grow professionally to their highest capabilities. The Company's philosophy is to achieve highest level of transparency, integrity and equity in all its operations and in its dealings with all its stakeholders.

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

**Sd/-**

**(Satya Gopal)**

**Chairman & Managing Director**

Place: New Delhi

Date: 28.12.2021



## INDEPENDENT AUDITORS' REPORT

To the Members of

**Delhi Transco Limited**

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying standalone financial statements of Delhi Transco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit & total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis of Qualified Opinion

1. The company has disclosed various contingent liabilities in Note no. 46 B on account of arbitration/court cases, property tax/income tax and other claims. The company has not ascertained the probable outflow as required by Indian Accounting Standard 37, "Provisions, Contingent Liabilities and Contingent Assets".
2. Balances of trade receivables, trade payables, advances and payables/receivables to/from other parties are subject to confirmation and reconciliation, as referred to Note no. 40. These balances includes outstanding since 2010. The effect of the same is not ascertainable.
3. Refer Note no. 50 regarding non- provision of amount doubtful of recovery from discoms on account of recalculation of income tax actually paid/assessed for F.Y. 2007-08 to 2011-12 to be recovered from discoms excluding income tax on income other than licence business as per the order of APTEL.
4. Refer Note no. 51 which states that DERC vide its order dated 28.08.2020 directed the Company to pay INR 1735 lakhs towards carrying cost of revised power purchase on the basis of Aggregate Revenue Requirement (ARR) for F.Y. 2020-21. The Company has not made provision for same pending the final decision of the management. On account of this the Profit for the year before tax expense is overstated by INR 1735 Lakhs for the year.
5. Refer Note no. 23 (b) regarding change in Accounting Policy for accounting of Late Payment Surcharge Charges (LPSC) on accrual basis which were earlier accounted on cash basis. Consequent to the above change in accounting policy, INR 33764.24 lakhs on account of LPSC charges pertaining to financial year 2020-21 has been recognised as Other Income in these financial statements (Refer Note 24). The above change in accounting policy is contrary to the provisions of IND AS -115. There has been continuous default by the discoms towards payment of these LPSC charges and there is significant uncertainty as to its recoverability, however, no provision for these doubtful debts has been made in these financial statements. The discoms from whom these LPSC charges are receivable have quantified a sum of INR 15144.62 lakhs as payable on account of LPSC on which TDS of INR 1154.09 lakhs has been deducted by them. The impact of this difference on subsequent reconciliation with the concerned discoms cannot be ascertained presently. Further, the above change is effective from F.Y. 2020-21 and LPSC charges receivable for F.Y. 2019-20 and earlier years have not been accounted for in these financial statements and hence previous year figures have not been restated. Contrary to the provisions of IND AS -8 the financial effect of retrospective application of the above change in accounting policy as required under IND AS -8 has not been ascertained. The above change in the



accounting policy has resulted in Profit for the year before tax expense being overstated by INR 33764.24 lakhs, Trade Receivables overstated by INR 32610.15 and current tax assets being overstated by INR 1154.09 lakhs

6. Refer Note no .35 which states that as per the Order of DERC, the Company is acting as a Nodal agency and discharging the SLDC function and maintaining separate central pool bank accounts for UI Charges, Reactive Energy and Congestion charges for and on behalf of discoms and other constituents in Delhi. The Company is realising from and distributing payments to the discoms /constituents since 1st April 2007 but the same were not accounted for in books of accounts and the financial statements of the Company. The funds pertaining to the above pool accounts were held in the name of the Company in the form of Bank accounts/FDRs. With effect from financial year 2020-21 the Company decided that funds pertaining to UI charges/Reactive Energy and Congestion charges pool accounts to be accounted for in the books of the Company and the same have been incorporated in the books of account along with corresponding liability as "PSDF UI account", Central Pool Account –Congestion" and "Reactive Energy Pool Account". The transactions pertaining to the above accounts for the financial year 2020-21 have been recorded in the books of accounts of the Company. Interest received/accrued INR. 3505.70 lakhs for the F.Y. 2020-21 on FDRs pertaining to UI funds have been shown as Other Income of the Company and TDS of INR 265.84 lakhs deducted on the above interest income has been recognised as current tax asset in these financial statements. The above is contrary to generally accepted accounting principles and practices as this interest income has been earned on funds pertaining to UI funds and pertains to them. This change in accounting has been made effective from F.Y. 2020-21, whereas Interest received/accrued for the F.Y. 2019-20 and earlier years has been treated as part of PSDF UI pool account which is contrary to the principles of consistency. Further, apart from the above the Company has also accounted for balances receivable and payables from/to the constituents of the UI charges in the books of accounts. These balances are subject to confirmation and reconciliation and the impact of the difference, if any, arising on reconciliation cannot be ascertained presently. The accounting of the above in these financial statements has resulted in Profit for the year before tax expense being overstated by INR 3505.70 lakhs, Retained, Cash & Cash Equivalents and Bank Balances being overstated by INR 78552.90 lakhs , Other Financial Assets by overstated INR 4147.79 lakhs, Current Tax Assets being overstated by INR 265.84 lakhs and Other Financial Liabilities being overstated by INR 79460.84 lakhs.

*In view of non-ascertainment of amount of some matters stated above, the effect on Statement of Profit & Loss and Balance Sheet has not been ascertained and cannot be commented upon.*

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Emphasis of Matters**

We draw attention to the following matters in the Notes to the financial statements:

1. No credit of Interest Income on income Tax Refund for Assessment year 2016-17 has been taken in these financial statement as the same has neither been determined nor paid by the Income Tax Department, Although the Company has made representation before the department for the same. The financial impact if any on the financial statements on account of this remains indeterminate. (Refer Note no. 48)
2. On account of inadvertent error in calculation of deferred tax liability in F.Y. 2019-20, the deferred tax liability was overstated by INR 15156.44 Lakhs and Income Tax provision was understated by INR 4818.23 Lakhs. The error has been rectified during the year by retrospectively restating the amounts for the previous year. The above rectification has resulted in Total Equity being increased by INR 10338.21 lakhs(Refer Note no 53)
3. Subject to point 5 of paragraph of 'Basis for Qualified Opinion' as stated above, LPSC charges of INR 33764.24 lakhs has been recognised as Revenue from Operations in these financial statements where as the same being in nature of finance income should be recognised as Other Income. The above does not have any financial impact on these financial statements. (Refer Note no. 23(b))

Our opinion is not modified in respect of above matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our Auditor's Report thereon. The other information as identified above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read those documents including annexures, if any thereon, if we conclude that there is a material misstatement therein, we shall communicate the matter to those charged with the governance. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure 'I' our report on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. In terms of section 143(5) of the Companies Act, 2013, we give in the Annexure 'II' our report on the directions including sub-directions issued by the Comptroller and Auditor General of India.



3. As required by Section 143(3) of the Act, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account;
- d. Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with the relevant rules issued thereunder to the extent applicable in the manner so required.
- e. In view of exemption given vide notification no. G.S.R. 463(E) dated June 5, 2015, issued by the Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company;
- f. With respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Companies Act, 2013, as amended.  
The provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable on the remuneration paid/payable to directors of the Company in view of notification No. GSR 463(E) dated 05th June, 2015 issued by the Ministry of Corporate Affairs, Government of India.
- g. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the company and the operating effectiveness of such controls, refer to our separate report in Annexure 'III'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has not disclosed the impact of pending litigations on its financial position in its standalone IndAS financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year end 31 March 2021.

**For H K Chaudhry & Co.**

Chartered Accountants

FRN: 06154N

sd/-

**Monish Baweja**

Partner

M. No. 087384

UDIN:21087384AAAABG6608

Date: 13.11.2021

Place: New Delhi



## H.K. CHAUDHARY & COMPANY

CHARTERED ACCOUNTANTS

101, Nirmal Tower,  
26 Barakhamba Road,  
New Delhi-110001,  
Tel : 011-41514981, Telefax : 011-43104898  
E-mail : hkcdelhi@yahoo.co.in

### Annex-I

#### M/s Delhi Transco Limited

The Annexure referred to in Independent Auditors' Report to the members of the company on the standalone IndAS financial statements for the year ended 31st March 2021,

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) According to information and explanation given to us the company has regular programme of physical verification of its fixed assets and are verified in a phased manner over a period of three years. In accordance with this programme, certain assets at Offices and Sub-stations were verified during the year and no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, none of the immovable property are held in the name of the company.
- (ii) The Inventories have been physically verified by the management during the year. In our opinion frequency of verification is reasonable. No material discrepancies were noticed on such verification. However quantitative details of the materials issued from stores and lying unconsumed at different locations is not being maintained on SAP.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted/made any loan, investment, guarantees and security and hence the provisions of section 185 and 186 of the act are not applicable.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 in respect of Transmission operations of the company. It was informed that the cost records for the year are under preparation.
- (vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (b) Details of disputed statutory dues have not been deposited by the company:

| Name of the Statute  | F.Year to which it relates | Nature of Dues | Amount (Rs.)   | FORUM where Appeal is Pending |
|----------------------|----------------------------|----------------|----------------|-------------------------------|
| Income Tax Act, 1961 | 2010-11                    | Income Tax     | 182.76 Lakhs   | CIT(Appeals)                  |
| Income Tax Act, 1961 | 2011-12                    | Income Tax     | 1111.00 Lakhs  | CIT Appeal                    |
| Income Tax Act, 1961 | 2010-11                    | TDS            | 0.06 Lakhs     | CIT(Appeals)                  |
| Income Tax Act, 1961 | 2016-17                    | Income Tax     | 8476.01 Lakhs  | CIT(Appeals)                  |
| Income Tax Act, 1961 | 2017-18                    | Income Tax     | 20139.00 Lakhs | CIT(Appeals)                  |



|                                           |                  |                     |                |                             |
|-------------------------------------------|------------------|---------------------|----------------|-----------------------------|
| The Delhi Municipal Corporation Act, 1957 | Upto F.Y 2013-14 | Property Tax (NMDC) | 424.92 Lakhs   | Hon'ble High Court of Delhi |
| The Delhi Municipal Corporation Act, 1957 | Upto F.Y 2013-14 | Property Tax (EDMC) | 22631.04 Lakhs | Hon'ble High Court of Delhi |
| The Delhi Municipal Corporation Act, 1957 | Upto F.Y 2012-13 | Property Tax (SDMC) | 1684.66 Lakhs  | Hon'ble High Court of Delhi |
| The Delhi Municipal Corporation Act, 1957 | Upto F.Y 2012-13 | Property Tax (NDMC) | 1983.74 Lakhs  | Hon'ble High Court of Delhi |
| The Delhi Municipal Corporation Act, 1957 | Upto F.Y 2012-13 | Property Tax (EDMC) | 240.50 Lakhs   | Hon'ble High Court of Delhi |

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks, financial institutions and bond holders.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence we have no comments to offer.
- (x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during theyear.
- (xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence we have no comments to offer.
- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence we have no comments to offer.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence we have no comments to offer.

**For: H K Chaudhry & Co.**

Chartered Accountants

FRN: 06154N

sd/-

**Monish Baweja**

Partner

M. No. 087384

UDIN: 21087384AAAABG6608

Date: 13/11/2021

Place: New Delhi



**H.K. CHAUDHARY & COMPANY**  
CHARTERED ACCOUNTANTS

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## ANNEXURE - II

### DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013 FOR THE YEAR 2020-21

| S.No. | Directions                                                                                                                                                                                                                                                                | Management Reply                                                                                                                                                                                                                                                                                                    |
|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.    | Whether the company has system in place to process all the accounting transaction through IT System? If yes, the implications of accounting transactions outside IT System on the integrity of the accounts along with the financial implications, if any, may be stated. | The Company has implemented SAP Module since F.Y 2010-11, for recording and processing of accounting transactions. However, records of Fixed assets and depreciation on the same is recorded in excel sheets. Final entries for the same are passed in SAP Module. There are no financial implications of the same. |
| 2.    | Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial implication may be stated.                       | There are no cases of restructuring/waiver/write off of debts/loans/interest etc made by any lender to the Company.                                                                                                                                                                                                 |
| 3.    | Whether funds received/ receivable for specific schemes from central/state agencies were properly accounted for/utilized as per the terms and conditions? List the cases of deviation.                                                                                    | The Company has not received any Grants/Funds for specific schemes from any central/state agencies during the F.Y. 2020-21, however the grants/funds received in earlier years and utilized during the current year have been properly accounted for/ utilized as per the terms and conditions governing them.      |

**For: H K Chaudhry & Co.**

Chartered Accountants

FRN: 06154N

sd/-

**Monish Baweja**

Partner

M. No. 087384

UDIN: 21087384AAAABG6608

Date: 13/11/2021

Place: New Delhi

**H.K. CHAUDHARY & COMPANY**  
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**Annexure-III****Delhi Transco Limited****INDEPENDENT AUDITOR'S REPORT****Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Delhi Transco Limited ("the Company") as at 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial control based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the "Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under Section 143 (10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial over Financial Reporting**

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



in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with generally with authorization of the Management and Directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operation effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over financial Reporting issued by the Institute of Chartered Accountants of India.

