



दिल्ली ट्रांसको लिमिटेड

(दिल्ली सरकार का उपक्रम)

DELHI TRANSCO LIMITED

(A Govt of NCT of Delhi Undertaking)

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

www.dtl.gov.in



Petition for

True up for FY 2012-13 to FY 2014-15

&

ARR for FY 2015-16

Submitted to

Delhi Electricity Regulatory Commission

Before the Hon'ble Delhi Electricity Regulatory Commission, New Delhi

Filing No. _____

Case No. _____

IN THE MATTER OF

Petition for True up for FY 2012-13 to FY 2014-15 & ARR for FY 2015-16.

IN THE MATTER OF

Delhi Transco Ltd. (DTL) a company incorporated under the provision of Companies, Act, 1956 and having its registered office at Shakti Sadan, Kotla Marg, New Delhi -110002.

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6/10/15
APPLICANT
DELHI TRANSCO LIMITED



***BEFORE THE HON'BLE DELHI ELECTRICITY REGULATORY
COMMISSION***

File No. _____

Case No. _____

IN THE MATTER OF:

Filing of Petition/Application for Truing up of Expenses for FY 2012-13 to FY 2014-15(Provisional), as per the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulation 2011 (hereinafter referred to as "MYT Regulations, 2011") and Aggregate Revenue Requirement for the period i.e. FY 2015-16 under Section 62 of the Electricity Act 2003 (herein after referred to as "Act"), read with Regulations 7.4 to 7.9, Regulations 9.1 to 9.4 & Regulation 10.10 of the MYT Regulations 2011, Section 11 and Section 28 of Delhi Electricity Reforms Act 2000 to the extent applicable, the Delhi Electricity Regulatory Commission (Conduct of Business) Regulation 2011 and in terms of Condition 22 of the License for Transmission of Electricity issued by the Hon'ble Commission, Delhi Transco Limited as the Transmission Licensee for wheeling the power to the following distribution licensees:-

1. BSES –Yamuna Power Limited
2. BSES- Rajdhani Power Limited
3. Tata Power-Delhi Distribution Ltd.(Formerly NDPL)
4. NDMC
5. MES



In the matter of:

DELHI TRANSCO LIMITED (hereinafter called TRANSCO) a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Shakti Sadan, Kotla Marg, New Delhi-110002 Petitioner

The Petitioner named above most respectfully sheweth :

1. Pursuant to the applicable provisions of the Delhi Electricity Reform Act, 2000, the Government of Delhi undertook the reform and restructuring of the erstwhile Delhi Vidyut Board (DVB). DTL was formed as one of the successor entity of the erstwhile Delhi Vidyut Board through the transfer scheme notified in the official gazette on 20.11.2001 to manage the Transmission and Bulk supply business of erstwhile DVB.

Subsequently on 28.06.2006, the GNCTD issued policy directions to DERC directing therein that the Bulk Supply business of Transco is vested to the DISCOMs with effect from April 1, 2007. PPAs/ BPTAs of the existing and upcoming projects were assigned to the Discoms vide commission order dt. 31.03.2007. As a result, TRANSCO is presently carrying out the Transmission business as the State Transmission Utility (STU) in the State of NCT of Delhi.

2. Hon'ble Commission issued a Public Notice on dated 02.10.2011 regarding the draft MYT regulation for FY 2012-13 to 2014-15 inviting comments of stake holders. Subsequently DTL has submitted comments on dt. 08.10.2011. Hon'ble Commission after conducting hearing, had issued the MYT regulation on dt. 2.12.2011 without giving Statement of Reasons on the issues raised by DTL specifically on Return on Equity (RoE) in which Hon'ble Commission deviated even from its draft regulation and consideration of actual value of CPI & WPI for computation of Escalation Factor. DTL



being aggrieved had filed a civil Writ petition No. 1380/2013 before Hon'ble High Court of Delhi.

3. DTL had filed its MYT petition for determination of wheeling charges for Delhi Transco Ltd. along with the business plan for the second control period FY 2012-13 to FY 2014-15 on dated 2nd February, 2012 which was decided by the Hon'ble Commission vide its order dated 13th July, 2012 (hereinafter referred to as the "MYT Tariff Order").
4. As per direction of Hon'ble commission vide letter no: F.3/Tariff/DERC/2012-13/4/3700/4617-4019 dt.26.11.2012, DTL had filed petition for Truing up of ARR for FY 2007-08 to FY 2011-12 & Revised Aggregate Revenue Requirement (ARR) for FY 2013-14 on December, 28, 2012 under Sec 62, 64 & 86 of the Electricity Act, 2003, read with the MYT regulations, 2011. Hon'ble Commission had passed an order on 31.07.2013 for Truing up (provisional) of FY 2007-08 to 2011-12 & Revised ARR for FY 2013-14. DTL being aggrieved by the order passed by the Hon'ble Commission specifically on truing up for the year 2007-08 to 2011-12, Impact of Hon'ble Tribunal judgment in appeal no 133/2007 and 28/2008 on the issue of DVB arrears and direction to pay Rs.400 Cr. to the pension Trust out of Rs.500 Cr. approved by commission filed an appeal under Section 111(1) of Electricity Act, 2003 before Hon'ble ATE in appeal no.255/2013. (Copy of Appeal enclosed as Annexure-I).
5. Hon'ble commission had published a public notice dt.05.09.2014 in leading newspapers inviting comments/observation of stake holder on Regulation 2011 for further extension of MYT period of one year i.e FY 2015-16.
Hon'ble commission issued the order on dt.22.10.2014 after conducting public hearing in the matter with a view as *"The commission is of the considered view that public interest is best served by extending the MYT Regulations 2011 by one year i.e. 2015-16"*
6. That the Petitioner in the present ARR petition has stated the assumptions at respective places, and has endeavored to comply with the various applicable legal, regulatory

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directions and stipulations including the directions of the Hon'ble Commission in the conduct of Business Rules of the Commission, the Guidelines, prior ARR, Tariff Orders and the recent Regulations on Terms and Conditions for Determination of Tariff for Transmission of Electricity.

7. That based on the information available, the Petitioner has made bonafide efforts to comply with the directions of the Hon'ble Commission and in diligent discharge of its obligations to the best of its abilities. However, the petitioner craves leave to file such additional information and consequently amend / revise the Application / Petition if so desired or directed by this Hon'ble Commission. The Petitioner is ready and willing to provide any other and further information in respect of the filing of this petition that the Hon'ble Commission may require or need arises to determine its entitlement in the tariff fixation process.

Prayer

The Petitioner most respectfully submits to:

i.) Approve the present Petition for:

a). Truing up of Expenses for FY 2012-13 to 2014-15 as per the MYT Regulations, 2011.

b). Aggregate Revenue Requirement for the FY 2015-16.

ii) Consider, in the event of, any issues raised by DTL in Review/Appeal/SLP being adjudicated prior to issuance of the Tariff Order FY 2015-16, and take into account the impact of the same while approving the ARR for the FY 2015-16. In the event, Supreme court/High Court/ATE / Review, Order being issued after the issuance of the Tariff Order, the impact of the same be allowed forthwith.

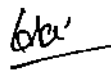
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iii) Allow additions / alterations / changes/ modifications to the application at a future date if so required, in the interest of justice.

iv) Pass such and any other orders as the Hon'ble Commission may deem fit and proper in the facts and circumstances of the case.


GENERAL MANAGER (C&RA)



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PART-I

Truing up of Aggregate Revenue Requirement
For FY 2012-13 to FY 2014-15 (Provisional)

As per the MYT Regulations, the ARR include the following components:

- a) Operations and Maintenance Expenses.
- b) Return on Capital Employed.
- c) Depreciation,
- d) Tax Expenses.
- e) Non-Tariff Income.
- f) Income from other businesses.

1) Operation & Maintenance Expenses :

- As per the MYT Regulations for determination of transmission tariff, Employee expenses and A&G expenses for the Control Period are determined by using the following methodology:

$$EMP_n + A\&G_n = (EMP_{n-1} + A\&G_{n-1}) * (INDX_n / INDX_{n-1})$$

- The inflation factor for the nth year ($INDX_n$) is determined using a combination of Consumer Price Index (CPI) and Wholesale Price Index (WPI) for the nth year as shown below :

$$INDX_n = 0.55 * CPI_n + 0.45 * WPI_n$$

A) Determination of Inflation Factor:

- The Inflation Factor used for indexing the O&M expenses are determined using a combination of the Consumer Price Index (CPI) and the Wholesale Price Index (WPI), which are expected to contribute to the employee expenses and the A&G expenses respectively.

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- DTL has considered the Inflation linked Escalation factor as approved by Hon'ble Commission in MYT order dated 13.07.2012 for 2nd Control Period. However the same has been challenged in the Civil Writ petition No. 1380/2013 before Hon'ble Delhi High Court.

B) Employee Expenses:

- In True up of the ARR, DTL has considered the Employee Expenses approved by Hon'ble Commission for FY 2011-12(Base Year) for computing the Employee Expenses for FY 2012-13 to FY 2014-15.
- The other employee expenses which were not the part of base value approved by the Commission in FY 2011-12 has also been considered which includes Actuarial Valuation(Gratuity and Leave Encashment) , Employee expenses of 220 KV IP Switchyard(Taken over by DTL in Jan 2010 from IPGCL) , Ex-Gratia and Pension Trust Dues.
- The Details of Employee Expenses for FY 2012-13 to FY 2014-15 is as tabulated below:-

Table 1:- Employee Expenses for FY 2012-13 to FY 2014-15

(Rs. Crore)

	2011-12 (Base Year)	2012-13	2013-14	2014-15
Escalation factor		1.0803	1.0804	1.0806
Employee Expenses	114.05	123.21	133.11	143.84
Actuarial Valuation (Gratuity and Leave Encashment)	1.59	3.71	3.86	3.86
Employee Expenses for 220 KV IP Substation		1.86	1.86	1.86
Ex Gratia	1.84	4.56	6.00	8.00
Pension Trust dues	11.52	23.82	8.10	12.15
Total Employee Expenses	129.00	157.15	152.93	169.71



The Capitalization of the employee expenses has been considered later in the petition.

C) A&G Expenses

- In True up of the ARR, DTL has considered the A&G Expenses for FY 2011-12(Base Year) as per Audited account of DTL for FY 2011-12 for computing the A&G Expenses for FY 2012-13 to FY 2014-15.
- DTL has claimed certain other expenses which are not part of base year expenses for FY 2011-12. The details are as below:-
 - **Annual Transmission Licensee Fee:** - Further as per directions of Hon'ble Commission, DTL has paid the Annual Transmission licensee fee of Rs. 50 Lakh per annum to DERC, However the same were not included in the accounts of DTL during FY 2010-11 or 2011-12 so the amount of Rs. 1 crore for FY 2012-13 & 2013-14 and Rs. 50 Lakh in 2013-14 is additionally claimed.
 - **Additional Property Tax :-** Rs. 1.49 crore towards property tax was part of base year expenses i.e. FY 2011-12 however due to past period arrears/additional Tax, demand has been raised by Municipal corporations, wherein some amount has been paid by DTL and the issue has been contested also. The details are as under.
 - NDMC has raised a demand of Rs 11.30 crore against buildings of DTL upto 31.03.2013 and the said amount (though under dispute) was enforced by NDMC by payment through DTL bank account.
 - NDMC has raised a demand of Rs 4.24 crore on account of property tax in 2013-14 and DTL has contested against the same. In the event of verdict being against DTL, the same will be claimed accordingly.
 - EDMC has raised a demand of Rs 185.66 crore on account of property tax in 2014-15 and DTL has contested against the same and paid Rs 16 crore provisionally. In the event of verdict being against DTL, the same will be claimed accordingly.

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- **Foreign Exchange Rate Variation:** - As per the mandatory Accounting Standard (AS-11) the liabilities and payments, which are payable by DTL in foreign currency, are required to be converted in equivalent INR on the date of transaction and as on the Balance Sheet date. Practically also if any amount of liability in the foreign currency remains unpaid at the end of accounting financial year then it would be necessary as well as prudent to state the said amount of liabilities in INR after converting the same as per the exchange rate applicable on that date. The aforesaid accounting standard is based on rationale that in case if liability in foreign currency are required to be discharged at the end of the financial year then the amount of the same shall have to be paid in equivalent INR based on the exchange rate as on the Balance Sheet date. The difference of exchange rate i.e. rate of exchange as on the date of transaction and the rate on the Balance Sheet date will result into loss or profit to DTL. However, if the said amounts of liabilities are not discharged on the date of closing of accounts then the said profit or loss shall get adjusted while discharging the liabilities by converting the said amount on the date of discharge of that liability. Therefore, the net actual profit or loss on the payments of liabilities in foreign currency gets ultimately be reflected in the accounts in this manner. The amount of Rs.31.37 crores is due to the conversion of foreign currency amount into equivalent INR either at the date of transaction or at the end of the financial year 2013-14. Out of the said amount, the actual profit/loss shall get ultimately reflected in accounts as and when paid and the same shall be returned/claimed in ARR for that financial year.
- The Details of A&G Expenses for FY 2012-13 to FY 2014-15 is as tabulated below:-



Table 2:- A&G Expenses for FY 2012-13 to FY 2014-15

	2011-12 (Base Year)	2012-13	2013-14	2014-15
Escalation factor		1.0803	1.0804	1.0806
A&G Expenses	22.19	23.97	25.90	27.98
Foreign Exchange Loss	0	0	31.37	0
Dividend Distribution Tax	0	1.92	0	0
Property Tax		11.30	8.30	8
Transmission License Fee			1.00	0.50
Total A&G Expenses	22.19	37.19	66.57	36.48

- The Capitalization of the A&G expenses has been considered later in the petition.

D) Repair & Maintenance expenses:

- As per the MYT regulation for Transmission, the Repairs and Maintenance (R&M) expenses for the petitioner has to be determined based on the following formulae:

$$R\&M_n = K * GFA_{n-1}$$

- Where, 'K' is a constant (expressed in %) governing the relationship between R&M costs and Gross Fixed Assets (GFA) for the n^{th} year.
- The Gross Fixed Assets for the 1st Control Period has been computed as per the True up value of GFA for FY 2006-07 and Actual Assets Capitalization of DTL for FY 2007-08 to FY 2011-12.
- R&M Expenses has been computed for FY 2012-13 to FY 2014-15 by considering the Opening GFA (calculated on the basis of actual value of assets capitalization for FY 2007-08 to FY 2011-12 & FY 2012-13 to FY 2013-14 already submitted to the Commission and projected value of assets capitalization for FY 2014-15 and considering the "K" factor as approved by the Commission in MYT order for FY 2012-13 to FY 2014-15.



Table 3 : R&M expenses for FY 2012-13 to FY 2014-15

	(Rs. Crore)		
	2012-13	2013-14	2014-15
GFA OPENING (Actual Capitalization)	2437.03	2770.54	3049.93
K Factor	1.424%	1.424%	1.424%
R& M Expenses	34.70	39.45	43.43
Additional Exp. on GIS s/stn. (allowed as per ARR 2011-12 Order)	3.96	3.96	3.96
Total R&M expenses	38.66	43.41	47.39

(E) Efficiency Factor:-

- DTL has maximum no. of Conventional type s/stn. and most of them are 25-30 years old. DTL is in process of up gradation of the same in a phased manner and requires at least 10 year period for complete upgradation as well as automation of existing substation.
- DERC made an ad-hoc reduction of 2%, 3% and 4% for the FY 2012-13, FY 2013-14 and FY 2014-15 respectively. This is on very higher side as the Expenses are already on normative basis and further DERC has used the approved values of Inflation factor in place of actual value and further applied very high efficiency factor on it.
- DERC is therefore requested to allow the Inflation factor on actual basis while limiting the efficiency factor @ 1% .

(F) O&M Expenses:-

- The summary of Operation & Maintenance expenses for the FY 2012-13 to FY 2014-15 is as tabulated below:-

Table 4:- O&M expenses for FY 2012-13 to FY 2014-15

	(Rs. Crore)		
	2012-13	2013-14	2014-15
Employee Expenses	157.15	152.93	169.71
A&G Expenses	37.19	66.57	36.48
R&M Expenses	34.70	39.45	43.43
O&M Expenses	229.05	258.95	249.62

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Efficiency Factor	1%	1%	1%
Net O&M Expenses	226.76	256.36	247.12
Additional R&M allowed on GIS (approved in FY 11-12 order)	3.96	3.96	3.96
Total O&M Expenses	230.72	260.32	251.07

2) Assets Capitalization:

- The details of the Assets capitalized for the FY 2012-13 & 2013-14 have already been submitted to the Hon'ble Commission in the desired formats. Further the details for FY 2014-15 have been taken as per Actual capitalization till Jan 2015 and projections upto march 2015. The details of the assets capitalized during the FY 2012-13 to FY 2014-15 is also given below :

Table 5: - Assets Capitalization for FY 2012-13 to FY 2014-15

(Rs. Crore)

Particulars	2012-13	2013-14	2014-15
Land	0	2.5353	
Land under lease	0	0	
Building	0.0848	0.3256	
Meters	0	0	
Lines Network	154.94	156.94	336.05
Other Civil Works	8.84	4.13	13.74
Plant & Machinery	169.51	112.29	475.15*
Office Equipment	0.0038	1.6686	0.25
Computer	0.0695	1.0923	0.25
Furniture	0.09	0.0187	0.4
Misc Assets	0.00	0.05	0.1
Vehicles	-0.0284	0.341	
SCADA	0	0	
Total	333.51	279.39	825.94

* Rs. 22.70 Crore has been added in FY 2014-15 towards Balance works of 220 KV DSIDC Bawana as per Hon'ble Commission's order dated 05.11.2004 in Review petition No. 69/2004.

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- The Details of Capital Works completed till Jan. 2015 & to be completed by March 2015 and details of Assets capitalization submitted before Hon'ble Commission for FY 2012-13 & 2013-14 are enclosed as Annexure-II.

3) Depreciation:

- The depreciation for FY 2012-13 to FY 2014-15 is computed by considering the rates of depreciation as specified in the MYT regulations for 2nd Control Period and assets capitalized for FY 2012-13 to FY 2013-14 submitted to Hon'ble Commission and Projections for FY 2014-15.
- The details of depreciation for FY 2012-13 to FY 2014-15 are given below:

Table 6:- Depreciation for FY 2012-13 to FY 2014-15

(Rs. Crore)

Particulars	Rate of Depreciation	2012-13	2013-14	2014-15
Land	-	0.00	0.00	0.00
Land under lease	3.34%	0.33	0.33	0.33
Building	3.34%	1.25	1.26	1.27
Meters	5.28%	0.09	0.09	0.09
Lines Network	5.28%	42.19	50.42	63.44
Other Civil Works	3.34%	4.96	5.18	5.48
Plant & Machinery	5.28%	75.78	83.22	98.73
Office Equipment	6.33%	0.30	0.36	0.42
Computer	15.00%	7.42	7.51	7.61
Furniture	6.33%	0.31	0.31	0.33
Misc Assets	6.33%	0.07	0.07	0.08
Vehicles	9.50%	0.61	0.61	0.63
Scada	6.33%	3.38	3.38	3.38
Total		136.72	152.77	181.80



4) Return on Capital Employed –

- The RoCE is carried out as per the MYT regulations and by considering the debt: equity ratio of 70:30 on the assets capitalised during the year FY 2012-13 to FY 2014-15.

a) Working Capital Requirement:-

- The working capital requirement of the DTL for the FY 2012-13 to FY 2014-15 has been calculated as per MYT Regulations 2011 and tabulated below:-

Table 7: Working Capital for FY 2012-13 to FY 2014-15

(Rs. Crore)

Particulars	2012-13	2013-14	2014-15
Receivables for two months calculated on NATAF	104.72	138.22	126.56
Maintenance spares @ 15% of O&M	34.61	39.05	37.66
O&M expenses for 1 month	19.23	21.69	20.92
Total Working Capital	158.55	198.96	185.14

- Return on Capital Employed (ROCE) has been calculated as per MYT Regulations by Considering Regulated Rate Base (RRB) & Weighted Average Cost of Capital (WACC). i.e.

$$ROCE = RRB * WACC$$

- WACC has been calculated on the basis of closing value of Equity and Debt, Rate of Return on Equity & Rate of Return on Debt. The Rate of Return on equity has been taken @ 14% as per MYT Regulations. However the same has been challenged in Civil Writ Petition No. 1380/2013 before Hon'ble Delhi High Court. Further the rate of return on debt (rd) has been taken as per approved values in MYT order dated 13.07.2012.
- Hon'ble ATE in Review Petition no. 16/2013 in appeal no. 166/2012 against the MYT order dated 13.07.2012 has directed the DERC as below:



"We have noticed the discrepancy in figure of closing debt of Delhi Transco as approved by the State Commission in the impugned order which was upheld by this Tribunal and as adopted in the subsequent tariff order dated 31.07.2013.

We direct the State Commission to look into the matter and resolve the discrepancy without being influenced by the findings of this Tribunal in the judgment dated 10.10.2013 upholding the figure adopted by the State Commission in the impugned order. The Review Petition is disposed of accordingly."

- However the same was rectified by Hon'ble Commission in subsequent tariff order for True up of FY 2007-08 to FY 2011-12 & Revised ARR for FY 2013-14. DTL has considered the approved values of debt & equity for FY 2006-07 as per Hon'ble Commission's True up order dated 31.07.2013.

Table 8 :- ROCE for FY 2012-13 to FY 2014-15

(Rs. Crore)			
PARTICULARS	2012-13	2013-14	2014-15
Regulated Rate Base	2146.59	2348.70	2720.27
Original Costs of Fixed Assets			
Accumulated Depreciation			
Addition in Regulated Rate Base	196.79	126.62	644.14
Investments during the year (Addition in Fixed assets)	333.51	279.39	825.94
Depreciation	136.72	152.77	181.80
ΔWC	76.35	40.40	-13.81
Equity(Closing)	1053.27	1137.09	1384.87
Equity (average)	1003.24	1095.18	1260.98
Debt(Closing)	1586.77	1782.35	2360.51
Debt(Average)	1470.05	1684.57	2071.43
Rate of return on Equity	14.00%	14.00%	14.00%
Rate of Return on Debt	11.24%	11.04%	10.86%
Weighted Avg Cost of Capital (WACC)	12.07%	11.93%	11.80%
Return on Capital Employed (RoCE)	259.05	280.15	321.05



5) Non Tariff Income: -

- The Non-tariff income for FY 2012-13 to FY 2014-15 has been taken as per details given below:

Table 9: Non Tariff Income for FY 2012-13 to FY 2014-15

(Rs. Crore)

Particulars	2012-13	2013-14	2014-15
Non Tariff Income	3.53	1.10	1.10

6) Capitalization of Expenses:-

- The summary of Employee Expenses, A&G expenses capitalized in FY 2012-13 to FY 2014-15 is provided in the table below:

Table 10: Capitalization of Expenses for FY 2012-13 to FY 2014-15

(Rs. Crore)

S.No	Particulars	2012-13	2013-14	2014-15
1	Interest & Finance charges Capitalised	42.00	88.44	131.99
2	Employee expenses	20.43	7.20	28.05
	A&G Expenses	5.79	2.32	4.95
	Expenses Capitalised	68.22	97.96	164.99

7) Rebate on Transmission / wheeling of power:-

- DTL has given the rebate to Discoms on wheeling of power for an amount of Rs. 2.16 crore in FY 2012-13 & Rs. 1.18 Crore in FY 2013-14 as per the provisions of MYT Regulations. DERC is requested to consider the same as a pass through in ARR as the provisions of Rebate are as per MYT Regulations.



8) Income Tax Expenses:

- The Income Tax for FY 2012-13 to FY 2014-15 computed by considering the MAT rate of 20.961% on the Return on Equity.
- In respect of Income Tax liability, DTL is required to comply with the provisions of Income Tax Act, 1961. As per Section 115-JB of Income Tax Act, 1961 which contains the overriding provisions relating to Minimum Alternate Tax (MAT), every company is mandatorily required to pay tax even if its income under the normal provisions of Income Tax is Nil. As per the provisions of section 115-JB of the Income Tax Act, 1961 every company is required to pay income tax which is higher of the following:-
 - (i) Income tax at normal income tax rates on the income computed under the normal provisions of Income Tax Act, 1961 (other than the provisions contained in section 115-JB of Income Tax Act, 1961)
 - (ii) Income tax computed @ 18% (changed to 18.5% w.e.f. 01.04.2012) on the amount of "book profits" as defined under Explanation 1 to section 115-JB of the Income Tax Act, 1961.
- Subsection (2) to section 115-JB stipulates that while computing book profits u/s 115-JB of the Income Tax Act, 1961, the annual accounts (including P&L account) should be prepared using the accounting policies, accounting standards issued by the Institute of Chartered Accountants of India and as prescribed under companies act.
- Thus in view of the above, the annual accounts prepared by DTL is in accordance with the accounting policies (which are being consistently followed from year over year) and applicable accounting standards and laid before the AGM of the company form the basis of computing "book profits" as defined under section 115-JB of the Income Tax Act, 1961. The accounts of the company for a financial year are prepared and book profits are determined after considering the tariff income of the company for that year.
- DTL as a transmission utility is carrying huge amount of unabsorbed losses and as per the applicable provisions under section 115-JB of Income Tax Act, it is still required to pay income tax as Minimum Alternative Tax (MAT) which is computed as per the said provisions on the prescribed percentage of the book profits of the company as per the

6/12



provisions of Companies Act and applicable mandatory Accounting Standards. It is not practicable and statutorily permitted to determine the income tax liability under MAT provisions only on the amount of return on equity as referred in the tariff regulations. In terms of the provisions of Companies Act read with applicable Accounting Standards, the book profit is calculated among other adjustments after considering a part of interest cost of debt and not the full interest cost of debt incurred during the financial year concerned and thus the book profit for financial year concerned cannot match with the amount of return on equity and is beyond the control of the company as per the statutory schemes/provisions of Companies Act read with Income Tax Act. Moreover, the tax paid under MAT provisions is eligible for setoff with the amount of income tax payable as per the normal provisions of Income Tax Act, 1961 within next eight following financial years thereby reducing the tax liability to that extent of those tax financial years in future. Therefore with reference to the provisions of Tariff Regulations as stated herein above, DTL should be allowed to recover full amount of MAT as per Income Tax Act through tariffs.

- Keeping in view of the aforesaid provisions of Companies Act, 2013 and Income Tax Act, 1961, DTL has computed and paid its income tax liability u/s 115-JB of the Income Tax Act, 1961 for the financial years 2011-12 and 2012-13 as the tax payable under normal provisions (as stated in clause (i) of section 115-JB of the Income Tax Act, 1961) for the aforesaid financial year was Nil in view of the brought forward unabsorbed losses and depreciation.
- The full income tax liability of the utility on its transmission business for a particular financial year need to be recovered through tariff in order to allow guaranteed post-tax return on equity @14%. Further, the same is to be paid by DTL to the government exchequer and is beyond its control whatsoever and is the direct consequence of the transmission business. The claim of DTL for full recovery of actual tax thus is inherent in the Tariff Regulations.
- DTL has also filed a civil writ petition no. 1380/2013 on this issue before the Hon'ble High Court of Delhi.


Table 11:- Income Tax expenses for FY 2012-13 to FY 2014-15

		(Rs. Crore)		
		2012-13	2013-14	2014-15
1	Income Tax on the Return on Equity	29.44	32.14	37.00
2	Income tax due to DVB arrear		113.50	
	Total	29.44	145.64	37.00

- Further Income Tax has also been calculated on the amount of DVB arrears allowed by Hon'ble Commission, which comes out to be Rs. 113.50 crore for FY 2013-14.

9) True up of Annual Revenue Requirement (ARR) for FY 2012-13 to FY 2014-15

The Truing up of ARR for FY 2012-13 to FY 2014-15 is tabulated below. The Approved ARR for FY 2012-13 & 2014-15 has been considered as per MYT order for 2nd Control period dated 13.07.2012 and the approved ARR for FY 2013-14 is considered as per Revised ARR order for FY 2013-14 dated 31.07.2013 passed by Hon'ble Commission. (The audited annual accounts of DTL from FY 2011-12, 2012-13 & 2013-14 are enclosed as Annexure-III).

**Table 12:- Details of Approved ARR vis-a-vis Truing up for FY 2012-13 to FY 2014-15**

S. No.	Particulars	FY 2012-13		FY 2013-14		FY 2014-15	
		Approved in MYT 2nd Control Period Order	True-up Petition	Approved in Revised ARR Order	True-up Petition	Approved in MYT 2nd Control Period Order	True-up Petition
1	Total O&M expenses	180.72	230.72	190.48	260.32	211.17	251.07
2	Depreciation	141.15	136.72	146.49	152.77	183.32	181.80
3	Income Tax Provisions	20.51	29.44	23.87	145.64	27.23	37.00
4	Rebate on Sale/Wheeling of Power	0	2.16	0	1.18	0	2.5
5	ROCE	275.52	259.05	274.89	280.15	325.92	321.05
6	Less: A&G and Employee Expenses Capitalized	-29.72	-26.21	-40.01	-9.52	-10.38	-33.00
	Less: Non Tariff Income	-2.5	-3.53	-2.5	-1.10	-2.5	-1.10
7	Less: Income from Other Business	0	0.00		0	0	0
	Revenue Requirement	585.68	628.35	593.22	829.45	734.76	759.32

Table-13 TRUE UP OF ARR FROM FY 2012-13 to FY 2014-15

	(Rs. Crore)			
	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16
OPENING GAP	0.00	45.06	299.30	357.71
ADDITION DURING THE YEAR	42.65	236.21	24.55	0.00
	11.24%	11.04%	10.86%	10.86%
Carrying Cost	2.40	18.01	33.84	38.85
CLOSING GAP	45.06	299.30	357.71	396.55

True up value of Rs. 396.55 Crore for FY 2012-13 to FY 2014-15 is inclusive of carrying cost.



