Note 32
Revenue recognition
Accounting policy

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. There is no significant judgement involved while evaluating the timing as to when customers obtain control of promised goods and services.

32.1 Sale of power

Revenue from the supply of power is recognised net of any trade discounts, cash rebates, etc. when the power is supplied and units of electricity are delivered as it best depicts the value to the customer and complete satisfaction of performance obligation.

Revenue from power supply is accounted for on the basis of billings to consumers and includes unbilled revenues accrued up to the end of the reporting period. Revenue from power supply is recognised net of the applicable taxes which the Company collects from the customer on behalf of the government/state authorities. Revenue from such contracts is recognised over time for each unit of electricity delivered at the pre-determined rate.

The Company, as per the prevalent Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Wheeling Tariff and Retail Supply Tariff) Regulations (referred as 'Tariff Regulations') for distribution business, is required to recover its Annual Revenue Requirement (ARR) comprising of expenditure on account of power purchase costs, operations & maintenance expenses, financing cost, as per the said regulations and an assured return on DERC approved equity with additional incentive on over achievement of distribution loss and collection efficiency targets. As per the said Tariff Regulations, the Company determines the ARR and any excess/shortfall in recovery of ARR during the year is accounted for in "Regulatory Deferral Account Balance".

In respect of power generation, the Company is entitled to recover fuel cost, operations and maintenance expenses and other cost along with return on equity as stated in Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Generation Tariff) Regulations subject to the availability factor.

Revenue in respect of the following is recognised as and when recovered because its ultimate collection is uncertain:
(a) Late Payment Surcharge (LPSC) on electricity billed
(b) Bills raised for dishonest abstraction of power
(c) Interest on Unscheduled Interchange (UI).

32.2 Contribution for capital works & service line charges

Consumer's contribution towards cost of capital assets and service line charges is treated as capital receipt and credited in liabilities until transferred to a separate account on commissioning of the assets and installation of connection respectively. An amount equivalent to the depreciation charge for the year on such assets is appropriated from this account as income to the Statement of Profit and Loss over the useful life of the assets.

32.3 Rendering of Services

Revenue from a contract to provide consultancy services is recognised based on:

Input method : The extent of progress towards completion is measured based on the ratio of costs incurred to date to the total estimated costs at completion of performance obligation. Revenue, including estimated fees or profits, are recorded proportionally based on measure of progress.

Output method : Direct measurements of value to the customer based on the survey of performance completed to date.

		Year ended 31.03.2020 ₹/Lakhs	Year ended 31.03.2019 ₹/Lakhs
32.4	**Revenue from operations**		
32.4.1	**Revenue from sale of power and open access**		
(a)	Sale of power	8,05,916.53	7,74,896.84
	Less: rebate on no. of bills	-	(873.93)
	Less: energy tax	30,996.15	28,651.15
		7,74,920.38	7,47,119.62
(b)	Income from open access charges	1,258.60	1,009.94
		7,76,178.98	7,48,129.56
32.4.2	**Other operating revenue**		
(a)	Late payment surcharge	1,938.07	1,869.11
(b)	Amortisation of service line charges	3,280.10	2,941.88
(c)	Commission on		
	- DVB arrears collection	3.91	1.85
	- Energy tax collection	900.56	843.94
(d)	Maintenance charges {refer note 32.4.2(i)}	1,268.28	1,202.87
(e)	Amortisation of capital grants	74.83	74.25
(f)	Amortisation of consumer contribution for capital works	4,743.47	4,568.95
(g)	Miscellaneous operating income	407.28	374.29
		12,616.50	11,877.14
		7,88,795.48	7,60,006.70

32.4.2(i) Includes incentive on street light maintenance of ₹ 110.98 lakhs pertaining to financial year 2019-20 (for the year ended 31 March, 2019 ₹ 82.02 lakhs).

32.5 Other Income

Accounting Policy

- Interest Income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

		Year ended 31.03.2020 ₹/Lakhs	Year ended 31.03.2019 ₹/Lakhs
(a)	Interest Income	274.11	627.54
(b)	Gain on sale/fair value of mutual fund investment measured at FVTPL	21.02	647.11
(c)	Foreign exchange fluctuation gain (net)	7.24	-
(d)	Income other than energy business	9,570.08	9,280.04
(e)	Other non-operating income	659.12	247.35
		10,531.57	10,802.04

32.6 Disaggregation of revenue

Revenue recognised from contracts with customers mainly comprises of sale of power from distribution and retail supply of electricity in the North & North-west Delhi wherein nature, amount, timing and uncertainty of revenue is in accordance with prevailing DERC regulations and tariff order.

Set out below is the disaggregation of the Company's revenue from contracts with customers:

₹/Lakhs

Particulars			Year ended 31.03.2020	Year ended 31.03.2019
(A) Revenue from contracts with customers				
- Based on nature of goods/services				
(i) Distribution of power				
	Year ended 31.03.2020	Year ended 31.03.2019		
(a) Sale of power	7,74,920.38	7,46,245.69		
Less: Rebate on no. of bills	-	(873.93)	7,74,920.38	7,47,119.62
(b) Income from open access charges			1,258.60	1,009.94
(c) Late payment surcharge			1,938.07	1,869.11
(d) Amortisation of service line charges			3,280.10	2,941.88
(e) Commission on				
- DVB arrears collection			3.91	1.85
- Energy tax collection			900.56	843.94
(f) Maintenance charges			1,268.28	1,202.87
(g) Amortisation of consumer contribution for capital works			4,743.47	4,568.95
(h) Miscellaneous income			467.81	397.96
(ii) Business Development (Project management and other consultancy services)			9,504.41	9,234.92
			7,98,285.59	**7,69,191.04**
(B) Other revenue				
(i) Distribution/generation of power				
(a) Amortisation of capital grants			74.83	74.25
(b) Interest income			274.11	353.90
(c) Others			598.59	223.68
(ii) Business Development (Project management and other consultancy services)			65.67	45.12
(iii) Others				
(a) Interest income			-	273.64
(b) Gain on sale/fair value of mutual fund investment measured at FVTPL			21.02	647.11
(c) Foreign exchange fluctuation gain (net)			7.24	-
			1,041.46	**1,617.70**
Total revenue			**7,99,327.05**	**7,70,808.74**

32.7 Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

₹/Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Contract assets		
Unbilled revenue other than passage of time (refer note 17(a))	2,320.07	1,115.17
Total contract assets	**2,320.07**	**1,115.17**
Contract liabilities		
Income received in advance (refer note 30(a))	1,273.93	534.49
Advance from consumers (refer note 30(c))	7,893.43	6,243.11
Deferred revenue from consumers -		
Consumers' deposits for works and service line charges (refer note 25)	34,229.56	22,580.72
Total contract liabilities	**43,396.92**	**29,358.32**
Receivables		
Trade receivables (gross) (refer note 13)	46,249.74	38,096.21
Unbilled revenue for passage of time (refer note 16(b))	32,245.22	34,492.39
Less : Allowances for doubtful debts (refer note 13)	14,644.77	12,649.01
Net receivables	63,850.19	59,939.59

32.7.1 **Contract assets and contract liabilities**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract including advance received from customer.

Contract assets are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied.

Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

₹/Lakhs

Particulars	Contract Assets	
	As at 31.03.2020	As at 31.03.2019
- Unbilled revenue other than passage of time		
Opening balance as at 1 April	1,115.17	748.55
Add: Revenue recognised during the year apart from above	6,555.29	3,454.39
Less: Transfer from contract assets to receivables	(5,350.39)	(3,087.77)
Closing Balance	**2,320.07**	**1,115.17**

₹/Lakhs

Particulars	Contract Liabilities					
	As at 31.03.2020			As at 31.03.2019		
	Income received in advance	Advance from consumers	Deferred Revenue	Income received in advance	Advance from consumers	Deferred Revenue
Opening balance as at 1 April	534.49	6,243.11	22,580.72	145.88	3,544.43	23,870.61
Revenue recognised during the year from balance at the beginning of the year	(224.05)	(3,993.10)	-	(105.49)	(2,260.21)	-
Advance received during the year not recognised as revenue	963.49	5,643.42	17,786.10	494.10	4,958.89	6,783.06
Transfer from contract liabilities upon satisfaction of performance obligation	-	-	(6,137.26)	-	-	(8,072.95)
Closing Balance	**1,273.93**	**7,893.43**	**34,229.56**	**534.49**	**6,243.11**	**22,580.72**

32.8 **Transaction price - remaining performance obligation**

The remaining performance obligation represents disclosure of aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations and adjustment for revenue that has not materialised.

The aggregate value of performance obligations for project management and other consultancy projects that are unsatisfied or partially satisfied as at 31 March, 2020 is ₹ 21,258.06 lakhs (as at 31 March, 2019 is ₹ 21,675.90 lakhs). Out of this, the Company expects to recognise revenue of around 35.20% (as at 31 March, 2019 37.31%) within next one year and the remaining thereafter on contract-by-contract basis based on extent of progress of the projects.

Note 33
Power purchase cost

33.1 The Company has entered into power purchase agreements based on projected demand of power to be supplied to the consumers. During certain time slots, the power arranged may be in excess of the actual demand and in some time slots, the demand may exceed prior arrangements. In the event power procured exceeds demand, since the same cannot be stored, is either sold through bilateral arrangements or allowed to be drawn by other utilities from the Grid at an Unscheduled Interchange (UI) charge. During the current year, the Company has sold/under-drawn 504.06 million units (for the year ended 31 March, 2019 2,088.28 million units) of power to/in favour of other utilities. The power purchase cost of ₹ 6,29,963.08 lakhs (for the year ended 31 March, 2019 ₹ 5,89,686.12 lakhs) is net of sale of power/UI receivables ₹ 14,546.92 lakhs (for the year ended 31 March, 2019 ₹ 77,781.12 lakhs), rebate on power purchase ₹ 6,573.02 lakhs (for the year ended 31 March, 2019 ₹ 5,988.95 lakhs) and excludes in-house power generation cost.