**For: H K Chaudhry & Co.**

Chartered Accountants

FRN: 06154N

sd/-

**Monish Baweja**

Partner

M. No. 087384

UDIN: 21087384AAAABG6608

Date: 13/11/2021

Place: New Delhi



## BALANCE SHEET AS AT 31 MARCH 2021

INR Lakhs

| Particulars                                        | Note No. | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------------------------------|----------|---------------------|---------------------|
| <b>ASSETS</b>                                      |          |                     |                     |
| <b>Non-current assets</b>                          |          |                     |                     |
| Property, plant and equipment                      | 2        | 3,45,331.20         | 3,52,716.09         |
| Capital work-in-progress                           | 3        | 14,461.10           | 6,083.11            |
| Intangible assets                                  | 4        | 11,930.70           | 12,718.34           |
| Financial assets                                   | 5        | 44.88               | 44.08               |
| Other non-current assets                           | 6        | 4,967.56            | 5,120.55            |
| <b>Total non-current assets</b>                    |          | <b>3,76,735.44</b>  | <b>3,76,682.17</b>  |
| <b>Current assets</b>                              |          |                     |                     |
| Inventories                                        | 7        | 450.61              | 600.49              |
| Financial assets                                   |          |                     |                     |
| Trade receivables                                  | 8        | 1,54,222.84         | 1,08,347.72         |
| Cash and cash equivalents                          | 9        | 52,441.14           | 53,783.76           |
| Bank Balances other than Cash and cash equivalents | 9A       | 70,398.42           | 7,705.93            |
| Other financial assets                             | 10       | 16,717.05           | 9,019.23            |
| Current tax assets (net)                           | 11       | 6,705.51            | 11,966.71           |
| Other current assets                               | 12       | 6,119.52            | 5,605.92            |
| <b>Total current assets</b>                        |          | <b>3,07,055.09</b>  | <b>1,97,029.76</b>  |
| <b>TOTAL ASSETS</b>                                |          | <b>6,83,790.54</b>  | <b>5,73,711.93</b>  |
| <b>EQUITY AND LIABILITIES</b>                      |          |                     |                     |
| <b>Equity</b>                                      |          |                     |                     |
| Equity share capital                               | 13       | 3,95,100.00         | 3,95,100.00         |
| Other equity                                       | 14       | 17,150.44           | (43,746.61)         |
| <b>Total equity</b>                                |          | <b>4,12,250.44</b>  | <b>3,51,353.39</b>  |
| <b>Liabilities</b>                                 |          |                     |                     |
| <b>Non-current liabilities</b>                     |          |                     |                     |
| Financial liabilities                              |          |                     |                     |
| Borrowings                                         | 15       | 31,699.08           | 63,051.53           |
| Provisions                                         | 16       | 7,944.98            | 7,303.99            |
| Deferred tax liabilities (net)                     | 17       | 53,529.39           | 48,759.28           |
| <b>Total non-current liabilities</b>               |          | <b>93,173.45</b>    | <b>1,19,114.80</b>  |
| <b>Current liabilities</b>                         |          |                     |                     |
| Financial liabilities                              |          |                     |                     |
| Trade payables                                     | 18       | 13,423.99           | 14,188.08           |
| Other financial liabilities                        | 19       | 1,14,520.39         | 35,434.78           |
| Other current liabilities                          | 20       | 23,904.15           | 19,060.93           |
| Provisions                                         | 16       | 7,020.90            | 12,789.72           |
| Current tax liabilities                            | 21       | -                   | 83.47               |
| <b>Total current liabilities</b>                   |          | <b>1,58,869.43</b>  | <b>81,556.98</b>    |
| Deferred revenue                                   | 22       | 19,497.22           | 21,686.76           |
| <b>TOTAL EQUITY AND LIABILITIES</b>                |          | <b>6,83,790.54</b>  | <b>5,73,711.93</b>  |

Significant accounting policies

1

The accompanying notes 1 to 55 form an integral part of these financial statements.

As per our Report of even date attached

**For H.K.Chaudhry & Co.**

Chartered Accountants

Sd/-

**Monish Baweja**

Partner

Membership No. : 087384

Firm Reg. No.: 006154N

Place : New Delhi

Dated : 13.11.2021

UDIN: 21087384AAAABG6608

Sd/-

**P.K. Mallik**

Company Secretary

For and on behalf of the Board of Directors

Sd/-

**Kamna Gupta**

Chief Financial

Officer

Sd/-

**Dr. Sanjay Kumar Lal**

Director (Finance)

DIN: 09320148

Sd/-

**Satya Gopal**

Chairman and Managing Director

DIN: 08144273

Sd/-

**Mukesh Kumar Sharma**

Director (Operation)

DIN: 08572379



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021

INR Lakhs

| Particulars                                                        | Note No. | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--------------------------------------------------------------------|----------|-------------------------------------|-------------------------------------|
| <b>Revenue</b>                                                     |          |                                     |                                     |
| Revenue from operations                                            | 23       | <b>1,39,768.53</b>                  | 1,06,350.27                         |
| Other income                                                       | 24       | <b>8,202.76</b>                     | 4,681.44                            |
| <b>Total revenue</b>                                               |          | <b>1,47,971.29</b>                  | <b>1,11,031.71</b>                  |
| <b>Expenses</b>                                                    |          |                                     |                                     |
| Employee benefits expense                                          | 25       | <b>20,178.62</b>                    | 29,470.24                           |
| Finance costs                                                      | 26       | <b>5,043.60</b>                     | 6,804.36                            |
| Depreciation and amortisation expense                              | 27       | <b>28,114.91</b>                    | 25,695.24                           |
| Other expenses                                                     | 28       | <b>15,484.35</b>                    | 13,874.27                           |
| <b>Total expenses</b>                                              |          | <b>68,821.48</b>                    | <b>75,844.11</b>                    |
| <b>Profit before tax</b>                                           |          | <b>79,149.81</b>                    | <b>35,187.60</b>                    |
| <b>Tax expense</b>                                                 | 37       |                                     |                                     |
| Current tax                                                        |          | <b>25,021.13</b>                    | 10,827.99                           |
| Deferred tax                                                       |          | <b>4,770.12</b>                     | 1,362.65                            |
| MAT credit entitlement                                             |          | <b>(11,246.52)</b>                  | (4,811.90)                          |
| Tax paid for earlier years                                         |          | <b>(54.89)</b>                      | <b>335.03</b>                       |
| <b>Total tax expense</b>                                           |          | <b>18,489.84</b>                    | <b>7,713.77</b>                     |
| <b>Profit for the year</b>                                         |          | <b>60,659.97</b>                    | <b>27,473.83</b>                    |
| <b>Other comprehensive income</b>                                  |          |                                     |                                     |
| Items that will not be reclassified to profit or loss (net of tax) |          |                                     |                                     |
| - Net actuarial gains/(losses) on defined benefit plans            |          | <b>237.08</b>                       | <b>(278.50)</b>                     |
| - Less: Income tax relating to above items                         |          |                                     |                                     |
| <b>Other comprehensive income for the year, net of income tax</b>  |          | <b>237.08</b>                       | <b>(278.50)</b>                     |
| <b>Total comprehensive income for the year</b>                     |          | <b>60,897.05</b>                    | <b>27,195.33</b>                    |
| Significant accounting policies                                    | 1        |                                     |                                     |
| <b>Earnings per equity share (Par value INR 10/- each)</b>         | 34       |                                     |                                     |
| Basic and diluted (INR)                                            |          | <b>1.54</b>                         | 0.70                                |

The accompanying notes 1 to 55 form an integral part of these financial statements.  
As per our Report of even date attached

### For H.K.Chaudhry & Co.

Chartered Accountants

Sd/-

**Monish Baweja**

Partner

Membership No. : 087384

Firm Reg. No.: 006154N

Place : New Delhi

Dated : 13.11.2021

UDIN: 21087384AAAABG6608

Sd/-

**P.K. Mallik**

Company Secretary

For and on behalf of the Board of Directors

Sd/-

**Kamna Gupta**

Chief Financial

Officer

Sd/-

**Dr. Sanjay Kumar Lal**

Director (Finance)

DIN: 09320148

Sd/-

**Satya Gopal**

Chairman and Managing Director

DIN: 08144273

Sd/-

**Mukesh Kumar Sharma**

Director (Operation)

DIN: 08572379



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

INR Lakhs

| Particulars                                                            | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>A. Cash Flow From Operating Activities</b>                          |                                     |                                     |
| <b>Net Profit before tax as per Statement of Profit and Loss</b>       | <b>79,149.81</b>                    | <b>35,187.60</b>                    |
| <b>Adjustment for</b>                                                  |                                     |                                     |
| Depreciation/ Amortisation                                             | 28,114.91                           | 25,695.24                           |
| Interest cost                                                          | 5,043.60                            | 6,804.36                            |
| Interest income                                                        | (5,237.43)                          | (2,518.28)                          |
| Grant Income                                                           | (2,189.55)                          | (1,085.57)                          |
| Provision no longer required written back                              | -                                   | -                                   |
| (Profit)/Loss on sale of fixed asset                                   | 77.13                               | (104.19)                            |
| <b>Operating Cash profit before working capital changes</b>            | <b>1,04,958.47</b>                  | <b>63,979.16</b>                    |
| <b>Adjustment for -</b>                                                |                                     |                                     |
| (Increase)/Decrease in inventory                                       | 149.88                              | 896.65                              |
| (Increase)/Decrease in trade receivables                               | (45,875.12)                         | 49,914.29                           |
| (Increase)/Decrease in other financial assets                          | (7,697.82)                          | 2,251.94                            |
| (Increase)/Decrease in other current assets                            | (513.60)                            | (1,187.45)                          |
| Increase/(Decrease) in trade payables                                  | (764.09)                            | (26,132.00)                         |
| Increase/(Decrease) in other financial liabilities                     | 81,448.19                           | 3,091.56                            |
| Increase/(Decrease) in other current liabilities                       | 4,843.22                            | (40,091.83)                         |
| Increase/(Decrease) in provisions                                      | (4,890.75)                          | 11,132.21                           |
| Grant received                                                         | 0                                   | 804.40                              |
| <b>Cash generated from operations</b>                                  | <b>1,31,658.39</b>                  | <b>64,658.93</b>                    |
| Less: Income Taxes paid                                                | 8,542.00                            | 5,708.64                            |
| <b>Net cash inflow from operating activities [A]</b>                   | <b>1,23,116.39</b>                  | <b>58,950.29</b>                    |
| <b>B. Cash Flow From Investment Activities</b>                         |                                     |                                     |
| Payments for property, plant and equipment                             | (28,320.37)                         | (29,831.65)                         |
| Reduction in Other Non Current Assets                                  | 152.19                              | 23,836.99                           |
| Proceeds from sale of property, plant and equipment (Net)              | (77.13)                             | 104.19                              |
| Interest received                                                      | 5,237.43                            | 2,518.28                            |
| <b>Net cash outflow from investing activities [B]</b>                  | <b>(23,007.88)</b>                  | <b>(23,007.88)</b>                  |
| <b>C. Cash Flow From Financing Activities</b>                          |                                     |                                     |
| Repayments of non-current borrowings (refer a below)                   | (33,015.11)                         | (20,377.33)                         |
| Proceeds from non-current borrowings (refer a below)                   | -                                   | 5,000.00                            |
| Repayment of short term borrowings                                     | -                                   | -                                   |
| Interest paid                                                          | (5,743.52)                          | (7,495.82)                          |
| Interest received                                                      | -                                   | -                                   |
| <b>Net cash inflow/outflow from financing activities [C]</b>           | <b>(38,758.63)</b>                  | <b>(22,873.15)</b>                  |
| <b>Net increase/(decrease) in cash and cash equivalents [A+B+C]</b>    | <b>61,349.87</b>                    | 32,704.95                           |
| Cash and Cash equivalents at the beginning of the year                 | 61,489.69                           | 28,784.74                           |
| <b>Cash and Cash equivalents at the end of the year (Refer note 9)</b> | <b>1,22,839.56</b>                  | <b>61,489.69</b>                    |

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 |
|-----------------------------------------|------------------|------------------------|
| <b>For the year ended 31 March 2021</b> |                  |                        |
| Balance as at 1 April 2020              | 80,226.99        | 96,295.78              |
| Loan draws                              | -                | 5,000.00               |
| Loan repayments                         | (33,015.11)      | (20,377.33)            |
| Interest accrued during the year        | (699.92)         | (691.46)               |
| Interest payment during the year        | (5,743.52)       | (7,495.82)             |
| <b>Balance as at 31 March 2021</b>      | <b>46,511.96</b> | <b>80,226.99</b>       |

As per our Report of even date attached

**For H.K.Chaudhry & Co.**

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-

**Monish Baweja**

Partner

Membership No. : 087384

Firm Reg. No.: 006154N

Place : New Delhi

Dated : 13.11.2021

UDIN: 21087384AAAAABG6608

Sd/-

**P.K. Mallik**

Company Secretary

Sd/-

**Kamna Gupta**

Chief Financial

Officer

Sd/-

**Dr. Sanjay Kumar Lal**

Director (Finance)

DIN: 09320148

Sd/-

**Satya Gopal**

Chairman and Managing Director

DIN: 08144273

Sd/-

**Mukesh Kumar Sharma**

Director (Operation)

DIN: 08572379



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

### (A) Equity share capital

For the year ended 31 March 2021

INR Lakhs

|                                    |                    |
|------------------------------------|--------------------|
| Balance as at 1 April 2020         | 3,95,100.00        |
| Changes in equity during the year  | -                  |
| <b>Balance as at 31 March 2021</b> | <b>3,95,100.00</b> |

For the year ended 31 March 2020

|                                    |                    |
|------------------------------------|--------------------|
| Balance as at 1 April 2019         | 3,95,100.00        |
| Changes in equity during the year  | -                  |
| <b>Balance as at 31 March 2020</b> | <b>3,95,100.00</b> |