PART - II

**Impact of Appellate order in Appeal nos: - 133/2007, 28/2008, 184/2011 &
Treatment of Surplus of Rs. 196.17 Crore as per MYT Order dated 20.12.2007**

A) Treatment of DVB arrears:

- As per Directions of Hon'ble ATE in appeal No. 133/2007, 28/2008 and 184/2011, Hon'ble Commission has allowed the impact of DVB arrears in the ARR order dated 31.07.2013 and has approved the impact of the DVB arrears to be Rs. 1687.52 crore in FY 2013-14. However the Commission has allowed Rs. 541.50 crore in FY 2013-14 and balance remaining amount of Rs. 1146.02 crore to be recovered through amortization of revenue gap in subsequent years.
- Hon'ble Commission has considered the carrying cost @ 9.92 % for FY 2009-10 & 10.50% for FY 2010-11 for calculating impact of DVB arrears instead of 11.5% submitted by the DTL. The same has been challenged in appeal No. 255/2013 before Hon'ble ATE.
- DTL has considered balance remaining amount Rs. 1146.02 crore (as approved by Hon'ble Commission in its order dated 31.07.2013) along with carrying cost for FY 2014-15 which is described in table 14.

B) Readjustment of Surplus of Rs. 196.17 crore approved in MYT order dated 20.12.2007 and as per ATE Judgment in appeal No. 184/2011.

- Hon'ble Commission had erroneously adjusted the surplus of Rs. 196.17 Crore (as per MYT order dt 20.12.2007) along with the negative carrying cost in the ARR Order for FY 2011-12 and deducted Rs. 357.51 crore (including carrying cost upto FY 2011-12) in



ARR order for FY 2011-12 dated 26.08.2011, aggrieved by the same, DTL has raised the issue in appeal No. 184/2011 before Hon'ble ATE. This was decided in favour of DTL. Hon'ble Commission in Revised ARR order dated 31.07.2013 has allowed the readjustment of surplus to DTL and allowed only Rs. 349.28 crore (by taking carrying cost @ 9.92 % for FY 2009-10 & 10.50 % for FY 2010-11) whereas earlier, on this account the Hon'ble Commission had recovered Rs. 357.51 crore in the ARR of the DTL for FY 2011-12 (Rs.196.17 crores alongwith carrying cost @ 11.5% from FY 2007-08 to FY 2011-12). The same amount should have been reverted back to DTL. The balance amount of Rs. 8.23 crore is also required to be allowed by the Hon'ble Commission. The impact of Rs. 8.23 crore(till FY 2011-12) & DVB arrears Rs. 1146.02 crore(till FY 2013-14) along with carrying cost till FY 2015-16 is tabulated below:-

Table 14:- Balance Impact Readjustment of Surplus & DVB Arrears

	(Rs. Crore)			
	FY2012-13	FY2013-14	FY 2014-15	FY 2015-16
OPENING GAP	8.23	9.18	1156.25*	1289.22
	11.50%	11.50%	11.50%	11.50%
CARRYING COST	0.95	1.06	132.97	148.26
CLOSING GAP	9.18	10.23	1289.22	1437.48

Note:- * The opening balance of FY 2014-15 includes Rs. 1146.02 crore towards balance impact of DVB arrears



Part-III
ARR for FY 2015-16

- The Hon'ble Commission issued the MYT Regulations vide order dt. 02nd December, 2011 specifying the terms & conditions for determination of tariff for transmission of electricity under the MYT framework for the period FY 2012-13 to FY 2014-15.
- Hon'ble Commission had issued a public notice dated 05.09.2014 for extension of Tariff Regulations for further period of one year i.e. FY 2015-16 and DTL vide letter dated 22.09.2014 has submitted its comments. Hon'ble Commission after conducting public hearing on 30.09.2014 has extended the MYT Regulations 2011 for further one year period i.e. upto FY 2015-16 vide order dated 22.10.2014.
- The detailed computation of ARR for FY 2015-16 is as discussed below:-

1. O&M Expenses:

Employee Expenses:-

- DTL has considered the inflation factor for the FY 2015-16 as approved by the Hon'ble Commission in the MYT order for FY 2012-13 to FY 2014-15 for calculation of Employee Expenses and A&G Expenses.
- The Employee expenses approved by Hon'ble Commission for FY 2014-15 have been escalated for calculating the Employee expenses for FY 2015-16. Further 5% escalation has been provided for the manpower deployment on new assets creation during FY 2015-16.

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- In addition certain expenses which were not part of base year expenses i.e. Actuarial Valuation, Employee expenses for 220 KV IP s/stn. , Ex-Gratia, Pension Trust dues has also been considered.

A&G Expenses:-

- In A&G expenses, the Expenses claimed by DTL in FY 2014-15 (as per part I of petition) is escalated for calculating the A&G expenses for FY 2015-16. Further 5% escalation has been provided for the manpower deployment on new assets creation during FY 2015-16. In addition, Rs. 8.00 crore for Property tax and Rs. 50 lakh for Transmission licensee fee for FY 2015-16 which were not the part of base year expenses has also been considered.
- The Details of Employee Expenses and A&G Expenses for FY 2015-16 is as tabulated below:-

Table 15:- Employee Expenses for FY 2015-16

	(Rs. Crore)	
	2014-15	2015-16
Escalation factor		1.0806
Employee Expenses	143.84	155.43
Additional Manpower due to new Assets Addition @ 5%		7.77
Actuarial Valuation (Gratuity and Leave Encashment)		3.86
Employee Expenses for 220 KV IP Substation		1.86
Ex Gratia		10.00
Pension Trust dues		15.00
Total Employee Expenses		193.92



Table: 16:- A&G Expenses for FY 2015-16

Particulars	(Rs. Crore)	
	2014-15	2015-16
Escalation factor		1.0806
A&G Expenses	27.98	30.23
Additional Expenses due to new Assets Addition @ 5%		1.51
Property Tax		8.00
Transmission License Fee		0.50
Total A&G Expenses		40.24

R&M Expenses:-

- R&M Expenses has been computed by considering the provisional opening GFA for FY 2015-16 (calculated on the basis of actual value of assets capitalisation for FY 2007-08 to FY 2011-12 and FY 2012-13 to FY 2014-15 already submitted to the Commission and projected value of assets capitalization for FY 2014-15 as already explained in part-I) and considering the "K" factor as approved by the Commission in MYT order for FY 2012-13 to FY 2014-15.

Table 17 : R&M Expenses for FY 2015-16

Particulars	(Rs. Crore)	
	2015-16	
Opening GFA	3875.87	
K Factor (%)	1.424%	
R&M Expenses	55.19	

DTL has considered the Efficiency Factor @ 1% for FY 2015-16.



Table 18: O&M Expenses for FY 2015-16

(Rs. Crore)	
Particulars	2015-16
Employee Expenses	193.92
A&G Expenses	40.24
R&M Expenses	55.19
O&M Expenses	289.36
Efficiency Factor	1%
Net O&M Expenses	286.46

2. Assets Capitalization:

- The details of Assets Capitalization for FY 2015-16 considering the spillover schemes is as tabulated below:

Table 19:- Scheme Wise details for Major Works during FY 2015-16

S No.	Name of the project of the TRANSMISSION LINE & Associated Substations	Scheme Cost (Rs. Crore)	Name of the executing authority
1	Replacement of 2x315 MVA ICTs with 2x500MVA at Bamnauli	33**	PGCIL *
2	3rd 220/66 KV, 100MVA Tr. at Sarita Vihar	8.00	DTL
3	S/C LILO Bamnauli-Naraina line at Pappankalan-I	1.11	DTL
4	HTLS re-conductoring of D/C of Bamnauli-Naraina transmission Line	33.00	PGCIL *
5	HTLS re-conductoring of D/C of Geeta Colony-Wazirabad transmission Line	9**	PGCIL *
6	1x160 MVA Tr. And 2x66 KV feeder bays along with associated equipments at 220 KV DSIDC Bawana S/Stn	12.89	DTL



7	1x160 MVA Tr. And 2x66 KV feeder bays alongwith associated equipments at 220 KV Pappankalan-II S/Stn	12.48	DTL
8	1x160 MVA Tr. And 2x66 KV feeder bays alongwith associated equipments at 220 KV Kanjhawla S/Stn	13.54	DTL
9	LILO of 1st circuit of D/C Pragati-Sarita Vihar at Maharani Bagh S/Stn	6.70	DTL
10	1x100 MVA Tr. And 2x220 KV Bays alongwith associated equipments at Maszid Moth S/Stn	7.89	DTL
11	Augmentation of existing 2x100 MVA Power transformers with 2x160 MVA Transformers at 220 KV S/Stn Pappankalan-I	16.00	DTL
12	220KV D/C Harsh Vihar- Patparganj U/G	234**	PGCIL *
13	Polymer insulators for 220 KV Lines	5.00	DTL
14	Establishment of 220/33 KV GIS at Rajghat	56.00	PGCIL *
15	Establishment of 220/66 KV AIS at Pappankalan-III	75.00	PGCIL *
16	Establishment of 220/33 KV GIS at Preet Vihar	116.00	PGCIL *
17	LILO of D/C Bamnauli- Naraina Line at PPK-III	2.00	PGCIL *
18	220 KV D/C Vasantkunj-R.K.Puram U/G cable link	73.00	DMRC
19	220 KV S/C Patparganj-Gazipur U/G cable link	13.00	DMRC
20	4x66 KV Bays at Kanjhawla S/Stn	3.14	DTL
21	4x66 KV Bays at Sarita Vihar S/Stn	3.78	DTL
22	5x66 KV bays at Mehrauli S/Stn	5.44	DTL
23	2x220 KV bays at Shalimar Bagh S/Stn	3.98	DTL
24	2x66 Kva bays at Gazipur S/Stn	1.60	DTL
25	2x220 KV bays at Vasant Kunj S/Stn	3.84	DTL
26	Shfting of transformer work at Narela and Mehrauli	1.00	DTL
27	220kV D/C Kashmiri Gate – Raj Ghat O/H line	25.00	PGCIL *
28	Various Civil Works	11.50	DTL
29	O&M /Protection Schemes	34.20	DTL
30	O&M Replacement Schemes	7.90	DTL



31	Miscellaneous i.e. Procurement of vehicles, Laptops & Computers	4.50	DTL
	Total	833	
	** Grant from Ministry of Power, Govt. of India	200	
	Spill Over Schemes		
	220 KV U/G Cable Link between Peeragarhi-Wazirpur	141	
	220 KV GIS Lodhi Road	36	
	66 kv bays at Gazipur	1.4	
	Grand Total	1011.89	

The (*) mentioned work are to be carried out by PGCIL on behalf of DTL as deposit work, for which MOU has been signed with PGCIL. The scheme cost has been considered by applying IDC (10%) & consultancy charges (10% + Service tax) on the NIT cost prepared by PGCIL.

- The capital Investment Plan of DTL for FY 2015-16 is enclosed as Annexure-IV.

Table 20 : Assets Capitalization for FY 2015-16

(Rs. Cr.)

Particulars	2015-16
Lines Network	542.81
Other Civil Works	11.50
Plant & Machinery	453.08
Misc Assets, Computers , Vehicles etc.	4.50
Office Equipment	0.50
Computer	0.50
Furniture	0.50
Small value assets	0.1
TOTAL	1013.49



- Ministry of Power, Govt. of India vide order dated 03.12.2014 has sanctioned Rs. 200 Crore to the GNCTD as non-recurring grants-in-aid in lump sum for implementation of "NCT of Delhi Transmission System Improvement Projects for strengthening of the Intra-state Transmission system in Delhi" in accordance with the MOU between GNCTD, DTL and PGCIL. (Copy attached as Annexure-V). The same has been deducted while computing the depreciation as well as ROCE during the FY 2015-16.

3. Depreciation:

- DTL has calculated Depreciation for FY 2015-16 by considering the rates of Depreciation as specified in MYT Regulation 2011, the existing GFA(as explained in part I) and assets proposed to be capitalized for FY 2015-16 as detailed above.
- The Depreciation for FY 2015-16 is as tabulated below:

Table 21: Depreciation for FY 2015-16

Particulars	Rate of Depreciation	(Rs. Crore)
		2015-16
Land	-	0.00
Land under lease	3.34%	0.33
Building	3.34%	1.27
Meters	5.28%	0.09
Lines Network	5.28%	81.36
Other Civil Works	3.34%	5.90
Plant & Machinery	5.28%	123.24
Office Equipment	6.33%	0.44
Computer	15.00%	7.66
Furniture	6.33%	0.35
Misc Assets	6.33%	0.22
Vehicles	9.50%	0.65
Scada	6.33%	3.38
Total		224.90

4. Return on Capital Employed: The ROCE has been calculated as per MYT Regulations 2011.



- The Rate of return on equity (re) has been taken @14% as per MYT Regulations and The Rate of return on debt (rd) has been taken as per approved value of the same for FY 2014-15 by Hon'ble Commission. Further Grant of Rs. 200 crore from Govt. of India has been deducted in computation of ROCE for FY 2015-16.

Table 22:- Working Capital for FY 2015-16

(Rs. Crore)	
Particulars	2015-16
Receivables for two months calculated on NATAF	152.39
Maintenance spares @ 15% of O&M	42.97
O&M expenses for 1 month	23.87
Total Working Capital	219.23

The ROCE for FY 2015-16 is as tabulated below:-

Table 23 : ROCE for FY 2015-16

(Rs. Crore)		
PARTICULARS	2014-15	2015-16
Regulated Rate Base	2720.27	3370.72
Addition in Regulated Rate Base	644.14	588.59
Investments during the year (Addition in Fixed assets)	825.94	813.49
Depreciation	181.80	224.90
ΔWC	-13.81	34.09
Equity(Closing)	1384.87	1628.91
Equity (average)	1260.98	1506.89
Debt(Closing)	2360.51	2929.95
Debt(Average)	2071.43	2645.23
Rate of return on Equity	14.00%	14.00%
Rate of Return on Debt	10.86%	10.86%
Weighted Avg Cost of Capital (WACC)	11.80%	11.80%
Return on Capital Employed (RoCE)	321.05	397.81



5. **Capitalization of Expenses:** The capitalization of expenses for FY 2015-16 computed on the basis of projected assets capitalization is as tabulated below:

Table 24 : Capitalization of Expenses for FY 2015-16

(Rs. Crore)		
Sl. No.	Particulars	2015-16
1	Interest & Finance charges Capitalised	161.90
2	Employee expenses	6.07
3	A&G Expenses	34.41

6. **Income Tax Expenses:** The Income Tax provisions for FY 2015-16 computed by considering the MAT rate of 20.96% on the Return on Capital Employed is Rs. 44.22 crore for FY 2015-16.

7. **Non Tariff Income:** The Non tariff Income Projected for FY 2015-16 is as given below:-

Table 25: Non Tariff Income for FY 2015-16

(Rs. Crore)		
Sl. No.	Particulars	2015-16
1	Non Tariff Income	1.10



8. Aggregate Revenue Requirement (ARR): The ARR for FY 2015-16 is as tabulated below:

Table 26: ARR for FY 2015-16

(Rs. Crore)		
S. No.	Particulars	FY 2015-16
1	O&M expenses	286.46
2	Depreciation	224.90
3	Rebate on Sale/Wheeling of Power	2.50
4	Return on Capital Employed	397.81
5	Less: A&G and Employee Expenses Capitalized	-40.48
6	Less: Non Tariff Income	-1.10
7	Less- Income from other Business	0.00
8	Income Tax Provisions	44.22
9	Revenue Requirement	914.32
10	Balance Impact of DVB arrears & Readjustment of Surplus(as per Table 14)	1437.48
11	Impact of True up for I Control Period	508.71*
12	Impact of True up of FY 2012-13 to FY 2014-15	396.55
13	Net ARR FOR FY 2015-16	3257.06

* Hon'ble Commission vide order dated 31.07.2013 has provisionally trued up the ARR of DTL from FY 2007-08 to FY 2011-12. However aggrieved by the same, DTL has filed an appeal No. 255/2013 before Hon'ble Appellate Tribunal for Electricity (ATE). DTL vide its petition for True up of ARR for FY 2007-08 to FY 2011-12 filed with Hon'ble Commission on 28.12.2012 has calculated the truing up for FY 2007-08 to FY 2011-12 as recovery of Rs. 466.75 crore (with carrying cost upto FY 2011-12). However, Hon'ble Commission has provisionally trued up the ARR and calculated the recovery of Rs. 838.25 crore (with carrying cost upto FY 2011-12) which comes out to be Rs. 1035.42 crore including carrying cost upto FY 2013-14 and adjusted the same from the ARR of DTL. DTL has therefore considered the balance amount of Rs. 371.50 crore (i.e. Rs. 838.25 crore -466.75 crore) as true up of 1st control Period along with carrying cost which comes out to be Rs.. 508.71 crore.

ANNEXURE-I

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
APPELLATE JURISDICTION
APPEAL NO OF 2013

IN THE MATTER OF:

Appeal against the Order dated 31.7.2013 passed by the Delhi Electricity Regulatory Commission in Petition No. 4 of 2013 dealing with the truing up of the financials of the Appellant - Delhi Transco Limited for the period 2007 - 08 to 2011-12 and Annual Revenue Requirement and Tariff for the year 2013 - 14.

AND IN THE MATTER OF:

Delhi Transco Limited

.....Appellant


VERSUS

Delhi Electricity Regulatory Commission & others

....Respondents

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4.	Annexure B: A copy of the Tariff Regulations framed by the State Commission.	65 - 90
5.	Annexure C: A copy of the Petition, being No. 4 of 2013 filed by the Appellant before the State Commission for truing up of Revenue Requirements for the FY 2007-08 to 2011-12 and approval of revised Annual Revenue Requirements and tariff for the year 2013-14.	91 - 201
6.	Annexure D: Copies of the various submissions, clarifications and data filed by the Appellant before the State Commission in Tariff Petition No. 4 of 2013.	202- 605
7.	Annexure E: A copy of the Impugned Order dated 31.7.2013 passed by the State Commission.	606- 717
8.	Bank draft No 207341 dated 5.9.2013 for an amount of Rs.1,23,000/- (Rupees One Lac Twenty Three Thousand only) drawn on SBI, Delhi in favour of Pay & Account Officer, Ministry of Power, New Delhi on account of fee for Appeal and Application	718
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PLACE : NEW DELHI
DATED: 16TH SEPTEMBER, 2013

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI

APPELLATE JURISDICTION

APPEAL NO OF 2013

IN THE MATTER OF:

Appeal against the Order dated 31.7.2013 passed by the Delhi Electricity Regulatory Commission in Petition No. 4 of 2013 dealing with the truing up of the financials of the Appellant - Delhi Transco Limited for the period 2007 - 08 to 2011-12 and Annual Revenue Requirement and Tariff for the year 2013 - 14.

AND IN THE MATTER OF:

Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi - 110002

....Appellant

VERSUS

1. Delhi Electricity Regulatory Commission,
Vinlyamak Bhawan, 'C' Block, Shivalik,
Malviya Nagar, New Delhi - 110017.
2. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi - 110 019
3. BSES Yamuna Power Limited,
Shakti Kiran Building,
Karkardooma, Delhi - 110 092.
4. Tata Power - Delhi Distribution Limited
Grid Sub Station Building,
Hudson Lines, Kingsway Camp,
Delhi - 110 009
5. New Delhi Municipal Council,
Palika Kendra, Parliament Street,
New Delhi
6. Military Engineers Services,
Ministry of Defence,
Government of India,
New Delhi

Respondents

APPEAL UNDER SECTION 111(1) OF THE ELECTRICITY ACT, 2003

MOST RESPECTFULLY SHOWETH:

1. DETAILS OF APPEAL

- a) The present Appeal is being filed under Section 111 of the Electricity Act, 2003 against the Order dated 31.7.2013

passed by the Delhi Electricity Regulatory Commission (hereinafter referred to as the 'State Commission') in Petition No. 4 of 2013 dealing with the true up of the financials of the Appellant - Delhi Transco Limited for the period 2007 - 08 to 2011 - 12 and Annual Revenue Requirement and Tariff for the year 2013 - 14:

- b) The State Commission by the Impugned Order dated 31.7.2013 has effected recovery of Rs. 1035.42 crore (including carrying cost upto FY 2013-14) against the Appellant for the control period 2007-08 to 2011-12 as against the amount Rs.466.75 crore which is the correct amount as per the Appellant (including carrying cost upto FY 2011-12) for the said period per the provisions of Tariff Regulations, 2007. In determining the aforesaid recovery of Rs. 1035.42 crore, the State Commission has arbitrarily disallowed the expenses claimed by the Appellant in its tariff petition towards employee cost, A&G cost, R&M cost and has erroneously made the deductions in the amount of capitalized value of assets added during the control period. Further the State Commission has also not complied with the directions of the Hon'ble Appellate Tribunal in its various judgments allowing the amount of DVB arrears earlier erroneously reduced by the State Commission from the amount of ARR of the Appellant. In the Impugned Order dated 31.7.2013 passed by the State Commission, only a sum of Rs. 541.50 crore has been allowed in the financial year Rs.2013-14 against Rs.1687.52 crore which has been determined by State Commission as due on this account to Appellant.
- c) In the impugned order dated 31.7.2013 the State Commission has determined the value of capitalization of assets on the basis of provisional true up for the control period 2007-08 to 2011-12 whereas as per the Tariff Regulations, 2007, no provision exists for the provisional true up and therefore any recovery on that account is in contravention of the provisions of the Tariff Regulations.
- d) The State Commission in the impugned order has also directed the Appellant to refund the amount of income tax which has been claimed by Appellant from distribution

utilities during the control period in excess of the amount of income tax calculated on the amount of return on equity only which works out to Rs. 195.84 crore over and above the aforesaid recovery from the Appellant for the control period 2007-08 to 2011-12. Since the said amount of income tax has already been paid by Appellant in the government revenue, the amount as per the directions of the State Commission will have to be refunded by Appellant out of its return on capital which as per the Tariff policy the electricity utilities (the Appellant) are at the least entitled to in order to induce investment in the electricity sector. On the issue of income tax, one of the Distribution Licensees - Tata Power - Delhi Distribution Limited has filed a petition before the State Commission claiming certain refunds. While the petition is pending and the Appellant is in the process of filing reply to the said petition, the State Commission without hearing the Appellant has directed the Appellant in the Impugned Order dated 31.07.2013 to refund amount of Rs. 3.53 crore, 4.56 crore, 10.12 crore and 177.63 crore to the Distribution Companies for FY 2007-08, 2008-09, 2009-10 & FY 2011-12 respectively.

e) The amount of Rs. 593.22 crore determined as tariff for 2013-14 has been adjusted with the amount of recovery determined as provisional True up for the period 2007-08 to 2011-12. Further as a result of the arbitrary disallowances and by not allowing the full amount of DVB arrears in its tariff order for the financial year 2013-14, the Appellant is left with the tariff income of only Rs. 500 crore out of which the company shall be required to pay Rs. 400 crore to the Pension Trust and Rs. 0.70 crore to Public Grievance Cell of GNCTD as directed in the Impugned order and thus leaving funds with the Appellant only to the extent of Rs. 99.30 crore for meeting its operational costs during the financial year 2013-14 thereby resulting in impractical situation to carry on the operations essential for the supply of electricity in the national capital. The State Commission while passing the impugned order has also failed to appreciate that the Appellant has been deprived of its dues from the Distribution Companies which are outstanding for the last

more than two & half years, which works out currently to a staggering sum of Rs. 1200 crore and thus has not considered the adverse cumulative effect of the impugned order on the operations of the Appellant and thereby on the supply of electricity in Delhi, the national capital.

- f) The Appellant is aggrieved by the unjustified recoveries made by the State Commission from the ARR of the Appellant causing thereby entire recoveries for the control period from the Appellant in the tariff for the financial year 2013-14 and at the same time not allowing the entire amount of DVB arrears approved by the State Commission in the financial year 2013-14 forcing the Appellant to borrow even for meeting its employee costs and essential day-to-day expenses on administration and operations which will in turn have cascading effect on the ARR of the Appellant for the future.
- g) By all of the above, the State Commission has understated the Annual Revenue Requirements of the Appellant to a large extent and after adjusting a fictional surplus which the State Commission has found for the past period, namely 2007-08 to 2011-12, the State Commission has determined the ARR for 2013-14 at Rs.593.22 crore. Thus State Commission has allowed only Rs. 500 crore in the tariff of the year 2013 - 14.
- h) Further, the Appellant has been directed to make a payment of Rs. 400 crore to the Pension Trust and Rs. 0.7 crore to the Public Grievance Cell out of the aforesaid amount of Rs. 500 crore.
- i) The implication of the above Order is that the entire business of transmission of the Appellant for the year 2013 - 14 should run in less than Rs. 100 crore

The exercise carried out by the State Commission is clearly to indirectly not give the proper tariff to the Appellant on the aspect of past DVB arrears which the Appellant has been agitating for several years and necessary relief has been allowed by this Hon'ble Tribunal in various Judgments dated 13.1.2009 (Appeal No. 133 of 2007), 29.9.2010 (Appeal No. 28 of 2008) and 27.2.2013 (Appeal No. 184 of 2011). In the Impugned Order,

though the State Commission has on the one hand, purported to allow the impact of past DVB arrears; but on the other hand, the State Commission has drastically reduced the revenue requirements and tariff of the Appellant leading the Appellant to operate on low and unrealistic tariff.

2. The Impugned Order was communicated to the Appellant on 1.8.2013.

3. THE ADDRESS OF THE APPELLANT FOR SERVICE IS SET OUT HEREUNDER:

i) Director (Operations)

Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi - 110002
Phone :01123232715
Fax :23232721
Email: dlr.opr@dtl.gov.in

ii) Name and Address of the Counsel,

Anand K. Ganesan & Swapna Seshadri, Advocates,
C-67, Lower Ground Floor, Nizamuddin (East), New Delhi -
110013
Phone: 011-41403716
Email: anand.kganesan@gmail.com,
swapnaseshadri@gmail.com

4. THE ADDRESS OF THE RESPONDENTS FOR SERVICE OF ALL NOTICES IN THE APPEAL ARE AS SET OUT HEREUNDER:

(i) Secretary
Delhi Electricity Regulatory Commission,
Viniyamak Bhawan, 'C' Block, Shivalik,
Malviya Nagar, New Delhi - 110017.

(ii) Chief Executive Officer
BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi - 110 019

(iii) Chief Executive Officer
BSES Yamuna Power Limited,
Shakti Kiran Building,
Karkardooma, Delhi - 110 092.

(iv) Chief Executive Officer
Tata Power - Delhi Distribution Limited
Grid Sub Station Building,
Hudson Lines, Kingsway Camp,
Delhi - 110 009

(v) Director(Power)
New Delhi Municipal Council,
Palika Kendra, Parliament Street,
New Delhi

(vi) Garrison Engineer, CWE(Utility)
Military Engineers Services,
Ministry of Defence,
Government of India,
New Delhi

5. JURISDICTION OF THE APPELLATE TRIBUNAL

The Appellant declares that the subject matter of the appeal is within the jurisdiction of this Tribunal.

6. LIMITATION

The Impugned Order dated 31.7.2013 was communicated to the Appellant on 1.8.2013. The Appellant declares that the present appeal has been filed within 45 days of the communication of the impugned order and thereby is within the period of limitation as specified in Section 111 (2) of the Electricity Act, 2003 (hereinafter called 'the Act').

7. FACTS OF THE CASE

- A. Delhi Transco Limited, the Appellant herein is a company incorporated under the provisions of the Companies Act, 1956. The appellant is wholly owned undertaking of the Government of National Capital Territory (NCT) of Delhi.
- B. The Appellant since 1.4.2007 discharges only the functions of Transmission of Electricity in NCT of Delhi, the State Transmission Utility and State Load Dispatch Centre. Prior to 1.4.2007, the Appellant was also undertaking the functions of Bulk Purchase of electricity from generating stations and Bulk Sale of electricity to Respondents No. 2 to 6.
- C. The Appellant initially came to be vested with the functions of Transmission and Bulk supply of electricity pursuant to the unbundling of the Delhi Vidyut Board (DVB) under the provisions of the Delhi Electricity Reform Act, 2000 and the Statutory Transfer Scheme notified by the Government of NCT of Delhi under the said Act as was prevalent at the relevant time. The Statutory Transfer Scheme Rules notified by the Government of

NCT of Delhi, inter alia, provided for the following in regard to outstanding receivables from the sale of electricity to consumers in relation to the period prior to the transfer and vesting of the distribution and retail supply of electricity in the three distribution licensees.

"All the receivables from sale of power to consumers of the erstwhile Board other than to the extent specifically included in Schedules D, E and F shall be to the account of Holding Company. The Discoms will be authorized to realize the receivables of the Holding Company in their respective area of supply. Upon realization of such receivable of the Holding Company the same shall be shared between the Holding Company and the Discoms in the ratio 80: 20".

The Statutory Transfer Scheme notified by the Government of NCT of Delhi did not therefore provide for any part of the receivables of the past period of DVB (hereinafter referred to as DVB realized arrears) as an asset of the Appellant.

- D. Despite the above clear provision, the State Commission in the various Tariff Orders passed, while dealing with the Revenue Requirements and Tariffs of the Appellant decided that the amount of DVB realized arrears should be deemed to be available in the sector to reduce the overall revenue gap on the purported basis that had DVB continued to be in existence and therefore this outflow of money from the sector due to the above said provisions was not intended and therefore such amount should be taken to the account of the Appellant.
- E. The Appellant has challenged before the Hon'ble Tribunal above decisions of the State Commission in considering the DVB realized arrears as revenues of the Appellant and thereby reducing the revenue requirements of the Appellant in the tariff periods by filing several appeals. The Hon'ble Tribunal also considered and allowed the issue in favor of the Appellant. The details of the appeals filed by the Appellant and the Judgments of the Hon'ble Tribunal in respect of the same are as under:-

S.No	Appeal No.	Tariff Year	Judgment of the Hon'ble Tribunal
1.	133 of 2007	2006 - 07 and impact for the earlier period i.e. 2002-03 to 2005-06	Judgment dated 13.1.2009

2.	28 of 2008	2007 - 08 to 2010 - 11	Judgment dated 29.9.2010
3.	184 of 2011	2011 - 12	Judgment dated 27.2.2013

Copies of the Judgments dated 13.1.2009, 29.9.2010 and 27.2.2013 passed by this Hon'ble Tribunal are attached hereto and marked as Annexure A. (collectively). The Hon'ble Tribunal, in the Judgment dated 27.2.2013 had passed strictures against the State Commission for not implementing the Judgment of the Hon'ble Tribunal on the alleged basis that the same had been appealed against before the Hon'ble Supreme Court.