33.2 Power generation companies such as NTPC have been raising power purchase bills from their coal based generating station to beneficiaries based on the coal price as charged by coal companies, however, Gross Calorific Value (GCV) of coal on received basis used for calculation of Energy Charge Rate (ECR) was not in accordance with the price paid for the coal with a grade slippage to the tune of 5-8 bands. In various judgments by Central Electricity Regulatory Commission (CERC) i.e. in petition no. 33/MP/2014 and 283/GT/2014 on this issue, CERC had ordered that there cannot be significant variation in GCV of coal at the loading point and unloading point at site. The matter of excess charges refund by Gencos had been further taken up by the Company through a separate petition 311/MP/2015 at CERC which is currently under adjudication.

In the GCV matter, NTPC has admitted 5 grade slippage in the Gross Calorific Value (GCV) of coal received from CIL used for calculation of Energy Charge Rate (ECR). Also, in compliance with the CERC directives in petition no. 311/MP/2015, NTPC furnished the invoices for coal and transportation which also substantiated the fact that there was grade slippage to the tune of 4-7 grades. Hence, the Company has computed the difference of estimated excess bill charged by NTPC coal based power generating stations including Aravali Jhajjar (NTPC comprises of around 50% of the total coal station allocation to the Company) for the period April, 2014 to August, 2017 (in line with CERC Regulations 14-19) amounting to ₹ 1,48,350 lakhs approx. (unaudited) and the same has been submitted in CERC under affidavit on 24 November, 2017. The Grade slippage matter in Petition No. 311/MP/2015 was listed on 11 April,2019 which was adjourned and next date of hearing is yet to be notified.

33.3 **Bilateral Power Purchase Agreement**

The Company has made bilateral arrangements with other power utilities to bank power or vice versa and take back or return the same over the agreed period. Power banking transactions both ways were recorded at the rate of ₹ 4 per unit till 15 November, 2018 which was revised with effect from 16 November, 2018 as per DERC Order wherein it has directed to treat the normative cost of power banking transaction at weighted average variable cost of all long term sources of power purchase of relevant year. Details of power banked during the year ended 31 March, 2020 are as follows:

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
	Receivable MU's	Receivable MU's
(a) Opening balance as at 1 April	647.49	769.23
(b) Power banked (Outflow)	198.37	701.39
(c) Power due against banked	204.50	730.90
(d) Power receipt against opening	647.49	769.23
(e) Power receipt against current year transactions	75.57	83.41
(f) Balance receivable {(a)+(c)-(d)-(e)}	128.93	647.49

Note 34
Employee benefits expense (net)

Accounting policy
Employee benefits include salaries and wages, provident fund, gratuity, compensated absences and other terminal benefits.

34.1 Defined contribution plans

The Company's contribution to provident fund, etc. is considered as defined contribution plan and is charged as an expense based on the amount of contribution required to be made when services are rendered by the employees. The Company has categorised defined contribution plan for different employees into two categories:

34.1.1 Erstwhile DVB Employees:

The Company's contributions into the DVB Employees Terminal benefit Fund 2002 ('the Trust') for the erstwhile DVB Employees as per the Transfer Scheme are defined contribution plans. Provisions for contributions towards all terminal/retirement benefits including gratuity, pension and leave encashment on separation of erstwhile DVB employees are made on the basis of the Fundamental Rules and Service Rules (FRSR Rules) as determined by the trustees of the Trust. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

34.1.2 Employees other than from Erstwhile DVB:

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

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

34.2 Defined benefit plans

34.2.1 Employees other than from Erstwhile DVB:

The Company's gratuity plan is a defined benefit plan. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each reporting period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the prevailing market yields on government securities as at the Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in Other Comprehensive Income in the reporting period in which they occur. Remeasurement recognised in Other Comprehensive Income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the reporting period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

(a) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
(b) Net interest expense or income; and
(c) Remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The Company has taken the group policy with Life Insurance Corporation of India (LIC) to meet its obligation towards gratuity.

The Company contributes all ascertained liabilities to a gratuity fund administered through a separate trust which is governed by board of trustees. The board of trustee comprises of the officers of the Company.

The retirement benefit obligation recognised in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

34.3 Short-term employee benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the reporting period in which the related service is rendered. These benefit includes performance incentive, salaries and wages, bonus and leave travel allowance.

34.4 Other long-term employee benefits

34.4.1 Employees other than from Erstwhile DVB employees:

Benefits comprising compensated absences as per the Company policy constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the reporting period end. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

34.4.2 Erstwhile DVB Employees:

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

		Year ended 31.03.2020 ₹/Lakhs	Year ended 31.03.2019 ₹/Lakhs
(a)	Salaries, allowances and incentives	46,138.84	42,934.83
(b)	Contribution to provident and other funds (refer note 22 and note 29)	5,735.51	4,681.43
(c)	Staff welfare expenses	2,636.98	2,623.93
(d)	Other personnel cost	1,632.54	1,678.31
		56,143.87	51,918.50
	Less: Transferred to capital work-in-progress	5,652.41	4,973.64
		50,491.46	46,944.86
(e)	Pension and other payment to VSS and other retirees (refer note 31.12)	(1.56)	24.98
		50,489.90	46,969.84

NOTE 35
Finance costs

Accounting policy

Borrowing Costs
Borrowing costs incurred for qualifying assets are capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings if no specific borrowings have been incurred for the asset.

All other borrowing costs are recognised in the Statement of Profit and Loss in the reporting period in which they accrue.

		Year ended 31.03.2020 ₹/Lakhs	Year ended 31.03.2019 ₹/Lakhs
(a)	On borrowings - carried at amortised Cost		
	(i) Interest on term loan (gross)	24,425.99	21,759.68
	Less: Capitalised (refer note 35.1)	767.69	925.72
	Interest on term loans (net)	23,658.30	20,833.96
	(ii) Interest on cash credit accounts/short-term borrowings	4,038.98	2,105.72
(b)	Interest on lease liability (gross)	844.61	-
	Less: Capitalised	227.32	-
	Interest on lease liability (net)	617.29	-
(c)	Interest on consumer security deposits	5,985.87	5,244.56
(d)	Dividend on non-convertible cumulative redeemable preference shares to related parties (refer note 35.3)	-	6,579.35
(e)	Other borrowing costs	166.27	16.15
(f)	Other interest	23.35	108.11
		34,490.06	34,887.85

35.1 The weighted average capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation is 8.63% per annum (for the year ended 31 March, 2019 8.50% per annum).

35.2 Interest on consumer security deposits

As per the provisions of Section 47(4) of the Electricity Supply Act, 2003 interest on consumer security deposits is payable at the bank rate as per the notification by DERC. During the year 2007, DERC had issued Delhi Electric Supply Code and Performance Standards Regulations, which came into force from 18 April, 2007 through notification in the Official Gazette. As per Clause 16(vi) of the Regulations, interest at the rate of 6% per annum is payable on consumer security deposits which has been revised from 1 September 2017 vide DERC (Supply Code and Performance Standards) Regulations, 2017 at Marginal Cost of Fund based Lending Rate (MCLR) as notified by State Bank of India prevailing on the 1 April of that financial year.

In view of the fact that the matter of liability on account of opening consumer security deposits in excess of ₹ 1,000 lakhs (as at 31 March, 2019 ₹ 1,000 lakhs) transferred to the Company as per the Transfer Scheme is sub-judice and no stay has been granted on payment of interest on and/or refund of opening consumer security deposits in excess of ₹ 1,000 lakhs (as at 31 March, 2019 ₹ 1,000 lakhs), the Company has provided interest expense aggregating to ₹ 5,985.87 lakhs (for the year ended 31 March, 2019 ₹ 5,244.56 lakhs) during the year on the outstanding consumer security deposits received by the Company since takeover of business in July, 2002 and also on the estimated total consumer security deposits received by the erstwhile DVB as per the Company's records. Out of the above interest expenditure, an amount of ₹ 238.65 lakhs (for the year ended 31 March, 2019 ₹ 246.98 lakhs) would be recoverable from DPCL if the Company's contention is upheld by the Hon'ble High Court that the Company's liability for interest payment/refund on account of opening consumer security deposits is only to the extent of ₹ 1,000 lakhs liability transferred to it as per the statutory transfer scheme.

35.3 During the year ended 31 March, 2019 the Company had redeemed 500 lakhs 12% non-convertible cumulative redeemable preference shares of ₹ 100 each (255 lakhs i.e. 51% held by Tata Power Company Limited, the holding company and 245 lakhs i.e. 49% held by Delhi Power Company Limited) on 27 February, 2019. The dividend of ₹ 12 per share was paid to all holders of fully paid preference shares upto the date of redemption. The total dividend paid was ₹ 5,457.54 lakhs and the dividend distribution tax thereon amounted to ₹ 1,121.81 lakhs.