### (B) Other equity

For the year ended 31 March 2021

INR Lakhs

| Particulars                           | Reserves and surplus         |                   |                   | Total            |
|---------------------------------------|------------------------------|-------------------|-------------------|------------------|
|                                       | Debenture redemption reserve | Insurance reserve | Retained earnings |                  |
| <b>Balance as at 1 April 2020</b>     | 5,000.00                     | 3,861.73          | (52,608.34)       | (43,746.61)      |
| Profit for the year                   | -                            | -                 | 60,659.97         | 60,659.97        |
| Other comprehensive income            | -                            | -                 | 237.08            | 237.08           |
| <b>Total comprehensive income</b>     | -                            | -                 | <b>60,897.05</b>  | <b>60,897.05</b> |
| <b>Adjustment during the year</b>     |                              |                   |                   |                  |
| Transfer (to)/ from retained earnings | (1,000.00)                   | 578.02            | -                 | (421.98)         |
| Transfer (to)/ from other reserves    | -                            | -                 | 421.98            | 421.98           |
| <b>Balance as at 31 March 2021</b>    | <b>4,000.00</b>              | <b>4,439.75</b>   | <b>8,710.69</b>   | <b>17,150.44</b> |

For the year ended 31 March 2020

INR Lakhs

| Particulars                                 | Reserves and surplus         |                   |                    | Total                       |
|---------------------------------------------|------------------------------|-------------------|--------------------|-----------------------------|
|                                             | Debenture redemption reserve | Insurance reserve | Retained earnings  |                             |
| <b>Balance as at 1 April 2019</b>           | 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)                    |
| <b>Total comprehensive income</b>           | -                            | -                 | <b>16,857.12</b>   | <b>16,857.12</b>            |
| <b>Adjustment during the year</b>           |                              |                   |                    |                             |
| Transfer (to)/ from retained earnings       | (1,000.00)                   | 559.42            | -                  | (440.58)                    |
| Transfer (to)/ from other reserves          | -                            | -                 | 440.58             | 440.58                      |
|                                             | <b>5,000.00</b>              | <b>3,861.73</b>   | <b>(62,946.55)</b> | <b>(54,084.82)</b>          |
| Adjustment of Provision for Tax (Corrected) |                              |                   | (4,818.23)         | (4,818.23)                  |
| Adjustment of Deferred tax (Corrected)      |                              |                   | 15,156.44          | 15,156.44                   |
| <b>Balance as at 31 March 2020</b>          | <b>5,000.00</b>              | <b>3,861.73</b>   | <b>(52,608.34)</b> | <b>Restated (43,746.61)</b> |

### (C) Analysis of accumulated OCI, net of tax

Remeasurement of defined benefit liability

INR Lakhs

| Particulars                                | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|--------------------------------------------|----------------------------------|----------------------------------|
| Opening balance                            | (59.16)                          | 219.34                           |
| Remeasurement of defined benefit liability | 237.08                           | (278.50)                         |
| <b>Closing balance</b>                     | <b>177.92</b>                    | <b>(59.16)</b>                   |

As per our Report of even date attached

For H.K.Chaudhry & Co.

Chartered Accountants

For and on behalf of the Board of Directors

Sd/-  
**Monish Baweja**  
Partner  
Membership No. : 087384  
Firm Reg. No.: 006154N  
Place : New Delhi  
Dated : 13.11.2021  
UDIN: 21087384AAAABG6608

Sd/-  
**P.K. Mallik**  
Company Secretary

Sd/-  
**Kamna Gupta**  
Chief Financial Officer

Sd/-  
**Dr. Sanjay Kumar Lal**  
Director (Finance)  
DIN: 09320148  
Sd/-  
**Satya Gopal**  
Chairman and Managing Director  
DIN: 08144273

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 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 there to 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 13th November, 2021.

##### B.2 Basis of measurement

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

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

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

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

##### B.3 Functional and presentation currency

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

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

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



An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

## C. Significant accounting policies

A summary of the significant accounting policies applied in the preparation of the financial statements are 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

### 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.

### **C1.2 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.

### **C1.3 Derecognition**

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

### **C1.4 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%.

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 is 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.

## **C 3. Intangible assets**

### **C 3.1 Initial recognition and measurement**



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

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

### **C 3.2 Derecognition**

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

### **C 3.3 Amortisation**

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

## **C 4. Borrowing costs**

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

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

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

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

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

## **C 5. Inventories**

### **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 Regularity 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.

#### **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.

### 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.

#### SDLC Charges

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

- Integrated operation for power system and gives direction and exercise supervision and control to achieve maximum economy and efficiency of power system.
- Coordinate shutdowns of generating units, substations including transmission lines for continuous supply
- System restoration in shortest possible duration following grid disturbances
- Accounting of energy handled by state system, SCADA system operation and maintenance
- 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 receivables for transmission of energy are recognized on accrual 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.

### **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

#### **(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-reassuring the carrying amount to reflect any reassessment or lease modifications

### **C 13. Employee benefits**

#### **C13.1 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.

#### **C13.2 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.

#### **C13.3 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.

#### **C13.4 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.

### **C13.5 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**

### **C14.1 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.

### **C14.2 Deferred Tax**

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

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

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

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

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

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

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are



grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit”, or “CGU”).

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

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

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

### **C. 16. Operating segments**

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

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

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

### **C. 18. Earnings per share**

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

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

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

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

### **C.20. Financial instruments**

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

#### **C.20.1 Financial assets**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

##### **a. Debt instruments at amortized cost**

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

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

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

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

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

#### **Derecognition**

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

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

#### **Impairment of financial assets**

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

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

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



## C.20.2 Financial liabilities

### Initial recognition and measurement

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

### Subsequent measurement

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

#### a. Financial liabilities at amortized cost

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

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

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

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

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

### Derecognition

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

## C.20.3 Offsetting financial instruments

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

## D. Use of estimates and management judgments

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

factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

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

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

#### **D.1 Employee benefit plans**

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

#### **D.2 Revenues**

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

#### **D.3 Provisions and contingencies**

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

#### **D.4 Right to use**

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

#### **D.5 Income taxes**

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

#### **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.

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 2. Property, plant and equipment (PPE) As at 31 March 2021

| Particulars             | Gross block           |                  |                            | Depreciation           |                  |                       | Net block<br>As at<br>31 March 2021 |
|-------------------------|-----------------------|------------------|----------------------------|------------------------|------------------|-----------------------|-------------------------------------|
|                         | As at<br>1 April 2020 | Additions        | Deductions/<br>adjustments | As at<br>31 March 2021 | For<br>the year  | Upto<br>31 March 2021 |                                     |
| Buildings               |                       |                  |                            |                        |                  |                       |                                     |
| Office                  | 538.14                | -                | -                          | 538.14                 | 11.25            | 147.91                | 390.23                              |
| Residential             | 265.53                | -                | -                          | 265.53                 | 5.00             | 35.64                 | 229.89                              |
| Sub-station             | 4,946.10              | 1.50             | -                          | 4,947.60               | 165.90           | 822.34                | 4,125.26                            |
| Computer                | 426.93                | 9.01             | -                          | 435.94                 | 55.37            | 335.37                | 100.57                              |
| ERP hardware            | 108.72                | -                | -                          | 108.72                 | 13.06            | 74.02                 | 34.70                               |
| Four bays of 400KV      | 533.61                | -                | -                          | 533.61                 | 18.49            | 173.69                | 359.92                              |
| Furnitures and fixtures | 304.58                | 7.84             | -                          | 312.42                 | 24.04            | 175.06                | 137.36                              |
| Lines, cables, network  | 1,80,051.40           | 16,717.53        | -                          | 1,96,768.93            | 11,139.27        | 56,498.02             | 1,40,270.91                         |
| Meters                  | 117.23                | -                | -                          | 117.23                 | 10.16            | 58.94                 | 58.29                               |
| Office equipments       | 607.45                | 52.96            | -                          | 660.41                 | 270.42           | 320.70                | 339.71                              |
| Other civil works       | 24,021.82             | 894.17           | -                          | 24,915.99              | 851.65           | 5,102.38              | 19,813.61                           |
| Plant and machinery     | 2,47,817.84           | 2,841.02         | (2,373.65)                 | 2,48,285.21            | 14,941.66        | 69,239.82             | 1,79,045.39                         |
| Capital Spares          | 135.85                | -                | -                          | 135.85                 | 8.82             | 49.05                 | 86.80                               |
| SCADA - Owned           | 134.89                | 181.71           | -                          | 316.60                 | 6.66             | 118.79                | 197.81                              |
| Small value assets      | 7.79                  | -                | -                          | 7.79                   | 0                | 7.79                  | -                                   |
| Vehicles- Office        | 103.22                | 0.50             | -                          | 103.72                 | 6.71             | 56.42                 | 47.30                               |
| Vehicles- Staff         | 67.56                 | -                | -                          | 67.56                  | 0.29             | 67.56                 | -                                   |
| Laptop- Staff           | 42.96                 | 70.78            | -                          | 113.74                 | 18.66            | 20.29                 | 93.45                               |
| <b>Total</b>            | <b>4,60,231.61</b>    | <b>20,777.02</b> | <b>(2,373.65)</b>          | <b>4,78,634.98</b>     | <b>27,327.27</b> | <b>1,33,303.79</b>    | <b>3,45,331.20</b>                  |

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

b) Estimated amount of contracts remaining to be executed on capital account and is not provided for as at 31 March 2021 is INR 76,588.87 lakhs (31 March 2020: INR 30,858.02 lakhs).

c) Borrowing costs capitalised during the year amounts to INR 205.89 lakhs (31 March 2020: INR 225.01 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 31/03/2015 were taken as gross value of assets (deemed cost) as on 01/04/2015 (Refer accounting policy Note 1 C

### 2. Property, plant and equipment (PPE)

#### As at 31 March 2020

| Particulars             | Gross block           |                  |                            | Depreciation           |                  |                       | Net block<br>As at<br>31 March 2020 |
|-------------------------|-----------------------|------------------|----------------------------|------------------------|------------------|-----------------------|-------------------------------------|
|                         | As at<br>1 April 2019 | Additions        | Deductions/<br>adjustments | As at<br>31 March 2020 | For<br>the year  | Upto<br>31 March 2020 |                                     |
| Buildings               |                       |                  |                            |                        |                  |                       |                                     |
| Office                  | 538.14                | -                | -                          | 538.14                 | 11.24            | 136.66                | 401.48                              |
| Residential             | 262.12                | 3.41             | -                          | 265.53                 | 4.95             | 30.64                 | 234.89                              |
| Sub-station             | 3,989.15              | 956.95           | -                          | 4,946.10               | 139.04           | 656.44                | 4,289.66                            |
| Computer                | 423.74                | 3.19             | -                          | 426.93                 | 63.50            | 280.00                | 146.93                              |
| ERP hardware            | 108.72                | -                | -                          | 108.72                 | 13.06            | 60.96                 | 47.76                               |
| Four bays of 400KV      | 533.61                | -                | -                          | 533.61                 | 18.50            | 155.20                | 378.41                              |
| Furnitures and fixtures | 283.41                | 21.17            | -                          | 304.58                 | 23.79            | 151.02                | 153.56                              |
| Lines, cables, network  | 1,56,133.12           | 23,863.25        | 55.03                      | 1,80,051.40            | 9,889.75         | 45,358.75             | 1,34,692.65                         |
| Meters                  | 117.23                | -                | -                          | 117.23                 | 10.15            | 48.78                 | 68.45                               |
| Office equipments       | 533.68                | 73.77            | -                          | 607.45                 | 45.93            | 270.42                | 337.03                              |
| Other civil works       | 23,808.98             | 212.84           | -                          | 24,021.82              | 836.45           | 4,250.73              | 19,771.09                           |
| Plant and machinery     | 2,21,969.59           | 25,898.80        | (50.55)                    | 2,47,817.84            | 13,866.50        | 55,837.17             | 1,91,980.67                         |
| Capital Spares          | 135.85                | -                | -                          | 135.85                 | 8.83             | 40.23                 | 95.62                               |
| SCADA - Owned           | 134.89                | -                | -                          | 134.89                 | 7.62             | 112.13                | 22.76                               |
| Small value assets      | 7.79                  | -                | -                          | 7.79                   | 0                | 7.79                  | -                                   |
| Vehicles- Office        | 103.22                | -                | -                          | 103.22                 | 9.54             | 49.71                 | 53.51                               |
| Vehicles- Staff         | 67.56                 | -                | -                          | 67.56                  | 1.38             | 67.27                 | 0.29                                |
| Laptop- Staff           | -                     | 42.96            | -                          | 42.96                  | 1.63             | 1.63                  | 41.33                               |
| <b>Total</b>            | <b>4,09,150.80</b>    | <b>51,076.34</b> | <b>4.48</b>                | <b>4,60,231.61</b>     | <b>24,951.86</b> | <b>1,07,515.53</b>    | <b>3,52,716.09</b>                  |


**3. Capital work-in-progress  
As at 31 March 2021**

INR Lakhs

| Particulars              | As at 1 April 2020 | Additions | Deductions/ adjustments | Capitalised | As at 31 March 2021 |
|--------------------------|--------------------|-----------|-------------------------|-------------|---------------------|
| Capital work-in-progress | 6,083.11           | 28,935.40 | (105.17)                | (20,452.24) | <b>14,461.10</b>    |