- F. The State Commission notified the Delhi Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulations 2011, (hereinafter called the 'Tariff Regulations') providing for the norms and parameters for the tariff determination. A copy of the Tariff Regulations framed by the State Commission is attached hereto and marked as Annexure B.
- G. In the meanwhile on 28.12.2012, the Appellant filed before the State Commission a petition for truing up of Revenue Requirements for the FY 2007-08 to 2011-12 and approval of revised Annual Revenue Requirements and tariff for the year 2013-14. A copy of the Petition, being No. 4 of 2013 is attached hereto and marked as Annexure C.
- H. During the proceedings in Petition No. 4 of 2013, the State Commission, the Appellant filed various submissions, clarifications and data as sought by the State Commission. Copies of the same are attached hereto and marked as Annexure D. The State Commission conducted the public hearing on 29.4.2013.
- I. By Order dated 31.7.2013, the State Commission has decided the Petition No. 4 of 2013. The State Commission has -
 - i. Understated the Annual Revenue Requirements of the Appellant to a large extent and after adjusting a fictional surplus which the State Commission has found for the past period, namely 2007-08 to 2011-12, the

State Commission has fixed the ARR for 2013-14 at Rs.593.22 crore;

- ii. Out of the above, the State Commission has held that only Rs. 500 crore would be passed on in the year 2013 - 14;
- iii. Further, there is a direction to the Appellant to make a payment of Rs. 400 crore to the Pension Trust and Rs. 0.7 crores to the Public Grievance Cell.
- iv. Therefore, as per the State Commission, the entire business of transmission of the Appellant for the year 2013 - 14 can be run in less than Rs. 100 crore
- v. On the issue of income tax, one of the Distribution Licensees - Tata Power - Delhi Distribution Limited has filed a petition before the State Commission claiming certain refunds. While the petition is pending and the Appellant is in the process of filing reply to the said petition, the State Commission without hearing the Appellant had directed the Appellant to refunds amount of Rs. 3.53 crore, 4.56 crore, 10.12 crores and 177.63 crore to the Distribution Companies;

J. The following table would indicate the figures allowed by the State Commission

Table 67: Approved ARR for FY 2013-14 (Rs. Crore)

No.	Particulars	FY 2013-14
1	Net ARR for Transmission Business	593.22
2	Impact of provisional True up including carrying cost	(1035.42)
3	Payment to Pension Trust	400.00
4	Payment to Public Grievance Cell for meter testing and consumer advocacy	0.70
5	Sub-Total (1+2+3+4)	(41.50)
6	ARR allowed for FY 2013-14 including impact of partial past DVB Arrears	500.00
7	Total Impact of past Arrears	1687.52
8	Balance past DVB Arrears (7-(5+6))	1146.02

The entire exercise has been carried out by the State Commission in order to somehow not give the proper tariff to the Appellant on

the aspect of pass DVB arrears which the Appellant has been agitating for the past several years and has been allowed by this Hon'ble Tribunal by various Judgments dated 13.1.2009 (Appeal No. 133 of 2007), 29.9.2010 (Appeal No. 28 of 2008) and 27.2.2013 (Appeal No. 184 of 2011). In the Impugned Order, though the State Commission has purported to allow the impact of past DVB arrears, by doing certain financial jugglery, the State Commission has drastically reduced the ARR and tariff of the Appellant. It would be impossible for the Appellant to operate on such a low and unrealistic tariff. A copy of the Order dated 31.7.2013 is attached hereto and marked as Annexure E.

- K. In addition to the above, the Distribution Companies - Respondents No 2 & 3 have not paid the bills of the Appellant in full from October 2010 onwards. The total dues from the Respondents No. 2 & 3 as on 30.6.2013 are Rs. 1200 crores (approximately). The Impugned Order having been passed by the State Commission when the dues / money receivable to the Appellant is exorbitant, has put tremendous pressure on the Appellant and the Appellant's business is coming to a complete stand still.
- L. Aggrieved by the Order dated 31.7.2013, the Appellant is filing the present appeal on the following facts in issue, questions of law and grounds.

8. (I) **FACTS IN ISSUE**

PART I - TRUING UP FOR THE PERIOD 2007-08 TO 2011-12

Employee Expenses:

- (1) Whether the employees expenses for the period 2007-08 to 2011-12 need to be escalated considering the State Commission's chosen value of escalation factor i.e. 1.0466 as against the actual escalation factor of 1.0559 to 1.1010 prayed for by the Appellant?
- (2) Whether the employees expenses for 2007-08 to 2011-12 needs to be decided by escalating the base year expenses (FY 2006-07) with Escalation factor using actual values of CPI & WPI, and all further actual expenses which were not there during the base year i.e. 2006-07?

- (3) Whether the State Commission is justified in excluding the following actual expenses incurred by the Appellant while dealing with truing up for the period 2007-08 to 2011-12 -

- Actuarial valuation amounts at Rs 1.28 Crore, Rs 1.98 Crore and Rs 4.25 for FY 2009-10, FY 2010-11 and FY 2011-12;
- Ex Gratia amount at Rs 3.25 Crore for FY 2011-12;
- Rs. 28.84 Crore towards Pension Trust dues submitted by DTL (Rs. 23.84 crore for FY 2010-11 & Rs. 5 crore for FY 2011-12);

Administrative & General Expenses (A & G Expenses)

- (4) Whether, while approving the Administrative and General Expenses, the State Commission can ignore the expenses of Rs. 3.00 crore for FY 2008-09, Rs. 8.65 Crore for FY 2009-10, Rs. 6.29 Crore for FY 2010-11 & Rs. 9.71 Crore for FY 2011-12 which includes Foreign Exchange Loss, Legal Award Expense and Ground Rent etc on the ground that these expenses would have been included in the base year expenses and cannot be considered as extra ordinary expenditure?

Repair and Maintenance Expenses (R & M Expenses)

- (5) Whether, the State Commission ought to have followed the provisions of the Tariff Regulations which provides for R & M Expenses based on the Gross Fixed Assets as per the actual assets capitalization for FY 2007-08 to FY 2011-12 or not?

Efficiency Factor

- (6) Whether the State Commission is justified in maintaining the efficiency factor at the rate of 2%, 3%, 4% and 4% for the financial years 2008-09 to 2011-12 respectively as against 1% for which the Appellant gave detailed justification?

Assets Capitalisation

- (7) Whether the State Commission is justified in not accepting the Assets capitalization as per actual capitalization details submitted for FY 2007-08 to FY 2011-12 Instead of a fictional provisional tried up figure?

Return on Capital Employed and Depreciation

- (8) In the MYT Regulations, which provide for the return on capital employed as $RoCE = WACCI * RRBI$, the RBB needs to be calculated on the actual capitalisation conducted by the Appellant or on the fictional provisional tried up figure?

Rebate on Transmission/Wheeling of Power

- (9) Whether the State Commission is justified in not allowing the rebate provided by the Appellant to the distribution licensees in the revenue requirements of the Appellant?

Change in Working Capital

- (10) The State Commission has wrongly considered the Change in Working capital for FY 2007-08 against what was approved by State Commission in the Order dated 26.8.2011 (ARR and Tariff Order for 2011-12)

Income Tax

- (11) Whether, when a petition filed by one of the Distribution Licensees on the aspect of income tax is pending before the State Commission, the State Commission without hearing the petition and the submissions of the Appellant direct the refund of the income tax to the Distribution Companies by way of the impugned tariff order?

Non - Tariff Income

- (12) Whether the State Commission has over-stated the non-tariff income by including the Interest on UI charges Rebate received on Power purchase & LPSC on wheeling charges etc?

**PART II - IMPACT OF HON'BLE TRIBUNAL'S JUDGMENTS IN
APPEAL NOS. 133/2007 & 28/2008 ON THE ISSUE OF DVB
ARREARS**

(13) The Appellant had claimed an additional liability of Rs. 637.66 Cr towards DVB arrears along with carrying cost (Total Rs. 1040.85 crore) in True up petition. Further, the Appellant had asked for readjustment of treatment of surplus of Rs. 196.17 Cr which the State Commission has wrongly found in the Order dated 20.12.2007 along with the negative carrying cost computed in the Tariff Order dated 26.8.2011. Since the surplus was only appearing on account of the incorrect treatment of DVB Arrears, the same had to be provided with carrying cost i.e. total of Rs. 357.51 crore was to be re-adjusted. However, the State Commission has -

- Calculated the Readjustment of Surplus to be Rs. 349.28 crore instead of Rs. 357.51 Crore by taking carrying cost @ 9.92 % for FY 2009-10 & 10.50 % for FY 2010-11. As against this, the State Commission had deducted the surplus in the order dated 26.8.2011 by taking carrying cost @ 11.5%;

- Considered the carrying cost @ 9.92 % for FY 2009-10 & 10.50 % for FY 2010-11 for calculating impact of DVB arrears instead of 11.5% submitted by the Appellant;

PART III - FIXATION OF ARR FOR 2013 - 14

Base Year

(14) The State Commission has not considered the base year as 2011-12 for calculation of Employee expenses & A&G expenses for 2012-13 & 2013-14. In the earlier Order dated 13.7.2012 the State Commission had considered the base year as 2010-11 as audited accounts of the Appellant for FY 2011-12 were not available till then. However, audited accounts for FY 2011-12 are now available and hence, 2011-12 should be considered as base year as prayed for in the tariff petition of the Appellant before the State Commission.

Additional Expenses

- (15) The State Commission has not considered additional expenses of Rs 6.68 Crore for FY 2012-13, Rs 7.58 Crore for FY 2013-14 towards Employee Cost and Rs. 1.27 Crore for 2012-13 and Rs. 1.44 crore in FY 2013-14 towards A & G, expenses claimed by the Appellant towards additional manpower due to addition of new substations and lines in the transmission network.

Efficiency Factor of O & M Expenses

- (16) The State Commission has considered the efficiency factor @ 3% on O&M expenses for FY 2013-14 despite detailed justification given by the Appellant to restrict it to 1%.

Direction to pay Rs. 400 crores to the Pension Trust

- (17) Out of the total Net ARR of Rs.593.22 crore, the State Commission has decided arbitrarily that only Rs. 500 crore would be recovered in the year 2013 - 14 and directed that out of the same, Rs. 400 crore should be paid to the Pension Trust.

Approval of revenue requirements and tariff for 2012-13

- (18) There has been no determination of the revenue requirements of tariff for the tariff year 2012-13 as against the claim made by the Appellant for the revenue requirements of Rs 664.93 crore.

(ii) QUESTIONS OF LAW

- A. Whether in the facts and circumstances of the case, the State Commission is justified in disallowing the escalation in the employees expenses, the actuarial valuation and contribution to the pension and terminal benefits, administrative and general expenses, repair and maintenance expenses etc as claimed by the Appellant with proper explanation and decision given?
- B. Whether in the facts and circumstances of the case, the State Commission is right in directing the efficiency factor adjustment at the rate of 2%, 3%, 4% and 4% for the financial

years 2008-09, 2009-10, 2010-11, 2011-12 and financial year for 2013-14 respectively for the operation of a transmission company as against 1% to be considered as claimed by the Appellant?

- C. Whether, in the facts and circumstances of the case, the State Commission is justified in considering the asset capitalization based on a fictional, provisional, trued up amount without dealing with the asset capitalization as per actual details submitted for the financial years 2007-08 to 2011-12?
- D. Whether, in the facts and circumstances of the case, the State Commission has rightly applied the provisions of MYT Regulations in determining the return on capital employed and depreciation by considering the fictional, provisional, trued up amount and not considering the actual capitalization undertaken by the Appellant?
- E. Whether, in the facts and circumstances of the case, the State Commission was right in law not to allow the rebate allowed to the distribution licensees as per the applicable Tariff Regulations to be included as revenue requirements of the Appellant?
- F. Whether, in the facts and circumstances of the case, the State Commission has rightly considered the changes in the working capital from those approved on normative basis in the earlier Order passed by the State Commission?
- G. Whether, in the facts and circumstances of the case, the State Commission was justified in directing the Appellant to refund the Income Tax paid by the distribution companies even before deciding the issue on the petition filed by a distribution company pending before the State Commission?
- H. Whether, in the facts and circumstances of the case, the State Commission is right in considering as non-tariff income by including the interest on UI charges etc rebate received from the generating companies and LPSC on transmission licensees?
- I. Whether, in facts and circumstances of the case, the State Commission has implemented the directions of the Hon'ble Tribunal passed in the earlier cases properly in regard to the

DVB arrears wrongly considered as the Income of the Appellant?

J. Whether, in the facts and circumstances of the case, the State Commission has correctly considered the various claims of the Appellant and has properly allowed the legitimate claim?

K. Whether, in the facts and circumstances of the case, the State Commission was right in not deciding the revenue requirements and tariff for the financial year 2012-13?

9. GROUNDS RAISED WITH LEGAL PROVISIONS

PART I - TRUING UP FOR THE PERIOD 2007-08 TO 2011-12

Employee Expenses:

A. Because the State Commission erred in fixing the escalation factor for employees expenses at 1.0466 as against the actual escalation factor of 1.0559 for FY 2007-08, 1.0866 for FY 2008-09, 1.0881 for FY 2009-10, 1.1010 for FY 2010-11 and 1.0861 for FY 2011-12 claimed by the Appellant.

Because the State Commission while working out the employee cost has incorrectly considered the escalation factor on the approved value of base year for employee cost without updating the said escalation factor during the control period when the Appellant had claimed in its tariff petition the escalation factor based on the updated value considering the actual escalation. The said escalation of each financial year was calculated by the Appellant based on the actual values of Consumer Price Index and Wholesale price Index i.e. CPI & WPI for FY 2007-08 to FY 2011-12.

B. Because the State Commission erred by excluding the following actual expenses incurred by the Appellant while dealing with truing up for the period 2007-08 to 2011-12:-

I. Actuarial valuation amounts at Rs 1.28 Crore, Rs 1.98 Crore and Rs 4.25 for FY 2009-10, FY 2010-11 and FY 2011-12;

Because the State Commission has wrongly disallowed the additional amount incurred by the Appellant on account of provision for actuarial valuation on employee

cost and on ex-gratia on the wrong and presumptive basis that the details have not been furnished by the Appellant. The State Commission has failed to appreciate that the Actuarial Valuation was done by a reputed independent actuary and the report submitted is comprehensive justifying the conclusion reached. Accordingly, the rejection of the claim on the basis that computation has not been made available is wrong.

II. Ex Gratia amount at Rs 3.25 Crore for FY 2011-12;

Because the State Commission has failed to appreciate that the ex-gratia is the amount of incentive which is paid by the management of the Appellant to its employees on year to year basis and the same cannot be taken as assumed in advance and included in the approved opening value. Similarly contribution as per actuarial valuation is also a part of employee cost to be borne by the Appellant and was not included in the opening approved value of employee cost of the base year i.e. the financial year 2006-07 as the Actuarial Valuation was undertaken for the first time by the Appellant during the financial year 2008-09 and thereafter annually. Accordingly, the same cannot be deemed to be included in the approved base year's expenses.

Because the State Commission ought to have allowed the costs i.e. cost of ex-gratia and actuarial valuation in addition to the employee cost claimed by the Appellant in its tariff petition on the basis of normative formula specified in Tariff Regulations.

III. Rs. 28.84 Crore towards Pension Trust dues submitted by the Appellant (Rs. 23.84 crore for FY 2010-11 & Rs. 5 crore for FY 2011-12);

Because the State Commission has erred in disallowing the amount of Rs.28.84 crore paid/provided to Pension Trust by the Appellant in the years 2010-11 and 2011-12. The Appellant had specifically clarified to the State Commission that the contributions actually paid by the

Appellant or provided for in actual by the Appellant towards the Pension Trust corpus is broadly divided into two categories, namely, (a) contribution towards the corpus for the pension and gratuity which is based on actuarial valuation and (b) actual payment basis i.e. towards LTC, medical and arrears of revised pension.

Administrative & General Expenses (A & G Expenses)

- C. Because the State Commission while working out the A & G Expenses has incorrectly considered the escalation factor on the approved value of base year for A & G Expenses without any updation of the said escalation factor during the control period particularly when the Appellant had claimed in its tariff petition the escalation factor based on the updated value considering the escalation during the preceding five years with proper details and justification.
- D. Because the State Commission erred in holding that the Administrative and General Expenses of Rs. 3.00 crore for FY 2008-09, Rs. 8.65 Crore for FY 2009-10, Rs. 6.29 Crore for FY 2010-11 & Rs. 9.71 Crore for FY 2011-12 which includes Foreign Exchange Loss, Legal Award Expense and Ground Rent etc are deemed to have been included in the base year expenses and cannot be considered as extra ordinary expenditure. These should have been considered as per actual values.

Repair and Maintenance Expenses (R & M Expenses)

- E. Because the State Commission erred in deviating from the Tariff Regulations while truing up the Repair & Maintenance Expenses. The Tariff Regulations provide as under with respect to R & M Expenses-

$$R\&M_n = K * GFAn-1$$

The Tariff Regulations provide for R & M Expenses based on the Gross Fixed Assets as per the actual capitalization for FY 2007-08 to FY 2011-12 which had been claimed by the Appellant. The State Commission has not allowed the capitalization as claimed by Appellant in the tariff petition to the extent of Rs.1492.91 crore and has approved the R&M expenses on the basis of provisional values of capitalization stating that review on loading of Expenses & IDC (Interest During Construction) is under progress.

However, all these details have already been provided by the Appellant well in time to the State Commission before passing of the Impugned Order.

- F. Because the State Commission erred in not considering the Asset addition of Rs. 9.49 Crore from the taking over of the IP Station assets and has also not allowed the R&M of IP station for FY 2010-11 onwards.

Efficiency Factor

- G. Because the State Commission has erred in maintaining the efficiency factor on the Operation and Maintenance (O&M) expenditure of the Appellant for the multi-year period, at the rates of 2%, 3%, 4% and 4% for the year 2008-09 to 2011-12, namely, as against 1% for each year as proposed by the Appellant. The determination is on an arbitrary basis without any rationale assuming that the Appellant has not been in a position to improve its efficiency and thereby the O&M expenditure.
- H. Because the State Commission has not dealt with the following salient aspects while deciding on the normative efficiency factor to be considered:
- i. A number of 220 kV Sub-stations are very old and the Appellant is in the process of up-gradation of these in a phased manner;
 - ii. There is no scientific basis for determining the efficiency factor, which is achievable by the Appellant by prudent practices and operating in an efficient manner;
 - iii. The Appellant is working in a highly concentrated area with many substations for limited circuit kilometers of transmission lines;
- I. Because the State Commission has not considered the detailed justification given by the Appellant for the escalation factors and arbitrarily imposed higher efficiency factor of 2% to 4% as against 1% prayed for by the Appellant. The net effect of escalation allowed by the State Commission is considerably lower than the escalation based on actual inflation during the period. This is reflected in the table below :-

	2007-08	2008-09	2009-10	2010-11	2011-12
Net effect of escalation allowed by the State Commission	4.66%	2.57%	1.52%	0.47%	0.47%
Escalation factor based on actual inflation during the year (DTL Petition)	5.59%	8.66%	8.81%	10.10%	8.61%

The Appellant has, therefore, been deprived of its legitimate O & M Expenses in the operation and maintenance of the transmission activities.

- J. Because the State Commission has failed to appreciate that the efficiency factor of 2%, 3%, 4% and 4% for the years 2008-09 to 2011-12 on O & M Expenses is excessive and unrealistic in as much as the Appellant was claiming O & M Expenses with actual inflation prevalent during the period. There was, therefore, no factor attributable to the Appellant in incurring the O & M Expenditure with actual escalation during the relevant period for the State Commission to consider imposition of O & M savings whatsoever.
- K. Because the State Commission has failed to appreciate that the operating norms and the expenditures to be incurred by the Appellant to operate in an efficient manner in the National Capital Territory of Delhi cannot be compared to operation in other states. Delhi being the national capital, Appellant has to follow strict load shedding norms, has to cater load of various VVIP areas and is also maintaining the uninterrupted Power Supply round the clock. Further the no. of bays/sub-stations per circuit kilometer is more as compared to other state transmission utilities causing deployment of more man power to maintain the transmission network resulting in higher total expenditure.
- L. Because the State Commission failed to appreciate that the benchmarking of the operation and maintenance cost, the areas where efficiency gain is achievable by prudent practices etc. need to be identified before any efficiency gains can be applied. The State Commission has failed to appreciate that the very nature of

operation and maintenance expenditure require higher expenditure to be incurred year-on-year due to inflationary factors and the need to keep up with standards. The State Commission has already reduced the O&M expenditure against the claim of the Appellant on actual. In the circumstances, further reduction of the O&M expenditure by applying efficiency factor would result in double jeopardy to the Appellant and cause financial duress for no fault of the Appellant.

Assets Capitalization

- M. Because the State Commission erred in not accepting the Assets capitalization as per actual capitalization details submitted for FY 2007-08 to FY 2011-12 and instead adopting provisional tried up amount. The State Commission has under-stated the Gross Fixed Assets to the extent of Rs. 208.28 crore which include Rs. 57 crore relating to other assets and Rs. 151.28 crore relating to the capitalized Investment (Completion of Capital Works in Progress) during the control period 2007-08 to 2011-12.

Return on Capital Employed and Depreciation

- N. Because the State Commission erred in deviating from the Tariff Regulations for the calculation of the return on capital employed. The State Commission failed to appreciate that the return on capital employed is provided for in the Tariff Regulations as $RoCE = WACCI \cdot RRB_i$, wherein the RBB needs to be calculated on the actual capitalisation conducted by the Appellant. While calculating the return on capital employed, the State Commission has ignored the investment made by the Appellant in the form of other assets other than capitalization of investment in the project and works which works out to Rs. 57 crore during the control period 2007-08 to 2011-12. In addition to this, the State Commission has also not allowed the capitalization of investment made by the Appellant during the control period and as submitted in FORM-30 for each year of control period despite providing the entire details towards the basic cost/CWIP and loading thereon in respect of employee cost and IDC. The amount of Return on Capital Employed to the extent of Rs. 58.16 crore during the control period has not been allowed.

- O. Because as a consequence of disallowance of Gross Fixed Assets to the extent of Rs. 208.28 crore, the amount of depreciation on the fixed assets has been under approved to the extent of Rs.20 crore for the control period.
- P. Because the State Commission erred in working out the amount of IDC on basic cost as per its own method without giving reasons for the same.

Rebate on Transmission/Wheeling of Power

- Q. Because the State Commission erred in disallowing the rebate claimed by the Appellant on the basis that the Appellant has been allowed interest on working capital. The interest on working capital is allowed on a normative basis in terms of Regulation 5.11 of the Tariff Regulations, 2007 notified by the State Commission. The rebate is to be allowed at the option of the person paying the amount, namely, the distribution licensee in terms of Regulation 5.33 of the Tariff Regulations, 2007. The Tariff Regulations have consciously provided for both without any reference to any adjustment on account of the interest allowed towards rebate. The action of the State Commission is, therefore, contrary to the Tariff Regulations, 2007.
- R. Because the State Commission has erred in not allowing the rebate given by the Appellant to the distribution licensees in the revenue requirements of the Appellant and has erroneously justified the same by adjusting in the working capital requirements of the Appellant.
- S. Because the State Commission has failed to appreciate that the interest on working capital being allowed on normative basis, it is not proper to determine the actual working capital requirement. The actual working capital requirement may be more or less than the normative determination of the working capital. Because the State Commission has failed to appreciate that the rebate to be provided to the distribution licensees is mandated in terms of the Tariff Regulations framed by the State Commission and therefore it is not open to the Appellant to provide or not to provide such rebate. Further the working capital requirements of the Appellant covers only 2 months of the receivables of the Appellant, whereas the billing cycle and the 1% rebate to be allowed by the Appellant in terms of the Tariff Regulations itself enable the distribution

companies to pay within 30 days of the raising of the Bill to be entitled to the 1% rebate and the same does not get covered in the working capital requirements allowed to the Appellant.

- T. Because the State Commission has failed to appreciate that the distribution licensee are entitled to pay within one month of the raising of the Bill to be entitled to the rebate of 1%. In the circumstances, after the billing month is over and the bill is raised by the Appellant, the distribution licensees have further one month to pay the bill to be entitled to the 1% rebate. Thus, till 60 days of the start of the month from which the transmission services are rendered, the distribution licensees are still entitled to 1% rebate. The Appellant is provided the working capital requirement only for 2 months. In the circumstances, on the basis of which the State Commission has held that the rebate is covered in the working capital requirements of the Appellant is erroneous.
- U. Because the State Commission has failed to appreciate that even considering the rebate to be as a part of the working capital requirements, the distribution licensees also deduct 10% of the total billed amount to be paid as Tax Deducted at Source (TDS). The adjustment/benefit of the TDS is available to the Appellant much after the financial year is over and when the tax filing and assessment of the Appellant is done. In the circumstances, the Appellant is further deprived of 10% of the amount receivable during the year, which does not get covered in the working capital requirements of the Appellant. This aspect is also not been considered by the State Commission while considering the sufficiency of the working capital requirements as against the rebate to be given by the Appellant.

Change In Working Capital

- V. Because the State Commission has wrongly considered the Change in Working capital for FY 2007-08 instead of complete working capital for first year (FY 2007-08) of Control period i.e. FY 2007-08 to FY 2011-12, against what was approved by State Commission itself in the Order dated 26.08.2011 (ARR and Tariff Order for 2011-12). The relevant extract of the tariff order dated 26.08.2011 are as under :-

"In the MYT Order, the Commission had considered change in Working Capital for calculation of RRB, the Petitioner has considered complete WC for the first year for calculation of RRB. Since FY 2007-08 was the first year for calculation of RoCE, the Commission's calculation was indeed erroneous and RRB should be calculated for the year considering the total working capital and not just change in working capital."

Income Tax

- W. Because the State Commission erred in directing the refund of income tax by the Appellant to the Distribution Companies when a petition filed by one of the Distribution Licensees on the aspect of income tax is pending before the State Commission which is yet to be heard. The State Commission without hearing the petition and the submissions of the Appellant has directed the refund of the income tax to the Distribution Companies.
- X. Because the State Commission erred in holding that the amount of income tax paid by the Appellant during the concerned period 2007-08 to 2011-12 shall be restricted to the amount of income tax only equal to the return on equity. Therefore as shown in Table 30, a sum of Rs.195.84 crore is required to be returned to the distribution companies by the Appellant towards income tax.
- Y. Because the State Commission has failed to appreciate that amount of income tax claimed by the Appellant from distribution companies during the control period was based on actual tax liability borne and paid by the Appellant strictly as per the provisions of Income Tax Act, 1961. As per the provision of Income Tax Act as applicable to the Appellant, the Appellant is required to deposit minimum alternate tax (MAT). As per the provisions of section 115JB of the Income Tax Act, 1961, the credit of MAT so paid shall be available against the income tax liability as may be arising to the Appellant under the normal income tax provisions within the succeeding ten financial years which will also be passed on to Distribution Utilities.
- Z. Because the said amount of income tax has been paid by the Appellant lawfully and strictly as per the provisions of the Income Tax Act. The tax paid needs to be allowed as a pass through in the

tariff to enable the Appellant to discharge the burden as the Appellant has no other means to pay the tax.

Non - Tariff Income

- AA. Because the State Commission has failed to appreciate that the non-tariff income, by including the Rebate received on Power purchase, LPSC on wheeling charges and Income from interest on UI etc has been overstated and is not correct.
- BB. Because the State Commission has made the recovery from the approved ARR on account of non tariff income which include interest on UI amounting to Rs.32.05 crore, rebate on power purchase amounting to approximately Rs. 4.5 crore and LPSC on wheeling charges amounting to Rs. 6.80 crore. The State Commission has not appreciated that the interest of UI and rebate on power purchase relate to the cost on power purchase made by the Appellant upto 31st March, 2007 and should not be considered in any way, by way of reduction in the Revenue Requirements of transmission business.
- CC. Because the State Commission erred considering the interest on late payment of UI charges to the Appellant ignoring the simple fact that the Appellant had already been deprived of the amount payable in time and the interest paid is to compensate such loss. The inclusion of interest income as non tariff income would result in double jeopardy and penalty on the Appellant.

Inconsistent approach:

- DD. Because the approach of the State Commission is totally inconsistent. On the one hand, the State Commission is treating the rebate given by the Appellant to the Distribution Companies as a commercial arrangement and not giving effect to the same in the tariff. However, on the other hand, the State Commission is taking into account the rebate on wheeling and transmission charges received by the Appellant as a non-tariff income and passing it on in the ARR.

PART II - IMPACT OF HON'BLE TRIBUNAL'S JUDGMENTS IN
APPEAL NOS. 133 / 2007 & 28 / 2008 ON THE ISSUE OF DVB
ARREARS

EE. Because the State Commission after a series of Judgment of this Hon'ble Tribunal has finally purported to implement the directions of the Hon'ble Tribunal on the past DVB arrears issue. However, the State Commission has committed the following errors -

1. The Appellant had claimed an additional liability of Rs. 637.66 Cr towards DVB arrears along with carrying cost (Total Rs. 1040.85 crore) in True up petition.
2. Further, treatment of surplus of Rs. 196.17 Cr which the State Commission had wrongly found in the Order dated 20.12.2007 along with the negative carrying cost computed in the Tariff Order dated 26.8.2011 due to non-implementation of the past DVB arrears issue had to be reversed.
3. Since the surplus was only appearing on account of the incorrect treatment of DVB Arrears, the same had to be reversed with carrying cost i.e. total of Rs. 357.51 crore was to be re-adjusted.
4. The State Commission has calculated the Readjustment of Surplus to be Rs. 349.28 crore instead of Rs. 357.51 Crore by taking carrying cost @ 9.92 % for FY 2009-10 & 10.50 % for FY 2010-11. As against this, the State Commission had deducted the surplus in the order dated 26.8.2011 by taking carrying cost @ 11.5%.
5. The State Commission has considered the carrying cost @ 9.92 % for FY 2009-10 & 10.50 % for FY 2010-11 for calculating impact of DVB arrears instead of 11.5% submitted by the Appellant.