		Year ended 31.03.2020 ₹/Lakhs	Year ended 31.03.2019 ₹/Lakhs
Note 36			
Other expenses			
Operating and maintenance expenses			
(a)	Stores and spares consumed (net of recoveries)	3,625.69	2,723.25
(b)	Repairs and maintenance:		
	(i) Building	522.33	451.95
	(ii) Plant and equipment	8,224.81	7,842.13
	(iii) Others	5,706.52	6,125.23
(c)	Loss on disposal of property, plant and equipment	1,909.09	2,790.41
		19,988.44	19,932.97
Administrative and general expenses			
(a)	Communication expenses	239.90	257.65
(b)	Printing and stationery	327.49	321.52
(c)	Legal and professional charges (refer note 36.1)	2,114.38	2,197.68
(d)	Travelling and conveyance	819.92	904.03
(e)	Insurance	630.96	513.62
(f)	Advertisement, publicity and business promotion	238.53	301.00
(g)	Corporate social responsibility expenses (excluding 5% administrative expenses) (refer note 36.2)	811.30	787.42
(h)	Rent and hire charges	128.75	255.73
(i)	Rates and taxes	1,236.00	2,007.51
(j)	Freight, handling and packing expenses	53.33	61.63
(k)	Bill collection and distribution expenses	1,121.83	1,143.24
(l)	Postage and courier charges	38.74	32.45
(m)	EDP expenses	1,240.98	888.74
(n)	Housekeeping expenses	982.54	920.45
(o)	Foreign exchange fluctuation loss (net)	-	7.75
(p)	Bad debts written off/(written back)	400.01	195.18
(q)	Allowance for doubtful debts	1,218.44	40.02
(r)	Miscellaneous expenses	1,141.05	1,125.24
		12,744.15	11,960.86
	Total other expenses	**32,732.59**	**31,893.83**

36.1 **Auditors remuneration***

Legal and professional charges include auditor's remuneration as follows:

₹/Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(a) For statutory audit	62.70	57.00
(b) For taxation matters	8.93	8.92
(c) For company law matters	1.00	-
(d) For other services	9.40	8.10
(e) For reimbursement of expenses	3.38	3.54
Total	**85.41**	**77.56**

* Exclusive of Goods & Services Tax.

36.2 **Corporate social responsibility**

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

(a) Gross amount required to be spent by the Company during the year is ₹ 778.03 lakhs.

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

₹/Lakhs

Particulars	In Cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	71.77	-	71.77
(ii) On purposes other than (i) above	739.53	-	739.53

36.3 **Disclosure under Clause 87 of DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 of statutory levies and taxes**

As per the DERC (Terms and Conditions for Determination of Tariff) Regulations, 2017 , Clause no. 87 has defined the requirement for the disclosure of water charges, statutory levies and taxes separately. Management considers applicability of the following expenses as covered under Clause 87 :

₹/Lakhs

Particulars	Year ended 31.03.2020
(a) Statutory taxes -	
(i) Impact of GST (unaudited)	3,723.11
(b) Water charges	179.36
(c) Statutory levies -	
(i) Impact of minimum wages (unaudited)	2,313.13
(ii) Impact of 7th Pay Commission (interim relief)	3,756.30
(iii) Provisional impact of 7th Pay Commission (Leave salary contribution/Pension contribution)	1,393.73
(iv) Common effluent treatment plant charges	654.07
(v) Property tax	198.44
(vi) Licensee fees	371.54
(vii) Land license fees	1,141.76

Note 37
Regulatory deferral account balances

Accounting policy

The Company's operations of power distribution are a rate regulated activity as defined in Ind AS 114 "Regulatory Deferral Accounts" read with the Guidance Note on Rate Regulated Activities issued by ICAI and based on the principles laid down under the relevant Tariff Regulations/Tariff Orders notified by the DERC. Accordingly, the Company recognises regulatory deferral account balance in respect of difference between allowable controllable/ uncontrollable expenses and revenue actually collected from regulated activities. Debit balance in the regulatory deferral account balance represents cumulative shortfall in recovery which is allowable to the Company through tariff revision in future periods whereas credit balance in regulatory deferral account balance represents cumulative excess recovery which is refundable through future tariff reductions. The Company records regulatory deferral account balance as at the reporting date based on prevailing regulatory guidelines, various judgments given by judicial authorities, past practices and opinion of legal experts. Any change in the regulatory deferral account balance in respect of past periods due to changes in regulatory guidelines and their interpretation consequent to orders/ judgements of regulator, judicial authorities, etc. are recorded in the period of such change.

37.1. As per Ind AS 114 "Regulatory Deferral Accounts", the business of electricity distribution is a rate regulated activity where the Delhi Electricity Regulatory Commission (DERC) determines Retail Supply Tariff (RST) to be charged from consumers based on prevailing regulations in place.

37.2 In the latest Tariff Order dated 31 July, 2019 the DERC has trued up regulatory deferral account balance up to 31 March, 2018 at ₹ 2,25,450 lakhs as against ₹ 4,39,985.26 lakhs as per financial books of accounts. The difference in regulatory deferral account is largely due to provisional truing up of capitalisation, disallowance of de-capitalised property, plant and equipment, its corresponding impact on return on capital employed (ROCE), income tax and carrying cost. The difference in regulatory deferral account also includes impact of power purchase cost of Rithala Power Plant allowed by the DERC vide order dated 11 November, 2019 and other previous review/APTEL appeal orders. The disallowances not as per prevailing law, facts and figures have been challenged in Review Petition or at APTEL. For truing up of capitalisation, the DERC has initiated the exercise of physical verification of property, plant and equipment which is at advance stage of completion.

37.3 The DERC has notified Business Plan Regulations, 2019 for the next control period applicable for FY 2020-21 to FY 2022-23.

37.4 The Company on a regular basis evaluates the changes in the DERC regulations and other factors which may trigger the impairment of the regulatory deferral account balances.

37.5 The movement in regulatory deferral account balance as at 31 March, 2020 is as follows:

₹/Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
(A) Opening regulatory deferral account debit balance	4,75,913.86	4,50,937.12
(B) Net movement during the year		
(i) Power purchase cost	6,35,770.00	5,91,016.00
(ii) All other prudent O&M cost including ROCE, carrying cost etc.	1,88,799.00	1,86,978.00
(iii) Collection available for Annual Revenue Requirement (ARR) as per MYT order	7,90,513.00	7,60,110.00
(iv) Net movement before recovery of deferred tax {(iv)=(i)+(ii)-(iii)}	**34,056.00**	**17,884.00**
(v) Deferred tax recoverable in future tariff	12,215.25	7,092.74
(C) Net movement shown in the Statement of Profit and Loss {(iv)+(v)}	**46,271.25**	**24,976.74**
(D) Closing regulatory deferral account debit balance [(A)+(C)]	**5,22,185.11**	**4,75,913.86**

37.6 Rithala Power Generation Plant

On 31 August, 2017 the DERC issued the Order fixing the operational norms as specified in the DERC MYT Regulations, 2007 and allowed capital cost of the plant at ₹ 19,770 lakhs against ₹ 30,239 lakhs as per financial books of accounts. Further, the DERC has recognised tariff of the plant for 6 years (project life) from the date of commercial operation (COD) in combined cycle mode upto 31 March, 2018 as against 15 years, being the life of the plant. In accordance with the Order, the Company had stopped the billing of Rithala Power Plant from 1 April, 2018, adjusted a sum of ₹ 46,986 lakhs towards Rithala billing (including carrying costs) and recorded an impairment loss of ₹ 5,564.93 lakhs till 31 March, 2019.

Further, DERC has issued Tariff Order dated 11 November, 2019 for Rithala Power Plant and allowed depreciation for 6 years only. Aggrieved by the said Order of lower allowance of depreciation, the Company has challenged the Order before APTEL for balance depreciation along with other associated claims i.e. interest on debt, return on equity (RoE) etc.

As required by Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" the asset has been classified under the head "Assets Held for Sale" and the remaining unclaimed approved plant cost of ₹ 19,770 lakhs less fair value has been shown as recoverable from future tariff on the basis of management evaluation supported by legal opinion with the condition that the net sale/scrap proceeds for Rithala Power Plant after recovering the 10% salvage value shall be offered in ARR. However, the Company is yet to claim this amount in its true up petition considering its petition with respect to allowance of depreciation is pending before APTEL.

37.6.1 **Assets classified as held for sale**

Accounting policy

Non-current assets or disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset or disposal group and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. As at each Balance Sheet date, the management reviews the appropriateness of such classification.

Non-current assets or disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company treats sale/distribution of the asset or disposal group to be highly probable when:

(a) the appropriate level of management is committed to a plan to sell the asset (or disposal group),
(b) an active programme to locate a buyer and complete the plan has been initiated (if applicable),
(c) the asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
(d) the sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
(e) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

During the previous year ended 31 March, 2019 the property, plant and equipment relating to Rithala Power Generation Plant was classified as "Assets Held for Sale" pursuant to derecognition of Rithala plant as source of power with effect from 1 April, 2018 and management's intention to sell the plant. The management remains committed to the plan to dispose off the plant and therefore, continues to classify it as "Asset Held for Sale".

The assets classified as held for sale have been accounted at lower of carrying amount and fair value less costs to sell. The fair value of property, plant and equipment classified as assets held for sale as at 31 March, 2020 and 31 March, 2019 has been determined based on a valuation report given by an expert who has used Level 3 valuation techniques.

The carrying value and fair value less costs to sell of Rithala Power Generation Plant classified as assets held for sale is detailed below:

₹/Lakhs

Particulars	As at 31.03.2020			As at 31.03.2019		
	Carrying value	Impairment Loss.	Fair value less costs to sell	Carrying value	Impairment Loss	Fair value less costs to sell
	(A)	(B)	(C)=(A)-(B)	(D)	(E)	(F)=(D)-(E)
Property, plant and equipment	2,004.00	-	2,004.00	10,836.34	8,832.34	2,004.00

The significant unobservable input used in the non-recurring fair value measurement categorised within Level 3 of the fair value hierarchy as at 31 March, 2020 and as at 31 March, 2019 are as shown below:

Particulars	*Level in fair value hierarchy	Valuation techniques	Date of valuation	Significant unobservable inputs
Assets classified as held for sale	3	Valuation at salvage value	31.03.2020 and 31.03.2019	Salvage value discounted by the estimated cost of removable assets.

* Refer Note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

The disposal group does not constitute a separate major line of business of the Company and therefore, has not been classified as discontinued operations.