**As at 31 March 2020**

INR Lakhs

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

**4. Intangible assets**
**As at 31 March 2021**

INR Lakhs

| Particulars                       | Gross block        |           |                         |                     | Amortisation      |               |                         |                    | Net block           |
|-----------------------------------|--------------------|-----------|-------------------------|---------------------|-------------------|---------------|-------------------------|--------------------|---------------------|
|                                   | As at 1 April 2020 | Additions | Deductions/ adjustments | As at 31 March 2021 | Upto 1 April 2020 | For the year  | Deductions/ adjustments | Upto 31 March 2021 | As at 31 March 2019 |
| Right to use land (refer a below) | 10,568.29          | -         | -                       | <b>10,568.29</b>    | 2,908.29          | 581.66        | -                       | <b>3,489.95</b>    | <b>7,078.34</b>     |
| Right of way                      | 5,615.02           | -         | -                       | <b>5,615.02</b>     | 614.29            | 169.50        | -                       | <b>783.79</b>      | <b>4,831.23</b>     |
| Software                          | 219.99             | -         | -                       | <b>219.99</b>       | 162.39            | 36.47         | -                       | <b>198.86</b>      | <b>21.13</b>        |
| <b>Total</b>                      | <b>16,403.30</b>   | -         | -                       | <b>16,403.30</b>    | <b>3,684.97</b>   | <b>787.63</b> | -                       | <b>4,472.60</b>    | <b>11,930.70</b>    |

**As at 31 March 2020**

INR Lakhs

| Particulars                       | Gross block        |              |                         |                     | Amortisation      |               |                         |                    | Net block           |
|-----------------------------------|--------------------|--------------|-------------------------|---------------------|-------------------|---------------|-------------------------|--------------------|---------------------|
|                                   | As at 1 April 2019 | Additions    | Deductions/ adjustments | As at 31 March 2020 | Upto 1 April 2019 | For the year  | Deductions/ adjustments | Upto 31 March 2020 | As at 31 March 2020 |
| Right to use land (refer a below) | 10,568.29          | -            | -                       | <b>10,568.29</b>    | 2,326.63          | 581.66        | -                       | <b>2,908.29</b>    | <b>7,660.00</b>     |
| Right of way                      | 5,849.39           | -            | (234.37)                | <b>5,615.02</b>     | 458.28            | 176.25        | (20.24)                 | <b>614.29</b>      | <b>5,000.74</b>     |
| Software                          | 195.54             | 24.45        | -                       | <b>219.99</b>       | 159.60            | 2.79          | -                       | <b>162.39</b>      | <b>57.60</b>        |
| <b>Total</b>                      | <b>16,613.22</b>   | <b>24.45</b> | <b>(234.37)</b>         | <b>16,403.30</b>    | <b>2,944.51</b>   | <b>760.70</b> | <b>(20.24)</b>          | <b>3,684.97</b>    | <b>12,718.34</b>    |

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

**5. Financial assets**

INR Lakhs

| Particulars                       | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------|---------------------|---------------------|
| <b>Unsecured, considered good</b> |                     |                     |
| Security deposits                 | 44.88               | 44.08               |
| <b>Total</b>                      | <b>44.88</b>        | <b>44.08</b>        |

**6. Other non-current assets**

INR Lakhs

| Particulars                                    | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------|---------------------|---------------------|
| <b>Unsecured, considered good</b>              |                     |                     |
| Capital advances (Refer Note No. 47)           | 4,967.21            | 5,120.28            |
| Bank deposit with more than 12 Months maturity | 0.35                | 0.27                |
| <b>Total</b>                                   | <b>4,967.56</b>     | <b>5,120.55</b>     |

**7. Inventories**

INR Lakhs

| Particulars                                                            | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------------------------------|---------------------|---------------------|
| Stores, spares and loose tools (as valued and certified by management) | 868.24              | 965.71              |
| Less: Provision for slow moving spares                                 | 417.63              | 365.22              |
| <b>Total</b>                                                           | <b>450.61</b>       | <b>600.49</b>       |

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 (Note 28).

**8 Trade receivables**

INR Lakhs

| Particulars                | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------|---------------------|---------------------|
| Unsecured, considered good | 1,54,222.84         | 1,08,347.72         |
| <b>Total</b>               | <b>1,54,222.84</b>  | <b>1,08,347.72</b>  |

- a) As per Bulk Power Transmission agreement (BPTA) executed between company and distribution utilities, former is entitled to Late payment surcharge (LPSC) against the delay in payment of Bills after due date and therefore on account of the same LPSC is also recoverable from Discoms on the amount of overdue bills. 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**

INR Lakhs

| Particulars                                                                    | As at 31 March 2021 | As at 31 March 2020 |
|--------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Balances with banks</b>                                                     |                     |                     |
| Current accounts                                                               | 3,722.47            | 2,383.11            |
| Deposits with original maturity upto three months (including interest accrued) | 48,718.29           | 51,400.27           |
| Cash on hand                                                                   | 0.38                | 0.38                |
| <b>Total</b>                                                                   | <b>52,441.14</b>    | <b>53,783.76</b>    |

- a) Deposits includes INR 825.00 Lakhs (31 March 2020: INR 750.97 Lakhs) invested out of grants received with respect to PSDF schemes, INR 1123.12 Lakhs (31 March 2020: INR 450.00 Lakhs) related to State Load Dispatch Center and INR 15809.54 Lakhs related to PSDF-UI Charges Pool Fund (Unsegregated between PSDF-UI and DTL deposits).

**9A Bank Balances other than Cash and cash equivalents**

INR Lakhs

| Particulars                                                                                             | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Deposits with original maturity more than three months but upto 12 Months (including interest accrued)* | 70,398.42           | 7,705.93            |
| <b>Total</b>                                                                                            | <b>70,398.42</b>    | <b>7,705.93</b>     |

\*Deposits amounting to Rs.4309.87 Lakhs (31 March 2020 -Rs.4019.57 Lakhs) pertaining to State Load Dispatch Center and Rs.60781.36 Lakhs pertaining to PSDF-UI Charge Pool Fund (not segregated between PSDF-UI and DTL deposits) is included.

**10 Other financial assets**

INR Lakhs

| Particulars                                                                                                                   | As at 31 March 2021 | As at 31 March 2020 |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Unsecured, considered good Recoverables from related parties</b>                                                           |                     |                     |
| Government of NCT of Delhi (GNCTD)                                                                                            | 1,380.45            | 1,036.05            |
| Delhi State Industrial and Infrastructure Development Corporation Ltd. (DSIIDC)- BAWANA (Deposit Work) (Refer Note No.39 (A)) | 812.61              | 812.61              |
| Recoverable from PSDF-UI Constituent                                                                                          | 4,147.79            | -                   |
| <b>Unbilled revenue (refer below)</b>                                                                                         | <b>10,376.20</b>    | <b>7,170.57</b>     |
| <b>Total</b>                                                                                                                  | <b>16,717.05</b>    | <b>9,019.23</b>     |

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

**11 Current tax assets (net)**

INR Lakhs

| Particulars                                                       | As at 31 March 2021 | As at 31 March 2020      |
|-------------------------------------------------------------------|---------------------|--------------------------|
| Income Tax Recoverable                                            | 11,966.71           | 11,791.45                |
| Add: Advance tax and tax deducted at source                       | 8,519.73            | 11,009.58                |
| Less: Provision for tax                                           | 13,780.93           | 6,016.09                 |
|                                                                   | <b>6,705.51</b>     | <b>16,784.94</b>         |
| Less: Adjustment of Provision for Tax (Corrected) (refer note 53) | -                   | 4,818.23                 |
| <b>Total</b>                                                      | <b>6,705.51</b>     | <b>Restated 11966.71</b> |

- a) To eliminate the effect of overstatement of assets and liabilities in books of accounts, the balances appearing in Advance tax and TDS and provision for taxation of earlier years (from FY 2011-12 to 2019-20) have been adjusted on year to year basis in FY 2020-21 to reflect the tax refundable as per Generally Accepted Accounting Principle (GAAP).

**12 Other current assets**

INR Lakhs

| Particulars                                  | As at 31 March 2021 | As at 31 March 2020 |
|----------------------------------------------|---------------------|---------------------|
| <b>Unsecured, considered good</b>            |                     |                     |
| Deposit under protest                        | 3,087.04            | 3,087.04            |
| STOA charges receivable                      | 1,751.32            | 1,202.26            |
| Advance to employees                         | 32.37               | 59.70               |
| Advance against supply of goods and services | 26.46               | 28.42               |
| Prepaid expenses                             | 1,161.56            | 1,167.70            |
| Other receivables                            | 60.77               | 60.80               |
| <b>Total</b>                                 | <b>6,119.52</b>     | <b>5,605.92</b>     |

**13 Share capital**

INR Lakhs

| Particulars                                                                           | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------------------------------------------------|---------------------|---------------------|
| <b>Authorised</b>                                                                     |                     |                     |
| 4,500,000,000 (31 March 2020: 4,500,000,000) equity shares of par value INR 10/- each | <b>4,50,000.00</b>  | <b>4,50,000.00</b>  |
| <b>Issued, subscribed and fully paid up</b>                                           |                     |                     |
| 3,951,000,000 (31 March 2020: 3,951,000,000) equity shares of par value INR 10/- each | <b>3,95,100.00</b>  | <b>3,95,100.00</b>  |

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

| Name of shareholder                | No. of shares         | % of Shareholding |
|------------------------------------|-----------------------|-------------------|
| <b>As at 31 March 2021</b>         |                       |                   |
| Government of NCT Delhi (GNCTD)    | 3,69,10,00,000        | 93.42             |
| Delhi Power Company Limited (DPCL) | 25,99,99,991          | 6.58              |
| <b>Total</b>                       | <b>3,95,09,99,991</b> | <b>100.00</b>     |



| 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          |
| <b>Total</b>                       | <b>3,95,09,99,991</b> | <b>100.00</b> |

#### 14 Other equity

INR Lakhs

| Particulars                          | As at 31 March 2021 | As at 31 March 2020 |
|--------------------------------------|---------------------|---------------------|
| Debenture (Bonds) redemption reserve | 4,000.00            | 5,000.00            |
| Insurance reserve                    | 4,439.75            | 3,861.73            |
| Retained earnings                    | 8,710.69            | (52,608.34)         |
| <b>Total</b>                         | <b>17,150.44</b>    | <b>(43,746.61)</b>  |

##### a) Debenture (Bonds) redemption reserve

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

##### Movement in Debenture (Bonds) Redemption Reserve:

INR Lakhs

| Particulars                   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Opening balance               | 5,000.00                            | 6,000.00                            |
| Transfer to retained earnings | (1,000.00)                          | (1,000.00)                          |
| <b>Closing balance</b>        | <b>4,000.00</b>                     | <b>5,000.00</b>                     |

##### b) Insurance reserve

Insurance reserve represents reserve created in order to meet the risk of loss due to fire, theft, earthquake, natural calamities etc. with respect to assets of the company. The reserve has been created at 0.10% of Gross Block of the Property Plant & Equipment which is INR 578018.86 Lakhs (31 March 2020: INR 559422.68 Lakhs)

##### Movement in insurance reserve:

INR Lakhs

| Particulars                     | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------|-------------------------------------|-------------------------------------|
| Opening balance                 | 3,861.73                            | 3,302.31                            |
| Transfer from retained earnings | 578.02                              | 559.42                              |
| <b>Closing balance</b>          | <b>4,439.75</b>                     | <b>3,861.73</b>                     |

##### c) Movement in retained earning:

INR Lakhs

| Particulars                                        | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| Opening balance                                    | (52,608.34)                         | (80,244.24)                         |
| Profit for the year                                | 60,659.97                           | 17,135.62                           |
| Other comprehensive income                         | 237.08                              | (278.50)                            |
| Transfer from debenture (bonds) redemption reserve | 1,000.00                            | 1,000.00                            |
| Transfer to insurance reserve                      | (578.02)                            | (559.42)                            |
|                                                    | <b>8,710.69</b>                     | <b>(62,946.54)</b>                  |
| Adjustment of Provision for Tax (Corrected)        | -                                   | (4,818.23)                          |
| Adjustment of Deferred tax (Corrected)             | -                                   | 15,156.44                           |
| <b>Closing balance</b>                             | <b>8,710.69</b>                     | <b>Restated (52608.34)</b>          |

**15 Non-current borrowings**

INR Lakhs

| Particulars                                             | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------------------|---------------------|---------------------|
| 9.5% secured redeemable non-convertible power bonds     | 8,062.47            | 10,077.87           |
| Secured rupee term loans from banks                     | 34,024.08           | 42,372.52           |
| Unsecured rupee term loans from GNCTD                   | 4,425.41            | 27,776.60           |
|                                                         | <b>46,511.96</b>    | <b>80,226.99</b>    |
| <b>Less: Current maturities of long term borrowings</b> |                     |                     |
| 9.5% secured redeemable non-convertible power bonds     | 2,000.00            | 2,000.00            |
| Secured rupee term loans from bank                      | 8,325.00            | 8,321.00            |
| Unsecured rupee term loans from GNCTD                   | -                   | 1,666.66            |
|                                                         | <b>10,325.00</b>    | <b>11,987.66</b>    |
| <b>Less: Interest accrued and due on borrowings</b>     | -                   | -                   |
| <b>Less: Interest accrued but not due on borrowings</b> | 4,487.88            | 5,187.80            |
| <b>Total</b>                                            | <b>31,699.08</b>    | <b>63,051.53</b>    |

- a) Redeemable non-convertible power bonds are secured by way of pari passu charge to the extent of 100% cover of the outstanding amount 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 62.47 Lakhs (31 March 2020: INR 77.87 Lakhs).
- b) Term loan from Indian Bank (earlier Allahabad Bank) is secured by way of pari passu charge over assets of the company carry interest rate @ 7.80% (31 March 2020: 8.70%) and repayable in 12 equal annual installments of INR 4,583.00 Lakhs ending in year 2025.
- c) Term loan from State Bank of India is secured by way of pari passu charge over assets of the company and carry interest rate @ 7.80% (31 March 2020: 8.50%). Loan amounting to INR 3,289.00 Lakhs is repayable in two installments, one of INR 1,667.00 Lakhs in March 2023 and final installment of INR 1,622.00 Lakhs in March 2024. Other Loans are repayable in equal annual installments ending year 2025.
- d) Terms loan from related party (Government of NCT of Delhi) was unsecured and carrying an interest rate ranging from 9.00% to 10.00%. Loan of INR 15000 Lakhs was repayable in 15 equal annual installments ending in October 2032 and Loan of INR 5000 Lakhs was repayable in 15 equal annual installments ending in February 2034. During the year the Company exercise the option of prepayment of the said loans and the company repaid these loans during the FY 2020-21 and the amount outstanding in respect of the above as on 31st March 2021 is Nil.