PART III - FIXATION OF ARR FOR 2013 - 14

Base Year

FF. Because the State Commission has not considered the base year as 2011-12 for calculation of Employee expenses & A&G expenses for 2012-13 & 2013-14. In the earlier Order dated 13.7.2012 the State Commission had itself considered the base year as 2010-11 as audited accounts of the Appellant for FY 2011-12 was not available till then. However, audited account for FY 2011-12 are now available, hence, 2011-12 should be considered as base year as prayed for by the Appellant before the State Commission. Due

to the above, the employees expenses has gotten reduced by Rs.26.08 crore and the A & G expenses by Rs 7.95 crore. There is no logic or rationale in not taking the base year as 2011-12 when the ARR is being determined for 2013-14.

Additional Expenses

GG. Because the State Commission has not considered additional expenses of Rs.7.58 crore and Rs 1.44 Crore on account of employees expenses and administrative and general expenses respectively claimed by the Appellant towards additional manpower due to addition of New Substations, lines in the Transmission network.

Efficiency Factor of O & M Expenses

HH. Because the State Commission has considered the efficiency factor @ 3% on O&M expenses for FY 2013-14 despite detailed justification given by the Appellant to restrict it to 1%. The Appellant reiterates the ground contained hereinabove in regard to the tariff years 2007-08 to 2011-12.

Direction to pay Rs. 400 crores to the Pension Trust out of Rs. 500 crores

II. Because the approach of the State Commission in directing the Appellant to pay Rs 400 crores to Pension Trust without considering the financial implications and that such directions will bring the operations of the Appellant to a complete halt. Out of the total ARR of Rs.593.22 crores, the State Commission has decided arbitrarily that only Rs. 500 crores would recovered in the year 2013 - 14 and directed that out of the same, Rs. 400 crores should be paid to the Pension Trust. It is submitted that the recovery of Rs. 400 crores should not be made from the impugned surplus of Rs. 1035.42 crores determined by State Commission and should have been recovered from the distribution utilities directly. Rs 400 crores has been directed to be paid to the Pension trust which funds the retirement liabilities of all the employees retired from Delhi Vidyut Board and Successor Entities of DVB and not only the Appellant. Therefore, It is extremely unfair that the Appellant has been asked to pay the amount of Rs. 400 crores out of its ARR even though the pension is paid to all the employees

retired from Delhi Vidyut Board and Successor Entities of DVB. It is reiterated that the recovery of Rs. 400 crores should not be made from the fictional surplus of Rs. 1035.42 crores determined by State Commission and should additionally provided for by the State Commission in the respective tariff orders of the utilities.

JJ. The Appellant cannot be expected to fund all its operations for the year 2013-14 with less than Rs. 100 crore. The Appellant is in a precarious financial situation as it cannot depend on additional loan for the revenue gap with the continuous of outstanding dues of the Distribution Companies amounting to more than Rs. 1200 crores as on date approximately.

Non-consideration of revenue requirements and tariff for the financial year 2012-13:

KK. Because the State Commission has erred in not dealing with the revenue requirements and tariff for the financial year 2012-13 despite the Appellant having filed the petition for determination of such revenue requirements for the financial year 2012-13 along with the revenue requirements for the financial year 2013-14 and the Appellant had claimed the revenue requirements of Rs 664.93 crore. The Appellant's claim for adjustment of the tariff to cover the above revenue requirements has to be admitted by the State Commission and was required to be considered and decided.

LL. Because the State Commission has failed to appreciate that the Appellant had filed a detailed calculation of various elements of revenue requirements admissible to the Appellant for the financial year 2012-13 and had specifically given in Table 63 of the petition filed before the State Commission that the Appellant will have an impact of Rs 79.25 crore as the different between the approved and the revised annual revenue requirements. The Appellant's claim has not been considered at all by the State Commission.

MM. The State Commission failed to appreciate that the Appellant is in a precarious financial position due to the non-payment of the bills of the Appellant by the Distribution Companies - Respondents 2 & 3 from October 2010 onwards. The total amount due to the Appellant from the Respondents 2 & 3 is Rs. 1200 crores (approximately). The Appellant cannot be expected to function at

all with such low and arbitrary tariff on one hand and the huge unpaid amounts from the Respondents 2 & 3 on the other hand.

NN. The Appellant crave leave to add to the ground mentioned above and submits that the contentions are in the alternative and without prejudice to one another.

10. MATTERS NOT PREVIOUSLY FILED OR PENDING WITH ANY OTHER COURT.

The Appellant has not filed any other suit, appeal or has initiated any other legal proceeding against the Order dated 31.7.2013 passed by the State Commission.

11. GROUNDS FOR SUCH RELIEF (S) AND THE LEGAL PROVISIONS, IF ANY, RELIED UPON

As stated in Para 9 above

12. DETAILS OF INTERIM APPLICATION, IF ANY, PREFERRED ALONG WITH APPEAL.

The Appellant is not filing an interim application in the matter at present. The Appellant reserves the right to file an application at a later stage.

13. DETAILS OF APPEAL/S, IF ANY PREFERRED BEFORE THIS APPELLATE TRIBUNAL AGAINST THE SAME IMPUGNED ORDER/DIRECTION, BY RESPONDENTS WITH NUMBERS, DATES AND INTERIM ORDER, IF ANY PASSED IN THAT APPEAL.

N.A.

14. DETAILS OF INDEX

An index containing the details of the documents to be relied upon is enclosed.

15. PARTICULARS OF FEE PAYABLE AND DETAILS OF BANK DRAFT IN FAVOUR OF PAY AND ACCOUNTS OFFICER, MINISTRY OF POWER, NEW DELHI.

In respect of the few of appeal.

Name of the Bank. State Bank of India Branch Chandni Chowk payable at Delhi. DD No. 207341 Dates 5.9.2013 for Rs. 1,23,000/-

16. LIST OF ENCLOSURES.

Annexure A: Copies of the Judgments dated 13.1.2009, 29.9.2010 and 27.2.2013 passed by this Hon'ble Tribunal in the earlier appeals filed by the Appellant.

Annexure B: A copy of the Tariff Regulations framed by the State Commission.

Annexure C: A copy of the Petition, being No. 4 of 2013 filed by the Appellant before the State Commission for truing up of Revenue Requirements for the FY 2007-08 to 2011-12 and approval of revised Annual Revenue Requirements and tariff for the year 2013-14.

Annexure D: Copies of the various submissions, clarifications and data filed by the Appellant before the State Commission in Tariff Petition No. 4 of 2013.

Annexure E: A copy of the Impugned Order dated 31.7.2013 passed by the State Commission.

17. WHETHER THE ORDER APPEALED AS COMMUNICATED IN ORIGINAL IS FILED.

Yes

18. WHETHER THE APPELLANT IS READY TO FILE WRITTEN SUBMISSIONS/ARGUMENTS BEFORE THE FIRST HEARING AFTER SERVING THE COPY OF THE SAME ON RESPONDENTS.

Yes

19. WHETHER THE COPY OR MEMORANDUM OF APPEAL WITH ALL ENCLOSURES HAS BEEN FORWARDED TO ALL RESPONDENTS AND ALL INTERESTED PARTIES, IF SO, ENCLOSE POSTAL RECEIPT/COURIER RECEIPT IN ADDITION TO PAYMENT OF PRESCRIBED PROCESS FEE.

No

20. ANY OTHER RELEVANT OR MATERIAL PARTICULARS/DETAILS WHICH THE APPELLANT DEEMS NECESSARY TO SET OUT:


N.A.

21. RELIEFS SOUGHT

In view of the facts mentioned in para 7 above, points in dispute and questions of law set out in para 8 and the grounds of appeal stated in para 9, the appellant prays for the following reliefs:

- (a) Allow the appeal and set aside the Order dated 31.7.2013 passed by the State Commission to the extent challenged in the present appeal.
- (b) Pass such other Order(s) and this Hon'ble Tribunal may deem just and proper.

Dated at Delhi on this 12th day of September, 2013



COUNSEL FOR APPELLANT


APPELLANT

DECLARATION BY APPELLANT

The appellant above named hereby solemnly declare(s) that nothing material has been concealed or suppressed and further declare(s) that the enclosures and typed set of material papers relied upon and filed herewith are true copies of the original.

Verified at Delhi on this 12th day of September, 2013.


COUNSEL FOR APPELLANT


APPELLANT

VERIFICATION

I, Kiran Saini daughter of Shri J.R. Saini aged about 47 years, working as General Manager (C & RA) in the office of Delhi Transco Limited, do hereby verify that the contents of paras 1 to 7 and 10 to 20 are based on the records of the Appellant maintained in the ordinary course of business and believed by me to be true and paras 8, 9 and 21 are believed to be true on legal advice and that I have not suppressed any material facts.

DATE: 12.9.2013

PLACE: New Delhi


APPELLANT / AUTHORIZED OFFICER

IN THE APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
APPELLATE JURISDICTION
APPEAL NO OF 2013

IN THE MATTER OF:

Delhi Transco Limited

.....Appellant

VERSUS

Delhi Electricity Regulatory Commission & Ors

.....Respondents

AFFIDAVIT

I, Kiran Saini, daughter of Shri Shri J.R. Saini, aged about 47 years, working as General Manager (Tech) Delhi Transco Limited, do hereby solemnly affirm and state as under:

1. I say that I am GM (Tech) in the appellant corporation and am competent to swear the present affidavit.
2. I say that I have read the contents of the above appeal filed by the appellant against the order dated 31.7.2013 passed by the State Commission and I have understood the contents of the same.
3. I say that the contents of the above appeal filed by the Appellant are based on the information available with the Appellant in the normal course of business and believed by me to be true.
4. I say that the Annexures to the Memorandum of appeal are the true and correct copies of their original.

VERIFICATION

I, the deponent above-named, do hereby verify the contents of the above affidavit to be true to the best of my knowledge, no part of it is false and nothing material has been concealed therefrom.

Verified at Delhi on this 12th day of September, 2013

G.R.
DEPONENT

G.R.
DEPONENT

Attested
-68-
Sharma
06/09/2013

ANNEXURE-II

Details of Projected Capitalization during FY 2014-15

	Sr. No.	Scheme/Projects name	Tentative amount to be capitalized in FY 2014-15 (Rs. in Crs.)
Substation Works	1	ETC of 400/ 220/66 KV GIS S/Stn on turnkey basis at Harsh Vihar	194.07
	2	ETC of 220 KV GIS S/Stn on turnkey basis at Wazirpur.	48.05
	3	ETC of 220/33 KV GIS S/Stn on turnkey basis at Peera Garhi	51.23
	4	ETC of 220 KV Rohini-II s/stn.	2.76
	5	ETC of 220/33KV GIS at Lodhi Road.	18.52
	6	ETC OF 2 nos. 66 KV bays at 220 KV s/stn Vasant Kunj.	0.68
	7	Extension of 66kV Bays at 220/66kV S/stn. at SOW (Including 160MVA Pr. Trf)	9
	8	Supply , ETC of 01 no. 160MVA Power Trf. with associate bay equipments and 01 no. additional 66kV Feeder bay at 220kV S/stn. at Gazipur. (Including 160MVA Pr. Trf.).	8.9
	9	Supply, ETC of 400/220/66KV Substation Mundka with Automation and civil works on turnkey basis.	12.6
	10	Misc. O&M works	11.61
	11	Balance work of 220 KV DSIDC Bawana	22.7
	12	Substation works Total	380.12
Lines Network	13	U/G Cable Shalimar bagh to Wazirpur	64.79
	14	U/G Cable Mundka to Peeragarhi	150
	15	Maharani bagh to Gazipur O/H line	16
	16	LILO of 220kV O/H Kanjhawala to NJF at Mundka	10.75
	17	LILO of 220kV O/H Tr. Line between Bawana to Rohini-II	17.4
	18	LILO of 220kV O/H Tr. Line between Bawana to NJF at Kanjhawala	2.4
	19	Delhi Islanding Scheme	6.85
	20	ABB Numerical Protection relays at Gazipur	0.65
	21	Lines Network Total	268.84
Civil	22	Various Civil Works	10.99
	23	Sub Total	659.95
	24	Loading of IDC, Employee and A&G expenses	164.99
	25	Total	824.94
	26	Miscellaneous items i.e. Furniture, computers etc	1.00
	27	Grand Total	825.94



दिल्ली ट्रान्सको लिमिटेड
(दिल्ली सरकार का उपक्रम)
DELHI TRANSCO LIMITED
(A Govt of NCT of Delhi Undertaking)

Vijay Letter No. 2014

No.F/DTL/203/F.1/Oprn-GM(C&RA)/2014-15/201

Dt. 11th November, 2014.

The Secretary,
Delhi Electricity Regulatory Commission
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110 017.

12/11/14

6:00 PM

Subject: - Capitalization of Assets of Delhi Transco Limited for FY 2013-14.

Madam,

Hon'ble Commission directed DTL as per clause 5.4 of the directives issued in the ARR order for FY 2013-14 to submit the actual details of capitalization of assets of DTL for FY 2013-14.

In pursuance of above, kindly find enclosed herewith the requisite details along with the Form-50, Energization Certificate of SLDC & Electrical Inspector Clearance certificate.

The above is submitted for kind consideration of Hon'ble Commission.

Thanking You,

Yours faithfully,

Encl: as above.

(Signature)
(Er. KIRAN SAINI)
GENERAL MANAGER (C&RA)



कार्यालय: महाप्रबंधक (वाणिज्य एवं वित्तिय कार्य), 33 के वी ग्रीड सब स्टेशन नई दिल्ली-110002
Office: General Manager (Comm. & Regulatory Affairs), 33 KV Grid S/Station Building, IP Estate, New Delhi-110002
पंजीकृत कार्यालय: शक्ति सदन, कोटला रोड, नई दिल्ली - 110002 Regd office : Shakti Sadan, Kotla Road, New Delhi-110002
Email: gm.comm@dlil.gov.in Visit us at www.delhitransco.gov.in

DELHI TRANSCO LIMITED

DETAILS OF ASSETS CAPITALISED IN FY 2013-14(in Rs.)

	Total Base Expn.	Employee expenses	A&G	IDC	Total amount capitalised
Sub Station & Lines	1,33,33,13,157	4,70,66,114	2,18,19,169	88,08,05,156	2,28,30,03,596
Civil	1,14,13,888	2,49,22,126	13,70,496	36,38,004	4,13,45,624
Other assets	6,03,34,000				6,03,34,000
Total	1,40,50,61,055	7,19,88,240	2,31,89,665	88,44,44,160	2,38,46,83,120

GM(Commercial & Regulatory Affairs)

DELHI TRANSCO LIMITED

DETAILS OF ASSETS CAPITALIZATION FOR FY 2013-14

Substation and lines									
Sl. No.	WBS No/CWO No.	Location	Name of work	Base Expenditure	Employee expenses	A&G	IDC	Total amount capitalised	Remarks
1	CA220-11/005-01	palpargarj	Replacement of 6 Nos 66kV CVTs	1787285			139324	1906609	
2	CA220-12/010-01	palpargarj	Replacement of 10 Nos 198 kV LA's	3,96,659	54,468	21,156	45,954	5,18,238	
3	CA220-13/024-01	Mohitauli	Replacement of 08 Nos. 66 kV CTs of 66 kV Incomer-I, II & III with 0.2 accuracy class CTs	4,91,281	87,463	26,203	56,915	6,41,862	
4	CA220-14/001	Narela	Replacement of CT, PT and capacitor Bank	38,85,274	5,33,528	2,07,225	4,50,112	50,76,139	
5	CA220-13/023-01 to 04	Vasant Kunj	Replacement of 1 No 66kV Bushing, 1 No 66kV CT, 1 No 66kV circuit breaker & 3 Nos CTs	7,83,296	1,07,562	41,778	90,746	10,23,382	
6	CA220-13	Karjehawala	Replacement of 66kV CT & PT	8,43,220	1,15,791	44,974	97,688	11,01,673	
7	CA-220-13/006-01	IP	Supply & ETC of 100MVA, 220/2311kV Power Transformer	4,40,94,019	60,55,015	23,51,799	51,08,331	5,76,09,164	Electrical Inspector clearance certificate dt. 02.09.13
8	CA220-13/099	Palpargarj	Capacitor bank, Breaker, Isolators and CT etc	28,03,649	3,84,999	1,49,535	3,24,805	36,62,988	
9	CA220-13/100-01	Pragati	Replacement of 1 No. 220kV CT ratio 600-300/1/1/1/1 Amp	2,29,213	31,475	12,225	26,555	2,99,468	
10	CA220-13/18-01, 02, 03	Santa Vihar	replacement of 66kV Isolator, CT & PT and SF6 Breaker	13,42,501	1,84,363	71,804	1,55,500	17,53,988	
11	CA220-13/25-01 to 06	PPK-I	Capital works carried-out (i.e. CT, Cable and Capacitor bank, etc.)	40,69,723	5,58,857	2,17,062	4,71,481	53,17,123	
12	CA220-12/014-01	PPK-I	Capital works carried-out (i.e. PT, Cable, etc.)	1,38,670	19,042	7,396	16,065	1,81,173	
13	CA220-13/28-01 to 05	PPK-II	Capital works carried-out (i.e. PT, CT and cable, arm etc.)	5,41,350	74,338	26,873	62,716	7,07,277	
14	CA220-12/26-01 to 03	PPK-II	Capital works carried-out (i.e. various CT etc)	2,00,928	27,591	10,717	23,278	2,82,515	
15	CA220-13/102-01 to 11	Najafgarh	Capital works executed (i.e. various ratios of CT and SF6 Ckt Breaker etc)	27,80,421	3,81,809	1,48,297	3,22,114	36,32,641	
16	CA220-10/100-01 to 02	Najafgarh	Capital works executed (i.e. DG set and SF6 Ckt Breaker etc)	19,81,497	2,72,100	1,05,685	2,29,558	25,88,840	

10
A-17/2014

17	CA220-12/100-01 to 05	Najafgarh	Capital works executed (i.e. PT and various ratios of SF6 Ckt Breaker etc)	10,34,630	1,42,075	55,193	1,10,863	13,51,751	
18	CA220-11/100-01 to 05	Najafgarh	Capital works executed (i.e. CVT, various ratios of SF6 Ckt Breaker and 11kV panel)	38,00,699	5,21,043	2,02,376	4,39,578	49,83,087	
19	CA220-13/016-01 & 02	Masid Mohi	Replacement of 66/33kV Ckt Breaker along with CTs of 33kV Balaji feeder	4,56,478	63,851	24,800	53,868	5,98,997	
20	CA220-13/22-01	Lothi Road	Replacement of 3 Nos. 33kV CT, 01 No. 66kV GCB and ETC of 9 Nos. P.Ts	6,86,022	94,206	36,590	79,476	8,96,294	
21	CA220-11/001	PPKL-II	ETC of 160MVA Power transformer along with 220kV /66kV I/C bay	8,80,89,852	0	0	3,00,35,812	11,81,25,664	Electrical Inspector clearance certificate dt-7.10.2013
22	CA220-07/003	Shalimar Bagh	Construction of 02 Nos 220kV bays	1,11,71,983	0	0	44,17,147	1,55,89,130	Electrical Inspector clearance certificate dt-31.03.2014
23	AM(F)/W/SCH.24/273/07-08 dt 31.10.07 (CA 220-07/004)	South Of Wazirabad	Disassembly of 220 KV Substation SOW Grid - I & ETC of 5 x 66 KV Bays at 220 KV s./stm. South of Wazirabad.	1,59,61,529	32,89,389	9,01,353	24,50,144	2,28,02,415	Electrical Inspector clearance certificates dt-22.03.2013 and 25.04.2012
24	CA220-12/012-01	Okhla	Repairing & ETC of 100MVA. Power Transformer (NGEF make)	1,92,20,836	57,28,774	8,40,315	49,67,140	3,07,57,065	Electrical Inspector clearance certificate dt-15.05.2013
25	CA 220-11/003-01	SOW	Replacement of 03 nos. 66kV CTs in bay no.08	1,60,633	22,058	8,568	18,609	2,09,868	
26	CA 220-11/003-02	SOW	Replacement of 220kV Isolator in 220kV Bus-1 & 2 Gopalpur Ckt-2 and main bus Ckt-3	9,89,604	63,883	0	0	10,53,487	
27	CA 220-11/003-03	SOW	Replacement of 03 nos 220kV P.Ts in 220kV Bus-II	10,04,743	1,37,972	53,589	1,16,400	13,12,704	
28	CA 220-10/007-02	SOW	Replacement of one No.66kV Ckt Breaker in bay no.08	3,80,583	52,259	20,298	44,086	4,97,208	
29	CA 220-10/007-04	SOW	Replacement of 220kV Isolator in bay no.04	2,47,401	21,276	0	0	2,88,677	
30	CA 220-10/007-05	SOW	Replacement of 2 nos Feeder pillars	1,35,000	11,610	0	0	1,46,610	
31	CA220-12/005-01	Park Street	125KVA DG set & 66kV PT	9,19,873	1,49,522	58,075	91,308	12,18,778	

32	AM(F)W/361/0 9-10 WBS 220- 09/003-40	Rohini-220/66kV	Establishment of 220/66kV Rohini S/Stn (part capitalisation of only 3 Nos 66kV bays with 1 No 160MVA Power Transformer No.1 and 1 No LT Transformer (31.32 Crores part capitalisation already submitted in 2012-13)	9,58,42,118	93,66,699	18,56,057	1,41,60,395	12,13,25,269	Electrical Inspector clearance certificates dt.14.12.12 and 24.12.12
33	CA 220-13/106	Shalimar Bagh	Civil work Capital works carried out at 220kV SMB S/stn (i.e. capacitor bank CT, PT, CB)	65,42,841 39,86,120	9,34,393 5,47,376	1,98,638 2,12,604	11,93,611 4,61,795	88,89,481 52,07,895	
34	CA 220-13/101- 01 to 05	Gopalpur	Capital works carried out at 220kV GPL S/stn (i.e. Capacitor bank CT, PT)	29,36,935	4,03,301	1,58,644	3,40,247	38,37,127	
35	AM(F)W/344/0 9-10 dt.27.02.09 (CA 220- 09/002)	Mehrauli	ETC of 1 No. 220kV bay & 1 No. 66kV incomer bay for 160MVA Pt. Transformer	9,61,83,590	1,30,78,150	43,29,847	2,84,25,155	14,20,16,750	Electrical Inspector clearance certificates dt.30.10.11
36	AM(F)W/354/0 9-01 to dt 26.06.09 (CA 220-09/003)	Okhla	ETC of associated 33kV Bay and other related works for the ETC of Hird 100MVA Power Transformer in place of old 50 MVA Power Transformer	4,81,26,654	26,38,474	90,57,944	79,09,049	6,87,32,121	Electrical Inspector clearance certificates dt.05.02.11
37	AM(F) W/325/08-09 CT 220-09/002	U/G Cable from Ridge valley- AIIMS	Supply, Laying, Joining, Testing & Commissioning of 220kV D/CU/G XLPE Cable between 220kV Ridge valley GIS S/stn & 220kV Ridge valley GIS S/stn	81,22,22,850	0	0	35,36,72,270	1,16,58,95,120	Electrical Inspector clearance certificates dt.22.07.2012
38	CA 220-13/105- 01 to 12	Rohini-220kV	Replacement of 66 KV CB, CT, PT at 220 KV S/stn, Rohini	67,82,880	9,31,403	3,61,761	7,65,781	88,61,635	
39	AM(F)W/253/0 6-07. dt.14.02.2007(CS 400-06/001)	Mundka	ETC of 400/220/66kV S/Stn mundka with automation and civil works	4,89,80,526	0	0	42,34,02,247	47,23,82,773	Electrical Inspector clearance certificates dt.11.09.2013
Total				1,33,33,13,167	4,70,68,114	2,18,19,169	88,05,08,166	2,28,30,03,596	

CIVIL WORKS									
Sl. No.	Work order No.	Location	Name of work	Basic Expenditure	Employee expenses	A&G	IDC	Total Amount Capitalised	Remarks
1	CC 220-12/009	Okhla	Construction of fire protection wall, Sumpwell, 2 No soakpits and modification of auxiliary foundation for 100MVA Power transformer	6,55,005	19,18,443	1,05,497	2,80,121	31,59,066	
2	CC-220/11/006	Mehrauli	Construction of PI foundation	15,35,752	344,580	1,89,493	503,150	55,74,275	
3	CC-220-11/018	Rajokan	Construction of B/wall & room at gantry point of LLO bannauli, Mehrauli fodder I & II at LNHCA near Balokad Bazaar	23,09,280	51,81,513	2,84,937	7,56,579	85,32,309	
4	CC000-08/002	Najafgarh	Special repair to various type of staff quarter	6,81,192	19,77,198	1,08,728	2,88,701	32,55,819	
5	CC 220-11/014	Najafgarh	Redevelopment of 220kV & 68kV Yard	9,20,364	20,65,094	1,13,562	3,01,535	34,00,655	
6	CC220-12/004	SOW	Yard development of 1 to 6 No bay of 66kV yard	31,21,366	63,15,571	34,7301	9,22,168	1,07,06,426	
7	CC220-11/009	Gazipur	Development of area behind ALDC building, pipe line for fire fighting along the yard & other	17,90,919	40,18,427	2,20,978	5,86,750	66,17,074	
CIVIL TOTAL				1,14,13,898	2,49,22,126	13,70,496	38,39,004	4,13,45,524	
GRAND TOTAL				2,32,43,49,120.41					

OTHER ASSETS CAPITALISED FOR FY 2013-14		RS (LACS)
1	LAND	253.53
2	BUILDING	32.56
3	METERS	0
4	Scada & PLCC	0
5	FURNITURE AND FIXTURES	1.87
6	VEHICLES	34.1
8	OFFICE EQUIPMENTS	166.86
9	COMPUTERS	109.23
10	SMALL VALUE ASSETS	5.19
Sub Total		603.34

GM(Commercial & Regulatory Affairs)

दिल्ली ट्रान्सको लिमिटेड
(दिल्ली सरकार का उपक्रम)
DELHI TRANSCO LIMITED
(A Govt of NCT of Delhi Undertaking)

No.F/DTL/203/F.1/Oprn-GM(C&RA)/2014-15/200

DTL - November, 2014

The Secretary,
Delhi Electricity Regulatory Commission
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar, New Delhi-110 017

Subject: - Revised Form 30's for capitalization of Assets submitted in FY 2011-12 & FY 2012-13.

Madam,

This is in reference to DTL letter No. F.DTL/203/2012-13/F-1/Opr. GM(C&RA)206 dated 04.11.2012 & F.DTL/203/2014-15-F-1/Opr. GM(C&RA)14 dated 11.04.2014 therewith enclosing Form 30's for FY 2011-12 & FY 2012-13 respectively for Capitalization of Assets and subsequent information submitted time to time to Hon'ble Commission. Now, during the closing of annual accounts for FY 2013-14, there is a revision in the some of the schemes for which the revised Form 30's are enclosed and details of the same are as given below:

1. CWO No. AM (F) W/376/09-10 for 220 KV D/C U/G XLPE cable between 400/220 KV Maharani Bagh GIS s/stn. and 220 KV Masjid Moth s/stn. for Rs. 168.78 crore. (Form 30 for Rs. 163.19 crore was earlier submitted in FY 2011-12).
2. CWO No. AM(F)W/377/09-10 dated 18.09.09 for 220 KV D/C U/G XLPE cable between 400/220 KV Maharani Bagh GIS s/stn. and 220 KV Altm. Trauma Centre GIS s/stn. for Rs. 177.17 crore. (Form 30 of Rs. 142.40 crore was earlier submitted in FY 2011-12).
3. CWO No. AM (F) W/351/09-10 for Extension of Existing 400/220 KV Bawana S/stn. for Rs. 71.80 Crore. (Form 30 for Rs. 71.23 crore already submitted i.e. Rs. 62.65 crore for FY 2011-12 & Rs. 8.59 crore in FY 2012-13).

Hon'ble Commission is requested to kindly consider the capitalization of the above schemes as per revised formats.

Thanking You,

Encl: as above.

* Yours Faithfully,

(Signature)
(E. KIRAN SAINI)
GENERAL MANAGER (C&RA)



कार्यालय: महाप्रबंधक (वाणिज्य एवं वित्तिय कार्य), 33 के वी. ग्रिड तंत्र स्थान, नई दिल्ली-110002
Office: General Manager (Comm. & Regulatory Affairs), 33 KV Grid S/Station Building, IF Estate, New Delhi
पंजीकृत कार्यालय: शक्ति सदन, कोटला मार्ग, नई दिल्ली -110002 Regd. office: Shakti Sadan, Kotla Road, New Delhi
Email: gm.commr@dtl.gov.in Visit us at www.delhitransco.gov.in



दिल्ली ट्रान्सको लिमिटेड

(दिल्ली सरकार का उपक्रम)

DELHI TRANSCO LIMITED

A Govt of NCT of Delhi Undertaking

No.F.DTL/203/F-1/2014-15/Opr.-GM(C&RA)/14

Dt. April 11, 2014.

Secretary,
Delhi Electricity Regulatory Commission,
Viniyamak Bhawan, C-Block, Shivalik,
Malviya Nagar,
New Delhi-110017.

Sub:- Capitalization of Assets of Delhi Transco Ltd. for FY 2012-13 - Reg.

Madam,

Hon'ble Commission directed DTL as per clause 5.4 of directives issued in the ARR Order for FY 2013-14 to submit the actual details of capitalisation of assets of DTL for FY 2012-13.

In pursuance of above, kindly find enclosed herewith the requisite details along with the Form-30, Energisation Certificate of SLDC & Electrical Inspector Clearance Certificate.

The above is submitted for kind consideration of Hon'ble Commission.

Thanking you,

Yours faithfully,

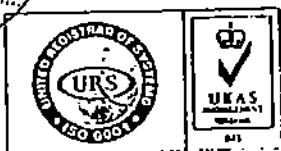
Encl: As above.

Sd/-
(Er. KIRAN SAINI)
GENERAL MANAGER(C&RA)

Copy to:-

1. DIRECTOR(OPR) / DIRECTOR(FIN) - For kind information, please.
2. EO to CMD - For favour of information, please.
3. DGM(C&RA) - For information and follow up action.
4. ☒ Office Copy.