Note 38
Restatement of financial statement

During the current year, based on an opinion pronounced by the Expert Advisory Committee (EAC) of The Institute of Chartered Accountants of India (ICAI), the Company has recognised deferred asset for deferred tax liability as a regulatory deferral account debit/credit balance. Accordingly, the comparative financial information included in these financial statements, have been restated on account of classification of deferred assets for deferred tax liabilities. As an effect of restatement of financial statements, Balance Sheet as at 31 March, 2019 and Statement of Profit and Loss for the year ended 31 March, 2019 has been restated. The impact of restatement has been given below:-

(a) Impact on Statement of Profit and Loss for the year ended 31 March, 2019

₹/Lakhs

Particulars		Year ended 31.03.2019 (Restated)	Year ended 31.03.2019 (Original)
(i)	Movement in regulatory deferral account balance (net)	24,976.74	17,884.00
(ii)	Profit before tax	50,743.45	43,650.71
(iii)	Tax expense	17,157.23	10,056.28
(iv)	Profit for the year	33,586.22	33,594.43
(v)	Income tax credit/(charge) relating to other comprehensive income	21.41	13.20
(vi)	Other comprehensive income/(expense) for the year	(39.85)	(48.06)
(vii)	Basic and Diluted earnings per equity share before net movement in regulatory deferral account balance (₹)	3.14	3.54
(viii)	Basic and Diluted earnings per equity share after net movement in regulatory deferral account balance (₹)	6.08	6.09

(b) Impact on Balance Sheet as at 31 March, 2019

₹/Lakhs

Particulars	As at 31.03.2019 (Restated)	As at 31.03.2019 (Original)
(i) Regulatory deferral account balances	4,75,913.86	4,57,869.26
(ii) Deferred tax liabilities (net)	18,044.60	-

The above reclassification in the previous year have been made to confirm to the current year's classification/disclosure. This does not have any impact on the profit of the Company of previous year.

There is no impact on the retained earnings balance as at opening date of the comparative period i.e. 1 April, 2018 therefore, opening date balances have not been restated or presented.

Note 39
Earnings per equity share (EPS)

Accounting policy

Basic earnings per equity share has been computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period in accordance with Ind AS 33, "Earnings Per Share". Diluted earnings per share is computed by dividing the profit/(loss) for the reporting period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

The Company also presents Basic earnings per equity share in accordance with Ind AS 114, "Regulatory Deferral Accounts" which is computed by dividing the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the the profit/(loss) for the reporting period before and after net movement in regulatory deferral account balance attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares by the weighted average number of equity shares outstanding during the reporting period as adjusted to the effects of all dilutive potential equity shares, except where results are anti-dilutive.

39.1 EPS - Continuing operations (excluding regulatory income/expense)

Particulars	Units	Year ended 31.03.2020	Year ended 31.03.2019
Profit for the year from continuing operations	₹/Lakhs	41,414.47	33,586.22
Net movement in regulatory deferral account balance		46,271.25	24,976.74
Income-tax attributable to regulatory expenses		(16,169.03)	(8,727.87)
Net movement in regulatory deferral account balance (net of tax)	₹/Lakhs	30,102.22	16,248.87
Profit for the year from continuing operations attributable to equity shareholders before net movement in regulatory deferral account balance	₹/Lakhs	11,312.25	17,337.35
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of ₹ 10 each	₹	2.05	3.14
Face value of equity shares	₹	10.00	10.00

39.2 EPS - Continuing operations (including regulatory income/expense)

Particulars	Units	Year ended 31.03.2020	Year ended 31.03.2019
Profit for the year from continuing operations after net movement in regulatory deferral account balance attributable to equity shareholders	₹/Lakhs	41,414.47	33,586.22
Weighted average number of equity shares	Nos./Lakhs	5,520.00	5,520.00
Basic and diluted earnings per equity share of ₹ 10 each	₹	7.50	6.08
Face value of equity shares	₹	10.00	10.00

39.3 The Company does not have any potential dilutive equity shares.

Note 40
Disclosure pursuant to DERC directive 6.10(I) specified in Tariff Order, 2019.

Category-wise billing, collection & subsidy information

40.1 Billing

₹/Lakhs

S.No.	Category	Year ended 31.03.2020 Revenue	Deficit revenue recovery surcharge	PPAC	Electricity duty	Pension trust surcharge	TOD surcharge	TOD rebate
1	Domestic	2,62,968.79	16,935.80	16,021.73	10,292.48	8,044.95	0.24	(0.22)
2	Non-Domestic	2,11,222.29	13,654.53	12,633.01	7,309.39	6,485.56	2,353.03	(1,498.33)
3	Industrial	2,96,198.64	19,149.57	17,215.92	11,173.41	9,095.41	4,329.68	(3,082.98)
4	Agriculture	842.28	55.08	51.02	13.25	26.13	0.09	(0.06)
5	Public Utilities	52,097.08	3,388.96	3,147.71	1,765.49	1,609.51	611.25	(581.47)
6	Advertisement & Hoardings	57.16	3.72	3.32	1.69	1.77	0.02	(0.01)
7	Temporary Supply	6,175.91	396.41	366.73	238.40	188.14	43.70	(33.42)
8	Staff	565.80	36.48	35.27	20.72	17.33	-	-
9	E-Rickshaw/E-Vehicle	1,104.28	70.89	62.62	50.87	33.67	10.66	(9.02)
10	Misuse	727.39	47.53	33.10	25.64	23.33	6.49	(4.23)
11	Enforcement	1,641.23	109.66	57.78	57.71	46.16	-	-
12	Other Adjustments	69.01	-	-	2.91	-	-	-
	Grand Total	**8,33,669.86**	**53,848.63**	**49,628.21**	**30,951.96**	**25,571.96**	**7,355.16**	**(5,209.74)**

40.2 Collection

₹/Lakhs

S.No.	Category	Year ended 31.03.2020 Revenue	Deficit revenue recovery surcharge	PPAC	Electricity duty	Pension trust surcharge
1	Domestic	2,66,997.76	17,371.44	16,039.65	10,499.16	8,246.04
2	Non-Domestic	2,13,042.10	13,761.03	12,671.87	7,393.77	6,533.97
3	Industrial	2,89,530.96	18,694.49	16,890.82	10,921.98	8,875.81
4	Agriculture	983.66	63.11	55.94	14.56	29.80
5	Public Utilities	50,351.78	3,349.98	3,132.68	1,028.84	1,590.88
6	Advertisement & Hoardings	82.86	5.43	4.83	2.52	2.57
7	Staff	571.68	36.91	35.45	20.77	17.52
8	E-Rickshaw/E-Vehicle	1,068.02	68.12	60.64	48.85	32.36
9	Enforcement	1,641.23	109.66	57.78	57.70	46:16
10	Other Adjustments	69.01	-	-	-	-
	Grand Total	**8,24,339.06**	**53,460.17**	**48,949.66**	**29,988.15**	**25,375.11**

40.3 Subsidy Disbursed (including amnesty scheme)

S.No.	Category	Year ended 31.03.2020 ₹/Lakhs
1	Agriculture	750.57
2	Domestic (including solar generation based incentive)	66,025.65
3	Non-Domestic (Lawyer Chambers)	202.12
	Grand Total	**66,978.34**

40.4 Collection against temporary connection & Misuse is included in respective tariff category.

40.5 The above figures exclude open access billing & collection.

40.6 Revenue billed & collected include energy charges, fixed charges, Etax, surcharge, PPAC, TOD surcharge, pension trust surcharge, TOD rebate etc.

40.7 Revenue collected includes deemed collection on account of subsidy, CD interest etc.

Note 41
Segment reporting

The Company is engaged in the business of distribution and generation of power in North and North-west of Delhi and other ancillary activities. Chief Operating Decision Maker (CODM) reviews the financial information of the Company as a whole for decision making and accordingly the Company has single reportable segment in terms of Ind AS 108 "Operating Segments". However, as per the directives issued by the Delhi Electricity Regulatory Commission (DERC), the Company is required to disclose separate information about its distribution, generation and business development activities.

41.1 Set out below is the disclosure pursuant to Clause 4 of Delhi Electricity Regulatory Commission (Treatment of Income from Other Business of Transmission Licensee and Distribution Licensee) Regulations, 2005 and DERC directive 6.10(i)(ix) specified in Tariff Order, 2019

Based on the regulations of the DERC, the Company has identified following 3 segments/divisions:

(a) **Distribution**
Comprises of sale of power to retail customers through distribution network and related ancillary services.

(b) **Generation**
Comprises of generation of power from Rithala Power Generation Plant owned by the Company and generation of power from renewable energy sources i.e. solar.

(c) **Business Development**
Comprises of project management consultancy, project management agency, project implementation contracts, IT and SCADA implementation contracts, management and other technical services assistance.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment and manpower efforts.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