Further, Unsecured rupee term loans from GNCTD includes an amount of INR 4425.41 Lakhs being the interest portion of outstanding loan of INR. 23900 Lakhs in July, 2010. The loan was converted into equity by GNCTD in July 2010. With this conversion of loan into equity, GNCTD has not merged the outstanding interest amount on this loan into equity. GNCTD has neither demanded the said interest amount nor converted it into equity. The above amount of INR 4425.41 Lakhs is being shown as interest accrued but not due in these financial statements.

- e) The Company has Cash Credit facility of INR 10,000 Lakhs (31 March 2020: INR 10,000 Lakhs) including non fund based sub facility of stand by letter of credit of INR 10,000 Lakhs (31 March 2020: INR 5,000 Lakhs) from Indian Bank (earlier Allahabad Bank) & INR 4,000 Lakhs from State Bank of India. Letter of Credit outstanding as on 31 March 2021 is INR 882.21 Lakhs (31 March 2020: INR 146.24 Lakhs).

**16 Provisions**

INR Lakhs

| Particulars                             | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------------|---------------------|---------------------|
| <b>Non-current provisions</b>           |                     |                     |
| Provision for employee benefit expenses |                     |                     |
| Gratuity                                | 2,730.12            | 2,532.06            |
| Leave encashment                        | 5,102.95            | 4,665.99            |
| Leave travel concession                 | 111.91              | 105.94              |
| <b>Total (A)</b>                        | <b>7,944.98</b>     | <b>7,303.99</b>     |
| <b>Current provisions</b>               |                     |                     |
| Provision for employee benefit expenses |                     |                     |
| Gratuity                                | 32.87               | 32.89               |
| Leave encashment                        | 55.42               | 53.17               |
| Leave travel concession                 | 15.81               | 14.62               |
| Pay Revision {Refer Note No. 46A(a)}    | 1,978.83            | 9,166.85            |
| Provision for others                    | 3,743.39            | 3,522.18            |
| Provision for CSR (Refer Note No. 45)   | 1,194.58            | -                   |
| <b>Total (B)</b>                        | <b>7,020.90</b>     | <b>12,789.72</b>    |
| <b>Total Provisions (A+B)</b>           | <b>14,965.88</b>    | <b>20,093.71</b>    |

- a) Disclosures required by Ind AS 19 'Employee Benefits' is made in Note 32.  
Disclosures required by Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' is made in Note 46.

**17 Deferred tax liabilities (net)**

INR Lakhs

| Particulars                                                                                      | As at 31 March 2021 | As at 31 March 2020       |
|--------------------------------------------------------------------------------------------------|---------------------|---------------------------|
| <b>Deferred tax liabilities</b>                                                                  |                     |                           |
| Difference in net book value and tax base of property, plant and equipment and intangible assets | 57,796.10           | 69,579.81                 |
|                                                                                                  | <b>57,796.10</b>    | <b>69,579.81</b>          |
| <b>Less: Deferred tax assets</b>                                                                 |                     |                           |
| Provision for employee benefits                                                                  | 2,812.67            | 2,587.49                  |
| Other provisions                                                                                 | 1,454.04            | 3,076.60                  |
|                                                                                                  | <b>4,266.71</b>     | <b>5,664.09</b>           |
| <b>Total</b>                                                                                     | <b>53,529.39</b>    | <b>63,915.72</b>          |
| Less: Adjustment of Deferred tax (corrected)                                                     | -                   | 15,156.44                 |
| <b>Total</b>                                                                                     | <b>53,529.39</b>    | <b>Restated 48,759.28</b> |

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

**18 Trade Payables**

INR Lakhs

| Particulars                                    | As at 31 March 2021 | As at 31 March 2020 |
|------------------------------------------------|---------------------|---------------------|
| Micro, small and medium enterprises            | -                   | -                   |
| Other than micro, small and medium enterprises | 13,423.99           | 14,188.08           |
| <b>Total</b>                                   | <b>13,423.99</b>    | <b>14,188.08</b>    |

- 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**

INR Lakhs

| Particulars                                               | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------------------------------------------|---------------------|---------------------|
| Current maturities of non-current borrowings              | 10,325.00           | 11,987.66           |
| Interest accrued but not due                              | 4,487.88            | 5,187.80            |
| Retention money                                           | 16,357.68           | 16,042.25           |
| Other payables                                            |                     |                     |
| Deposits from customers/vendors                           | 836.01              | 563.29              |
| Payable to employees                                      | 1,359.98            | 1,093.00            |
| Reactive Energy (Central Pool Accounts) (refer d below)   | 585.84              | 307.05              |
| Security Constrained Economic Despatch (SCED) Pool        | 859.64              | -                   |
| Congestion charges (Central Pool Account) (refer c below) | 5.76                | -                   |
| PSDF-UI Charges (Central Pool Account) (refer note 35)    | 73,477.84           | -                   |
| Payable to PSDF-UI Constituent                            | 5,970.39            |                     |
| Others                                                    | 254.37              | 253.73              |
| <b>Total</b>                                              | <b>1,14,520.39</b>  | <b>35,434.78</b>    |

- 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.
- Refer Note 36 for related party disclosure.
- 'In terms of Delhi Electricity Regulatory Commission (Measures to relieve congestion in real time operation) Regulations, 2009. SLDC is maintaining a separate bank account for receipt and payment of congestion charge. The Account is being maintained in the same manner as the account for Unscheduled Interchange Charges. The congestion Charge shall be applicable to the regional entity in addition to Unscheduled Interchange (for overdrawn/ under-drawing / over injecting/ under injecting) which would be payable/receivable as per CERC (Unscheduled Interchange Charges and related matters) Regulations, 2009 or any re-enactment thereof. The balance standing to the credit of Congestion charge if any shall be transferred to a Fund at regular intervals as per methodology notified by the Commission. Accordingly the company has shown balance standing to the credit of Congestion account as Congestion Fund account as on 31.3.2021.
- 'As Per IEGC, State Transmission Utility (STU) is required to pay Reactive Charges to NRPC as per the drawl and injection of Reactive Energy to the Grid. As per Grid Code, weekly Reactive Energy accounts are released by NRPC to be settled between NRPC and STU. Accordingly the company has shown balance standing to the credit of Reactive account as Reactive Pool Account as on 31.3.2021.

**20 Other current liabilities**

INR Lakhs

| Particulars                                           | As at 31 March 2021 | As at 31 March 2020 |
|-------------------------------------------------------|---------------------|---------------------|
| Advances against deposit work (Refer Note 39 (B))     | 6,010.04            | 627.78              |
| Advances from customers and others                    | 4,281.07            | 5,397.37            |
| Payable against STOA Receipts                         | -                   | -                   |
|                                                       |                     |                     |
| <b>Payable to related parties</b>                     |                     |                     |
| Delhi Power Company Limited (DPCL)                    | 4,381.52            | 4,752.82            |
| Indraprastha Power Generation Company Limited (IPGCL) | 449.54              | 296.75              |
| DVB Employee Terminal Benefit Fund                    | 8,181.94            | 3,224.05            |
|                                                       |                     |                     |
| Tax deducted at source and other statutory dues       | 600.04              | 4,762.16            |
| <b>Total</b>                                          | <b>23,904.15</b>    | <b>19,060.93</b>    |

**21 Current tax liabilities**

INR Lakhs

| Particulars           | As at 31 March 2021 | As at 31 March 2020 |
|-----------------------|---------------------|---------------------|
| Current tax liability | -                   | 83.47               |
| <b>Total</b>          | <b>-</b>            | <b>83.47</b>        |

**22 Deferred revenue**

INR Lakhs

| Particulars                                          | As at 31 March 2019 | As at 31 March 2018 |
|------------------------------------------------------|---------------------|---------------------|
| On account of government grant for:                  |                     |                     |
| Right to use land (refer a below)                    | 3,816.19            | 4,129.77            |
| Grant under MOU-I for PGCIL projects (refer b below) | 15,159.47           | 16,284.66           |
| Power sector development fund (PSDF) (refer c below) | 521.56              | 1,272.33            |
| <b>Total</b>                                         | <b>19,497.22</b>    | <b>21,686.76</b>    |

- a) The Company has recognised grant against land received free of cost on right to use basis from GNCTD at fair value.
- b) The Company received INR 20,000 Lakhs as grant from Government of India under the Scheme "NCT of Delhi Transmission System Improvement Project for strengthening of the Intra State Transmission System in Delhi". The project for which the grant was received has been commissioned and there are no unfulfilled conditions or other contingencies attached to above grant.
- c) The Company has received grant of INR NIL (31 March 2020: 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.

**23 Revenue from operations**

INR Lakhs

| Particulars                                                                 | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Sale of services</b>                                                     |                                     |                                     |
| <b>Transmission Business</b>                                                |                                     |                                     |
| Wheeling charges                                                            | 1,04,839.00                         | 88,486.00                           |
| Less: Rebate on wheeling charges                                            | 734.61                              | 546.83                              |
|                                                                             | <b>1,04,104.39</b>                  | <b>87,939.17</b>                    |
| <b>State Load Dispatch Center (SLDC) Charges</b>                            | 903.56                              | 903.56                              |
| <b>Other operating revenue</b>                                              |                                     |                                     |
| Operating Charges - Open Access - SLDC                                      | 248.09                              | 184.00                              |
| -STOA Charges                                                               | -                                   | 11,172.88                           |
| -ISTS Charges (refer d below)                                               | 311.85                              | 5,952.00                            |
| Incentive from Discom                                                       | 288.22                              | 33.13                               |
| Income loading data ABT meter                                               | 1.18                                | 1.18                                |
| "Late payment surcharge Charges (LPSC) on wheeling charges (refer b below)" | 33,764.24                           |                                     |
| Application Money Open Access - SLDC                                        | 147.00                              | 164.35                              |
| STOA Disbursement (As per Tariff order for FY 2020-21) (refer c below)      | -                                   | -                                   |
| - Income INR 23052.47 (31 March 2020: INR 47119.86 Lakhs)                   | -                                   | -                                   |
| - Expense INR 23052.47 (31 March 2020: INR 47119.86 Lakhs)                  | -                                   | -                                   |
| <b>Total</b>                                                                | <b>1,39,768.53</b>                  | <b>1,06,350.27</b>                  |

- 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 2020-21 have been billed to the DISCOMS, MES and NDMC as per the Tariff Order dated 28.08.2020 issued by DERC. For SLDC as per the provisional order passed by DERC in year 2008-09.
- b) Upto 31.03.2020, the Company as per its accounting policy was accounting for Late Payment Surcharge charges (LPSC) on receipt basis. However, w.e.f. 01.04.2020, the Company changed its accounting policy to account for the same on accrual basis. Consequent to the above change the Company has recognised INR 33764.24 Lakhs as income on account of LPSC pertaining to FY 2020-21. The Discoms from whom these LPSC charges are receivable have quantified INR 15144.62 Lakhs as payable on account of LPSC for the financial year 2020-21 on which TDS of INR 1154.09 has been deducted and the same has been accounted for in these financial statements. Further, the above changes in accounting policy is effective from financial year 2020-21, LPSC charges receivable upto 31.03.2020 have not been accounted for in these financial statements.
- c) As per the Tariff Order issued by DERC dated 28.08.2020 "The Commission directs the petitioner (Delhi Transco Ltd.) to disburse Short Term Open Access(STOA) charges to Discoms as per applicable rules and regulations on monthly basis on the date of raising transmission bills. Further, no adjustment of STOA charges shall be made towards any past dues/adjustment in transmission bills of utilities". The Discoms are defaulting in payments of their outstanding dues against transmission charges and the Company therefore, has adjusted the STOA charges payable to them against their outstanding dues. The Company in order to comply with the order of the DERC has accounted equivalent amount of income and expenditure in these financial statements to the extent of INR 23052.47 Lakhs (31 March, 2020: INR 47119.86 Lakhs). There is no impact on the profit of the Company for the year on account of this.
- d) In the tariff order of DERC dated 28.08.2020 on truing up of expenditure of FY 2018-19, Tariff on ISTS Lines of INR 312 Lakhs was considered as non tariff income in the current year and deducted the same from the ARR (Tariff) for FY 2020-21. Accordingly, the amount of INR 312 Lakhs is now written off from liability (amount received from PGCIL) and considered as income in FY 2020-21 due to True up of Tariff for FY 2018-19 as per Order of DERC.
- e) Refer Note No.33 for disclosure as per INDAS 115 "Revenue from Contracts with customer".