6/11/14
GENERAL MANAGER(C&RA)



आपका: कार्यालय (गर्भो एव विधि कार्य), 33 के वो डीए एन रोड, नई दिल्ली-110002
Office: General Manager (Comm. & Regulatory Affairs), 33 KV Grid S/Station Building, IP Estate, New Delhi-110002.
संयोजक कार्यालय: शक्ति भवन, कोला रोड, नई दिल्ली-110002
Regd office : Shakti Sadan, Kotla Road, New Delhi - 110 002
Email: gm.commr@dtl.gov.in
Visit us at www.delhitransco.gov.in

DELHI TRANSCO LIMITED

DETAILS OF ASSETS CAPITALIZATION IN FY 2012-13 (in Rs.)

	Total Base Expenses	Employee expenses	A&G	IDC	Total amount capitalised
Sub Station & Lines	2,59,66,58,453	19,54,96,619	5,18,14,621	40,05,45,006	3,24,45,14,699
Civil	5,40,85,168	87,71,250	60,65,497	1,94,96,567	8,84,18,482
Other Assets	50,18,000				50,18,000
Total	2,65,57,61,622	20,42,67,869	5,78,80,118	42,00,41,573	3,33,79,51,182

60/11/14
GM(Commercial & Regulatory Affairs)

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DETAILS OF ASSETS CAPITALIZATION FOR FY 2012-13

Sl.No	Work order No.	Location	Name of work	Base Expenditure	Employee expenses	ABG	IDC	Total amount capitalised	Remarks
1	CS 400-06/001 (Amf(W)/25/2005-07)	Mundaka	Supply, ETC of 400/220/88KV Substation Mundaka with Automation and civil works on turnkey basis (Part completion of CWO covering 400KV yard (ICT42 Bay and ICT4 409 & 410 only), 220 KV (4 nos Bays) & 66 KV (3 NOS. BAYS) Yards with one no. 160 MVA Transformer No. 2)	31,02,53,702	3,25,43,384	88,44,121	6,70,09,207	41,85,50,614	Electrical Inspector clearance dated 31.07.2012
2	AM(F)W/35/109-10	Bawana	Extension of Existing 400/220 KV Bawana S/S	8,59,15,360				8,59,15,360	62.65 crore already submitted for capitalization in 2011-12 (as per latest information dated 17-12-2013 submitted to Hon'ble DERC)
3	AM(F)W/35/08-09	Electric Lane	Establishment of 220/33 kv GIS Substation Harsh Chandra Malhur Lane (Electric Lane)	59,75,23,066	1,85,59,643	41,80,622	3,14,03,692	65,17,77,023	Electrical Inspector clearance dt. 31.03.2012
4	CS 220-08/003 (Amf(W)/35/109-10)	Rohini-II	Commissioning of 220 KV S/S in AI Rohini-II (Phase IV & V) having 7 nos. 220 KV Bays with 2X 160 MVA Power Trns. And 9 Nos. 66 KV Bays on turnkey basis (Part Completion of CWO covering only 220 KV bays (04 nos. Bays), 66 KV Bays (05 nos.) with one no. 180 MVA Transformer no. 1	22,85,43,217	3,09,87,771	60,90,842	4,76,51,497	31,32,73,327	Electrical Inspector clearance dt. 14.12.2012 & 24.12.2012
5	AM(F)W/35/109-10	MB-EL	Supply, Laying, Joining, Testing & Commissioning of 220 KV D/C, U/G XLPE Cable 400/220 KV Maharani Bagh GIS s/s, & 220 KV GIS Harsh Chandra Malhur Lane (Electric lane) S/S in.	1,20,91,34,435	9,48,30,100	2,73,71,083	21,80,66,649	1,54,94,02,267	Electrical Inspector clearance dt. 08.12.2011
6	CS 400-06/001-70 (Amf(W)/407/10-11)	Mundaka	Supply & ETC OF 1 No. 315 MVA, 400/220/33 KV Auto Transformer (Spare) with associated equipments at 400 KV Mundaka Substation.	12,40,95,157	1,30,16,690	35,37,548	2,68,02,317	16,74,51,712	Electrical Inspector clearance dated 31.07.2012
7	CA 220-12/005-02	Parkstreet	Replacement of various old P.Ts, CVTs and CTs at 220 KV Parkstreet Substation	22,85,036				22,85,036	
8	CA 220-12/005-01	Parkstreet	Replacement of 2 nos. Circuit Breakers at 220 KV Parkstreet Substation	7,53,807				7,53,807	
9	CA 220-12/010-06	Palparaganj	Replacement of 66 KV Bus-I CVTs at 220 KV s/s in Palparaganj	3,95,254	1,17,806	17,280	50,541	5,80,881	
10	CA 220-12/010-02	Palparaganj	Replacement of 11 Nos. 800 A BOCBs & 3 nos. 1250 A BOCBs with VCBs at 220 KV s/s in Palparaganj 6 KV Bus-I CVTs at 220 KV s/s in Palparaganj	23,41,776				23,41,776	

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12	CA 220-12/010-04	Palpargani	Replacement of 3 nos. 72.5 KV CTs & 72.5 KV SF6 CB with existing CTs and MOCBs at 220 KV S/lin. Palpargani	3,96,659		3,96,659	
13	CA 220-12/010-05	Palpargani	Replacement of 3 nos. 72.5 KV CTs & 6 nos. 36 KV CTs with existing CTs at 220 KV S/lin. Palpargani	5,33,634		5,33,634	
14	CA 220-12/010-03	Palpargani	Replacement of 2 nos. Existing MOCBs with SF6 Circuit Breakers at 220 KV S/lin. Palpargani	3,11,172		3,11,172	
15	CA 220-12/004-01	Palpargani	Replacement of 15 nos. 72.5 KV CTs with existing CTs at various 66 KV Bays & 2 nos. CTs 72.5 KV in 66 KV UC-I at 220 KV S/lin. Palpargani	7,35,703		7,35,703	
16	CA 220-12/004-02	Palpargani	Replacement of 3 NOS. 36 kv CTs with existing CTs at 220 KV S/lin. Palpargani	7,60,107		7,60,107	
17	CA 220-12/009-40	Gazipur	Replacement of 01 no. 72.5 KV MoCB with SF6 CB in bay no. 3 at 220 KV S/lin. Gazipur	80,238		80,238	
18	CA 220-12/009-30	Gazipur	Replacement of 01 no. 72.5 KV MoCB with SF6 CB in bay no. 5 at 220 KV S/lin. Gazipur	3,67,852		3,67,852	
19	CA 220-12/009-20	Gazipur	Replacement of 01 no. 72.5 KV MoCB with SF6 CB in bay no. 2 at 220 KV S/lin. Gazipur	3,67,852		3,67,852	
20	CA 220-12/009-10	Gazipur	Replacement of 03 no. 72.5 KV MoCB with SF6 CB in bay no. 7 at 220 KV S/lin. Gazipur	3,67,852		3,67,852	
21	CA 220-12/009-70	Gazipur	Replacement of 03 no. 72.5 KV CTs in Transformer 20 MVA No. II at 220 KV S/lin. Gazipur	3,67,852		3,67,852	
22	CA 220-12/009-60	Gazipur	Replacement of 03 no. 72.5 KV CTs in Transformer 20 MVA No. I at 220 KV S/lin. Gazipur	1,61,352		1,61,352	
23	CA 220-12/009-70	Gazipur	Replacement of 03 no. 72.5 KV CTs in 66 KV Kondli Ckt - II at 220 KV S/lin. Gazipur	1,61,352		1,61,352	
24	CA 220-12/009-50	Gazipur	Replacement of 03 no. 72.5 KV CTs in 66 KV Income No. -II at 220 KV S/lin. Gazipur	1,50,696		1,50,696	
25	CA 220-10/007-02	South of Wazirabad	Replacement of one no. 66 KV Circuit Breaker in Bay no. 08 at 220 KV S/lin. SOW	1,63,114	71,991	1,63,114	
26	CA 220-10/007-04	South of Wazirabad	Replacement of 220 KV Isolator in bay no. 04 at 220 KV S/lin. SOW	3,80,583	32,584	4,85,138	
27	CA 220-11/003-01	South of Wazirabad	Replacement of 3 nos. 66 KV CTs in bay no. 08 at 220 KV S/lin. SOW	2,47,401	21,276	2,68,677	
28	CA 220-11/003-02	South of Wazirabad	Replacement of 220 KV Isolators Bus-I & II and Mandola Ckt. III at 220 KV S/lin. SOW	1,60,833	13,753	2,04,773	
				7,42,828	1,27,467	9,93,715	

At

Sl. No.	Date	Particulars	Estimate No.	Estimate Value	Actual Value	Balance	Remarks
29	AM(F) W/314/08-09	Repairing of 100MVA Power Transformer 220/66/11kv CGL make Sr. No. 24373 at 220kv S/Sin Mehrauli	2 60 61 217	49 86 794	16 62 095	86 44 937	Transformer is commissioned at 220KV S/Sin Norela
30	AM(F) W/413/10-11	Replacement of 11 Nos. 66KV GTs, 800-400/11/11/1A and 02 Nos. 66KV CTs, 1000-500/11/11/1A	6 96 642	1 55 607	28 839	84 348	N.A.
31	AM(F) W/293/08-09	Replacement of 18 Nos. 198KV Las. 33 Nos. 60KV Las & 400KV Local Transformer at 220KV S/Sin Mehrauli	14 49 570			6 40 765	N.A.
32	CA220-12/002-05 (Old No. CA220-09/008)	Replacement of two no. 88KV Ckt Breaker at 66KV I/C no-1 and 20KV VAR Cap. Bank at 220KV S/Sin Mehrauli	7 71 352				7 71 352
		Total	2 50 66 88 453	18 84 96 919	5 18 14 621	40 08 49 008	3 24 46 14 899

CIVIL WORKS

Sl. No.	Date	Particulars	Estimate No.	Estimate Value	Actual Value	Balance	Remarks
1	CC400-11/003	Providing Pump-Cabin at 400KV Harth Vihar	34 600	2 708	635	3 283	41 208
4	CC220-09/001 (AM(F) W/387/09-10)	C/o 160MVA TR foundation at oil pit, GT	43 82 678	22 16 800	6 33 510	12 79 288	85 12 276
5	CC220-02/001 (AM(F) W/015/02-03)	C/o CC & WBM Road at 220KV SOW (Arb.)	50 895	3 883	935	4 800	60 613
6	CC220-11/001	C/o 160MVA TR, etc PPK-II	72 05 550			1 32 76 320	2 04 84 070
7	CC220-10/007	C/o 500kV & sump pit, 220KV S/Sin, VK	62 37 052	12 75 278	4 07 860	9 43 138	88 63 328
8	CC220-11/015	Repair of Diwali, P/F Concentric Coil, Vasant Kuni	25 70 962	30 61 706	7 58 467	5 52 975	69 44 130
9	CC220-10/006 (AM(F) W/301/08-09)	Redevelopment of yard & trench, Gazipur	83 54 916	14 02 402	4 53 954	10 07 415	92 18 667

OTHER ASSETS CAPITALISED FOR FY 2012-13			RS (LACS)
1	LAND		0
2	BUILDING		0
3	METERS		8.45
4	Scada & PLCC		0
5	FURNITURE AND FIXTURES		9.21
6	VEHICLES		25.16
8	OFFICE EQUIPMENTS		0.38
9	COMPUTERS		6.95
10	SMALL VALUE ASSETS		0
	Sub Total		50.15

10	CC220-09/002 (AMF)W/35/09-10	Kanjilawala	C/o foundation, supply, erection and erection of towers and beams for 4 Nos. Bays in 66KV yard at 220KV S/Sin. Kanjilawala	25,28,363	5,37,325	1,75,859	4,13,429	36,54,975
11	CC220-09/012 (AMF)W/35/09-10	Rohini-II	C/o Boundary wall, Supply & Filling earth for proposed site of 220KV S/Sin. Sector-29 Rohini (Ph IV & V)	1,95,19,275			17,56,283	2,12,77,561
12	CC220-03/001 (AMF)W/90/2003-04	Rohini	C/o Fdn. For 41h 100MVA power transformer and associated equipments in bay no.9 along with 66kv incomer bay and fire protection wall in between two IIS At 220KV S/Sin. Rohini.	1,55,430	12,165	2,855	14,559	1,85,117
13	CC220-09/002 (AMF)W/17/09-99	Gopalpur	C/o ALOC building at 220KV Sub Station Buraia (Gopal Pur)	4,84,883				4,94,883
14	CC220-09/007 (AMF)W/364/09-10	Wazirpur	Construction of Boundary wall, Supplying & Filling earth for proposed site of 220KV GIS Sub-Station at Westipur Industrial Area, New Delhi.	37,11,161	2,58,883	86,295	2,40,767	92,97,136
			Civil TOTAL	5,40,85,168	87,71,250	60,65,497	1,94,95,567	8,84,18,482
			GRAND TOTAL				3,33,29,33,161.80	

6 Dec 14/14
GM Commercial & Regulatory Affairs
GFL



DeDil Transco Limited
Shakti Sadan, Kotla Road, New Delhi-110002
Balance Sheet as at 31st March 2012

(Rs In Lakhs)

Particulars		2011-12	2010-11
		Amount	Amount
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	395,100.00	395,100.00
(b) Reserves and surplus	4	-255,728.91	-334,777.87
(c) Money received against share warrants			
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	191,549.01	128,110.40
(b) Deferred tax liabilities (net)	29		
(c) Other long term liabilities	6	20,896.39	24,365.61
(d) Long-term provisions	9	8,042.87	7,799.32
4 Current liabilities			
(a) Short-term borrowings	5A	9,163.00	72.53
(b) Trade payables	7	4,400.18	25,736.26
(c) Other current liabilities	8	23,188.27	7,342.91
(d) Short-term provisions	10	20,160.15	7,189.39
TOTAL		428,470.66	326,158.55
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	27	165,766.46	121,073.85
(ii) Intangible assets		1,579.91	2,240.54
(iii) Capital work-in-progress	26	100,037.02	78,418.90
(b) Non-current investments	11	472.86	564.01
(c) Deferred tax assets (net)	29		
(d) Long-term loans and advances			
(e) Other non-current assets	14	11,104.40	11,024.18
2 Current assets			
(a) Current investments	11A	91.15	
(b) Inventories	12	2,183.13	1,689.78
(c) Trade receivables	13	94,114.83	37,879.84
(d) Cash and cash equivalents	15	50,746.88	6,339.65
(e) Short-term loans and advances	16	2,256.46	1,790.61
(f) Other current assets	17	122.16	137.19
TOTAL		428,470.66	326,158.55

Note 1 to 38 form the integral part of these financial statements.

Note 3 is the general information of the company.

Note 2 states the significant accounting policies followed by the company.

Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification.

Surender Babbar
Surender Babbar
D.G.M. (Finance)

P.K. Mallik
P.K. Mallik
Company Secretary

A.K. Saxena
A.K. Saxena
Director (Finance)

Shakti Sinha
Shakti Sinha
Chairman & Managing Director

As per our report of even date attached
Bhushan Bimal Jain Associates
(Chartered Accountants)
Firm Registration No. 003884N

Dated: 04/09/2012
Place: New Delhi

(CA Ravi Bhargava)
Partner
M.No. 50656





Delhi Transco Limited

Profit and loss statement for the year ended 31st March 2012

(Rs. In Lakhs)

		2011-12	2010-11
		Amount	Amount
I. Revenue from operations	18	141,723.16	45,415.32
Other operating revenue	19	1,765.28	171.78
II. Other income	20	1,747.23	345.92
III. Total Revenue (I + II)		144,735.67	45,933.02
IV. Expenses:			
Revised Tariff Cost	21	2,594.32	6,773.36
Employee benefits expense	22	7,036.36	6,476.22
Repair & Maintenance expenses	23	1,607.79	1,501.96
Finance costs	24	4,393.96	5,592.03
Depreciation and amortization expense	25	9,620.16	6,926.71
Other expenses	25	3,949.07	1,305.82
V. Total expenses		29,202.36	29,176.10
VI. Profit before Exceptional & Extraordinary Items & Tax		115,533.31	16,756.93
VII. Exceptional Items	18	15,000.00	-
VIII. Profit before extraordinary items & tax (VI-VII)		100,533.31	16,756.93
IX. Extra ordinary items			
X. Profit before tax (VIII-IX)		100,533.31	16,756.93
XI. Tax expense:			
(1) Current tax	29	20,984.38	3,339.74
(2) Deferred tax			
XII. Profit (loss) for the period (X-XI)		79,548.93	13,417.19
XIII. Earnings per equity share (Rs.):	34		
(1) Basic		2.01	0.34
(2) Diluted		2.01	0.34

Note 1 to 38 form the integral part of these Financial statements.
 Note 1 is the general information of the company.
 Note 2 states the significant accounting policies followed by the company.
 Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification.

Surender Babbar P.K. Malik A.K. Saxena Shakti Sinha
 D.G.M./Finance Company Secretary Director (Finance) Chairman & Managing Director

Dated: 04/09/2012
 Place: New Delhi

As per our report of even date attached
 Bhushan Bansal Jain Associates
 (Chartered Accountants)
 Firm Registration No. 0035847
 (CA Ravi Bhargava)
 6/8/12
 M.No.80656

Notes to Accounts for the Financial Year 2011-12

Note 1

General Information

As a part of Power Reforms for the State of Delhi brought into effect by the Govt. of NCT of Delhi, the erstwhile Delhi Vidyut Board (DVB) was unbundled into different successor Entities w.e.f. 1st July 2002 namely Delhi Power Company Ltd, IPGCL, DTL, NDPL, BYPL and BRPL and the said successor Entities incorporated as separate Companies under the Companies Act, 1956 were assigned separately the business of Generation, Transmission, bulk Sale & Purchase and Distribution of Electricity in the State of Delhi. The scope of the business, assets and liabilities of the said Entities and other incidental & consequential matters were also laid down in the Transfer Scheme notified by the Govt. of NCT of Delhi w.e.f. 01.07.2002. As per the said Transfer Scheme, Delhi Transco Ltd, incorporated as one of the said successor Entities, was transferred the assets and liabilities as on 1.7.2002 and started the business of bulk supply and transmission of electricity for distribution to Discoms, NDMC and MES in National Capital Territory of Delhi. On the expiry of the Policy Direction Period on 31.03.2007, the Company has ceased to carry on the business of bulk purchase and sale of electricity w.e.f. 01.04.2007 and from the said date, Company is carrying on the business of transmission of electricity (wheeling operations) and discharging the functions of SLDC.

Note 2: Significant Accounting Policies

Basis of preparation of Accounts

The financial statements have been prepared to comply in all material respects with the notified accounting standards as per Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

2.1 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.2 Fixed Assets

- a) Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, interest during construction, duties, freight, installation and allocated incidental expenditure during construction/acquisition attributable to bringing the assets to their working condition for their intended use.
- b) Intangible assets are recorded at their cost of acquisition.
- c) In case of commissioned assets where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of the final settlement.
- d) Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates and/or assessments.

2.3 Depreciation:

- a) Depreciation on Fixed Assets is provided on straight line method in terms of rates specified in Schedule XIV of the Companies Act 1956 except that computers acquired are depreciated at the rate of 33.40% per annum. Further, as per the policy of the Company, the new vehicles purchased for the officers of the company shall be transferred to the said officers after 5 years at NIL value and therefore the depreciation on those vehicles is charged @ 20% instead of @ 9.50% as general rate applied to other vehicles (after charging 10% of the cost from the employee).
- b) Assets costing up to Rs. 5000/- are fully depreciated in the year in which they are put to use.
- c) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of price adjustment, change in duties or similar factors, the unamortized balance of such assets is adjusted for such change and depreciated prospectively over the residual useful life determined on the basis of the rate of depreciation.
- d) Computer software recognized as intangible asset is amortized on straight line method over a period of 3 years.

- (42)
- e) Depreciation charged on an asset shall cease from the year following the year in which:
 - i) the year's depreciation along with the depreciation charged in the previous year(s) becomes equal to 95 % of the cost of the asset, or
 - ii) the asset permanently ceases to be used by the Company whichever is earlier.
 - f) Leasehold Land & Buildings which are up to the lease of 30 years are amortized over the lease period. Leasehold land and buildings, whose lease period is yet to be finalized, are amortized over a period of 30 years.
 - g) In the case of ERP system, the cost of hardware is depreciated @ 33.40% and the software has been treated as intangible asset and is depreciated over a period of three years.

2.4 Capital Work-in-Progress

2.4.1 a) Treatment of Borrowing cost during construction:

Borrowing costs, attributable to qualifying assets, are capitalized to such assets, using the capitalization rate based on weighted average interest cost. The income on temporary investment of the borrowed funds is reduced from the amount of interest cost on the said borrowings.

- b) Incidental Expenditure during Construction (net) including corporate office expenses (allocated to the schemes pro-rata to the annual capital expenditure) for the year, is apportioned to Capital Work-in-Progress on the basis of accretions thereto.
- c) Claims for price-variation / exchange rate variation in case of contracts are accounted for on acceptance.
- d) The value of material Issued to the contractor and not utilized at construction site is charged to Capital Work-in-Progress.
- e) The Employees cost and Administrative & General expenses of Planning and Construction departments are allocated fully to capital works in progress (CWIP) on pro rata basis based on annual accretion in CWIP. The Employee cost and Administrative & General expenses of Common Wealth Projects (ICU Turnkey Projects) are fully allocated to CWIP's pertaining to the ICU Turnkey Projects. Similarly amount incurred on the foreign travel expenses by the employees of the Company in connection with the inspections/training for the projects are capitalized on pro-rata basis.

2.4.2 Deposit Works: The Company in certain cases executes/supervise works of capital nature on behalf of other departments / organizations mainly for the purpose of facilitating their own works/projects and for which the Company receives advances (Deposits) from the said Departments/Organizations. The said advances/deposits are shown in the accounts net of the amount incurred on those capital deposit works.

2.5 Impairment

- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of Impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.6 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an Individual Investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

2.7 Inventory Valuation

- a) The company has a main store for inventories of various materials, tools, spares etc., from where the said items are issued to the various Sub-Stations, sites and offices. The value of the material issued from the main store to the sub-stations and sites against the requirements of scheduled maintenance and execution of works is treated as R&M cost. However the quantitative records of the materials, spares and tools at respective sub/stations and sites is maintained for the control purpose.
- b) Inventories of stores and spare parts and loose tools in stock are valued at cost, on weighted average basis.
- c) Construction Steel Scrap is valued at estimated realizable or book value whichever is less. Other Scrap is accounted for as and when sold.



(62)

(7)

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2.8 Revenue Recognition:

- a) Transmission Income is accounted based on the tariff rates approved by the Delhi Electricity Regulatory Commission/Appellate Tribunals and are accounted for in the year of order issued by the Commission/Appellate Tribunals.
- b) Income on contracts for construction, technical services related to construction of assets, etc. other than deposit works, is accounted for on "Completed Contract" basis, and included in "Other Income". Expenditure incurred during pendency of contracts is carried forward as Work In Progress.
- c) The incentives/disincentives are accounted for based on the norms notified/approved by the Delhi Electricity Regulatory Commission or agreements with the beneficiaries.
- d) The surcharge on late payment/overdue sundry debtors for sale of energy is not treated accrued due to uncertainty of its realization and is, therefore, accounted for on receipt.
- e) Warranty claims/liquidated damages are not treated accrued due to uncertainty of realization and are accounted for on receipt/ recovery from bills payable to suppliers/contractors.
- f) Scrap other than construction steel scrap is accounted for in the accounts as and when sold.
- g) Insurance claims are accounted for in the year of acceptance.
- h) The Income or expenditure as the case may be on account of revision in tariff is done on the basis of orders of DERC/CERC.

2.9 Foreign Currency Translations:-

- a) **Initial Recognition**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- b) **Conversion**
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- c) **Exchange Differences**
Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.10 Retirement and other employee benefits:

- a) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. However, the employees in the employment of the Company before the unbundling period are covered under the defined benefits plan to be paid by Pension Trust.
- b) In respect of employees employed by the company i.e. other than Ex-DVB employees:
 - Ø Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
 - Ø Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
 - Ø Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.
- c) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately.

2.11 Taxes on Income:

- (a) Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.
- (b) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

(45)

(c) At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.12 Earning per share:

(a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.13 Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement. Provisions have been differentiated as long term and short term keeping in the requirement of revised schedule VI

2.14 Cash and Cash equivalents:

Cash and cash equivalents in the balance sheet comprise balance at bank, cash in hand and short-term investments with an original maturity of three months or less.

2.15 Debenture (Bonds) Redemption Reserve:

In terms of section 117C of Companies Act, 1956 and the SEBI Guidelines, Company creates Debenture (Bonds) Redemption Reserve at 50% of the amount of the Bonds issued each year over the period of bonds before the commencement of the redemption of the said Bonds.

2.16 Prior Period and extraordinary items:

Prior Period and Extraordinary transactions are accounted in accordance with Accounting Standard-5.

2.17 Significant Events occurring after the Balance Sheet date:

Treatment of contingencies and significant events are in accordance with Accounting Standard-4.

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Note 3

Share capital

	(Rs. in Lakhs)	
	2011-12	2010-11
	Amount	Amount
Authorized		
45000 Lakh Equity Shares of Rs.10 each	450,000.00	450,000.00
Issued, Subscribed & paid up		
39510 Lakh Equity Shares of Rs.10 each out of which 2600 Lakh shares of Rs.10 each are held by Delhi Power Company Ltd and 36910 Lakh Shares of Rs.10 each by Govt. of NCT.	395,100.00	395,100.00
Total	395,100.00	395,100.00

(i) During the financial year 2010-11 1350 Lakh equity shares of Rs.10 each were allotted to Govt. of NCT against conversion of Plan loan payable to Govt. of NCT and 800 Lakh equity Shares of Rs.10 each were allotted to Delhi Power Company Ltd against the money due to them.

(ii) The company has one class of equity shares having a par value of Rs.10/- each per share. The dividend proposed by the Board of Directors (if any) is subject to the approval of the share holders in the ensuing AGM. The company has no preference shares.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period i.e. 2011-12.

	2011-12	2010-11
	Number of Shares	Number of Shares
	Amount	Amount
Shares outstanding at the beginning of the year	3,951,000,000	3,612,000,000
Shares issued to Govt. of NCT	-	239,000,000
Shares issued to Delhi Power Company Ltd	-	80,000,000
Shares bought back during the year	-	-
Shares outstanding at the end of the year	3,951,000,000	3,951,000,000

Shares in the company held by each shareholder holding more than 5 percent shares

	2011-12	2010-11
	Number of Shares	Number of Shares
	Amount	Amount
DPCL	260,000,000	260,000,000
Govt. of NCT of Delhi	3,691,000,000	3,691,000,000
	3,951,000,000	3,951,000,000

Note 4

Reserves and surplus

	2011-12	2010-11
	Amount	Amount
A. Debenture Redemption Reserve		
Opening Balance	4,000.00	2,000.00
(i) Current Year Transfer	2,000.00	2,000.00
(j) Written Back in Current Year	-	-
Closing Balance	6,000.00	4,000.00
B. Insurance Reserve		
Opening Balance	341.21	357.17
(i) Current Year Transfer	117.07	184.04
(j) Written Back in Current Year	-	-
Closing Balance	458.28	541.21
C. Surplus		
Opening balance	-339,319.07	-350,552.22
(i) Net Profit/(Net Loss) For the current year	75,548.93	13,417.19
(ii) Transfer from Insurance Reserve	-	-
(i) Proposed Dividends	-5,185.30	-
(j) Interim Dividends	-	-
(k) Transfer to Reserves	-2,117.04	-2,184.04
Closing Balance	-271,172.48	-339,319.07
D. Proposed Dividend		
Opening Balance	-	-
(i) Dividend Proposed this year	1,185.30	-
Closing Balance	1,185.30	-
Total	3,951,185.30	3,951,185.30

(i) Insurance Reserve: Insurance Reserve amounting to Rs. 117.07 Lakhs (Previous Year Rs. 184.04 Lakhs) @ 0.10% of the Gross Stock of fixed Assets has been created during the current year as per the policy of the Company in order to meet the loss/damage of assets and shares due to any accident, theft etc.

(ii) Debenture (Bonds) Redemption Reserve: In terms of section 117C of Companies Act 1956 and the SEBI Guidelines, the company has created Debenture (Bonds) Redemption Reserve amounting to Rs 2000 Lakhs out of the current year's profits being 50% of the amount of Bonds (Rs 20000 Lakhs) over the period of 5 years i.e. before the commencement of the Redemption of the Bonds.

(iii) The Board of Directors in their Meeting held on Sep 4, 2012 have proposed the dividend to the equity shareholders @ 0.3% of paid up equity Share Capital.

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Note 5

Long Term Borrowings

(Rs. in Lakhs)

	2010-11	2009-10
	Amount	Amount
Secured		
(a) 9.5% Secured Redeemable Non Convertible Power Bonds (Repayable within one Year Rs.HIL)		
Secured by Part Passu charge over assets of the company.	20,000.00	20,000.00
(b) Term loans		
1. Allahabad Bank		
(Secured By Part Passu Charge over Assets of the company)	80,733.33	75,800.00
2. Union Bank of India		
(Secured By Part Passu Charge over Assets of the company)	27,299.97	29,249.97
(c) Long term maturities of finance lease obligations		
Asset taken from PGCIL, on lease basis	1,421.75	2,618.66
(d) Other loans and advances (Vehicle Loan)		
(Secured by hypothecation of vehicle)	144.68	265.95
(A)	138,799.34	127,894.58
Unsecured		
(b) Term loans:		
Loan from State Government for approved Plan Scheme	53,249.87	-
Overdraft-Union Bank of India		235.82
(B)	53,249.87	235.82
Total (A+B)	192,049.21	128,130.40

Note 5A

Short Term Borrowings

(Rs. in Lakhs)

	2010-11	2009-10
	Amount	Amount
Secured		
Term loans		
1. Allahabad Bank	1,666.87	-
(Secured By Part Passu Charge over Assets of the company)		
2. Union Bank of India	2500.00	-
(Secured By Part Passu Charge over Assets of the company)		
3. Allahabad Bank (Vehicle Loan)	60.00	72.53
Unsecured		
Loan from State Government for approved Plan Scheme	5,136.31	-
	9,363.04	72.53

The amount represents the liability of loan due to be paid within a period of 12 Months as per the terms of sanction of the said loan.