41.2 Segment revenue, segment results, segment assets and liabilities are detailed below:

₹/Lakhs

S.No.	Particulars	As at 31.03.2020				
		Distribution	Generation	Business Development	Inter Segment	Total
(i)	**Segment revenue**					
	Revenue from operations (refer note 41.3)	7,88,769.51	(740.62)	-	766.59	7,88,795.48
	Other income	925.55	7.68	9,570.08	-	10,503.31
	Movement in regulatory deferral account balance (net)	46,271.25	-	-	-	46,271.25
(a)	**Total segment revenue**	**8,35,966.31**	**(732.94)**	**9,570.08**	**766.59**	**8,45,570.04**
	Less: Segment expenses (refer note 41.5)					
	Cost of power purchased (net)	6,29,196.49	-	-	766.59	6,29,963.08
	Employee benefits expense (net)	46,588.13	105.27	3,796.50	-	50,489.90
	Finance costs	33,971.43	518.63	-	-	34,490.06
	Depreciation and amortisation expense	33,166.87	149.19	-	-	33,316.06
	Other expenses	29,115.91	377.12	3,239.56	-	32,732.59
(b)	**Total segment expenses**	**7,72,038.83**	**1,150.21**	**7,036.06**	**766.59**	**7,80,991.69**
(ii)	**Total segment results (a-b)**	**63,927.48**	**(1,883.15)**	**2,534.02**	-	**64,578.35**
	Add/(Less): Unallocable income/(expense)					
(c)	Gain on sale/fair value of mutual fund investment measured at FVTPL					21.02
(d)	Foreign exchange fluctuation gain (net)					7.24
(e)	**Profit before tax (ii+c+d)**					**64,606.61**
(f)	Less: Tax expense					23,192.14
	Profit after tax (e-f)					**41,414.47**
(iii)	**Segment assets (refer note 41.4)**					
(a)	Property, plant and equipment	3,90,146.84	1,227.58	-	-	3,91,374.42
(b)	Capital work-in-progress	27,190.80	148.57	-	-	27,339.37
(c)	Right-of-use assets	9,850.99	-	-	-	9,850.99
(d)	Intangible assets	6,084.89	-	-	-	6,084.89
(e)	Non-current financial assets	194.64	-	-	-	194.64
(f)	Other non-current assets	900.81	6.48	-	-	907.29
(g)	Inventories	1,294.07	22.88	-	-	1,316.95
(h)	Current financial assets					
	- Trade receivables	25,050.30	-	6,554.67	-	31,604.97
	- Unbilled revenue	32,074.65	-	170.57	-	32,245.22
	- Others	23,171.91	-	-	-	23,171.91
(i)	Other current assets					
	- Unbilled revenue (contract asset)	-	-	2,320.07	-	2,320.07
	- Others	17,149.78	1,247.18	-	-	18,396.96
(j)	Assets classified as held for sale	-	2,004.00	-	-	2,004.00
(k)	Regulatory deferral account debit balances	5,12,567.11	9,618.00	-	-	5,22,185.11
	Total segment assets	**10,45,676.79**	**14,274.69**	**9,045.31**	-	**10,68,996.79**
(l)	Unallocable assets					
	- Income tax assets (net)					2,735.55
	- Income tax paid under protest against demand					2,321.84
	Total assets					**10,74,054.18**

₹/Lakhs

S.No.	Particulars	As at 31.03.2020 Distribution	Generation	Business Development	Inter Segment	Total
(iv)	**Segment liabilities (refer note 41.4)**					
(a)	Non-current financial liabilities	3,37,789.41	1,640.63	-	-	3,39,430.04
(b)	Capital grants	295.49	211.17	-	-	506.66
(c)	Contributions for capital works and service line charges	84,578.30	-	-	-	84,578.30
(d)	Other non-current liabilities	34,229.56	-	-	-	34,229.56
(e)	Current financial liabilities	2,03,042.51	1,020.29	-	-	2,04,062.80
(f)	Other current liabilities					
	- Income received in advance	-	-	1,273.93	-	1,273.93
	- Others	25,085.81	7.13	-	-	25,092.94
	Total segment liabilities	**6,85,021.08**	**2,879.22**	**1,273.93**	-	**6,89,174.23**
(g)	Unallocable liabilities					
	- Provisions - non current					5,661.04
	- Deferred tax liabilities (net)					30,259.85
	- Provisions - current					1,646.61
	Total liabilities					**7,26,741.73**

₹/Lakhs

S.No.	Particulars	As at 31.03.2019 Distribution	Generation	Business Development	Inter Segment	Total
(i)	**Segment revenue**					
	Revenue from operations	7,59,980.73	4,985.14	-	(4,959.17)	7,60,006.70
	Other income	601.16	0.09	9,280.04	-	9,881.29
	Movement in regulatory deferral account balance (net)	15,358.74	-	-	9,618.00	24,976.74
(a)	**Total segment revenue**	**7,75,940.63**	**4,985.23**	**9,280.04**	**4,658.83**	**7,94,864.73**
	Less: Segment expenses (refer note 41.5)					
	Cost of power purchased (net)	5,85,027.29	-	-	4,658.83	5,89,686.12
	Employee benefits expense (net)	43,071.24	149.27	3,749.33	-	46,969.84
	Finance costs	34,200.94	675.78	11.13	-	34,887.85
	Depreciation and amortisation expense	29,508.72	1,455.45	-	-	30,964.17
	Other expenses	29,298.78	372.39	2,222.66	-	31,893.83
	Impairment of property, plant and equipment	-	1,807.88	-	-	1,807.88
	Impairment loss on assets classified as held for sale	-	8,832.34	-	-	8,832.34
(b)	**Total segment expenses**	**7,21,106.97**	**13,293.11**	**5,983.12**	**4,658.83**	**7,45,042.03**
(ii)	**Total segment results (a-b)**	**54,833.66**	**(8,307.88)**	**3,296.92**	-	**49,822.70**
	Add/(Less): Unallocable income/(expense)					
(c)	Interest income					273.64
(d)	Gain on sale/fair value of mutual fund investment measured at FVTPL					647.11
(e)	**Profit before tax (ii+c+d)**					**50,743.45**
(f)	Less: Tax expense					17,157.23
	Profit after tax (e-f)					**33,586.22**
(iii)	**Segment assets (refer note 41.4)**					
(a)	Property, plant and equipment	3,67,268.65	1,374.69	-	-	3,68,643.34
(b)	Capital work-in-progress	34,571.55	148.57	-	-	34,720.12
(c)	Intangible assets	7,405.96	-	-	-	7,405.96
(d)	Non-current financial assets	290.88	-	-	-	290.88
(e)	Other non-current assets	547.64	6.50	-	-	554.14
(f)	Inventories	1,284.11	22.88	-	-	1,306.99
(g)	Current financial assets					
	- Trade receivables	16,964.10	-	8,483.10	-	25,447.20
	- Unbilled revenue	34,433.78	-	58.61	-	34,492.39
	- Others	6,407.14	-	-	-	6,407.14
(h)	Other current assets					
	- Unbilled revenue (contract asset)	-	-	1,115.17	-	1,115.17
	- Others	24,497.03	1,321.98	-	-	25,819.01
(i)	Assets classified as held for sale	-	2,004.00	-	-	2,004.00
(j)	Regulatory deferral account debit balances	4,66,295.86	9,618.00	-	-	4,75,913.86
	Total segment assets	**9,59,966.70**	**14,496.62**	**9,656.88**	-	**9,84,120.20**
(k)	Unallocable assets					
	- Income tax assets (net)					2,263.48
	- Income tax paid under protest against demand					2,321.84
	Total assets					**9,88,705.52**
(iv)	**Segment liabilities (refer note 41.4)**					
(a)	Non-current financial liabilities	2,82,635.69	2,408.85	-	-	2,85,044.54
(b)	Capital grants	344.35	237.14	-	-	581.49
(c)	Contributions for capital works and service line charges	86,464.61	-	-	-	86,464.61
(d)	Other non-current liabilities	22,580.72	-	-	-	22,580.72
(e)	Current financial liabilities	2,25,484.99	1,422.38	-	-	2,26,907.37
(f)	Other current liabilities	-	-	-	-	
	- Income received in advance	-	-	534.49	-	534.49
	- Others	24,627.18	16.20	-	-	24,643.38
	Total segment liabilities	**6,42,137.54**	**4,084.57**	**534.49**	-	**6,46,756.60**
(g)	Unallocable liabilities					
	- Provisions - non current					4,569.98
	- Deferred tax liabilities (net)					18,044.60
	- Provisions - current					1,070.50
	Total liabilities					**6,70,441.68**

41.3 Includes revenue reversal of ₹ 789.35 lakhs on account of APTEL judgment pronounced on 16 April, 2019 against batch Appeals of 4 solar plants and ₹ 216.37 lakhs on account of Rithala Tariff Order dated 11 November, 2019.

41.4 Distribution segment also includes assets and liabilities of Business Development (except trade receivables, unbilled revenue and income received in advance) since it constitutes only insignificant portion of the closing balance and are not readily identifiable.

41.5 Total expenses of Business Development segment of ₹ 7,036.06 lakhs (for the year ended 31 March, 2019 ₹ 5,983.12 lakhs) includes allocated expenses of ₹ 1,671.21 lakhs (for the year ended 31 March, 2019 ₹ 1,676.62 lakhs). Balance expenses of ₹ 5,364.85 lakhs (for the year ended 31 March, 2019 ₹ 4,306.50 lakhs) are directly identifiable to this reporting segment.

Note 42
Income tax

Accounting policy
Income tax expense represents the sum of the tax currently payable and deferred tax.

42.1 Current tax

The current tax payable is based on taxable profit for the reporting period. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are treated differently according to Income Tax Act, 1961. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax is also recognised in Other Comprehensive Income or directly in Equity respectively.

42.2 Income tax expense recognised in the Statement of Profit and Loss consists of:

	Year ended 31.03.2020 ₹/Lakhs	Year ended 31.03.2019 ₹/Lakhs
Income tax expense recognised in the Statement of Profit and Loss :		
(a) Current tax		
Current tax expense (refer note 42.4)	19,196.81	18,736.16
Less: MAT credit adjusted during the year	8,323.99	8,679.88
Current tax expense (net)	10,872.82	10,056.28
(b) Deferred tax expense (net) (refer note 42.4)	12,319.32	7,100.95
Total	**23,192.14**	**17,157.23**
Income tax expense recognised in other comprehensive income :		
Income tax relating to items that will not be reclassified to profit or loss:		
(c) Current tax		
Remeasurement of defined benefit obligation (refer note 42.4)	(104.07)	(13.20)
(d) Deferred tax		
Remeasurement of defined benefit obligation (refer note 42.4)	(104.07)	(8.21)
Total	**(208.14)**	**(21.41)**
Total income tax expense recognised during the year (a+b+c+d)	**22,984.00**	**17,135.82**

42.3 The income tax expense for the year can be reconciled to the accounting profit as follows:

₹/Lakhs

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before tax	64,606.61	50,743.45
Less: Recognition of deferred tax liability as recoverable in regulatory deferral account debit balance (refer note 38)	-	7,092.74
Adjusted profit before tax	64,606.61	43,650.71
Enacted income tax rate in India	34.94%	34.94%
Computed expected tax expense	22,576.13	15,253.30
Add/(Less): Tax effect on account of:		
Expenses not considered in determining taxable profit	287.08	2,587.30
Reversal during tax holiday period	45.78	42.69
Deduction under chapter VI-A	(8.16)	(554.59)
Adjustment for MAT credit	425.88	(242.99)
Others	(134.57)	71.52
Income tax expense recognised in the Statement of Profit and Loss	**23,192.14**	**17,157.23**

42.4 The Company has made provision for income tax at the rate of 34.94% in accordance with normal provisions of Income Tax Act, 1961 for the year ended 31 March, 2020 and for the year ended 31 March, 2019.