## 24 Other income

INR Lakhs

| Particulars                                                                           | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Interest income from financial assets measured at amortised cost Bank deposits</b> | 5,237.43                            | 2,518.28                            |
| (Includes INR 3505.70 Lakhs on FDRs held under PSDF-UI Pool Fund)                     |                                     |                                     |
| Other non-operating income                                                            |                                     |                                     |
| <b>Sale of scrap</b>                                                                  | 269.83                              | 45.49                               |
| <b>Net gain on foreign exchange transactions and translation</b>                      | 50.95                               | -                                   |
| Profit on sale of property plant and equipment                                        | -                                   | 104.19                              |
| Grant income for:                                                                     |                                     |                                     |
| Right to use land                                                                     | 313.58                              | 313.58                              |
| Grant under MOU-I for PGCIL projects                                                  | 1,125.19                            | (383.12)                            |
| Power sector development fund (PSDF)                                                  | 750.78                              | 1,155.11                            |
| License fee recovery                                                                  | 17.48                               | 17.92                               |
| Liability No Longer payable                                                           | -                                   | 450.05                              |
| Other miscellaneous receipts                                                          | 437.52                              | 459.94                              |
| <b>Total</b>                                                                          | <b>8,202.76</b>                     | <b>4,681.44</b>                     |

**25 Employee benefits expenses**

INR Lakhs

| Particulars                                     | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-------------------------------------------------|-------------------------------------|-------------------------------------|
| Salaries, wages, allowances and bonus           | 23,071.79                           | 30,958.09                           |
| Contribution to provident and other funds       | 713.04                              | 599.28                              |
| Staff welfare expenses                          | 758.63                              | 875.24                              |
|                                                 | <b>24,543.46</b>                    | <b>32,432.61</b>                    |
| Less: Employee cost capitalised during the year | 4,364.84                            | 2,962.37                            |
| <b>Total</b>                                    | <b>20,178.62</b>                    | <b>29,470.24</b>                    |

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

**26 Finance cost**

INR Lakhs

| Particulars                                                         | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Interest on financial liabilities measured at amortised cost</b> |                                     |                                     |
| Non-convertible redeemable power bonds                              | 933.29                              | 1,125.74                            |
| Rupee term loans                                                    | 4,371.40                            | 5,930.67                            |
|                                                                     | <b>5,304.69</b>                     | <b>7,056.41</b>                     |
| Less: Finance income on fixed deposits                              | 55.20                               | 27.04                               |
| Less: Finance cost capitalised during the year                      | 205.89                              | 225.01                              |
| <b>Total</b>                                                        | <b>5,043.60</b>                     | <b>6,804.36</b>                     |

**27 Depreciation and amortisation expense**

INR Lakhs

| Particulars                                   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| Depreciation on property, plant and equipment | 27,327.27                           | 24,951.86                           |
| Amortisation of intangible assets             | 787.63                              | 760.70                              |
| Depreciation adjustment                       | 0.01                                | (17.31)                             |
| <b>Total</b>                                  | <b>28,114.91</b>                    | <b>25,695.24</b>                    |

**28 Other expenses**

INR Lakhs

| Particulars                                                                    | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Repairs and maintenance</b>                                                 |                                     |                                     |
| Building                                                                       | 546.82                              | 217.49                              |
| Lines, cables and network assets                                               | 2,502.01                            | 3,386.72                            |
| Vehicles                                                                       | 5.98                                | 5.44                                |
| Others                                                                         | 407.67                              | 81.27                               |
|                                                                                | <b>3,462.48</b>                     | <b>3,690.92</b>                     |
| <b>Consumption of stores and spares</b>                                        | 1,963.31                            | 1,687.08                            |
| <b>Expense on account of Provision for Slow Moving Inventory</b>               | 52.41                               | 230.27                              |
| <b>Reactive Energy Charges</b>                                                 | 1,206.27                            | 453.40                              |
| <b>Revised Power Purchase Cost</b>                                             | 18.12                               | 323.87                              |
| <b>Net loss on foreign exchange transactions and translation</b>               | -                                   | 337.70                              |
| <b>"Corporate Social Responsibility (CSR) Expenditure (Refer Note No. 45)"</b> | 1,194.58                            | 36.10                               |

|                                                      |                  |                  |
|------------------------------------------------------|------------------|------------------|
| <b>Administration, general and other expenses</b>    |                  |                  |
| Electricity and water charges                        | 657.57           | 755.04           |
| Communication expenses                               | 34.75            | 17.56            |
| Professional charges                                 | 191.87           | 95.29            |
| Travelling and conveyance                            | 13.02            | 89.02            |
| Advertisement and publication                        | 0.50             | 160.29           |
| Medical expenses                                     | 463.54           | 541.92           |
| Security expenses                                    | 2,974.96         | 2,514.64         |
| Payment to the auditors (refer a below)              | 15.99            | 15.16            |
| Ground rent                                          | 150.00           | 150.00           |
| Property tax                                         | 310.14           | 308.85           |
| License fees for land                                | 1,158.63         | 1,158.63         |
| License fees to DERC                                 | 50.00            | 50.00            |
| Legal expenses                                       | 11.93            | 70.12            |
| Loss on sale of assets                               | 77.13            | -                |
| Interest on Taxes                                    | -                | 25.09            |
| Miscellaneous expenses (refer b below)               | 1,531.59         | 1,229.14         |
|                                                      | <b>15,538.79</b> | <b>13,940.09</b> |
| Less: Capitalised during the year                    | 54.44            | 65.82            |
| <b>Total</b>                                         | <b>15,484.35</b> | <b>13,874.27</b> |
| <b>a) Details in respect of payment to auditors:</b> |                  |                  |
| Statutory audit fees                                 | 8.68             | 7.32             |
| Income Tax audit fees                                | 1.74             | 1.46             |
| GST audit fees                                       | -                | 1.00             |
| Reimbursement of expenses                            | 0.73             | 0.67             |
| In other capacity                                    | 2.40             | 2.40             |
| Reimbursement of GST/Service tax                     | 2.44             | 2.31             |
| <b>Total</b>                                         | <b>15.99</b>     | <b>15.16</b>     |

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

## 29 Fair Value Measurements

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

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

INR Lakhs

| Particulars                    | As at 31 March 2021 |                      | As at 31 March 2020 |                      |
|--------------------------------|---------------------|----------------------|---------------------|----------------------|
|                                | Carrying Amount     | Fair Value (Level 3) | Carrying Amount     | Fair Value (Level 3) |
| <b>Financial liabilities:</b>  |                     |                      |                     |                      |
| Redeemable bonds               | 8,062.47            | 8,062.47             | 10,077.87           | 10,077.87            |
| Term loan from banks           | 34,024.08           | 34,024.08            | 42,372.52           | 42,372.52            |
| Term loan from related parties | 4,425.41            | 4,425.41             | 27,776.60           | 27,776.60            |
| <b>Total</b>                   | <b>46,511.96</b>    | <b>46,511.96</b>     | <b>80,226.99</b>    | <b>80,226.99</b>     |



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

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

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

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

### 30 Financial Risk Management

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

The Company is exposed to the following risks from its use 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.

#### 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:

INR Lakhs

| Particulars                                                                                                                | As at<br>31 March 2021 | As at<br>31 March 2020 |
|----------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| <b>Financial assets for which loss allowance is measured using:</b>                                                        |                        |                        |
| <b>Lifetime Expected Credit Losses (ECL)</b>                                                                               |                        |                        |
| Trade Receivable                                                                                                           | 1,54,222.84            | 1,08,347.72            |
| 12 months Expected Credit Losses (ECL)                                                                                     |                        |                        |
| Security Deposits                                                                                                          | 44.88                  | 44.08                  |
| "Bank balance & Cash and cash equivalents<br>(Excluding Pool Accounts of PSDF-UI, Congestion Account,<br>Reactive energy)" | 44,286.66              | 61,489.69              |
| Unbilled Revenue                                                                                                           | 10,376.20              | 7,170.57               |
| Recoverable from related parties                                                                                           | 1,380.45               | 1,036.05               |
| Recovery through ARR                                                                                                       | 812.61                 | 812.61                 |
| <b>Total</b>                                                                                                               | <b>2,11,123.64</b>     | <b>1,78,900.72</b>     |

#### **(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**

INR Lakhs

| Ageing             | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--------------------|------------------------|------------------------|
| Less than 180 days | 50,947.70              | 24,716.59              |
| More than 180 days | 1,03,275.14            | 83,631.14              |
| <b>Total</b>       | <b>1,54,222.84</b>     | <b>1,08,347.72</b>     |

**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:

INR Lakhs

| Particulars                                          | As at<br>31 March 2021 | As at<br>31 March 2020 |
|------------------------------------------------------|------------------------|------------------------|
| Floating-rate borrowings                             | 14,000.00              | 14,000.00              |
| Loans repayable on demand (expiring within one year) |                        |                        |

**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:

INR Lakhs

| Particulars                                                                                                                     | As at<br>31 March 2021 | As at<br>31 March 2020 |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Total liabilities                                                                                                               | 46,511.96              | 80,226.99              |
| Less : Bank balance & Cash and cash equivalents<br>(Excluding Pool Accounts of PSDF-UI, Congestion Account,<br>Reactive energy) | 44,286.66              | 61,489.69              |
| <b>Net debt</b>                                                                                                                 | <b>2,225.30</b>        | <b>18,737.30</b>       |
| <b>Total equity</b>                                                                                                             | <b>4,12,250.44</b>     | <b>3,51,353.39</b>     |
| <b>Net debt to equity ratio</b>                                                                                                 | <b>0.01</b>            | <b>0.05</b>            |

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

## 32 Employee Benefits

### I Employees employed post unbundling

#### (i) Defined contribution plans:

Amount of INR 713.04 lakhs (31 March 2020: INR 599.28 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**

INR Lakhs

| Particulars  | As at<br>31 March 2021 | As at<br>31 March 2020 |
|--------------|------------------------|------------------------|
| Non-current  | 2,730.12               | 2,532.06               |
| Current      | 32.87                  | 32.89                  |
| <b>Total</b> | <b>2,762.99</b>        | <b>2,564.95</b>        |

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

INR Lakhs

| Particulars                                                  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Opening balance</b>                                       | 2,564.95                            | 1,961.03                            |
| Included in profit or loss:                                  |                                     |                                     |
| Current service cost                                         | 294.25                              | 323.45                              |
| Past service cost                                            |                                     |                                     |
| Interest cost/income                                         | 174.42                              | 150.02                              |
| <b>Total amount recognized in profit or loss</b>             | <b>468.67</b>                       | <b>473.47</b>                       |
| Included in OCI (Remeasurement loss/(gain)):                 |                                     |                                     |
| Actuarial loss (gain) arising from:                          |                                     |                                     |
| Demographic assumptions                                      | -                                   | (0.81)                              |
| Financial assumptions                                        | -                                   | 317.86                              |
| Experience adjustment                                        | (258.99)                            | (169.96)                            |
| <b>Total amount recognized in other comprehensive income</b> | <b>(258.99)</b>                     | <b>147.09</b>                       |
| Benefits paid                                                | (11.64)                             | (16.64)                             |
| <b>Closing balance</b>                                       | <b>2,762.99</b>                     | <b>2,564.95</b>                     |

**c) Actuarial assumptions**

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

INR Lakhs

| Particulars                                           | As at<br>31 March 2021                | As at<br>31 March 2020 |
|-------------------------------------------------------|---------------------------------------|------------------------|
| Discount rate                                         | 6.80%                                 | 6.80%                  |
| Salary escalation rate                                | 12.00%                                | 12.00%                 |
| Retirement age (years)                                | 60 years                              | 60 years               |
| Mortality rates inclusive of provision for disability | 100% of IALM (2012-14) 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:

INR Lakhs

| Particulars                             | Increase | Decrease |
|-----------------------------------------|----------|----------|
| <b>As at 31 March 2021</b>              |          |          |
| Discount rate (0.50% movement)          | (200.51) | 221.12   |
| Salary escalation rate (0.50% movement) | 26.52    | (27.95)  |

|                                         |          |         |
|-----------------------------------------|----------|---------|
| <b>As at 31 March 2020</b>              |          |         |
| Discount rate (0.50% movement)          | (194.15) | 214.83  |
| Salary escalation rate (0.50% movement) | 28.83    | (33.99) |

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 (2012-14) 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

INR Lakhs

| Particulars                                 | As at 31 March 2021 | As at 31 March 2020 |
|---------------------------------------------|---------------------|---------------------|
| <b>Duration of defined benefit payments</b> |                     |                     |
| Less than 1 year                            | 32.87               | 32.89               |
| Between 1-2 years                           | 68.50               | 29.08               |
| Between 2-5 years                           | 151.95              | 163.28              |
| Over 5 years                                | 2,509.67            | 2339.70             |
| <b>Total</b>                                | <b>2,762.99</b>     | <b>2,564.95</b>     |

Expected contributions to post-employment benefit plans for the year ending 31 March 2021 are INR 485.88 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 449.15 Lakhs (31 March 2020: INR 1430.01 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:

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

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

The scheme is unfunded and liability for the same is recognized on the basis of actuarial valuation. A provision of INR 22.70 Lakhs (31 March 2020: INR 24.50 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 2021, INR 13.79 Lakhs (31 March 2020: INR 5831.78 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

- The description of Company's contracts with customers and its performance obligations under those contracts is contained in Note 23 (a)
- Disaggregation of revenue recognised in Statement of Profit and Loss

INR Lakhs

| Particulars                           | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------------|-------------------------------------|-------------------------------------|
| Transmission Income (Tariff)          | 1,04,839.00                         | 88,486.00                           |
| Revenue from contracts with customers | 1,04,839.00                         | 88,486.00                           |

There is no impact on balance sheet, equity, statement of profit and loss and earnings per share for the year ended March 31, 2021

The following table discloses the movement in unbilled revenue during the year ended March 31, 2021 and March 31, 2020.