Note 6

Other Long Term Liabilities

	2010-11	2009-10
	Amount	Amount
Advance against deposit works (Net of work executed)	787.75	817.50
Retention Money	22,519.28	15,216.48
Security Deposits	230.11	278.48
Payable to PGCL	-	920.01
Payable to DPCL	6,352.26	7,133.14
Total	29,889.40	24,365.51

Note 7

Trade Payable

	2010-11	2009-10
	Amount	Amount
Power Purchase (Revised Tariff)	1,116.45	10,382.91
Sundry Creditors (Stores & Works)	3,784.03	7,153.28
Total	4,900.48	17,536.19



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Note 8
Other Current Liabilities

	2011-12	2010-11
	Amount	Amount
Interest accrued but not due on loans	6,016.81	5,044.82
Interest accrued but not due on Bonds	156.45	156.45
Expense Payable	4.03	4.03
Earnest Money Deposit	156.44	184.66
Liability for wages payable & Recoveries	137.82	169.46
Payable to Pension Trust	7,818.82	1,186.00
Taxes (TDS) Payable	43.36	398.06
Other Duties & Taxes	33.70	25.74
Other Liabilities	75.70	73.70
MAT payable	8,745.14	-
Total	23,911.77	7,928.91

Note 9
Long Term Provisions

	2011-12	2010-11
	Amount	Amount
(i) Provision for employee benefits	750.95	592.11
Provisions based on Actuarial Valuation	6,119.52	6,036.21
(b) Others	1,171.00	1,171.00
Provision for disputed Claim	1,171.00	-
Provision against dismantling of Asset	2,047.31	795.16
Total	10,078.78	8,594.48

(i) As per Accounting Standard, AS-15 issued by ICAI, Company is required to provide for the liability towards employee benefits which falls under two categories of plans namely defined contribution plan and defined benefit plan. Further, the employee benefits are paid in two forms namely short term employee benefits and post employment benefits (retirement benefits).

(ii) The short term employee benefits i.e. wages and salaries have been accounted for the whole year with respect to services rendered by the employees during the year 2011-12.

(iii) In respect of post employment benefits, the employees of the Company fall in two categories namely (a) Who are in employment before the unbundling of DVB i.e. 01.07.2002 and (b) Who have been employed after the unbundling of DVB. In respect of post employment benefits the employees falling in category (a) above are covered with defined benefit plan which include the payment of pension, leave encashment, gratuity, medical benefits and LTC after the retirement. The employees falling in category (b) above are covered under defined benefit plan which include the payment of leave encashment and gratuity on their retirement.

(iv) As per transfer scheme of unbundling of Debi Vidyut Board (DVB), a Trust Designated as Debi Vidyut Board Employee Terminal Benefit Fund 2002 was created by GNCTD for the payment of post employment benefits mentioned above to the employees of pre unbundling of DVB. The said trust was funded by GNCTD initially at the time of unbundling and is being also funded regularly from the contributions by the successor entities. As per the provisions of AS 15, the defined benefit obligation (post retirement benefits) existing as on balance sheet date with the break up in current year service cost and past year service cost is required to be charged to Profit and Loss account of the year concerned. As per AS15, the value of the above said defined benefit obligation should be accounted for in the accounts on the basis of actuarial valuation on the date of balance sheet. However, pending the actuarial valuation of the obligations of the Pension Trust towards retirement benefits of the employees as on 31.03.2012, the shortfall, if any, of the contribution payable by the Company to the Pension Trust during the FY 2011-12 could not be ascertained and accounted for accordingly.

The Company has continued to pay the contributions to Debi Vidyut Board Employee Terminal Benefit Fund as being done in previous years towards the defined benefit.

(v) In respect of the employees of the Company employed after the unbundling, the Company is liable to pay two types of benefits namely defined contribution plan in the form of EPF and defined benefit plan in the form of Gratuity & Leave encashment. With regard to the former, the Company has made the full contribution towards PF as per statutory requirement for the year 2011-12 and charged the same to Profit & Loss statement. With regard to gratuity and leave encashment, the Company has got the valuation done for the same as on 31.03.2012 through an Actuary as per the requirement of AS 15. The following table summarizes the components of net benefit expense recognized in the Profit and Loss statement and the amounts recognized in the balance sheet for the respective plans.

Details of Provision for Gratuity and Leave Encashment

	2011-12	2010-11	2010-11	2010-11
	Amount	Amount	Amount	Amount
Defined benefit obligation	342.67	292.12	532.62	424.33
Fair value of plan assets	-	-	-	-
Less: Unrecognized past service cost	-	-	-	-
Cost	-	-	-	-
Plan assets/(liability)	342.67	292.12	532.62	424.33
Defined benefit obligation	342.67	292.12	532.62	424.33

Changes in the present value of the defined benefit obligation are as follows:-

Particulars	2011-12	2010-11	2009-10	2008-09
Opening defined benefit obligation	292.12	201.03	414.31	189.9
Interest cost	23.95	16.57	34.8	15.57
Current & past service cost	66.88	64.45	96.78	91.73
Benefits paid	-	-	(0.29)	(0.10)
Actuarial (gain)/losses on obligation	(40.28)	9.07	(22.58)	127.23
Closing defined benefit obligation	342.67	292.12	532.61	424.33

Changes in the fair value of plan assets are as follows:-

Particulars	2011-12	2010-11	2009-10	2008-09
Opening fair value of plan assets	-	-	-	-
Expected return	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gains/losses	-	-	-	-
Closing fair value of plan assets	-	-	-	-

Since no plan assets have been created so far against the above mentioned defined benefit obligation, the fair value of the same as on 31.03.2012 is NIL.

Actuarial assumptions:

Particulars	2011-12	2010-11	2009-10	2008-09
a) Discount rate	8.60%	8.20%	8.60%	8.20%
b) Future salary increase	10%	10%	10%	10%
c) Methodology	Projected unit credit (PUC)	Projected unit credit (PUC)	Projected unit credit (PUC)	Projected unit credit (PUC)

The estimate of future salary increase, considered in actuarial valuation takes into accounts inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 10

Short Term Provisions

	2011-12	2010-11
	Amount (Rs.)	Amount (Rs.)
(a) Provisions for employee benefits		
Provision for Ex-Gratia	184.00	190.00
Provision for Dearness Pay in LSC Regular	240.87	240.96
Provision for LSPC Confr Deputation	132.33	17.12
Provision for LTC	68.27	21.14
Provision for BPCL Empl Salary	296.84	171.50
Provision for Incentives	279.66	-
(b) Provisions on account of		
Road Restoration & Works	1,408.48	2,544.88
Provision on account of Mandavi Land	-	294.83
Traveling & Conveyance	115.79	-
Short term open access & others	297.79	1,310.16
Other Expenses	285.44	18.20
(c) Provisions related to Works & Projects	15,759.68	1,770.24
(d) Others Provisions		
Statutory Audit Fees	7.30	7.30
Ground Rent	743.17	611.05
Property Tax	107.80	188.56
Int Refundable	2.97	2.97
Total	18,755.15	5,535.12

Note 11

Non-Current Investments (Non Trade & unquoted)

	No. of Shares Held	2011-12	2010-11
		Amount	Amount
5.15% HUDCO	10	95.09	95.09
6% IRIDA	3,776	-	37.76
5.5% IRIDA	35,581	355.81	355.81
6% IRIDA	5,339	-	53.39
1.15% NPCIL	22	22.00	22.00
Total		475.90	464.05

Note 11A

Current Investments (Non Trade & unquoted)

	No. of Shares Held	2011-12	2010-11
		Amount	Amount
6% IRIDA	3,776	37.76	-
6% IRIDA	5,339	53.39	-
Total		91.15	-

The amount represents the investments due to be realised within a period of 12 Months.

Note 12

Inventories (Stores & Spares)

(Rs. in Lakhs)

	2011-12	2010-11
	Amount	Amount
Stores & Materials (As valued and certified by Management including stock)	2,341.06	1,848.11
Less: Provision for Slow Moving Stores	-157.92	-158.34
Total	2,183.13	1,689.78

Physical Verification of Fixed Assets and Stores:

(i) As per the Accounting Policy of the Company, the physical verification of the office equipments, furniture fixtures, computers and transformers was carried out by the Company during the F.Y. 2011-12 through external Chartered Accountants. The discrepancies in the same are under reconciliation.

(ii) Based on the valuation of slow moving stores as on 31.03.2012 done as per the policy of the company, the provision amounting to Rs 157.92 lakhs (Rs. 158.33 lakhs previous year) has been created in the current financial year.

Note 13

Trade Receivable

	2011-12	2010-11
	Amount	Amount
Trade receivables outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured Considered Good	15,580.72	15,789.94
Unsecured Considered Doubtful	14.55	17.28
Less: Provision for Doubtful Debts	-14.55	-17.28
Sub Total (A)	15,580.72	15,789.94
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Considered Good	71,534.11	12,089.90
Sub Total (B)	71,534.11	12,089.90
Total (A+B)	87,114.83	27,879.84

Note 14

Other Non Current Assets

	2011-12	2010-11
	Amount	Amount
Security Deposit	870.86	934.19
Advances to suppliers & Govt. Dept.	10,133.54	10,089.99
Total	11,004.40	11,024.18

During the FY 2011-12, the company has paid a sum of Rs. 1120.04 lakhs (Previous Year Rs. 773.00 lakhs) to various government departments for road restoration/site clearance/way permission to facilitate the execution of capital works by the Company and is included under "Advance to Suppliers & Govt. Dept.". Since the said capital works are under execution by the Company after obtaining the said permission/clearances, the aforesaid amounts paid to the said government departments have also been accounted for as provisions for works expenses pending the certification by the concerned Engineer in charge and included in "Short Term Provisions" and correspondingly charged to the respective capital works in progress. The aforesaid advances to the suppliers have been adjusted with the aforesaid provisions based on the certification of the concerned engineer received till the closure of the accounts.

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Note 15

Cash and cash equivalents

	2017-18	2016-17
	Amount	Amount
Cash in hand	1.93	3.52
Balance with Scheduled Bank		
Current Accounts	1,384.44	1,421.03
CLTD-Deposit-Non Plan	-	4,915.10
Fixed Deposit-Plan	38,460.50	-
Fixed Deposit-Non Plan	30,900.00	-
Total	70,746.87	6,339.65

Note 16

Short-term loans and advances

(Rs. in Lakhs)

	2017-18	2016-17
	Amount	Amount
Advance recoverable		
Unsecured considered good		
Other Govt Departments & Outside parties	190.88	107.17
Staff	180.47	90.25
Prepaid Expenses	5.29	11.53
Income Tax Refundable	1,154.33	1,154.33
GNCTD	699.37	427.32
UPGCL	26.12	-
Total	2,256.46	1,790.60

Note 17

Other Current Assets

	2017-18	2016-17
	Amount	Amount
Interest accrued on Fixed Deposit	78.23	93.18
Interest accrued on advance to staff/outside parties	31.13	31.26
Interest accrued on Investment	12.80	12.76
Total	122.16	137.20



Note 18

Revenue from operations		(Rs. in Lakhs)
Particulars	2011-12	2010-11
	Amount	Amount
Income from Wheeling & Other Operations	139,971.22	44,052.45
Income from SLDC charges	903.56	903.56
Reactive Energy Charges	347.47	459.30
Total	141,222.25	45,415.31

As per the order of the Punjab Electricity Regulatory Commission (PERC), the Company has commenced its business on 01.04.2007 and from the said date, Company is carrying on the business of transmission of power (wheeling operations) and discharging the functions of SLDC. The revenue income of the Company from the F.Y. 2007-08 onwards thus comprises of the amount of wheeling charges and SLDC charges billed to the DISCOMS, MES and NDMC as per the Tariff Order issued by DERC dated 24.12.2007 in terms of wheeling charges and SLDC charges for the financial year 2011-12, the Company has billed a sum of Rs 139,971.22 (Previous Year Rs 44,052.45) and Rs 903.56 (Previous Year Rs 903.56) respectively and included the same as the income from wheeling and other operations and income from SLDC charges for the financial year 2011-12. The said tariff order has taken into account the impact of increase in employee cost due to pay revision and also the increase in costs associated with capitalization on provisional basis i.e. R&M expenses and depreciation. Further DERC in the said order has also made the adjustment for the correction of the error in the ascertainment of the amount of interest capitalized in the tariff order for the control period 2007-11, which has impacted the income/tariff by an increase to the tune of Rs.328.31 crores during the financial year 2011-12. Thus the income to the tune of about Rs.328.31 crores and the net profit for the financial year 2011-12 are the result of the adjustments pertaining to the previous tariff order/provisional financial years but measured and recognized in the financial year 2011-12 as per the aforesaid accounting policy of the company.

(i) As per the MYT Regulations 2007, the amount of income tax liability paid by the Company is recoverable from Discoms in addition to wheeling charges. Therefore MAT payable by the Company for the year 2011-12 has been shown under Income from wheeling charges and other operations and has been correspondingly shown as recoverable from Distribution Utilities, NDMC and MES as Sundry Debtors.

(ii) The income from wheeling & other operations include the amount of Rs.150.00 crores (previous year Nil) provided by DERC on provisional basis towards Pension Trust funding and the same is payable to Pension trust after recovering from Distribution utilities. Therefore the said amount of Rs.150.00 crores has been shown as expenditure under exceptional items in the P&L statement.

Note 19

Other Operating Revenue		(Rs. in Lakhs)
Particulars	2011-12	2010-11
	Amount	Amount
Sale of Scrap	671.51	171.78
Rebate Received on power purchase	25.96	-
Income received from Discom on transmission availability	372.88	-
LPSC on wheeling & transmission charges	680.13	-
Other Operative Income	12.80	-
NRLDC Charges	0.00	-
Total	1762.28	171.78

As the SCADA equipment being used for ULDC system was procured by the Company from PGCL on lease payment basis payable over a period of 15 years. As on 31.03.2007, the Company had a liability of Rs. 34.31 crores due to PGCL on this account and shown as such in the annual accounts of the Company for the year ended March 31, 2007. However, as per the order passed by DERC, the balance liability due to PGCL against the SCADA equipment is to be discharged by the DISCOMS, NDMC & MES, being the beneficiary constituents of ULDC system w.e.f April 1, 2007. Accordingly, since the said asset has been capitalized in the books of the Company and depreciation on it being claimed in ARA but at the same time, its liability payable to PGCL being discharged by the constituents' beneficiaries directly, the amount of the same has been accounted for as the income of the company. Thus, the income on this account amounting to Rs. 2.17 crores has been shown under Other operating income. Based on the same, the amount payable to PGCL stands at Rs. 24.23 crores, as of March 31, 2012 and is subject to confirmation as at the close of the year.

(ii) The LPSC leviable against default/delay in payment of wheeling charges on the Distribution utilities has not been recognized as income as the same has not been received. However the same (Rs.680.13 lakhs) has been recognized in the extent of credit of TDS received by the company against the deposit of the same by the Distribution utilities.

Note 20

Other Income		(Rs. in Lakhs)
Particulars	2011-12	2010-11
	Amount	Amount
Miscellaneous Receipts	349.89	298.00
Excess Provision W/back	5.79	8.98
Interest on Investments	26.90	38.94
Gain on foreign currency translation	1,364.65	-
Total	1747.23	345.92

In terms of AS-11 the foreign currency transactions have been converted into Rupee Currency by using the exchange rates at the date of transaction and balance of monetary items carried in foreign currency have been converted at the close of the financial year by using the exchange rate at the date of closing of accounts i.e. 31-03-2012. The loss/profit on such conversion is recognized as loss/profit during the year.

Note 21

Revised Tariff Cost

(Rs. in Lakhs)

Particulars	2011-12	2010-11
Revised Tariff Cost	2,594.32	6,773.36
Total	2,594.32	6,773.36

During the financial year 2011-12, the Company has incurred liability towards Power Purchase cost against the revised tariffs announced by CLRC/Appellate Bodies in respect of the Power purchased by the Company before 01st April 2007 from various Power Generating Utilities. As per the said revised tariffs, the Company has also recognized income on accrual basis against the power purchase costs paid before 01st April 2007 and accordingly, during the F.Y. 2011-12 the Company has incurred net liability amounting to Rs. 25.94 crores (Previous Year Rs 67.73 crores) towards revised power tariff which has been accounted for in the accounts of financial year 2011-12 as an expense.

Note 22

Employee Benefits Expenses

Particulars	2011-12	2010-11
Salaries, Wages, Allowances & Benefits to Pensioners	10,499.22	11,997.19
Staff Welfare Expenses	454.28	587.40
Contribution to Provident Fund	179.16	165.78
Terminal Benefits (Pension & Gratuity and Leave Encashment)-Contribution	1,242.59	1,707.65
Sub Total	12,375.25	14,458.02
Capitalized	-5,338.89	-7,981.79
Total	7,036.36	6,476.23

Note 23

Repairs & Maintenance

Particulars	2011-12	2010-11
Buildings	203.10	416.99
Lines, Cable and Network Assets	1,374.19	1,037.28
Vehicles	3.14	7.33
Furniture, Fixture & Office Equipments	27.36	40.35
Total	1,607.79	1,501.95

Note 24

Finance Cost

Particulars	2011-12	2010-11
Interest on Loan From State Government, Bonds and Banks (Term loan)	16,782.95	11,695.00
Bank & other Charges	6.97	2.93
Less: Interest Income of FD/CLTD	981.46	278.57
Sub Total	15,807.46	11,419.36
Less: Capitalized	-11,413.51	-5,827.33
Total	4,393.95	5,592.03



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Note 25

Other Expenses

(Rs. In Lakhs)

Particulars	2011-12	2010-11
Consumption of stores and spare parts (A)	1,472.65	798.77
Administration, General & Other Expenses (B)		
Electricity & Water Charges	402.05	320.31
Rent, Rates & Taxes	128.12	130.22
Communication Expenses	90.97	89.22
Legal & Professional charges	94.15	110.82
Travelling & Conveyance	123.50	79.39
Adv & Publication	220.57	295.19
Other expenses	923.91	669.97
Miscellaneous exp	13.79	18.34
Less: Capitalisation (from Admin, Gen & Other exp)	-1,156.55	-1,680
Sub Total (B)	840.51	33.43
Payments to the auditors (C)		
a. auditor	7.30	6.08
b. for taxation matters		1.06
c. for company law matters		
d. for management services		
e. for other services		1.05
f. for reimbursement of expenses		8.19
Sub Total (C)	7.30	188.56
Property Tax (D)	149.25	250.72
Rebate allowed on wheeling charges (E)	195.82	5.15
Loss on disposal of asset (F)	444.78	9.91
Loss on redemption of Investment (G)		62.57
Legal award expenses (H)	200.62	141.97
Loss on foreign currency translation (I)		406.56
Prior Period expenses/Income (J)	638.13	
Total (A+B+C+D+E+F+G+H+I+J)	2,949.07	1,905.92

Note 26: Capital Work In Progress

Particulars	2011-12	2010-11
Capital Work In Progress	100,032.02	78,418.50
	100,032.02	78,418.50

(i) During the Financial Year 2011-12, CWIPs amounting to a sum of Rs.54000.83 Lakhs (Previous Year Rs.54300 Lakhs) have been transferred to completed assets based upon the certificates of completion received from the concerned executives. The balance in CWIP account represents the value of the capital works in progress as of March 31, 2012 after allocation of employee cost, Administrative and General expenses and interest during Construction as per Accounting Policy of the company.

(ii) During the current financial year the company has changed its policy by allocating the employee cost and administrative expenses of stores and civil department both to A&M works and Capital works. Due to the said change the capitalization of the expenses has reduced by Rs.60 Lakhs and thus the net profit also by the same amount.

Note 27: Fixed Assets

(i) During the financial year 2010-11, the company has implemented SAP based ERP system for its operations/functions. The hardware portion of the SAP system has been depreciated @ 33.40% and the software portion has been treated as intangible asset to be depreciated over a period of 3 years.

(ii) Management is of the opinion that company's asset have not suffered any loss due to impairment in terms of AS-28.



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FIXED ASSETS DETAIL

Particulars	GROSS BLOCK			DEPRECIATION			NETT BLOCK	
	Opening Balance as on 01.04.2011	Additions During the Period	Sales/Adj. During the Period	As at end on 31.03.2012	Opening Balance as on 01.04.2011	Additions During the Period	As at end on 31.03.2012	As at end on 31.03.2012
Land & Land Rights	5148.83	0.00	0.00	5148.83	0.00	0.00	5148.83	5148.83
Leasehold Land	993.60	0.00	0.00	993.60	0.00	0.00	993.60	993.60
Buildings(Sub-Station)	2069.72	0.00	0.00	2069.72	673.85	65.43	1330.44	1395.87
Buildings (Office)	1510.92	0.00	0.00	1510.92	952.08	47.29	999.37	558.83
Buildings (residential colonies)	277.13	0.00	0.00	277.13	133.75	2.27	141.11	143.38
Meters	177.88	0.09	0.00	177.97	25.50	8.45	144.02	152.38
Four Bays of 400KV	1199.63	0.00	0.00	1199.63	398.77	56.88	455.75	800.86
Other Civil Works	16745.44	1265.33	0.00	18010.77	3679.18	543.91	4223.10	13068.25
Plant & Machinery	106321.85	0.00	1032.61	107289.34	32467.42	4959.91	36838.34	70451.00
SCADA & PLC(Owned)	1417.37	0.00	0.00	1417.37	1148.27	44.09	1192.36	289.10
SCADA & PLC (Leased)	3855.10	0.00	0.00	3855.10	3757.95	0.00	3757.95	197.75
Lines, Cables Network etc	36934.60	52167.06	0.00	89101.66	15889.38	2668.62	18655.42	20845.22
Furniture & Fixtures	475.08	53.73	0.00	528.81	248.02	22.47	271.48	226.04
Vehicles	289.75	13.04	18.74	294.05	220.85	13.12	222.17	72.80
Vehicle Staff	310.95	44.10	25.20	379.85	22.69	60.78	77.66	288.26
Office Equipments	500.20	4.00	0.00	504.20	143.24	23.69	166.93	356.95
Computers	306.81	0.00	0.44	306.37	359.47	16.50	375.97	37.34
Small Value Assets	41.41	0.00	1.08	40.32	41.41	0.00	40.32	0.00
ERP other than Software	636.78	361.12	0.00	1018.91	91.03	220.36	311.38	567.70
ERP Software	2588.89	208.34	0.00	2807.23	358.35	888.98	1578.91	2240.54
Total	184032.03	54116.83	4078.08	237070.78	60717.62	9620.86	167346.37	123314.39



Note 28: Contingent Liability

(a) The contingent liability on account of arbitration / Court cases is Rs 12249.59 Lakhs plus interest (Previous year Rs. 4972.53 Lakhs plus interest) against the counter claim of the Company amounting to Rs.5948.79 Lakhs (Previous Year Rs 5048.80 Lakhs). Considering the status of the pending cases no provision has been considered in terms of AS-29.

(b) The Income Tax Department had raised demands of Rs.1312.08 lakhs for the F.Y. 2002-03 & 2004-05 to 2008-09 in connection with the matter of TDS u/s 201 A. A sum of Rs. 319.87 lakhs has been paid towards disputed demand of TDS which is appearing under Advances. The Company has disputed and appealed against the same before the Commissioner of Income Tax/Appellate Tribunal which has been decided in favour of the company but the department has gone in appeal before the High Court of Delhi. The Income Tax Department has also disallowed depreciation / certain expenses for F.Y. 2002-03 & 2007-08 amounting to Rs.13.59 Crores & 1.79 Crores respectively which was disputed and appealed by the company. The decision in appeal before CIT went in favour of the company. However the department has gone in appeal before Appellate Tribunal. However in view of brought forward unabsorbed losses of earlier years, there will be no tax liability against TDS.

(c) Liability of the Company to banks against (i) Inland/Foreign LCs issued by the banks on behalf of the Company is Rs.1392.28 lakhs (Previous year Rs. 5744.93 lakhs), and (ii) Guarantees issued by the banks is Rs.10.00 lakhs (Previous year Rs.32.53 Lakhs).

(d) Estimated value of contracts remaining to be executed on Capital Account (net of advance) and not provided for as at 31st March 2012 amounts to Rs.17997.80 lakhs (Previous year Rs 47908 lakhs).

(e) The LPSC on the revised power purchase cost as per the regulatory provision on provisional basis works out to Rs.2475.34 lakhs. However the Company has not acknowledge & accepted the same.

Note 29: Deferred Tax

As per AS 22, the deferred tax assets (the deferred tax benefits) should be recognized only when there is certainty for the income generation in future which can be utilized for setting off the said deferred tax assets. Considering the accumulated unabsorbed losses, it is not probable that the same can be set off with the future income within the allowable period specified in the Income Tax Act 1961. In view of the said uncertainty, it is considered prudent not to recognize the deferred tax asset in the current financial year 2011-12.

Note 30: Segment Reporting

The Company has only one segment of business of power transmission & SDC functions (Allied activities) hence AS 17 issued by ICAI does not apply to it.

Note 31: Related Party Disclosure

(Disclosure of transactions between the Company and related parties during the year / period is per AS 18).

Managerial Remuneration to Key Management Personnel:

			(Rs. in Lakhs)
	Period from 01.04.2010 to 31.03.2012	Period from 01.04.2010 to 31.03.2011	Period from 01.04.2009 to 31.03.2010
Chairman & Managing Director	Sh. Parimal Rai (29.08.2011-31.03.2012)	Salary-9.77 Perquisites-0.17	
	Rajendra Kumar (01.04.2010-01.06.2010)		Salary-3.51 Perquisites-50
Director (HR)	Sh. A. B. Shukla (06.05.2011-31.05.2011)	Salary-11.46 Perquisite-48	Salary-8.54 Perquisites-1.28
	Sh. S. N. Rai (08.10.2010-14.03.2011)		Salary-7.20 Perquisites-1.49
	Raj Karam Saxena (01.04.2010-30.09.2010)		Salary-8.54 Perquisites-1.28
Director (Finance)	Dr Pawan Singh (01.04.2011-31.05.2011)	Salary-2.52 Perquisites-71	Salary-15.41 Perquisites-3.25
Director (Operations)	Sh. V. P. Dutt (01.04.2011-30.09.2011)	Salary-7.53 Perquisites-3.12	Salary-1.80 Perquisites-1.04
	Sh. A. Khoul (01.04.2010-31.12.2010)		Salary-9.60 Perquisites-1.30
	Sh. A. K. Haldar (01.12.2011-31.03.2012)	Salary-7.11	

Company Under Common Management	Delhi Power Company Ltd.	773.87 (Salary and Interest)	8472 (Share allotment and salary cost)
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Note 32: Expenditure in Foreign Currency

	(Rs. in Lakhs)
Imports on CIF Value	19015.04
Professional Charges	7.85
Travelling Expenses	27.24



Delhi Transco Limited
Shakti Sadan, Kotla Road, New Delhi-110002

Cash Flow Statement for year ended March, 31, 2012

(Rs. in Lakhs)

Particulars	For the year ended 31-03-2012	For the year ended 31-03-2011
A. Cash Flow From Operating Activities		
Net Profit before Tax	100,533.31	16,756.93
Depreciation	9,620.86	6,926.71
Adjustment for Pension Trust	15,000.00	
Loss on Sale of Fixed Asset	444.78	5.15
Finance Cost	5,376.41	5,870.00
Interest on Investment	-26.90	-38.94
Interest on Bank FD	-982.46	-278.57
Adjustment on loss on foreign currency transaction	-1,506.62	141.98
Adjustment of provision of slow moving stores	0.41	154.34
Adjustment of provision for doubtful debt	2.73	0.00
Loss on redemption of investment		9.91
Change in Trade payable	-19,829.15	6,834.12
Change in Other current liabilities	-11,563.89	
Change in other long term liabilities	5,530.78	
Change in provisions	13,013.32	
Change in Inventories	-493.77	-696.92
Change in trade receivable	-43,828.48	-80,005.88
Change in Loans & Advances	-465.86	-1,080.37
Change in other current assets	0.13	
Change in other non current assets	-80.22	
Cash generated from operations	70,745.40	26,435.09
Income Tax	-20,984.39	-3,242.41
Net Cash From Operating Activities	49,761.01	23,192.68
B. Net Cash from Exceptional Item (Pension Trust)	0.00	
C. Cash Flow From Investing Activities		
Change in Fixed Asset & CWIP	-75,265.96	-84,011.11
Change in Investment	0.00	97.44
Sale of Fixed Asset	-444.78	22.08
Interest on Investment	26.85	38.94
Interest received (other)	997.40	278.57
Net Cash From Investing Activities	-74,686.48	-83,574.09
D. Cash Flow from Financing Activities		
Issue of Shares	0.00	31,900.00
Increase/Decrease in borrowing	74,709.07	25,012.53
Finance Cost	-5,376.41	-5,870.60
Dividend & Dividend Distribution Tax paid	0.00	-1,271.00
Net Cash From Financing Activities	69,332.66	49,770.93
E. Net Increase (decrease) in cash & cash equivalents (A+B+C+D)	44,407.23	-10,610.46
F. Cash & Cash equivalents (Opening Balance)	6,339.65	16,950.11
G. Cash & Cash equivalents (Closing balance)	50,746.88	6,339.65
H. Net Change in cash & cash equivalents (F-G)	-44,407.23	10,610.46

Surender Babbar
Surender Babbar
D.G.M. (Finance)

P.K. Malik
P.K. Malik
Company Secretary

A.K. Arora
A.K. Arora
Director (Finance)

Shakti Sinha
Shakti Sinha
Chairman & Managing Director

As per our report of even date attached
Bhushan Bansal & Associates
(Chartered Accountants)
Firm Registration No. 003884N

(CA Ravi Bhushan)
(CA Ravi Bhushan)
Partner
M.No. 80656





Delhi Transco Limited
Shakti Sadan, Kotla Road, New Delhi-110002
Balance Sheet as at 31st March 2013

		(₹. in lakhs)	
Particulars	Note No.	2012-13	2011-12
		Amount	Amount
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	395,100.00	395,100.00
(b) Reserves and surplus	4	(230,279.73)	(255,228.91)
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	164,174.49	193,549.01
(b) Deferred tax liabilities (Net)	30		
(c) Other long term liabilities	6	27,515.52	29,896.39
(d) Long-term provisions	9	7,241.39	8,041.87
4 Current liabilities			
(a) Short-term borrowings	5A	31,762.53	9,363.00
(b) Trade payables	7	3,521.35	4,400.48
(c) Other current liabilities	8	12,921.67	73,188.27
(d) Short-term provisions	10	18,843.68	20,160.15
TOTAL		₹ 430,821.00	₹ 428,470.26
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	27	186,752.20	165,766.46
(ii) Intangible assets	27	642.29	1,579.91
(iii) Capital work-in-progress	26	97,581.56	100,032.02
(b) Non-current investments	11	22.00	472.86
(c) Deferred tax assets (net)	30		
(d) Long-term loans and advances			
(e) Other non-current assets	14	10,177.18	11,104.40
2 Current assets			
(a) Current investments	11A	450.86	91.15
(b) Inventories	12	1,630.93	2,183.13
(c) Trade receivables	13	102,597.01	94,114.83
(d) Cash and cash equivalents	15	25,812.19	50,746.88
(e) Short-term loans and advances	16	1,632.80	2,256.46
(f) Other current assets	17	3,521.68	122.16
TOTAL		₹ 430,821.00	₹ 428,470.26

Note 1 to 39 form the integral part of these financial statements.