The Company has to pay taxes based on the higher of income-tax profit of the Company or minimum alternate tax (MAT) at 17.47% (FY 2018-19 21.55%) of book profit for the financial year 2019-20 and 2018-19.

The provision for deferred tax has been worked upon at the rate of 34.94% (substantially enacted tax rate at Balance Sheet date) for the year ended 31 March, 2020 and 31 March, 2019.

42.5 Deferred tax

Accounting policy

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period.

In the situations where one or more units of the Company are entitled to a tax holiday under the tax law, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned unit's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realised. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in the Statement of Profit and Loss, except when it relates to items that are recognised in Other comprehensive income or directly in equity, in which case, deferred tax is also recognised in Other Comprehensive Income or directly in equity respectively.

42.6 Deferred tax liabilities/assets (net) as at 31 March, 2020, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2020.

₹/Lakhs

Particulars (2019-20)	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment (refer note 42.8)	61,593.26	4,571.37	-	66,164.63
Provision for doubtful debts	(2,696.85)	(425.77)	-	(3,122.62)
Provision for employee benefits	(1,971.01)	(478.51)	(104.07)	(2,553.59)
MAT credit	(38,729.18)	8,749.88	-	(29,979.30)
Others	(151.62)	(97.65)	-	(249.27)
Deferred tax liabilities/(asset) [net]	**18,044.60**	**12,319.32**	**(104.07)**	**30,259.85**

Deferred tax liabilities/assets (net) as at 31 March, 2019, as detailed below reflect the quantum of tax liabilities/(asset) accrued up to 31 March, 2019.

₹/Lakhs

Particulars (2018-19)	Opening Balance	Recognised in the Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing Balance
Deferred tax liability/(assets) on account of :				
Property plant and equipment	62,831.24	(1,237.98)	-	61,593.26
Provision for doubtful debts	(2,675.30)	(21.55)	-	(2,696.85)
Provision for employee benefits	(1,875.60)	(87.20)	(8.21)	(1,971.01)
MAT credit	(47,166.07)	8,436.89	-	(38,729.18)
Others	(162.41)	10.79	-	(151.62)
Deferred tax liabilities/(asset) [net]	**10,951.86**	**7,100.95**	**(8.21)**	**18,044.60**

42.7 As per MYT regulations for determination of tariff, tax expense shall be considered in tariff determination as and when and to the extent of income tax actually paid. Accordingly, the Company has made provision only for the amount of income tax that is actually payable and the deferred tax liability (net) as at 31 March, 2020 of ₹ 30,259.85 lakhs (as at 31 March, 2019 ₹ 18,044.60 lakhs) and deferred tax charge of ₹ 12,215.25 lakhs for the year ended 31 March, 2020 (for the year ended 31 March, 2019 ₹ 7,092.74 lakhs) has been shown as recoverable in regulatory deferral account balances.

42.8 As at 31 March, 2020 deferred tax liability of ₹ 66,164.63 lakhs (as at 31 March, 2019 ₹ 61,593.26 lakhs) on account of property, plant and equipment is net of deferred tax asset of ₹ 1,683.52 lakhs (as at 31 March, 2019 ₹ 2,060.47 lakhs) arising on assets classified as held for sale.

42.9 During the current year, the management has reassessed the recoverability of unavailed MAT credit and accordingly recognised MAT credit amounting to ₹ 29,979.30 lakhs as at 31 March, 2020 (as at 31 March, 2019 ₹ 38,729.18 lakhs).

42.10 The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the reporting period in which the liability is settled or the asset realised, based on tax rates as per the Income Tax Act, 1961 that have been enacted or substantively enacted by the end of the reporting period. The Taxation Laws (Amendment) Ordinance, 2019 (2019 Tax Ordinance) provides the Company with an option to move to a lower tax rate of 25.17% accompanied with immediate expiry of carry forward balance of Minimum Alternative Tax (MAT) credit and certain other concessional tax rate benefits enjoyed by the Company presently. The Company has reviewed the implications of 2019 Tax Ordinance on its tax liability for the year and has chosen to continue to apply tax rate of 34.94% which allows the Company to set off carry forward balance of MAT credit and avail other tax concessions.

The Company also evaluated impact of 2019 Tax Ordinance for future period and is of the view that current tax rate of 34.94% will continue to remain favourable for foreseeable future. Therefore, the Company continues to measure deferred tax liability (net) at current applicable income tax rate.

Note 43
Financial instruments

43.1 Capital management and gearing ratio

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalisation that enables it to achieve a satisfactory return for shareholders and ensure access to external sources of financing, in part by maintaining an adequate rating.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and requirements of the financial covenants. From time to time, the Company reviews its policy related to dividend payment to shareholders, return of capital to shareholders or fresh issue of shares. The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer.

The Company's capital structure consists of net debt and total equity. The Company includes within net debt, interest bearing borrowings, less cash and bank balances as detailed below. The position on reporting date is summarised in the following table:

₹/Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Long-term borrowings	2,63,382.77	2,22,188.07
Current maturities of long-term borrowings	47,355.30	54,005.38
Short-term borrowings	34,326.29	35,090.67
Total debt (a)	**3,45,064.36**	**3,11,284.12**
Less: Cash and bank balances (b)	13,987.53	6,006.09
Net debt {(c)=(a-b)}	**3,31,076.83**	**3,05,278.03**
Total equity (d)	3,47,312.45	3,18,263.84
Total equity and net debt {(e)=(c+d)}	**6,78,389.28**	**6,23,541.87**
Net debt to total equity plus net debt ratio (%) {(f)=(c)/(e)}	**48.80%**	**48.96%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowing in the current reporting period.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March, 2020 and 31 March, 2019.

43.2 Categories of financial instruments

₹/Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Financial assets		
(i) Measured at fair value through profit or loss (FVTPL)		
(a) Investment in mutual fund (unquoted)	8,500.19	-
(ii) Measured at cost		
(a) Investments in equity instruments of wholly owned subsidiary company (unquoted)	5.00	5.00
(iii) Measured at amortised cost		
(a) Trade receivables	31,604.97	25,447.20
(b) Cash and cash equivalents	3,853.24	2,425.12
(c) Bank balances other than cash and cash equivalent above	10,134.29	3,580.97
(d) Loans: Security deposits	446.09	435.25
(e) Unbilled revenue	32,245.22	34,492.39
(f) Others	427.74	251.68
Total	**87,216.74**	**66,637.61**
Financial liabilities		
(i) Measured at amortised cost		
(a) Borrowings (including current maturities)	3,45,064.36	3,11,284.12
(b) Interest accrued but not due on borrowings	934.87	576.79
(c) Lease liabilities (including current maturities)	8,665.70	-
(d) Trade and other payables	1,11,117.94	1,24,156.59
(e) Consumers' security deposit	71,804.91	66,923.06
(f) Retention money payable	3,928.91	6,259.47
(g) Others	1,976.15	2,751.88
Total	**5,43,492.84**	**5,11,951.91**

43.2.1 Fair values of financial assets and financial liabilities

(a) The management assessed that the carrying value of cash and cash equivalents, other balances with bank, trade receivables, loans, unbilled revenue, borrowings and interest accrued thereon, consumers' security deposit, retention money payable, trade payables, other financial assets and liabilities approximate their fair value largely due to the short term maturities of these instruments/ buying subject to floating-rate. Fair value measurement of lease liabilities is not required.

(b) Investments in subsidiaries accounted at cost in accordance with Ind AS 27 "Separate Financial Statements".

(c) The management assessed that the carrying value of investments in mutual funds (unquoted) approximate their fair value. Fair value of the liquid mutual fund units are based on the price quotations on the reporting date. The following table gives information on determination of its fair value, the valuation technique and inputs used.

Particulars	As at 31.03.2020 ₹/Lakhs	As at 31.03.2019 ₹/Lakhs	Fair value hierarchy	Valuation technique and key inputs	Date of valuation
Investments in mutual funds measured at fair value through profit or loss (FVTPL)	8,500.19	-	Level 1	Net asset value (NAV) of mutual funds	31.03.2020

Refer Note 2.2 for fair value hierarchy based on inputs to valuation techniques that are used to measure fair value, that are either observable or unobservable and consists of three levels.

43.3 **Financial risk management objectives and policies**

The Company's principal financial liabilities comprise borrowings, consumers' security deposit, lease liabilities, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents, other balances with banks , unbilled revenue and other financial assets that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's Corporate Level Risk Management Committee (CLRMC) oversees the management of these risks and appropriate risk governance framework for the Company. The Company's CLRMC is supported by a Finance Risk Management Sub-Committee that reviews the financial risks. The Company's financial risk activities are governed by appropriate policies and procedures (in accordance with ISO 31000:2009 guidelines) and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The risk management policy is approved by the Board of Directors.

The Company's focus is to ensure liquidity which is sufficient to meet Company's operational requirements, the management also monitors and manages key financial risks so as to minimize potential adverse effects on its financial performance. The management reviews and manages these risks, which are summarised below:

43.3.1 **Market risk**

Market risk is the risk that changes in market prices will affect the Company's income or value of it's holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk primarily comprises of term borrowings and current investments.

Market risk comprises of three types of risk: currency risk, interest rate risk and price risk.

(A) Foreign currency exchange risk management

Foreign currency exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates. The Company does not have significant foreign currency denominated transactions, hence the Company is not exposed to significant foreign currency exchange risk.

(B) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate risk sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for long term borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the borrowing outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for analysis which represents management's assessment of the reasonably possible change in interest rates.