INR Lakhs

| Particulars                               | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-------------------------------------------|-------------------------------------|-------------------------------------|
| Balance at the beginning                  | 7,170.57                            | 9,720.43                            |
| Add: Revenue recognised during the period | 10,376.20                           | 7,170.57                            |
| Less: Invoiced during the period          | 7,170.57                            | 9,720.43                            |
| Balance at the end                        | <b>10,376.20</b>                    | <b>7,170.57</b>                     |

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-

INR Lakhs

| Particulars                                        | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| Contracted price                                   | 1,04,839.00                         | 88,486.00                           |
| Less: Rebates provided to customer                 | 734.61                              | 546.83                              |
| Add / (Less): Other revenue                        | 35,664.14                           | 18,411.10                           |
| Revenue recognized in Statement of Profit and Loss | <b>1,39,768.53</b>                  | <b>1,06,350.27</b>                  |

### 34 Earnings per Share

INR Lakhs

| Particulars                                       | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Profit attributable to equity shareholders</b> | 60,659.97                           | 17,135.62                           |
| Adjustment of Provision for Tax (Corrected)       | -                                   | (4,818.23)                          |
| Adjustment of Deferred tax (Corrected)            | -                                   | 15,156.44                           |
| Profit attributable to equity shareholders        | 60,659.97                           | Restated 27473.83                   |
| <b>Weighted average number of equity shares</b>   |                                     |                                     |
| 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          | <b>3,95,10,00,000</b>               | <b>3,95,10,00,000</b>               |
| <b>Earning Per Share (Basic and Diluted)</b>      | <b>1.54</b>                         | <b>Restated 0.70</b>                |
| <b>Nominal value per share</b>                    | <b>10.00</b>                        | <b>10.00</b>                        |

- 35** As per order of DERC, the Company is acting as a Nodal agency and discharging the State Load Dispatch Centre (SLDC) function and maintaining separate central pool bank accounts for UI Charges, Reactive Energy and Congestion charges for and on behalf of discoms and other constituents in Delhi. The State Load Dispatch Centre (SLDC), Delhi is the apex body to ensure integrated operation of the power system of the State of GNCTD. As per the PSDF regulation Act, 2019 the SLDC is required to maintain an account for UI energy, which is then required to be transferred to PSDF. The funds of Power Sector Development Fund (PSDF) are regulated and under the control of the GNCTD, through SLDC. These funds are controlled by way of PSDF Monitoring Committee. This Committee is to monitor the funds to be spent for the Power System Development in Delhi. It has been mandated that "The SLDC shall act as the nodal agency for collection and distribution of UI charges as far as intra-state ABT is concerned". An appraisal committee under the chairmanship of Secretary, Department of Power (GoNCTD) has been constituted for scrutiny (techno-economic appraisal) and prioritization of the various projects proposals for funding from PSDF.

The Company is realising from and distributing payments to the discoms /constituents since 1st April 2007 but the same were not accounted for in books of accounts and the financial statements of the Company as the funds do not belong to DTL, but to PSDF which is of the GNCTD through SLDC. The funds pertaining to the above pool accounts were held in the name of the Company in the form of Bank accounts/FDRs.



For financial year 2020-21 the Company decided that funds pertaining to UI charges/Reactive Energy and Congestion charges Pool accounts to be accounted for in the books of the Company and the same have been incorporated in the books of account along with corresponding liability as "PSDF UI account", "Central Pool Account -Congestion" and "Reactive Energy Pool Account". It has also been resolved that the same are to be transferred to PSDF account so that the same can be spent by the Committee under Chairmanship of Secretary of Power (GNCTD). The transactions pertaining to the above accounts for the financial year 2020- 21 have been recorded in the books of accounts of the Company for the purpose of Taxation and then transferred to PSDF net of Taxes. This is because though these funds do not belong to DTL but TDS on the same has been deducted by the banks in the name of DTL. Interest received/accrued of INR 3505.70 Lakhs for the financial year 2020-21 pertaining to PSDF UI funds has been recognised as income of the Company and TDS of INR 265.84 Lakhs deducted on this interest income has been recognised as current tax assets in these financial statements. Interest received/accrued upto 31.03.2020 and earlier years has been treated as part of PSDF UI pool account. Further, apart from the above the Company has also accounted for balances receivable and payables from/to the constituents of the UI charges in the financial statements. These balances are subject to confirmation and reconciliation.

The following are the Bank balances/ balances of FDRs as on 31.03.2021 pertaining to the above pool accounts as on 31.03.2021:

INR Lakhs

| Particulars                                                  | For the year ended<br>31 March 2021 |
|--------------------------------------------------------------|-------------------------------------|
| Balance in Current Account (UI Charges Account)              | 1,949.39                            |
| Balance in Fixed deposits with accrued interest (UI Account) | 76,590.90                           |
| Balance in Current Account ( Reactive Energy Account)        | 6.85                                |
| Balance in Current Account (Congestion Account)              | 5.76                                |
| <b>Total</b>                                                 | <b>78,552.90</b>                    |

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

#### a) List of Related parties:

##### i) Key Managerial Personnel (KMP):

|                         |                                             |                                                  |
|-------------------------|---------------------------------------------|--------------------------------------------------|
| Smt. Padmini Singla     | Chairperson & Managing Director             | w.e.f. 05.07.2019 to 31.12.2020                  |
| Smt. Rinku Dhugga       | Chairperson & Managing Director             | w.e.f. 01.01.2021 to 31.03.2021                  |
| Sh. Satya Gopal         | Chairman & Managing Director                | w.e.f. 31.03.2021 and still continuing           |
| Sh. Mukesh Kumar Sharma | Director (Operations)                       | w.e.f. 25.09.2019 and still continuing           |
| Sh. P.K. Mallik         | Director (Finance)                          | w.e.f. 05.06.2017 and continued as on 31.03.2021 |
| Sh D Verma              | Director (HR)                               | w.e.f 18.07.2019 to 24.04.2020                   |
| Sh. Ravi Dadhich        | Director (HR)                               | w.e.f. 24.04.2020 to 09.09.2020                  |
| Sh. Ajit Keshav Ranade  | Independent Director                        | w.e.f. 01.06.2016 and continued as on 31.03.2021 |
| Smt. Seema Gupta        | Nominee Director                            | w.e.f. 03.04.2018 and continued as on 31.03.2021 |
| Sh.Satender             | Chief Financial Officer                     | w.e.f.06.02.2019 to 24.06.2020                   |
| Sh. Hareshinder Singh   | Chief Financial Officer                     | w.e.f 24.06.2020 to 09.09.2020                   |
| Smt. Kamna Gupta        | Chief Financial Officer                     | w.e.f. 09.09.2020 and still continuing           |
| Sh.P.K.Mallik           | Executive Director (C.G), Company Secretary | continuing                                       |

**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:**

INR Lakhs

| Particulars                                        | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|----------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>i) Compensation to Key management personnel</b> |                                     |                                     |
| Short term employee benefits                       | 114.75                              | 76.57                               |
| Post employment benefits                           | 15.33                               | 7.30                                |
| Other long term benefits                           | 6.64                                | 4.75                                |
| <b>Total Compensation</b>                          | <b>136.72</b>                       | <b>88.62</b>                        |

**ii) Transactions with post employment benefit plans**

|                                    |                                    |          |          |
|------------------------------------|------------------------------------|----------|----------|
| DVB Employee Terminal Benefit Fund | Contributions made during the year | 1,987.89 | 5,831.78 |
| DVB Employee Terminal Benefit Fund | Recovery of salary                 | 477.30   | 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                                 | 22,666.67 | 10,000.00 |
| GNCTD                                     | Interest expense                                  | 1,328.33  | 1,744.50  |
| GNCTD                                     | Rent recovered on behalf of GNCTD                 | -         | -         |
| GNCTD                                     | Public Grievance Cell                             | 344.41    | 297.91    |
| Delhi Power Company Limited               | Salary and other admin expenses                   | 371.30    | 274.02    |
| Indraprastha Power Generation Company Ltd | Salary/expense of employees on deputation payable | 152.79    | 330.23    |
| Indraprastha Power Generation Company Ltd | payments done by DTL                              | -         | 347.14    |
| Indraprastha Power Generation Company Ltd | Wheeling Charges                                  | 21.12     | -         |
| Indraprastha Power Generation Company Ltd | Incentive and reactive energy charges             | 0.03      | -         |

|                                           |                                         |           |           |
|-------------------------------------------|-----------------------------------------|-----------|-----------|
| Indraprastha Power Generation Company Ltd | Distribution of STOA                    | 1.58      | -         |
| Indraprastha Power Generation Company Ltd | Unscheduled Interchange (UI) payable    | 29.43     | 69.99     |
| Indraprastha Power Generation Company Ltd | Unscheduled Interchange (UI) Receivable | 8.48      | 46.18     |
| BSES Yamuna Power Ltd                     | Wheeling Charges                        | 22,218.69 | 20,377.40 |
| BSES Yamuna Power Ltd                     | Incentive and reactive energy charges   | 405.79    | 369.25    |
| BSES Yamuna Power Ltd                     | Distribution of STOA                    | 4,804.26  | 9,827.72  |
| BSES Yamuna Power Ltd                     | LPSC                                    | 13,823.40 | -         |
| BSES Yamuna Power Ltd                     | Unscheduled Interchange (UI) payable    | 1,387.65  | 186.46    |
| BSES Yamuna Power Ltd                     | Unscheduled Interchange (UI) Receivable | 317.04    | 1,255.52  |
| BSES Rajdhani Power Ltd                   | Wheeling Charges                        | 43,081.87 | 35,914.57 |
| BSES Rajdhani Power Ltd                   | Incentive and reactive energy charges   | 584.18    | 762.80    |
| BSES Rajdhani Power Ltd                   | Distribution of STOA                    | 9,286.48  | 17,115.68 |
| BSES Rajdhani Power Ltd                   | LPSC                                    | 19,940.84 | -         |
| BSES Rajdhani Power Ltd                   | Unscheduled Interchange (UI) payable    | 2,980.80  | 681.17    |
| BSES Rajdhani Power Ltd                   | Unscheduled Interchange (UI) Receivable | 1,491.94  | 4,414.42  |
| Tata Power Delhi Distribution Ltd         | Wheeling Charges                        | 33,131.64 | 27,476.29 |
| Tata Power Delhi Distribution Ltd         | Incentive and reactive energy charges   | 802.67    | 777.91    |
| Tata Power Delhi Distribution Ltd         | Distribution of STOA                    | 7,131.63  | 9,039.41  |
| Tata Power Delhi Distribution Ltd         | Rebate                                  | 706.08    | 489.19    |
| Tata Power Delhi Distribution Ltd         | Unscheduled Interchange (UI) payable    | 1,837.81  | 2,069.37  |
| Tata Power Delhi Distribution Ltd         | Unscheduled Interchange (UI) Receivable | 118.85    | 193.90    |
| PPCL-UI                                   | Unscheduled Interchange (UI) payable    | 28.14     | 2.09      |
| PPCL-UI                                   | Unscheduled Interchange (UI) Receivable | 670.40    | 829.26    |
| NDMC- UI                                  | Unscheduled Interchange (UI) payable    | 1,709.27  | 1,387.75  |
| NDMC- UI                                  | Unscheduled Interchange (UI) Receivable | 444.82    | 452.99    |

**c) Outstanding balances with related parties are as follows:**

| Particulars                                                                                                                                                                                                                                                                 | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Receivable:</b>                                                                                                                                                                                                                                                          |                                     |                                     |
| BSES Yamuna Power Ltd<br>(The above includes LPSC charges amounting to INR 13823.40 Lakhs pertains to FY 2020-21 only.<br>Apart from above, LPSC charges dues upto FY 2019-20 amounting to INR 72548.30 Lakhs is also payable by BYPL which has not been included above.    | 65,886.08                           | 49,873.66                           |
| BSES Rajdhani Power Ltd<br>(The above includes LPSC charges amounting to INR 19940.84 Lakhs pertains to FY 2020-21 only.<br>Apart from above, LPSC charges dues upto FY 2019-20 amounting to INR 113692.58 Lakhs is also payable by BRPL which has not been included above. | 87,824.92                           | 64,790.01                           |
| Tata Power Delhi Distribution Ltd                                                                                                                                                                                                                                           | 8,772.45                            | 477.10                              |
| GNCTD (PGCELL)                                                                                                                                                                                                                                                              | 1,380.45                            | 1,036.05                            |
| <b>Payable:</b>                                                                                                                                                                                                                                                             |                                     |                                     |
| GNCTD (Loans) [Refer note 15(d)]                                                                                                                                                                                                                                            | 4,425.41                            | 27,776.60                           |
| Delhi Power Company Limited                                                                                                                                                                                                                                                 | 4,381.52                            | 4,752.82                            |
| Indraprastha Power Generation Company Ltd                                                                                                                                                                                                                                   | 449.54                              | 296.75                              |
| DVB Employee Terminal Benefit Fund (DERC Orders)                                                                                                                                                                                                                            | 2289.28                             | 2,289.28                            |
| <b>Amount payable to post employment benefit plans</b>                                                                                                                                                                                                                      |                                     |                                     |
| DVB Employee Terminal Benefit Fund                                                                                                                                                                                                                                          | 457.47                              | 934.77                              |