Note 1 is the general information of the company.

Note 2 states the significant accounting policies followed by the company.

Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification.

Surendra
Surender Babbar
D.G.I.I. (Finance)

P.K. Malik
P.K. Malik
Company Secretary

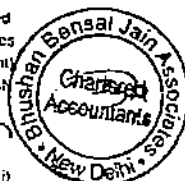
Ankur Garg
Ankur Garg
Director (HR)

R.K. Verma
R.K. Verma
Chairman & Managing Director

Dated: 04/09/2013
Place: New Delhi

As per our report of even date attached
Bhushan Bensaï Jain Associates
(Chartered Accountants)
Firm Registration No. 003984H

(CA Ravi Dharwadji)
(CA Ravi Dharwadji)
Partner
M No 80556





Delhi Transco Limited
Shakti Sadan, Kotla Road, New Delhi-110002
Profit and loss statement for the year ended 31st March 2013

		Rs Lakhs	
Particulars	Refer Note No.	2012-13	2011-12
		Amount	Amount
I. Revenue from operations	18	78,575.89	141,223.16
Other operating revenue	19	595.26	1,091.77
II. Other income	20	1,931.89	2,420.74
III. Total Revenue (I + II)		81,103.04	144,735.67
IV. Expenses:			
Revised Tariff Cost	21	2,391.93	2,594.32
Employee benefits expense	22	8,091.02	7,036.36
Repair & Maintenance expenses	23	1,158.31	1,607.79
Finance costs	24	6,974.12	4,393.96
Depreciation and amortization expense	27	10,838.03	9,620.86
Other expenses	25	3,872.58	3,310.94
V. Total expenses		33,265.99	28,564.23
VI. Profit before Exceptional & Extraordinary Items & tax		47,837.05	116,171.44
VII. Less: Exceptional Items	18	16,000.00	15,000.00
Profit before extraordinary items & tax (VI-VII)		31,837.05	101,171.44
IX Extra ordinary items			
Prior period Income/(expenses)	28	882.30	(638.13)
X Profit before tax (VIII+IX)		32,719.35	100,533.31
XI Tax expense:			
(1) Current tax		6,584.87	20,984.38
(2) Deferred tax	30		
XII Profit (Loss) for the period (X-XI)		26,134.48	79,548.93
XIII Earnings per equity share (Rs.):	35		
(1) Basic		0.66	2.01
(2) Diluted		0.66	2.01

Note 1 to 35 form the integral part of these financial statements

Note 1 is the general information of the company.

Note 2 states the significant accounting policies followed by the company.

Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification

Sunder Babbar
Sunder Babbar
D.G.M.(Finance)

P.K. Malik
P.K. Malik
Company Secretary

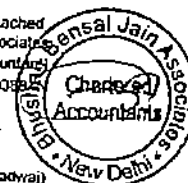
Ankur Garg
Ankur Garg
Director (HR)

R.K. Verma
R.K. Verma
Chairman & Managing Director

Dated: 04/09/2013
Place: New Delhi

As per our report of even date attached
Bhushan Bentsal Jain Associates
(Chartered Accountants)
Firm Registration No. 003985

(CA Ravi Bhargava)
Partner
MLNo. 60658



Notes to Accounts for the Financial Year 2012-13

Note 1

General Information

As a part of Power Reforms for the State of Delhi brought into effect by the Govt. of NCT of Delhi, the erstwhile Delhi Vidyut Board (DVB) was unbundled into different successor Entities w.e.f. 1st July 2002 namely Delhi Power Company Ltd, IPGCL, DTL, NDPL, BYPL and BRPL and the said successor Entities incorporated as separate Companies under the Companies Act, 1956 were assigned separately the business of Generation, Transmission, bulk Sale & Purchase and Distribution of Electricity in the State of Delhi. The scope of the business, assets and liabilities of the said Entities and other incidental & consequential matters were also laid down in the Transfer Scheme notified by the Govt. of NCT of Delhi w.e.f. 01.07.2002. As per the said Transfer Scheme, Delhi Transco Ltd, incorporated as one of the said successor Entities, was transferred the assets and liabilities as on 1.7.2002 and started the business of bulk supply and transmission of electricity for distribution to Discoms, NDMC and MES in National Capital Territory of Delhi. On the expiry of the Policy Direction Period on 31.03.2007, the Company ceased to carry on the business of bulk purchase and sale of electricity and w.e.f. 01.04.2007 Company is carrying on the business of transmission of electricity (wheeling operations) and discharging the functions of SLDC.

Note 2: Significant Accounting Policies

Basis of preparation of Accounts

The financial statements have been prepared to comply in all material respects with the notified accounting standards as per Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

2.1 Use of estimates

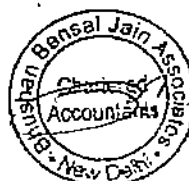
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.2 Fixed Assets

- Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, interest during construction, duties, freight, installation and allocated incidental expenditure during construction/acquisition attributable to bring the assets to their working condition for their intended use.
- Intangible assets are recorded at their cost of acquisition.
- In case of commissioned assets where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of the final settlement.
- Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates and/or assessments.

2.3 Depreciation:

- Depreciation on Fixed Assets is provided on straight line method in terms of rates specified in Schedule XIV of the Companies Act 1956 except that computers acquired are depreciated at the rate of 33.40% per annum. Further, as per the policy of the Company, the new vehicles purchased for the officers of the company shall be transferred to the said officers after 5 years at NIL value and therefore the depreciation on those vehicles is charged @ 20% instead of @ 9.50% as general rate applied to other vehicles (after charging 10% of the cost from the employee).
- Assets costing up to ₹ 5000/- are fully depreciated in the year in which they are put to use.
- Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of price adjustment, change in duties or similar factors, the unamortized balance of such assets is adjusted for such change and depreciated prospectively over the residual useful life determined on the basis of the rate of depreciation.



- d) Computer software recognized as intangible asset is amortized on straight line method over a period of 3 years.
- e) Depreciation charged on an asset shall cease from the year following the year in which:
 - i) the year's depreciation along with the depreciation charged in the previous year(s) becomes equal to 95 % of the cost of the asset, or
 - ii) the asset permanently ceases to be used by the Company whichever is earlier.
- f) Leasehold land & buildings which are upto the lease of 30 years are amortized over the lease period. Leasehold land and buildings, whose lease period is yet to be finalized, are amortized over a period of 30 years.
- g) In the case of ERP system, the cost of hardware is depreciated @ 33.40% and the software has been treated as intangible asset and is depreciated over a period of three years.

2.4 Capital Work-in-Progress

2.4.1 a) Treatment of Borrowing cost during construction:

Borrowing costs, attributable to qualifying assets, are capitalized to such assets, using the capitalization rate based on weighted average interest cost. The income on temporary investment of the borrowed funds is reduced from the amount of interest cost on the said borrowings.

- b) Incidental Expenditure during Construction (net) including corporate office expenses (allocated to the schemes pro-rata to the annual capital expenditure) for the year, is apportioned to Capital Work-in-Progress on the basis of accretions thereto.
- c) Claims for price-variation / exchange rate variation in case of contracts are accounted for on acceptance.
- d) The value of material issued to the contractor and not utilized at construction site is charged to Capital Work-in-Progress.
- e) The Employees cost and Administrative & General expenses of Planning and Construction departments are allocated fully to capital works in progress (CWIP) on pro rata basis based on annual accretion in CWIP. The Employee cost and Administrative & General expenses of Common Wealth Projects (ICB Turnkey Projects) are fully allocated to CWIP's pertaining to the ICB Turnkey Projects. Similarly amount incurred on the foreign travel expenses by the employees of the Company in connection with the inspections/training for the projects are capitalized on pro-rata basis.

2.4.2 Deposit Works: The Company in certain cases executes/supervise works of capital nature on behalf of other departments / organizations mainly for the purpose of facilitating their own works/projects and for which the Company receives advances (Deposits) from the said Departments/Organizations. The said advances/deposits are shown in the accounts net of the amount incurred on those capital deposit works.

2.5 Impairment

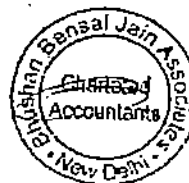
- i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.
- ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- iii) A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.6 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments

2.7 Inventory Valuation

- a) The company has a main store for inventories of various materials, tools, spares etc., from where the said items are issued to the various Sub-Stations, sites and offices. The value of the material issued from the main store to the sub-stations and sites against the requirements of scheduled maintenance and execution of works is treated as R&M cost. However the quantitative records of the materials, spares and tools at respective sub/stations and sites is maintained for the control purpose.
- b) Inventories of stores and spare parts and loose tools in stock are valued at cost, on weighted average basis.
- c) Construction Steel Scrap is valued at estimated realizable or book value whichever is less. Other Scrap is accounted for as and when sold.



2.8 Revenue Recognition:

- a) Transmission Income is accounted based on the tariff rates approved by the Delhi Electricity Regulatory Commission/Appellate Tribunals and are accounted for in the year of order issued by the Commission/Appellate Tribunals.
- b) Income on contracts for construction, technical services related to construction of assets, etc. other than deposit works, is accounted for on "Completed Contract" basis, and included in "Other Income". Expenditure incurred during pendency of contracts is carried forward as Work In Progress.
- c) The incentives/disincentives are accounted for based on the norms notified/approved by the Delhi Electricity Regulatory Commission or agreements with the beneficiaries.
- d) The surcharge on late payment/overdue sundry debtors for sale of energy/Wheeling Charges is not treated accrued due to uncertainty of its realization and is, therefore, accounted for on receipt.
- e) Warranty claims/liquidated damages are not treated accrued due to uncertainty of realization and are accounted for on receipt/recovery from bills payable to suppliers/contractors.
- f) Scrap other than construction steel scrap is accounted for in the accounts as and when sold.
- g) Insurance claims are accounted for in the year of acceptance.
- h) The income or expenditure as the case may be on account of revision in tariff is done on the basis of orders of DERC/CERC.

2.9 Foreign Currency Translations:

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

b) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Exchange Differences

Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.10 Retirement and other employee benefits:

a) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. However, the employees in the employment of the Company before the unbundling period are covered under the defined benefits plan to be paid by Pension Trust.

b) In respect of employees employed by the company i.e. other than Ex-DVB employees:

- Ø Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- Ø Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- Ø Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

c) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately

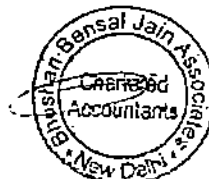
2.11 Taxes on Income:

(a) Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(b) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

(c) At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Delhi Transco Limited



2.12 Earning per share:

(a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.13 Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement. Provisions have been differentiated as long term and short term keeping in the requirement of revised schedule VI

2.14 Cash and Cash equivalents:

Cash and cash equivalents in the balance sheet comprise balance at bank, cash in hand and short-term investments with an original maturity of three months or less.

2.15 Debenture (Bonds) Redemption Reserve:

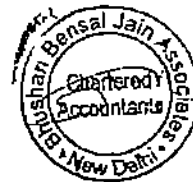
In terms of section 117C of Companies Act, 1956 and the SEBI Guidelines, Company creates Debenture (Bonds) Redemption Reserve at 50% of the amount of the Bonds issued each year over the period of bonds before the commencement of the redemption of the said Bonds.

2.16 Prior Period and extraordinary items:

Prior Period and Extraordinary transactions are accounted in accordance with Accounting Standard-5.

2.17 Significant Events occurring after the Balance Sheet date:

Treatment of contingencies and significant events are in accordance with Accounting Standard-4.



Note 3

Share capital

	2012-13	2011-12
	Amount	Amount
Authorised		
45000 Lakh Equity Shares of ₹10 each	450,000.00	450,000.00
Issued, Subscribed & paid up		
39510 Lakhs Equity Shares of ₹10 each out of which 2600 Lakhs shares of ₹10 each are held by Delhi Power Company Ltd and 36910 Lakhs Shares of ₹10 each held by Govt. of NCT.	395,100.00	395,100.00
Total	395,100.00	395,100.00

The company has one class of equity shares having par value of ₹10/- each per share. The dividend proposed by the Board of Directors (if any) is subject to the approval of the shareholders in the ensuing AGM. The company has no preference shares.

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period i.e. 2012-13

Particulars	2012-13		2011-12	
	Number	Amount	Number	Amount
Shares outstanding at the	39,510.00	395,100.00	39,510.00	395,100.00
Shares issued to Govt. of				
Power Company Ltd				
Shares bought back during				
Shares outstanding at the	39,510.00	395,100.00	39,510.00	395,100.00
Shares in the company held by each shareholder holding more than 5 percent shares				
Name of Shareholder	No. of Shares held	% of Holding	No. of Shares held	% of Holding
DPCL	260,000,000	6.58	260,000,000	6.58
Govt of NCT of Delhi	3,691,000,000	93.42	3,691,000,000	93.42
	3,951,000,000	100.00	3,951,000,000	100.00

During the financial year the company has proposed to wipe out the past accumulated losses with the equity share capital of the company held by GNCTD/DPCL and has forwarded the proposal for the consideration of GNCTD. Further during the financial year the company has also proposed for conversion of outstanding loans due to GNCTD amounting to ₹591 Crores into the equity share capital of GNCTD in DTL. The proposal of the company is under consideration of GNCTD and decision is still pending.

Note 4

Reserves and surplus

	2012-13	2011-12
	Amount	Amount
A. Debenture Redemption Reserve		
Opening Balance		
(+) Current Year Transfer	6,000.00	4,000.00
(-) Written Back in Current Year	2,000.00	2,000.00
Closing Balance	8,000.00	6,000.00
B. Insurance Reserve		
Opening Balance		
(+) Current Year Transfer	778.28	561.21
(-) Written Back in Current Year	267.91	237.07
Closing Balance	1,046.19	778.28
C. Surplus		
Opening balance		
(+) Net Profit/(Net Loss) for the current year	(263,192.49)	(339,319.07)
(-) Transfer from Insurance Reserves	26,134.48	79,548.93
(-) Proposed Dividends		
(-) Interim Dividends		1,185.30
(-) Transfer to Reserves	2,267.91	2,737.06
Closing Balance	(239,325.92)	(263,192.49)
D. Proposed Dividend		
Opening Balance		
(+) Dividend Proposed this year	1,185.30	
(-) Dividend paid	1,185.30	1,185.30
Closing Balance		1,185.30
Total	(230,279.73)	(255,228.91)

(i) Insurance Reserve : Insurance Reserve amounting to ₹267.91 lakhs (Previous Year ₹237.07 lakhs) @ 0.10% of the Gross Block of Fixed Assets has been created during the current year as per the policy of the Company. In order to meet the loss/damage of assets and stores due to any accident, theft etc.

(ii) Debenture (Bonds) Redemption Reserve: In terms of section 117C of Companies Act, 1956 and the SEBI Guidelines, the company has created Debenture (Bonds) Redemption Reserve amounting to ₹2000 lakhs out of the current year's profits being 50% of the amount of Bonds (Previous year ₹2000 lakhs) over the period of 5 years i.e. before the commencement of the Redemption of the Bonds.

Note 5

Long Term Borrowings

₹ in Lakhs

	2012-13	2011-12
	Amount	Amount
Secured		
(a) 0.5% Secured Redeemable Non Convertible Power Bonds (Repayable within one Year Rs.NIL) Secured by Pari Passu charge over assets of the company.	20,000.00	20,000.00
(b) Term loans		
1. Allahabad Bank (Secured By Pari Passu Charge over Assets of the	80,741.28	88,233.33
2. Union Bank of India (Secured By Pari Passu Charge over Assets of the	9,567.94	27,499.97
(c) Long term maturities of finance lease obligations Asset taken from PGCIL on lease basis	2,204.04	2,421.35
(d) Other loans and advances (Vehicle Loan) (Secured by hypothecation of vehicles)	85.43	144.68
(A)-	112,999.69	138,299.34
Unsecured		
(b) Term loans		
Loan from State Government for approved Plan Scheme	51,174.80	55,249.67
(B)-	51,174.80	55,249.67
Total (A+B)	164,174.49	193,549.01

Note 5A

Short Term Borrowings

₹ in Lakhs

	2012-13	2011-12
	Amount	Amount
Secured		
Term loans		
1. Allahabad Bank (Secured By Pari Passu Charge over Assets of the company)	7,492.00	1,666.57
2. Union Bank of India (Secured By Pari Passu Charge over Assets of the company)	2,500.00	2,500.00
3. Allahabad Bank (Vehicle Loan)	62.00	69.00
Unsecured		
Loan from State Government for approved Plan Scheme	6,728.53	5,136.33
Loan from Delhi Power Company Limited.	15,000.00	
	31,782.53	9,363.00

The amount represents the liability of loan due to be paid within a period of 12 Months as per the terms of sanction of the said loans.

Note 6

Other Long Term Liabilities

₹ in Lakhs

	2012-13	2011-12
	Amount	Amount
Advance against deposit works (Net of work executed)	787.74	787.75
Retention Money	20,221.30	22,519.28
Security Deposits	219.63	230.11
Payable to DPCL	6,786.95	6,359.26
Total	27,515.62	29,896.39

DPCL has raised a claim of ₹122.11 crores against company for the payments released by DPCL for works, supplies etc. However, the details of the same are yet to be received by the company. Further the admissibility of the said claim is under examination by the company in terms of the Transfer Scheme rules and therefore the said claim has not been acknowledged and the same has not been considered in the accounts of the company. The amount of ₹6786.95 lakhs is subject to reconciliation.

Note 7

Trade Payable

₹ in Lakhs

	2012-13	2011-12
	Amount	Amount
Power Purchase (Revised Tariff)	2,103.16	1,116.45
Sundry Creditors (Stores & Works)	1,418.19	3,284.03
Total	3,521.35	4,400.48



Note 8

Other Current Liabilities

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Interest accrued on loans from Govt, DPCL & Banks	5,854.10	6,026.81
Interest accrued on Bonds	156.45	156.45
Expense Payable	4.03	4.03
Earnest Money Deposit	192.48	156.44
Payable & Recoveries (Employees)	215.86	127.82
Payable to Pension Trust	6,424.80	7,818.82
TDS/Sales Tax/WCT Payable	55.89	13.36
Other Duties & Taxes	8.59	33.70
MAT Payable		8,745.14
Other Liabilities	8.47	75.70
Total	12,921.67	23,188.27

Since the amount of TDS recovered by distribution utilities and others from the company during the current financial year is in excess of the MAT liability for the current year, the amount of MAT payable for the FY 2012-13 is NIL.

Note 9

Long Term Provisions

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
(a) Provision for employee benefits		
Provisions based on Actuarial valuation	1,121.45	750.95
(b) Others		
Provision for disputed Claim	6,113.03	6,119.92
Provision against dismantling of Asset		1,171.00
Total	7,234.48	8,041.87

(i) As per Accounting Standard, AS-15 Issued by ICAI, Company is required to provide for the liability towards employee benefits which falls under two categories of plans namely defined contribution plan and defined benefit plan. Further, the employee benefits are paid in two forms namely short term employee benefits and post employment benefits (retirement benefits).

(ii) The short term employee benefits i.e. wages and salaries have been accounted for the whole year with respect to services rendered by the employees during the year 2012-13.

(iii) In respect of post employment benefits, the employees of the Company fall in two categories namely (a) Who are in employment before the unbundling of DVB i.e. 01.07.2002 and (b) Who have been employed after the unbundling of DVB. In respect of post employment benefits the employees falling in category (a) above are covered with defined benefit plan which include the payment of pension, leave encashment, gratuity, medical benefits and LTC after the retirement. The employees falling in category (b) above are covered under defined benefit plan which include the payment of leave encashment and gratuity on their retirement and also under defined contribution plan i.e. Provident Fund.

(iv) As per Transfer Scheme of unbundling of Delhi Vidyut Board (DVB), a Trust designated as Delhi Vidyut Board Employee Terminal Benefit Fund 2002 was created by GNCTD for the payment of post employment benefits mentioned above to the employees of pre unbundling of DVB. The said trust was funded by GNCTD initially at the time of unbundling and subsequently is also required to be funded from the contributions by the successor entities. As per the provisions of AS 15, the defined benefit obligation (post retirement benefits) existing as on balance sheet date with the break up in current year service cost and past year service cost is required to be charged to Profit and Loss account of the year concerned. As per AS15, the value of the aforesaid defined benefit obligations should be accounted for in the accounts on the basis of actuarial valuation on the date of balance sheet. However, pending the actuarial valuation of the obligations of the Pension Trust towards retirement benefits of the employees as on 31.03.2013, the shortfall, if any, of the contribution payable by the Company to the Pension Trust during the FY 2012-13 could not be ascertained and accounted. The Company has continued to pay the contributions to Delhi Vidyut Board Employee Terminal Benefit Fund as being done in previous years towards the defined benefit.

(v) In respect of the employees of the Company employed after the unbundling, the Company is liable to pay two types of benefits namely defined contribution plan in the form of EPF and defined benefit plan in the form of Gratuity & Leave encashment. With regard to the former, the Company has made the full contribution towards PF as per statutory requirement for the year 2012-13 and charged the same to Profit & Loss statement. With regard to gratuity and leave encashment, the Company has got the valuation done for the same as on 31.03.2013 through an Actuary as per the requirement of AS 15. The tables summarize the components of net benefit expense recognized in the Profit and Loss statement and the amounts recognized in the balance sheet for the respective plans.

(vi) In financial year 2012-13 Provision of actuarial valuation is divided into current and non current liability therefore taken into long term liability & short term liability.



Details of Provision for Gratuity and leave Encashment:-

₹ in Lakhs

Particulars	Gratuity		Leave Encashment (Medical and Leave)	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Defined benefit obligation	451.03	342.67	723.51	532.62
Fair value of plan assets	-	-	-	-
Less: Unrecognised past service cost	-	-	-	-
Plan asset / (liability)	-	-	-	-
Defined benefit obligation	451.03	342.67	723.51	532.62

Changes in the present value of the defined benefit obligation are as follows:-

Particulars	Gratuity		Leave Encashment (Medical and Leave)	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening defined benefit obligation	342.67	297.12	532.62	424.33
Interest cost	29.47	23.95	45.81	34.80
Current & past service cost	74.13	66.82	112.11	96.76
Benefits paid	-	-	(2.37)	(0.29)
Actuarial (gains) / losses on obligation	4.76	(40.28)	35.34	(22.99)
Closing defined benefit obligation	451.03	342.67	723.51	532.62

Changes in the fair value of plan assets are as follows:-

Particulars	Gratuity		Leave Encashment (Medical and Leave)	
	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2013	For the year ended March 31, 2012
Opening fair value of plan assets	-	-	-	-
Expected return	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gains / (losses)	-	-	-	-
Closing fair value of plan assets	-	-	-	-

Since no plan assets have been created so far against the above mentioned defined benefit obligations, the fair value of the same as on 31.03.2013 is NIL.

Actuarial assumptions:-

	Gratuity		Leave encashment	
	31-Mar-13	31-Mar-12	31-Mar-13	31-Mar-12
Discount rate	8.20%	8.60%	8.20%	8.60%
Future salary increase	10%	10%	10%	10%
Methodology	Projected unit credit (PUC)	Projected unit credit (PUC)	Projected unit credit (PUC)	Projected unit credit (PUC)

The estimate of future salary increases, considered in actuarial valuation takes into accounts inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 10

Short Term Provisions

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
(a) Provision for employee benefits		
Provision for actuarial valuation-short term	53.08	
Provision for Ex-Gratia	317.12	184.00
Provision for Dearness Pay in LSC Regular	240.87	240.87
Provision for LSPC Contr Deputation	127.16	137.13
Provision for LTC	56.78	68.27
Provision for IPGCL Empl Salary	310.90	296.88
Provision for incentive	245.06	179.66
Provision for Interest refundable	2.96	2.07
(A)-	1,353.63	1,204.78
(b) Provisions on account of		
Road Restoration & Works	107.73	1,408.48
Short term open access & others	1,547.54	297.79
Other Expenses	314.10	401.13
(B)-	1,968.87	2,107.40
(c) Provisions related to Works & Projects (C)-	14,634.45	15,759.68
(d) Others Provisions		
Statutory Audit Fees	8.00	7.30
Ground Rent	871.29	743.17
Property Tax	7.44	337.80
(D)-	886.73	1,088.27
Total	18,843.68	20,160.15

Note 11

Non-Current Investments (Non Trade & unquoted)

	No. of Shares per unit	₹ in Lakhs	
		2012-13	2011-12
		Amount	Amount
5.15% HUDCO	10.00		95.05
5.5% IREDA	35,581.00		355.81
8.25% NPCIL	22.00	22.00	22.00
Total		22.00	472.86

Note 11A

Current Investment

	No. of Shares per unit	₹ in Lakhs	
		2012-13	2011-12
		Amount	Amount
5.15% HUDCO	10.00	95.05	
5.5% IREDA	35,581.00	355.81	
6% IREDA	3,776.00		37.75
6% IREDA	5,339.00		53.49
Total		450.86	91.24

Note 12

Inventories (Stores & Spares)

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Stores & Materials (As valued and certified by Manager including at site)	1,779.16	2,341.06
Less: Provision for Slow Moving Stores	(148.23)	(157.92)
Total	1,630.93	2,183.13

Physical Verification of Fixed Assets and Stores:

(i) As per the Accounting Policy of the Company, the physical verification of the substation assets and transformers was carried out by the Company during the F.Y. 2012-13 through external Chartered Accountants. The discrepancies in the same are under reconciliation.

(ii) Based on the valuation of slow moving stores as on 31.03.2013 done as per the policy of the company, the provision amounting to ₹148.23 lakhs (₹157.92 lakhs previous year) has been created in the current financial year.



Note 13

Trade Receivable

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Trade receivables outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured Considered Good	55,164.90	15,580.72
Unsecured Considered Doubtful	14.55	14.55
Less: Provision for Doubtful Debts	(14.55)	(14.55)
Sub Total (A)	55,164.90	15,580.72
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Considered Good	46,432.11	78,534.11
Sub Total (B)	46,432.11	78,534.11
Total (A+B)	102,597.01	94,114.83

As per Transmission agreement executed between company and distribution utilities, former is entitled to LPSC (Late payment surcharge) against the delay in payment of Bills after due date and therefore on account of the same LPSC is also recoverable from Discoms on the overdue amount of bills. However as per the approved accounting policy of the company the amount of LPSC is recognised as income and recoverable from utilities only on receipt basis. Therefore the outstanding amount of trade receivable as shown above does not include the amount of LPSC recoverable from utilities. The outstanding amount due from utilities as shown above is subject to reconciliation & confirmation.

Note 14

Other Non Current Assets

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Security Deposit	858.35	870.66
Advances to suppliers & Govt. Dept.	9,318.83	10,233.54
Total	10,177.18	11,104.20

Company has released the payments in various government departments for road restoration/site clearance/way permission to facilitate the execution of capital works by the Company which is included under "Advance to Suppliers & Govt. depts.". Since the said capital works are under execution by the Company after obtaining the said permission/clearances, the aforesaid amounts paid to the said government departments have also been accounted for as provisions for works expenses pending the certification by the concerned Engineer in charge and included in "Short Term Provisions" and correspondingly charged to the respective capital works in progress. The aforesaid advances to the suppliers have been adjusted with the aforesaid provisions based on the certification of the concerned engineer.

Note 15

Cash and cash equivalents

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Cash in hand	0.70	1.93
Balance with Scheduled Bank:		
Bank Balance	3,511.79	1,384.44
Fixed Deposit-Plan	20,800.00	38,450.50
Fixed Deposit-Non Plan	1,500.00	10,500.00
Total	25,812.49	50,746.89

Note 16

Short-term loans and advances

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Advance recoverable		
Unsecured considered good		
Other Govt Departments & Outside parties	209.37	190.88
Staff	91.36	180.47
Prepaid Expenses	19.09	5.75
Income Tax	465.63	1,151.33
UNCTD	829.84	699.37
P&CL	26.51	26.12
Total	1,632.80	2,256.26

Note 17

Other Current Assets

	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Income Tax Refund (Net off MAT Liability)	3,163.56	
Interest accrued on Fixed Deposit	313.30	78.23
Interest accrued on advance to staff/outside parties	26.21	31.13
Interest accrued on Investment	18.61	12.80
Total	3,521.63	122.16

Note 18

Revenue from operations

Particulars	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Income from Wheeling & Other Operations	77,476.04	139,972.12
Income from SLDC charges	903.56	903.56
Reactive Energy Charges	196.28	347.47
Total	78,575.89	141,223.16

(i) On the expiry of the Policy Direction Period on 31.03.2007, the Company has ceased to carry on the business of bulk purchase and sale of power w.e.f 01.04.2007 and from the said date, Company is carrying on the business of transmission of power (wheeling operations) and discharging the functions of SLDC. The revenue income of the Company comprises of the amount of wheeling charges and SLDC charges billed to the DISCOMS, MES and NDMC as per the Tariff Order issued in July 2012 by DERC and for SLDC as per the provisional order passed by DERC in year 2008-09. Accordingly during the financial year 2012-13, the Company has billed a sum of ₹ 595.40 crores (Previous Year ₹ 1037.59 crores) & ₹ 9.04 crores (Previous Year ₹ 9.04 Crores) to Discoms, NDMC and MES towards Wheeling Charges and SLDC charges respectively and included the same as in the income from wheeling and other operations and income from SLDC charges for the financial year 2012-13.