The sensitivity analysis in the following section relates to the position as at 31 March, 2020 and 31 March, 2019. If the interest rates had been 50 basis points higher or lower and all the other variables were held constant, the effect on interest expense for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

₹/Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	50 bps increase	50 bps decrease	50 bps increase	50 bps decrease
Interest expense on term borrowings	1,553.69	(1,553.69)	1,380.97	(1,380.97)
Effect on profit before tax	(1,553.69)	1,553.69	(1,380.97)	1,380.97

(C) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in net asset value (NAV) of the financial instruments held. The Company's price risk is mainly generated with fair value in respect of the investments held in mutual funds. Investments primarily include investment in liquid debt based mutual fund units with high credit-ratings assigned by credit-rating agencies and managed by asset management companies.

The carrying amount of the Company's current investments measured at fair value through profit or loss at the end of the reporting period are as follows:

₹/Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Investments in mutual funds	8,500.19	-

Price risk sensitivity analysis

The sensitivity analysis in the following section relates to the position as at 31 March, 2020 and 31 March, 2019. If the NAV of investments had been higher or lower by ₹ 0.50 and all the other variables were held constant, the effect on gain/(loss) on fair value of current investments for the respective financial years and consequent effect on Company's profit in that financial year would have been as below:

₹/Lakhs

Particulars	As at 31.03.2020		As at 31.03.2019	
	NAV appreciate by ₹0.50	NAV depreciate by ₹0.50	NAV appreciate by ₹0.50	NAV depreciate by ₹0.50
Gain on investments in liquid mutual funds	17.08	(17.08)	-	-
Effect on profit before tax	17.08	(17.08)	-	-

In Company's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk and price risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

43.3.2 **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables and unbilled revenue) and other financial instruments.

₹/Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Trade receivables	31,604.97	25,447.20
(b) Unbilled revenue	32,245.22	34,492.39
(c) Loans	446.09	435.25
(d) Other financial assets	427.74	251.68
Total	**64,724.02**	**60,626.52**

Refer note 13 for credit risk and other information in respect of trade receivables. Other receivables as stated above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

Bank balances are held with reputed and creditworthy banking institutions.

As per its investment policy, the Company deploy its short term surplus funds in debt based mutual funds and/or liquid funds with no exposure to equities or fixed term deposits with scheduled banks or in inter-corporate deposits with such companies of the Tata Group as may be approved. Investments are normally made in debt/liquid/money market mutual funds of approved fund houses whose quarterly Assets Under Management (AUM) are in excess of ₹ 500,000 lakhs and ranks in the first three of CRISIL's latest available Composite Performance Ranking (CPR) at the time of investment. As per policy, the aggregate amounts invested in debt based mutual funds and/or liquid funds with no exposure to equities and in inter-corporate deposits being in nature of investments shall not exceed ₹ 75,000 lakhs at any point of time. However, with effect from 28 February, 2019, the said limit has been revised to ₹ 35,000 lakhs. Further, the Company will restrict the extent of exposure to any asset management company to 20% of its investible corpus (only for investment above ₹ 20,000 lakhs).

43.3.3 **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods, ignoring the call and refinancing options available with the Company. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. The amounts included below for variable interest rate instruments for non-derivative liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Expected contractual maturity for financial liabilities:

₹/Lakhs

Particulars	Upto 1 year	1 to 5 years	5+ years	Total
As at 31 March, 2020				
(a) Trade payables	1,11,117.94	-	-	1,11,117.94
(b) Short term borrowings	34,326.29	-	-	34,326.29
(c) Long term borrowings (including current maturities)	47,355.30	1,98,903.61	64,479.16	3,10,738.07
(d) Interest accrued but not due on borrowings	934.87	-	-	934.87
(e) Future interest on above long term borrowings	24,806.49	51,697.77	9,955.99	86,460.25
(f) Consumers' security deposit (see note 43.3.3a)	4,352.26	-	67,452.65	71,804.91
(g) Future interest on consumers' security deposit (refer note 43.3.3a)	5,227.58	20,910.32	26,137.90	52,275.80
(h) Lease liabilities (including current maturities)	787.26	3,919.32	3,959.12	8,665.70
(i) Future interest on above lease liabilities	774.97	2,329.59	727.55	3,832.11
(j) Retention money payable	3,628.08	66.69	234.14	3,928.91
(k) Other financial liabilities	1,560.80	327.29	88.06	1,976.15
	2,34,871.84	**2,78,154.59**	**1,73,034.57**	**6,86,061.00**
As at 31 March, 2019				
(a) Trade payables	1,24,156.59	-	-	1,24,156.59
(b) Short term borrowings	35,090.67	-	-	35,090.67
(c) Long term borrowings (including current maturities)	54,005.38	1,76,317.24	45,870.83	2,76,193.45
(d) Interest accrued but not due on above borrowings	576.79	-	-	576.79
(e) Future interest on above long term borrowings	21,823.55	43,896.81	6,762.85	72,483.21
(f) Consumers' security deposit (see note 43.3.3a)	4,385.49	-	62,537.57	66,923.06
(g) Future interest on consumers' security deposit (refer note 43.3.3a)	5,346.96	21,387.85	26,734.81	53,469.62
(h) Retention money payable	6,259.47	-	-	6,259.47
(i) Other financial liabilities	2,432.98	281.53	37.37	2,751.88
	2,54,077.88	**2,41,883.43**	**1,41,943.43**	**6,37,904.74**

43.3.3a Consumers' security deposit classified under more than 5 years maturity pertains to permanent connection which are refundable only after surrender of connection subject to clearance of outstanding dues.

Future interest on consumers' security deposit has been considered at 7.75% per annum (as at 31 March, 2019 8.55% per annum) which is the prevailing SBI 1 year MCLR rate as at 1 April, 2020. For the purpose of computation of interest, the tenure of consumer security deposit has been taken as 10 years.

The Company has access to financing facilities as described in note 43.3.4 below. The Company expects to meet its obligations from operating cash flows and proceeds of maturing financial assets.

43.3.4 **Financing facilities (short term)**

₹/Lakhs

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured credit facilities, reviewed annually and payable at call		
Amount used and outstanding	23,307.44	24,400.67
Amount unused	11,692.56	10,599.33
Secured bank loan facilities with various maturity dates through to 31 March, 2021 and which may be extended by mutual agreement		
Amount used and outstanding	1,018.85	10,690.00
Amount unused	13,481.15	3,810.00

Note 44
Related party disclosures

44.1 List of related parties and description of relationship

A. **Holding company**
Tata Power Company Limited (TPCL)

B. **Promoters holding together with its Subsidiary more than 20% in Holding Company**
Tata Sons Private Limited (Tata Sons)

C. **Company exercising significant influence**
Delhi Power Company Limited (DPCL) *(Government related entity)*

D. **Subsidiaries (wholly-owned)**
NDPL Infra Limited (NDPLIL)

E. **Fellow Subsidiaries (with whom the Company has transactions)**
(i) Tata Power Trading Company Limited (TPTCL)
(ii) Tata Power Solar Systems Limited (TPSSL)
(iii) Tata Power International Pte. Limited (TPIPL)
(iv) TP Ajmer Distribution Limited (TPADL)
(v) TP Renewable Microgrid Limited (TPRML)

F. **Joint Ventures (with whom the Company has transactions)**
Prayagraj Power Generation Co. Ltd. (PPGCL)

G. **Associates of holding company (with whom the Company has transactions)**
(i) Tata Communications Limited (TCL) (ceased w.e.f. 28 May, 2018)
(ii) Tata Projects Limited (TPL)

H. **Subsidiaries and Jointly Controlled Entities of Promoters of Holding Company - Promoter Group (with whom the Company has transactions)**
(i) Infiniti Retail Limited (IRL)
(ii) Tata AIG General Insurance Company Limited (Tata AIG)
(iii) Tata Advanced Systems Limited (TASL)
(iv) Tata Asset Management Limited (TAML)
(v) Tata Capital Financial Services Ltd. (TCFSL)
(vi) Tata Communications Limited (ceased to be an associate and became a subsidiary w.e.f. 28 May, 2018) (TCL)
(vii) Tata Consulting Engineers Ltd. (TCES)
(viii) Tata Industries Limited (ceased to be subsidiary and became a joint venture w.e.f. 27 March, 2019) (TIL)
(ix) Tata Teleservices Limited (TTSL)
(x) Tata Sky Broadband Private Limited (TSBPL)

I. **Post retirement employee benefit trust**
(i) North Delhi Power Limited Employees Group Gratuity Assurance Scheme (Gratuity Fund)
(ii) Special Voluntary Retirement Scheme Retirees Terminal Benefit Fund, 2004 (SVRS RTBF - 2004)

J. **Key management personnel**
Chief Executive Officer and Managing Director (CEO & MD)
Mr. Praveer Sinha (ceased w.e.f. 30 April, 2018)

Chief Executive Officer (CEO)
(i) Mr. Sanjay Kumar Banga (appointed w.e.f. 1 May, 2018 and ceased w.e.f. 30 November, 2019)
(ii) Mr. Ganesh Srinivasan (appointed w.e.f. 1 December, 2019)

Non-executive directors
(i) Mr. Praveer Sinha (appointed as chairman & director w.e.f. 4 May, 2018)
(ii) Mr. Anil Sardana (ceased w.e.f. 30 April, 2018)
(iii) Mr. Nawshir H. Mirza (ceased w.e.f. 23 March, 2020)
(iv) Mr. Arup Ghosh
(v) Mr. Amar Jit Chopra
(vi) Mr. Ajay Shankar
(vii) Mr. Ramesh N. Subramanyam (appointed w.e.f. 16 June, 2018)
(viii) Ms. Shalini Yogendranath Singh (ceased w.e.f. 15 June, 2018)
(ix) Mr. Minesh Shrikrishna Dave (appointed w.e.f 16 June, 2018 and ceased w.e.f. 30 November, 2019)
(x) Ms. Satya Gupta (appointed w.e.f. 18 July, 2018)
(xi) Mr. Kesava Menon Chandrasekhar, (independent director appointed w.e.f. 24 March, 2020)
(xii) Mr. Sanjay Kumar Banga (appointed w.e.f. 20 January, 2020)
(xiii) Mr. Jasmine Shah (appointed w.e.f. 20 January, 2020)
(xiv) Mr. Ajit Kumar Singh (appointed w.e.f. 20 January, 2020)
(xv) Ms. Rashmi Krishnan (appointed w.e.f. 20 January, 2020)
(xvi) Mr. Naveen ND Gupta (appointed w.e.f. 20 January, 2020)

44.2 Transactions with related parties

₹/Lakhs

Name of related party	Nature of transactions	Year ended 31.03.2020	Year ended 31.03.2019
A. Purchase of goods			
(i) TPTCL	Purchase of power	1,25,233.85	1,12,205.47
	Rebate on power purchase	2,113.32	1,664.55
(ii) TPSSL	Purchase of spares	6.17	-
(iii) IRL	Purchase of consumables	0.76	1.15
B. Sale of goods			
(i) TPTCL	Sale of power	-	1,531.87
	Rebate on sale of power	-	30.64
C. Purchase of property, plant and equipment			
(i) TASL	Purchase of integrated security solutions	932.54	1,346.41
(ii) IRL	Purchase of office equipment	-	0.96

Transactions with related parties contd.