**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**

INR Lakhs

| Particulars                                       | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|---------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Current tax expense</b>                        |                                     |                                     |
| Current year                                      | 25,021.13                           | 6,009.76                            |
| Adjustment for earlier years                      | (54.89)                             | 335.03                              |
|                                                   | <b>24,966.24</b>                    | <b>6,344.79</b>                     |
| <b>Deferred tax expense</b>                       |                                     |                                     |
| Origination and reversal of temporary differences | 4,770.12                            | 16,519.09                           |
| MAT Credit Entitlement                            | (11,246.52)                         | (4,811.90)                          |
|                                                   | <b>(6,476.40)</b>                   | <b>11,707.19</b>                    |
|                                                   | <b>18,489.84</b>                    | <b>18,051.98</b>                    |
| Adjustment of Provision for Tax (corrected)       | -                                   | 4,818.23                            |
| Adjustment of Deferred tax (corrected)            | -                                   | (15,156.44)                         |
| <b>Total income tax expense</b>                   | <b>18,489.84</b>                    | <b>Restated 7713.77</b>             |

## ii) Income tax recognised in other comprehensive income

INR Lakhs

| Particulars                                                  | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|--------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Net actuarial gains/(losses) on defined benefit plans</b> |                                     |                                     |
| Before tax                                                   | 237.08                              | (278.50)                            |
| Tax expense/ (benefit)                                       |                                     |                                     |
| Net of tax                                                   | <b>237.08</b>                       | <b>(278.50)</b>                     |

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

INR Lakhs

| Particulars                                                                       | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Profit before tax                                                                 | 79,149.81                           | 35,187.60                           |
| Tax using the Company's domestic tax rate of 34.944%<br>(31 March 2020 - 34.944%) | 27,658.11                           | 12,295.75                           |
| Tax effect of:                                                                    |                                     |                                     |
| Minimum Alternative Tax (Credit)/Expense                                          | (11,246.52)                         | (4,811.90)                          |
| Permanent/Temporary Difference                                                    | 2,078.25                            | 229.92                              |
| <b>Tax Expense</b>                                                                | <b>18,489.84</b>                    | <b>Restated 7713.77</b>             |

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

| Particulars          | As at 31 March 2021 |             | As at 31 March 2020 |             |
|----------------------|---------------------|-------------|---------------------|-------------|
|                      | Amount              | Expiry date | Amount              | Expiry date |
| For the year 2011-12 | 10151.25            | 2026-27     | 14,300.39           | 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 | 5413.69             | 2030-31     | 11,946.26           | 2030-31     |

## v) Movement in deferred tax balances

For the year ended 31 March 2021

INR Lakhs

| Particulars                                                               | Net balance<br>1 April 2020 | Recognised in<br>profit or loss | Recognised in<br>OCI | Net balance<br>31 March 2021 |
|---------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------|------------------------------|
| <b>Deferred tax liabilities</b>                                           |                             |                                 |                      |                              |
| Difference in net book value and tax<br>base of PPE and intangible assets | 54,423.37                   | 3,372.73                        | -                    | <b>57,796.10</b>             |
|                                                                           | <b>54,423.37</b>            | <b>3,372.73</b>                 | -                    | <b>57,796.10</b>             |
| <b>Deferred tax assets</b>                                                |                             |                                 |                      |                              |
| Provision for employee benefits                                           | 2,587.49                    | 225.18                          |                      | <b>2,812.67</b>              |
| Other provisions                                                          | 3,076.60                    | (1,622.57)                      |                      | <b>1,454.03</b>              |
|                                                                           | <b>5,664.09</b>             | <b>(1,397.39)</b>               |                      | <b>4,266.70</b>              |
| <b>Total</b>                                                              | <b>48,759.28</b>            | <b>4,770.12</b>                 |                      | <b>53,529.39</b>             |

**For the year ended 31 March 2020**

INR Lakhs

| Particulars                                                            | Net balance<br>1 April 2019 | Recognised in<br>profit or loss | Recognised<br>in OCI | Net balance<br>31 March 2020 |
|------------------------------------------------------------------------|-----------------------------|---------------------------------|----------------------|------------------------------|
| <b>Deferred tax liabilities</b>                                        |                             |                                 |                      |                              |
| Difference in net book value and tax base of PPE and intangible assets | 50,709.35                   | 18,870.46                       | -                    | <b>69,579.81</b>             |
|                                                                        | <b>50,709.35</b>            | <b>18,870.46</b>                | -                    | <b>69,579.81</b>             |
| <b>Deferred tax assets</b>                                             |                             |                                 |                      |                              |
| Provision for employee benefits                                        | 2,105.60                    | 481.89                          | -                    | <b>2,587.49</b>              |
| Other provisions                                                       | 1,207.13                    | 1,869.47                        | -                    | <b>3,076.60</b>              |
|                                                                        | <b>3,312.73</b>             | <b>2,351.36</b>                 | -                    | <b>5,664.09</b>              |
|                                                                        | <b>47,396.62</b>            | <b>16,519.10</b>                | -                    | <b>63,915.72</b>             |
| Less: Adjustment of Deferred tax (corrected)                           | -                           | <b>15,156.44</b>                | -                    | <b>15,156.44</b>             |
| <b>Total</b>                                                           | <b>47,396.62</b>            | <b>1,362.66</b>                 |                      | <b>Restated 48,759.28</b>    |

### 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:

INR Lakhs

| Particulars                       | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| BSES Yamuna Power Ltd             | 22,218.69                           | 20,377.40                           |
| BSES Rajdhani Power Ltd           | 43,081.87                           | 35,914.57                           |
| Tata Power Delhi Distribution Ltd | 33,131.64                           | 27,476.29                           |

### 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 2270 Lakhs with DERC as recoverable which includes supervision charges also and the same is under reconciliation.

(B) Deposits of INR 5306.69 Lakhs was received for two work Projects from NHAI & PWD during the F.Y. 2020-21. In both the cases since work was not commenced upto 31st March, 2021, hence supervision charges have not been recognized as income during the year.

Further, 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 will be accounted at the time of reconciliation.



- 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 2020: 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 2021 | For the year ended 31 March 2020 | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
| Trade Payables/deposits and retention money | 3.95 EURO                        | 3.95 EURO                        | 340.46                           | 328.40                           |
|                                             | 33.41 USD                        | 33.41 USD                        | 2455.55                          | 2518.55                          |

**45 Corporate Social Responsibility**

INR Lakhs

| Particulars                                 | For the year ended 31 March 2021 | For the year ended 31 March 2020 |
|---------------------------------------------|----------------------------------|----------------------------------|
| Opening Balance                             | 4,816.22                         | 3,572.68                         |
| Amount Required to be spent during the year | 1194.58                          | 1,279.64                         |
| Amount spent on CSR                         | 0                                | 36.10                            |
| Provision for CSR expenses (2020-21)        | (1,194.58)                       | -                                |
| <b>Closing Balance</b>                      | <b>4,816.22</b>                  | <b>4,816.22</b>                  |

The Ministry of Corporate Affairs, Govt of India vide notification dated 22nd January 2021 notified the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, and under the same it is required that in case the Company fails to spend the required CSR amount the Board shall, in its report made under clause (O) of the sub-section (3) of section 134, specify the reason for not spending the amount and, unless the amount spend relates to any ongoing projects undertaken by a Company under CSR, the Company should transfer such unspent amount to a fund specified in schedule VII, within a period of six months from the expiry of financial year and the company in compliance of the above mentioned notification has resolved and subsequently deposited INR 1194.58 Lakhs in the funds specified in schedule VII of the Companies Act, 2013. Further, the Board of Directors has subsequently resolved that a sum of INR 2486.11 Lakhs out of INR 4816.22 Lakhs stated above pertaining to unspent CSR expenditure for FY 2018-19 and FY 2019-20 stands closed.

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

##### A. Provisions

##### a) Provision on Account of Wage Revision Committee (WRC)

##### Movement in provision

INR Lakhs

| Particulars                                   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Provision for WRC</b>                      |                                     |                                     |
| Carrying amount at the beginning of the year  | 9,166.85                            | -                                   |
| Add: Additions during the year                | 160.09                              | 9,166.85                            |
| Less: Provision utilised during the year      | (7,348.11)                          | -                                   |
| Less: Provision reversed during the year      | -                                   | -                                   |
| <b>Carrying amount at the end of the year</b> | <b>1,978.83</b>                     | <b>9,166.85</b>                     |

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 FY 2019-20.

##### a) Provision for others

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

##### Movement in provision

INR Lakhs

| Particulars                                   | For the year ended<br>31 March 2021 | For the year ended<br>31 March 2020 |
|-----------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Provision for WRC</b>                      |                                     |                                     |
| Carrying amount at the beginning of the year  | 3,522.18                            | 3,319.51                            |
| Add: Additions during the year                | 221.21                              | 202.67                              |
| Less: Provision utilised during the year      | -                                   | -                                   |
| Less: Provision reversed during the year      | -                                   | -                                   |
| <b>Carrying amount at the end of the year</b> | <b>3,743.39</b>                     | <b>3,522.18</b>                     |

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

##### B. Contingent liabilities

- The contingent liability on account of arbitration/Court cases and other claims are INR 37732.31 Lakhs plus interest on 31 March 2021 (31 March 2020: INR 36,393.60 Lakhs plus interest). The company had filed counter claims of INR 1,348.87 Lakhs (31 March 2020: INR 1,348.87 lakhs) against these claims. The company has not assessed probable outflow (if any) of these claims and no provision has been made.
- 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.
- 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.
- 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 1,215.24 lakhs (31 March 2020: INR 1111.86 lakhs) is shown as contingent liability.
  - f) INR 3,087.04 Lakhs (31 March 2020: 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 29908.83 Lakhs (31 March 2020: INR 9,889.31 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 21368.21 Lakhs i.e the amount by which though the work is completed but financial closure and final invoice is pending from PGCIL.
48. Income Tax refund for A.Y. 2016-17 of INR 5299.77 Lakhs was received by the Company during the F.Y. 2019-20. No interest was received by the Company on the same and after the Company represented before the Income Tax department for the same, the Assessing officer was directed to calculate the amount of interest due to the Company on the above refund. However, neither any amount of interest due has been intimated nor paid by Income Tax Department. No credit for Interest if any has been taken in these financial statements as the same is unascertained.
49. INR 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 107.03 Lakhs till 31.03.2021 has been made towards interest in the financial statements.
50. 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- licence 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.
51. The DERC vide its order dated 28.08.2020 directed the Company to pay INR 1735.00 Lakhs towards carrying cost of revised power purchase on the basis of Aggregate Revenue Requirement(ARR) for the F.Y. 2020-21. The Company has not made any provision for the same in the financial statements pending the final decision of the management in this regard.



52. During the FY 2020-21, the Company opted for Vivad se Viswas Scheme 2020 for four years (AY 2008-09, AY 2012-13, AY 2014-15 & AY 2015-16). Necessary forms have been filed by the Company under the Scheme and accepted by the Income Tax Department except for A.Y. 2012-13 the acceptance of which is still awaited from Income Tax Department. There is no additional tax liability on availing the above option.
53. On account of inadvertent error in calculation of Deferred Tax Liability in F.Y. 2019-20, the Deferred Tax Liability was overstated by INR 15156.44 Lakhs and Income Tax provision was understated by INR 4818.23 Lakhs. The error has been corrected during the year by retrospectively restating the amounts for the previous year.

#### **54. 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 continuing COVID-19 pandemic, various lockdowns were declared by the Central/ State Governments/ Local Authorities from time to time. However, as per the Government guidelines, transmission units and services were exempted from the said lockdown restrictions. The 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. The Company has also implemented digital solutions such as e-office, ERP systems, Virtual Private Network, Video Conferencing etc. to facilitate Work from Home of its employees. 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 31 March 2021.

55. Previous year figures have been regrouped/re-classified/restated wherever found necessary.

As per our Report of even date attached

#### **For H.K.Chaudhry & Co.**

Chartered Accountants

Sd/-

**Monish Baweja**

Partner

Membership No. : 087384

Firm Reg. No.: 006154N

Place : New Delhi

Dated : 13.11.2021

UDIN : 2108738AAAABG6608

Sd/-

**P.K. Mallik**

Company Secretary

Sd/-

**Kamna Gupta**

Chief Financial Officer

Sd/-

**Dr. Sanjay Kumar Lal**

Director (Finance)

DIN: 09320148

Sd/-

**Mukesh Kumar Sharma**

Director (Operation)

DIN: 08572379

Sd/-

**Satya Gopal**

Chairman and Managing Director

DIN: 08144273

For and on behalf of the Board of Directors



## **DELHI TRANSO LIMITED**

(A Govt. of NCT of Delhi Undertaking)

CIN: U40103DL2001SGC111529

Regd. Office : Shakti Sadan, Kotla Marg, New Delhi-110002

**[www.dtl.gov.in](http://www.dtl.gov.in)**