₹/Lakhs

Name of related party	Nature of transactions	Year ended 31.03.2020	Year ended 31.03.2019
D. Sale of property, plant and equipment			
(i) TPCL	Sale of vehicles	35.86	-
(ii) TPTCL	Sale of vehicles	4.83	-
(iii) TPADL	Sale of energy meters	2.70	-
(iv) TCFSL	Sale of vehicles	-	4.50
E. Rendering of services			
(i) TPCL	Management contract for deputation of employees	17.71	23.41
	Management contract for consultancy services	182.61	103.86
	Revenue from training	-	0.66
(ii) Tata Sons	Revenue from training	0.40	-
(iii) DPCL	Commission earned	3.91	1.85
(iv) NDPLIL	Management contract for consultancy services	199.69	333.91
(v) TPIPL	Management contract for consultancy services	201.49	208.52
(vi) TPADL	Management contract for consultancy services	2.74	38.17
(vii) TPRML	Revenue from Training	1.68	-
(viii) PPGCL	Management contract for deputation of employees	14.65	-
(ix) TPL	Revenue from training	7.50	-
(x) TAML	Other income	-	0.07
(xi) TCFSL	Other income	0.10	0.07
(xii) TCES	Management contract for consultancy services	32.76	58.58
(xiii) TSBPL	Revenue from use of assets	40.15	2.57
F. Receiving of services			
(i) TPCL	Management contract for deputation of key management personnel (KMP)	212.21	198.57
	Management contract for deputation of employees	114.54	98.87
	Training	26.22	-
(ii) Tata Sons	Training	3.34	5.10
	Professional Charges	3.72	-
	Fees and subscription	5.31	3.54
	Repair & Maintenance	-	7.67
	Advertisement, publicity and business promotion	-	3.36
(iii) TPSSL	Annual maintenance contract of solar plants	9.88	15.34
(iv) TPL	Corporate social responsibility expenses	2.56	-
(v) TCL	Communication expenses	29.26	32.74
(vi) Tata AIG	Insurance	171.66	183.06
(vii) TTSL	Automatic meter reading expenses, call center charges etc.	238.85	271.24
	Communication expenses	7.75	7.87
(viii) TCFSL	Other borrowing costs (financing charges)	-	0.41
(ix) TCES	Consultancy services	15.80	-
(x) TIL	Corporate social responsibility expenses	20.93	-
G. Reimbursement of expenses (paid)/received [net]			
(i) TPCL	Travelling and conveyance etc.	75.92	58.18
(ii) Tata Sons	Travelling and conveyance etc.	0.61	0.18
(iii) NDPLIL	Travelling and conveyance, insurance etc.	33.61	65.89
(iv) TPTCL	Miscellaneous expenses etc.	(8.51)	-
(v) TPIPL	Travelling and conveyance, insurance etc.	9.86	9.13
(vi) TPADL	Travelling and conveyance etc.	0.31	3.66
(vii) TCES	Travelling and conveyance	3.74	-
H. Repayment of long term borrowings			
(i) TPCL	Redemption of preference share capital	-	25,500.00
(ii) DPCL	Redemption of preference share capital	-	24,500.00
I. Finance cost			
(i) TPCL	Dividend on preference shares	-	2,783.34
(ii) DPCL	Dividend on preference shares	-	2,674.19
J. Equity dividend paid			
(i) TPCL	Dividend on equity shares	5,067.36	4,504.32
(ii) DPCL	Dividend on equity shares	4,868.64	4,327.68
K. Transaction with Trust			
(i) Gratuity Fund	Contribution to trust	450.00	634.91
(ii) SVRS RTBF - 2004	Contribution to trust	46.51	61.70

44.3 Compensation of key managerial personnel

₹/Lakhs

Name of related party	Nature of transaction	Year ended 31.03.2020	Year ended 31.03.2019
A. CEO & MD	Deputation pay and other benefits		
	a. Mr. Praveer Sinha (till 30 April, 2018)	-	139.96
B. CEO	Deputation pay and other benefits		
	a. Mr. Sanjay Kumar Banga (w.e.f. 1 May, 2018 and upto 30 November, 2019)	134.41	89.53
	b. Mr. Ganesh Srinivasan (w.e.f. 1 December, 2019)	43.53	-
C. Non-executive directors	(i) Sitting fees*	32.78	20.60
	(ii) Consultancy fees -		
	a. Mr. Arup Ghosh (upto 31 May, 2019)	11.99	60.88
	b. Ms. Satya Gupta (w.e.f. 18 July, 2018 and upto 12 July, 2019)	8.26	38.22

* Exclusive of Goods & Services Tax.

44.4 Balance outstanding with related parties

₹/Lakhs

Name of related party	Nature of balances	As at 31.03.2020	As at 31.03.2019
A. Investment in equity shares			
(i) NDPLIL		5.00	5.00
B. Receivables			
(i) TPCL	Trade receivables net of payables	187.58	61.41
(ii) NDPLIL	Trade receivables	-	8.74
(iii) TPIPL	Trade receivables	31.17	65.88
(iv) TPADL	Trade receivables	-	1.12
(v) TPRML	Trade receivables	1.98	-
(vi) PPGCL	Trade receivables	17.29	-
(vii) TCFSL	Trade receivables	-	4.75
(viii) TSBPL	Trade receivables	2.34	3.03
(ix) SVRS RTBF-2004	Other financial assets	87.95	103.05
C. Payables			
(i) Tata Sons	Trade payables net of receivables including advances	0.04	6.44
(ii) DPCL	Trade payables	346.45	488.07
(iii) TPTCL	Trade payables net of receivables	7,569.35	21,298.37
(iv) TPSSL	Trade payables including retention money and earnest money deposit	24.62	27.89
(v) TASL	Trade payables including retention money	407.75	474.83
(vi) TCES	Security deposit net of advances and receivables	9.78	14.64
(vii) TCL	Trade payables including security deposit, earnest money deposit net of advances	5.60	8.53
(viii) TTSL	Trade payables including retention money and security deposit	8.07	27.44
D. Unbilled revenues			
(i) TPCL	Management contract for consultancy services/Reimbursement of expenses	2.79	34.74
(ii) NDPLIL	Management contract for consultancy services	7.66	95.77
E. Accrued expenses			
(i) TPCL	Training	24.00	-
(ii) Tata Sons	Training	-	3.89
(iii) TCES	Consultancy services	3.67	26.36
(iv) TCL	Communication expenses	23.61	18.18
(v) TTSL	Communication expenses	33.26	10.74
F. Prepaid expenses			
(i) TPTCL	Charges for letter of credit	4.25	-
(ii) Tata AIG	Prepaid insurance	38.95	85.96
(iii) TTSL	Repair and maintenance	12.67	29.54
G. Advance to suppliers			
(i) IRL	Capital advances	-	0.76
(ii) Tata AIG	Advance to vendors	19.83	22.12
H. Commitments made			
(i) TCL	Communication expenses	3.36	-
(ii) TCES	Consultancy services	224.41	263.59
(iii) TASL	Capital commitment:Implementation of integrated security solution	105.30	494.34
(iv) TTSL	Call center charges	1.23	-

I. Commitments made with TPTCL

Significant commitments of the Company includes commitment for trading margin with TPTCL.

The Company has entered into a long term power purchase agreement with TPTCL on 10 September, 2009 to draw power from Maithon Power Ltd. (MPL) for 30 years from the date of commissioning (COD) and on 20 January, 2009 to draw power from Jhajjar Power Ltd. (JPL) for 25 years from COD. A trading margin of 4 paise per kWh for the energy scheduled by MPL is payable by Tata Power-DDL to TPTCL. A trading margin of 2% of power purchase bill (capacity and energy charges) of JPL is payable by Tata Power-DDL to TPTCL.

Note 45
Significant events after the reporting period

There were no significant adjusting events that occurred subsequent to the reporting period other than the events disclosed in the relevant notes.

Note 46
Transfer pricing

As per the Transfer Pricing Rules of the Income Tax Act, 1961 the Company is required to get a transfer pricing study conducted to determine whether the transactions with related parties were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2020 is currently in progress and hence adjustments, if any, which may arise there from will be considered in the financial statements for the year ended 31 March, 2021. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

Note 47
Approval of financial statements

These financial statements were approved for issue by the board of directors on 29 April, 2020.

In terms of our report attached of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

For and on behalf of the Board of Directors

Sanjay Kumar Banga
Director
DIN: 07785948

Satya Gupta
Director
DIN: 08172427

Ganesh Srinivasan
Chief Executive Officer

Ajay Kalsie
Company Secretary

Hemant Goyal
Chief Financial Officer

Gurugram
29 April, 2020

New Delhi
29 April, 2020