(ii) The income from wheeling & other operations include the amount of ₹ 150.00 crores (previous year ₹ 150.00 Crores) provided by DERC on provisional basis towards Pension Trust funding and the same is payable to Pension Trust after recovery from the Distribution utilities. Therefore the said amount of ₹ 150.00 crores has been shown as expenditure under exceptional items in the statement of profit & loss.

Note 19

Other Operating Revenue

Particulars	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Rebate Received on power purchase		25.56
Incentive received from Discom on transmission availability	116.06	572.88
LPSC on wheeling & transmission charges	479.20	680.13
Other Operative Income		12.85
Total	595.26	1,091.77

(i) The LPSC leviable against default/delay in payment of wheeling charges on the Distribution utilities has not been recognised as income as the same has not been received. However a sum of ₹ 479.20 Lakhs (previous year ₹ 680.13 Lakhs) has been recognised to the extent of credit of TDS received by the company from the Distribution utilities.

Note 20

Other Income

Particulars	₹ in Lakhs	
	2012-13	2011-12
	Amount	Amount
Gain on sale	1.58	677.51
Excess Provision W/back	1,180.76	5.79
Interest on Investments	36.02	26.90
Gain on foreign currency translation	252.20	1,354.65
Other miscellaneous receipts	461.35	349.82
Total	1,931.89	2,420.74

(i) The SCADA equipment being used for ULDC system was procured by the Company from PGCIL on lease payment basis payable over a period of 15 years. As on 31.03.2007, the Company had a liability of ₹ 34.11 crores due to PGCIL on this account and shown as such in the annual accounts of the Company for the year ended March 31, 2007. However, as per the orders passed by DERC, the balance liability due to PGCIL against the SCADA equipment is to be discharged by the DISCOMS, NDMC & MES, being the beneficiary constituents of ULDC system w.e.f April 1, 2007. Accordingly, since the said asset has been capitalized in the books of the Company and depreciation on it being claimed in AAR but at the same time, its liability payable to PGCIL being discharged by the constituents' beneficiaries directly, the amount of the same has been accounted for as the income of the company. Thus, the income on this account amounting to ₹ 2.17 crores has been shown under Other miscellaneous receipts. Based on the same, the amount payable to PGCIL stands at ₹ 22.04 crores, as of March 31, 2013 and is subject to confirmation as at the close of the year.

(ii) In terms of AS-11 the foreign currency transactions have been converted into Rupee Currency by using the exchange rates at the date of transaction and balance of monetary items carried in foreign currency have been converted at the close of the financial year by using the exchange rate at the date of closing of accounts i.e. 31-03-2013. The loss/ profit on such conversion is recognised as loss/profit during the year.



Note 21

Revised Tariff Cost

Particulars	2012-13	2011-12
	Amount	Amount
Revised Tariff Cost	2,331.93	2,594.32
Total	2,331.93	2,594.32

During the Financial Year 2012-13, the Company has incurred liability towards Power Purchase cost against the revised tariffs announced by CERC/Appellate Bodies in respect of the Power purchased by the Company before 01st April 2007 from various Power Generating Utilities. As per the said revised tariffs, the Company has also recognized income on accrual basis against the power purchase costs paid before 01st April 2007 and accordingly, during the F.Y. 2012-13 the Company has incurred net liability amounting to ₹23.32 crores (Previous Year ₹25.94 crores) towards revised power tariff which has been accounted for in the accounts of financial year 2012-13 as an expense.

Note 22

Employee Benefits Expenses

Particulars	2012-13	2011-12
	Amount	Amount
Salaries, Wages, Allowances & Benefits to Pensioners		
Staff Welfare Expenses	10,756.04	10,499.22
Contribution to Provident Fund	796.12	454.28
Terminal Benefits (Pension & Gratuity and Leave Encashment)-Contribution	197.08	179.15
Sub Total	2,484.99	1,242.59
Capitalized	14,274.23	12,375.26
Total	(5,183.21)	(5,138.89)
	8,091.02	7,036.36

Note 23

Repairs & Maintenance

Particulars	2012-13	2011-12
	Amount	Amount
Buildings	711.29	203.10
Lines, Cable and Network Assets	923.90	1,374.19
Vehicles	0.92	3.16
Furniture, Fixture, Office Equipments & Others	22.20	27.36
Total	1,158.31	1,607.79

Note 24

Finance Cost

Particulars	2012-13	2011-12
	Amount	Amount
Interest on Loan From State Government, Bonds and Banks (Term Loan)		
Bank & other Charges	20,516.64	16,782.55
Less: Interest Income of FD/CLTD	0.86	6.97
Sub Total	(3,934.65)	(582.46)
Less: Capitalised	16,582.65	15,807.46
Total	(9,608.73)	(11,413.51)
	6,974.12	4,393.96



Note 25

Other Expenses

Particulars	₹ in Lakhs	
	2012-13 Amount	2011-12 Amount
Consumption of stores and spare parts (A)	1,094.99	1,472.65
Administration, General & Other Expenses (B)		
Electricity & Water Charges	554.39	402.05
Rent, Rates & Taxes	161.84	128.12
Communication Expenses	66.80	40.97
Legal & Professional charges	85.82	94.15
Travelling & Conveyance	170.95	123.50
Adv & Publication	157.41	229.57
Medical expenses	183.81	195.33
Other Expenses	724.00	721.37
Less: capitalization (from Admin, Gen & Other exp)	(788.07)	(1,156.55)
Sub Total (B)	1,316.95	840.51
Payment of auditor's fees (C)	8.00	7.30
Property Tax (D)	799.98	146.25
Rebate allowed on wheeling charges (E)	215.79	195.82
Loss on disposal of asset (F)		444.78
Legal award expenses (G)	244.58	200.62
Dividend Distribution Tax Paid (H)	192.79	
Total (A+B+C+D+E+F+G+H)	3,572.58	3,310.94

(i) North Delhi Municipal Corporation raised demand for property tax against the properties occupied by DTL falling within the jurisdiction of North Delhi Municipal Corporation amounting to Rs.11.30 crores upto 31.03.2013. The company has filed a writ petition before the Hon'ble High Court of Delhi against the demand of property tax. However, the said demand was enforced by North Delhi Municipal Corporation by payment through bank account of the company. The amount of ₹11.30 crores paid out of the bank account of company has been provided in the accounts after adjusting the property tax already by DTL till 31.03.2013.

(ii) Similarly a demand has also been raised by South Delhi Municipal Corporation towards property tax against the properties occupied by the company falling within the jurisdiction of South Delhi Municipal Corporation amounting to ₹16.84 crores. Since the said demand has not been admitted by CTL, no provision for the same has been made in the accounts for financial year 2012-13, however the same is shown under contingent liability.

Note 26: Capital Work In Progress

Particulars	₹ in Lakhs	
	2012-13 Amount	2011-12 Amount
Capital Work in Progress	97,581.55	100,032.02
Total	97,581.55	100,032.02

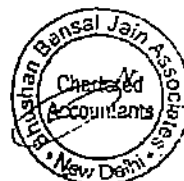
During the financial year 2012-13, CWIPs amounting to a sum of ₹30,783.67 lakhs (Previous Year ₹54,000.83 lakhs) have been transferred to completed assets based upon the certificates of completion received from the concerned executives. The balance in CWIP account represents the value of the capital works in progress as of March 31, 2013 after allocation of Employee cost, Administrative and General expenses and interest during construction as per Accounting Policy of the company.

Note 27: Fixed Assets

(i) During the financial year 2010-11, the company has implemented SAP based ERP system for its operations/functions. The hardware portion of the ERP system has been depreciated @ 33.40% and the software portion has been treated as intangible asset to be depreciated over a period of 3 years.

(ii) Management is of the opinion that company's asset have not suffered any loss due to impairment in terms of AS-28.

(iii) As per the Transfer Scheme Rules, the company is entitled to use land as licensee and land remains in the name of GNCTD including the land allotted to GNCTD after the unbundling against payments made by the company and handed over to the company. Hence no amortization of the cost of land has been claimed and accounted for in the accounts.



Fixed Assets Detail

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening Balance as on 01.04.2012	Additions During the Period	Salvage During the Period	As at end on 31.03.2013	Opening Balance as on 01.04.2012	Additions During the Period	Adj. During the Period	As at end on 31.03.2013	As at end on 31.03.2013	As at end on 31.03.2012
Tangible Asset										
Land & Land Rights	6,140.43	0	0.00	6,140.43	0	0	0	0	6,140.43	6,140.43
Buildings (Sub-Station)	2,009.72	8.39	0.00	2,078.11	739.28	65.16	0	804.44	1,273.67	1,320.41
Buildings (Office)	15,10.92	0.09	0.00	1,511.01	999.37	47.21	0	1,046.58	464.42	511.55
Buildings (Residential Colony)	277.13	0.00	0.00	277.13	136.02	2.27	0	138.29	130.84	141.11
Meters	177.97	0.00	0.00	177.97	33.95	6.45	0	42.41	135.56	144.02
Four Bays of 400KV	1,199.63	0.00	0.00	1,199.63	455.75	56.98	0	512.73	688.90	743.80
Other Civil Works	18,010.77	2,646.64	0.00	20,657.41	4,223.10	586.98	0	4,810.08	15,047.32	13,787.67
Plant & Machinery	107,210.34	8,061.74	23,191.95	139,343.03	36,838.34	5,977.28	409.69	43,225.31	96,117.72	70,451.00
SCADA & PLC (Owned)	1,417.37	0.00	0.00	1,417.37	1,192.36	43.80	0	1,236.16	181.20	225.01
SCADA & PLC (Leased)	3,955.10	0.00	0.00	3,955.10	3,757.35	0.00	0	3,757.35	197.75	197.75
Lines, Cables Network etc.	19,101.68	19,343.17	(23,191.95)	15,252.90	18,655.42	2,656.07	(409.69)	20,851.80	64,401.70	70,463.26
Furniture & Fixtures	5,528.79	9.21	0.00	5,538.00	271.49	24.76	0	296.25	241.73	257.28
Vehicles	294.05	0.00	(26.94)	267.11	222.17	12.54	(26.88)	207.83	57.28	71.88
Vehicle Staff	329.85	25.16	(27.90)	327.11	77.06	64.13	(14.66)	127.53	199.78	251.99
Office Equipments	504.20	0.38	0.00	504.58	166.93	23.84	(0.09)	190.68	313.90	337.27
Computers	396.37	6.95	(0.97)	402.35	375.97	1.48	(0.04)	377.41	24.93	20.40
Small Value Assets	40.32	0.00	0.00	40.32	40.32	0.00	0.00	40.32	0.00	0
ERP other than Software	1019.91	0.00	0.00	1,019.91	311.39	379.45	0.00	690.84	328.07	708.51
Intangible Asset										
ERP Software	2,807.23	0.00	0.00	2,807.23	1,227.33	837.61	0.00	2,184.94	642.28	1,578.81
Total	237,070.78	3,090.23	(37.81)	240,023.20	68,724.41	10,830.03	(41.67)	80,512.77	1,87,394.49	1,67,346.37

(2 in Lakhs)



Note 25: Prior Period Income:

Prior Period Income for FY 2012-13 includes ₹662.23 Lakhs as taxes recoverable from DISCOMs for FY2011-12.

Note 29: Contingent Liability

(a) The contingent liability on account of arbitration / Court cases is ₹12078.72 Lakhs plus interest (Previous year ₹4602.58 Lakhs plus interest) against the counter claim of the Company amounting to ₹9629.72 Lakhs (Previous Year ₹5948.79 Lakhs). Considering the status of the pending cases no provision has been considered in terms of AS-29.

(b) The demand of ₹16.82 crore raised by South Delhi Municipal Corporation towards property tax against the company has not been acknowledged by the company as the matter of levy of property tax on the company against the properties in possession of the company is under examination by GNCTD.

(b) A sum of ₹19.87 lakhs has been paid towards disputed demand of TDS for the financial year 2004-05 which is appearing under Advances. The Company disputed and appealed against the same before the Commissioner of Income Tax/Appellate Tribunal which has been decided in favour of the company but the department has gone in appeal before the Hon'ble High Court of Delhi. The Income Tax Department has also disallowed a sum of ₹13.65 crores for the financial year 2002-03 on account of excess rebate recoverable from discoms and a sum of ₹1.79 crores on account of prior period depreciation for financial year 2007-08 respectively which was disputed and appealed by the company before CIT (Appeals) and which was decided in favour of the company. However the department has gone in appeal before Hon'ble Appellate Tribunal for the demands of ₹13.65 Crores for financial year 2002-03 only.

(c) Liability of the Company to banks against Inland/Foreign LCs issued by the banks on behalf of the Company is ₹813 lakhs (Previous year ₹2197.28 lakhs)

(d) Estimated value of contracts remaining to be executed on Capital Account (net of advance) and not provided for as at 31st March 2013 amounts to ₹71016.93 Lakhs (Previous year ₹12997.80 lakhs).

(e) The UPSC on the revised power purchase cost as per the regulatory provisions on provisional basis works out to ₹670.03 Lakhs (Previous year ₹2475.14 lakhs). However the Company has disputed the same.

Note 30: Deferred Tax

As per AS 22, the deferred tax assets (the deferred tax benefits) should be recognized only when there is certainty for the income generation in future which can be utilized for settling off the said deferred tax assets. Considering the accumulated unabsorbed losses, it is not probable that the same can be set off with the future income within the allowable period specified in the Income Tax Act 1961. In view of the said uncertainty, it is considered prudent not to recognize the deferred tax asset in the current financial year 2012-13.

Note 31: Segment Reporting:

The Company has only one segment of business of power transmission & SLOC functions (Allied activities) hence AS 17 Issued by ICAI does not apply to it.

Note 32: Related Party Disclosure

(Disclosure of transactions between the Company and related parties during the year / period as per AS 18).

Managerial Remuneration to Key Management Personnel:

₹ In Lakhs

Nature of Relationship	Name of the Related Party	For the period from April 1, 2012 to March 31, 2013	For the period from April 1, 2011 to March 31, 2012 (for the salary on charge in 2011-12)
Chairman & Managing Director	Sh. Shakti Sinha (21.05.2012 to 31.03.2013)		
	Sh. DM Spolia (02.04.2012 to 20.05.2012)		
Director (HR)	Sh. Farhat Rai (29.08.2011 to 01.04.2012)		Salary-9.77 Perquisites-0.37
	Sh. A.B. Shukla (06.05.2011 to 31.03.2013)	Salary-17.17 Perquisite-2.37	Salary-22.46 Perquisite-48
Director (Finance)	Sh. A.K. Saxena (01.04.2012 to 31.03.2013)	Salary-18.93 Perquisites-2.02 (50% of the salary is borne by DPCL)	
Director (Operations)	Sh. A.K. Haldar (01.12.2011 to 31.03.2013)	Salary-24.15 Perquisites-5.95	Salary-7.11
	Sh. V.P. Challa (01.04.2011 to 30.09.2011)		Salary-7.53 Perquisites-3.12
Company Under Common Management	Delhi Power Company Ltd.	72.32 (Net Salary and other admin expenses)	773.87 (Salary and interest)

Note 33: Expenditure in Foreign Currency

	₹ in Lakhs	
	March 31, 2012	March 31, 2011
Imports on CIF Value	3217.46	19015.04
Professional Charges	-	-
Travelling Expenses	-	-

Note 34: Managerial Remuneration (Managing Director and Whole Time Directors)

	₹ in Lakhs	
	March 31, 2012	March 31, 2011
Salary	60.30	39.39
Perquisites	10.35	4.68
Sitting Fees	-	0.65

Note 35: Earning Per Share

	₹ in Lakhs	
Particulars	2012-13	2011-12
Profit for the year as per Profit and Loss Account for calculation of basic and diluted EPS (Rs. in lakhs)	26,134.48	79548.93
Weighted average number of equity shares in calculating basic EPS (No. in lakhs)	39510	39510
Add:		
Weighted average number of equity shares which would be issued on the conversion of Loan/potential equity subscription (No. in lakhs)		
Weighted average number of equity shares in calculating diluted EPS (No. in lakhs)		
Basic earning per share (in Rs.) (Face Value Rs. 10/- each)	0.66	2.01
Diluted earning per share (in Rs.) (Face Value Rs. 10/- each)	0.66	2.01

Note 36: Disclosure as required in AS-29 of Provisions, Contingent Liabilities and Contingent Assets: Contingent liabilities as stated under Note No. 25 (a) & (b) above are dependent upon the outcome of court/appellate authorities/out of court settlement, terms of contractual obligations and raising of demand by concerned parties.

Note 37: Company is dealing with the SDC function also as per the provisions of Electricity Act. The summarized financial position of SDC is given as under:

	₹ in Lakhs	
Particulars	2012-13	2011-12
Turnover/Sales	1,292.24	1,258.23
Employee Cost	834.21	732.69
A&G Expenses	116.65	134.74
Others	186.02	161.51
Profit	155.29	229.29
Assets	131.64	615.97
Liabilities	290.57	2,588.28
Cash & Bank Balances	1,265.83	2,204.00

Note 38: The balances of Sundry Debtors, Sundry Creditors, Advances and other Parties shown in the Accounts for the financial year 2012-13 are subject to Confirmation/Reconciliation.

Note 39: Previous year's figures have been regrouped and reclassified wherever considered necessary.





Delhi Transco Limited
Shakti Sadan, Kailash Road, New Delhi-110002

Cash Flow Statement for year ended March 31, 2013

₹ in Lakhs

S.No	Particulars	For the year ended 31.03.2013	For the year ended 31.03.2012
A.	Cash Flow From Operating Activities		
	Net Profit before Tax	32,719.38	100,533.31
	Add:		
	Depreciation	10,838.03	9,620.80
	Adjustment for Pension Trust	18,000.00	15,000.00
	(Gain)/Loss on Sale of Fixed Asset	(1.58)	444.78
	Interest on loans	10,508.77	5,376.41
	Less:		
	Interest on Investment	(36.02)	(29.30)
	Interest on Bank FD	(13,934.65)	(982.46)
	Adjustment of currency Fluctuation	1,112.45	(1,503.62)
	Adjustment of provision of slow moving stores	9.69	0.41
	Adjustment of provision for doubtful debt	-	2.73
	Change in Trade payable	(1,021.58)	(12,629.15)
	Change in Other current liabilities	(15,187.42)	(31,563.85)
	Change in other long term liabilities	(2,380.77)	5,530.78
	Change in provisions	(2,116.98)	13,013.32
	Change in Inventories	542.51	(493.77)
	Change in Trade receivable	(12,580.48)	(43,628.48)
	Change in Loans & Advances	673.66	(465.86)
	Change in other current assets	(3,153.64)	0.13
	Change in other non current assets	927.22	(80.22)
	Cash generated from operations	32,293.59	78,745.40
	Income Tax	(6,584.88)	(20,984.32)
	Net Cash From Operating Activities	25,708.71	49,751.01
B.	Net Cash from Exceptional Item (Pension Trust)	(7,149.11)	
C.	Cash Flow From Investing Activities		
	Change in Fixed Asset & CWIP	(28,451.84)	(75,265.93)
	Change in Investment	91.15	
	Sale of Fixed Asset	20.37	(444.78)
	Interest on Investment	30.19	26.44
	Interest received (other)	3,699.53	607.43
	Net Cash From Investing Activities	(24,613.55)	(74,566.48)
D.	Cash Flow from Financing Activities		
	Issue of Shares		
	Increase/Decrease in borrowing	(6,554.58)	74,707.07
	Finance Cost	(10,742.15)	(5,376.41)
	Dividend & Dividend Distribution Tax paid	(1,185.30)	
	Net Cash From Financing Activities	(18,950.44)	69,332.66
E.	Net Increase (decrease) in cash & cash equivalents (A+B+C+D)	(24,934.39)	44,407.23
F.	Cash & Cash equivalents (Opening Balance)	50,746.88	6,339.65
G.	Cash & Cash equivalents (Closing balance)	25,812.49	50,746.88
H.	Net Change in cash & cash equivalents (F-G)	24,934.39	(44,407.23)

Surender Babbar
D.G.M. (Finance)

P. K. Malik
Company Secretary

Ankur Garg
Director (HR)

R. K. Verma
Chairman & Managing Director

Dated: 04/09/2013
Place: New Delhi

As per our report of even date attached
Bhushan Bansal Jain Associates
(Chartered Accountants)
Firm Registration No. 003864N



(CA. Rav Dharadwaj)
Partner
F. No. B0056



Delhi Transco Limited
(An Undertaking of Govt. of NCT of Delhi)
Shakti Sadan, Kotla Road, New Delhi-110002
Balance Sheet as at 31st March 2014

		(Rs. In lakhs)	
Particulars	Note No.	2013-14	2012-13
		Amount	Amount
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	3,95,100.00	3,95,100.00
(b) Reserves and surplus	4	(2,50,276.75)	(2,30,279.73)
(c) Money received against share warrants			
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings	5	1,71,510.10	1,64,174.49
(b) Deferred tax liabilities (Net)	28		
(c) Other long term liabilities	6	24,341.41	27,515.62
(d) Long-term provisions	9	7,627.14	7,241.39
4 Current liabilities			
(a) Short-term borrowings	5	53,225.10	31,782.53
(b) Trade payables	7	380.69	3,521.35
(c) Other current liabilities	8	29,544.02	12,921.67
(d) Short-term provisions	10	8,452.71	16,736.44
TOTAL		4,39,904.42	4,30,713.76
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	26	2,16,165.52	1,86,752.18
(ii) Intangible assets	26	140.36	642.30
(iii) Capital work-in-progress	26	85,073.58	97,581.56
(b) Non-current investments	11	22.00	22.00
(c) Deferred tax assets (net)	29		
(d) Long-term loans and advances	-		
(e) Other non-current assets	14	9,127.56	10,069.95
2 Current assets			
(a) Current investments	11A		450.86
(b) Inventories	12	1,610.83	1,630.93
(c) Trade receivables	13	95,758.59	1,02,597.01
(d) Cash and cash equivalents	15	20,701.31	25,812.49
(e) Short-term loans and advances	16	1,717.81	1,632.80
(f) Other current assets	17	8,586.86	3,521.68
TOTAL		4,39,904.42	4,30,713.76

Note 1 to 37 form the integral part of these financial statements.

Note 1 is the general information only.

Note 2 States the significant accounting policies followed by the company.

Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification.

Surender Babbar
G.M (Finance)

P.K. Malik
Company Secretary

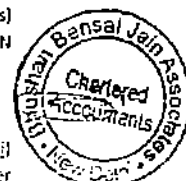
Sanjay Goel
Director (Finance)

Arun Goyal
Chairman & Managing Director

Dated: 19th August 2014
Place: New Delhi

As per our report of even date attached
Bhushan Bansal Jain Associates
(Chartered Accountants)
Firm Registration No.003884H

(CA Ravi Bharadwaj)
Partner
M No 80656





Delhi Transco Limited
(An Undertaking of Govt. of NCT of Delhi)
Shakti Sadan, Kotla Road, New Delhi-110002

Profit and loss statement for the year ended on 31st March 2014

(Rs. in Lakhs)

Particulars	Refer. Note No.	2013-14 Amount	2012-13 Amount
I. Revenue from operations	18	53,533.31	78,575.89
IA Other operating revenue	19	(293.85)	595.26
II. Other income	20	1,450.57	1,931.89
III. Total Revenue (I + IA + II)		54,700.03	81,103.04
IV. Expenses:			
Revised Tariff Cost	21	(641.13)	2,331.93
Employee benefits expense	22	8,244.51	8,091.02
Repair & Maintenance expenses	23	1,438.81	1,158.31
Finance costs	24	7,906.16	6,974.12
Depreciation and amortization expense	26	11,953.87	10,838.03
Other expenses	25	6,014.00	3,872.58
V. Total expenses		34,916.22	33,265.99
VI. Profit before Exceptional & Extraordinary items & tax		19,783.81	47,837.05
VII. Less: Exceptional Items	18	40,070.00	16,000.00
VIII. Profit before extraordinary Items & Tax (VI-VII)		(20,286.19)	31,837.05
IX Extra ordinary Items			
Prior period expenses/(Income)		(289.17)	(882.31)
X Profit before tax (VIII+IX)		(19,997.02)	32,719.36
XI Tax Expense:			
(1) Current tax			6,584.68
(2) Deferred tax	28		
XII Profit (Loss) for the period (X-XI)		(19,997.02)	26,134.48
XIII Earnings per equity share (Rs.):	33		
(1) Basic		(0.51)	0.66
(2) Diluted		(0.51)	0.66

Note 1 to 37 form the integral part of these financial statements.

Note 1 is the general information only.

Note 2 states the significant accounting policies followed by the company.

Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification.

Surender Babbar
G.M (Finance)

P.K. Malik
Company Secretary

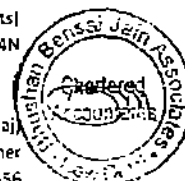
Sanjay Goel
Director (Finance)

Arun Goyal
Chairman & Managing Director

Dated: 15th August 2014
Place: New Delhi

As per our report of even date attached
Bhushan Bensei Jain Associates
(Chartered Accountants)
Firm Registration No.003884N

(CA Ravi Bharadwaj)
Partner
M.No 80656



(2)

Note 1

General Information

As a part of Power Reforms for the State of Delhi brought into effect by the Govt. of NCT of Delhi, the erstwhile Delhi Vidyut Board (DVB) was unbundled into different successor Entities w.e.f. 1st July 2002 namely Delhi Power Company Ltd., PGCL, DFL, NDPL, BYPL and BRPL and the said successor Entities incorporated as separate Companies under the Companies Act, 1956 were assigned separately the business of Generation, Transmission, bulk Sale & Purchase and Distribution of Electricity in the State of Delhi. The scope of the business, assets and liabilities of the said Entities and other incidental & consequential matters were also laid down in the Transfer Scheme notified by the Govt. of NCT of Delhi w.e.f. 01.07.2002. As per the said Transfer Scheme, Delhi Transco Ltd, incorporated as one of the said successor Entities, was transferred the assets and liabilities as on 1.7.2002 and started the business of bulk supply and transmission of electricity for distribution to Discoms, NDMC and MES in National Capital Territory of Delhi. On the expiry of the Policy Direction Period on 31.03.2007, the Company ceased to carry on the business of bulk purchase and sale of electricity and w.e.f. 01.04.2007 Company is carrying on the business of transmission of electricity (wheeling operations) and discharging the functions of SLDC.

Note 2: Significant Accounting Policies

Basis of preparation of Accounts

The financial statements have been prepared to comply in all material respects with the notified accounting standards as per Companies Accounting Standards Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis except in case of assets for which provision for impairment is made and revaluation is carried out. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

2.1 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2.2 Fixed Assets

- Fixed Assets are stated at historical cost less depreciation. Cost of acquisition is inclusive of taxes, interest during construction, duties, freight, installation and allocated incidental expenditure during construction/acquisition attributable to bring the assets to their working condition for their intended use.
- Intangible assets are recorded at their cost of acquisition.
- In case of commissioned assets where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of the final settlement.
- Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates and/or assessments.

2.3 Depreciation:

- Depreciation on Fixed Assets is provided on straight line method in terms of rates specified in Schedule XIV of the Companies Act 1956 except that computers acquired are depreciated at the rate of 33.40% per annum. Further, as per the policy of the Company, the new vehicles purchased for the officers of the company shall be transferred to the said officers after 5 years at NIL value and therefore the depreciation on those vehicles is charged @ 20% instead of @ 9.50% as general rate applied to other vehicles (after charging 10% of the cost from the employee).
- Assets costing up to Rs. 5000/- are fully depreciated in the year in which they are put to use.
- Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of price adjustment, change in duties or similar factors, the unamortized balance of such assets is adjusted for such change and depreciated prospectively over the residual useful life determined on the basis of the rate of depreciation.
- Computer software recognized as intangible asset is amortized on straight line method over a period of 3 years.
- Depreciation charged on an asset shall cease from the year following the year in which:
 - The year's depreciation along with the depreciation charged in the previous year(s) becomes equal to 95 % of the cost of the asset, or
 - The asset permanently ceases to be used by the Company whichever is earlier.



Leasehold land & buildings which are upto the lease of 30 years are amortized over the lease period. Leasehold land and buildings, whose lease period is yet to be finalized, are amortized over a period of 30 years.
 g) In the case of ERP system, the cost of hardware is depreciated @ 33.40% and the software has been treated as intangible asset and is depreciated over a period of three years.

2.4 Capital Work-in-Progress

2.4.1 a) Treatment of Borrowing cost during construction:

Borrowing costs, attributable to qualifying assets, are capitalized to such assets, using the capitalization rate based on weighted average interest cost. The income on temporary investment of the borrowed funds is reduced from the amount of interest cost on the said borrowings.

b) Incidental Expenditure during Construction (net) including corporate office expenses (allocated to the schemes pro-rata to the annual capital expenditure) for the year, is apportioned to Capital Work-in-Progress on the basis of accretions thereto.
 c) Claims for price-variation / exchange rate variation in case of contracts are accounted for on acceptance.

d) The value of material issued to the contractor and not utilized at construction site is charged to Capital Work-in-Progress.
 e) The Employee cost and Administrative & General expenses of Planning and Construction departments are allocated fully to capital work-in-progress (CWIP) on pro-rata basis based on annual accretion in CWIP. The Employee cost and Administrative & General expenses of Common Wealth Projects (ICS Turnkey Projects) are fully allocated to CWIP's pertaining to the ICS Turnkey Projects. Similarly amount incurred on the foreign travel expenses by the employees of the Company in connection with the inspections/training for the projects are capitalized on pro-rata basis.

2.4.2 Deposit Works: The Company in certain cases executes/supervise works of capital nature on behalf of other departments / organizations mainly for the purpose of facilitating their own works/projects and for which the Company receives advances (Deposits) from the said Departments/Organizations. The said advances/deposits are shown in the accounts net of the amount incurred on those capital deposit works.

2.5 Impairment

- The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.
- After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.
- A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

2.6 Investments

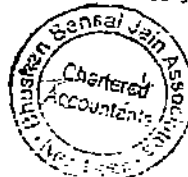
Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

2.7 Inventory Valuation

- The company has a main store for inventories of various materials, tools, spares etc., from where the said items are issued to the various Sub-Stations, sites and offices. The value of the material issued from the main store to the sub-stations and sites against the requirements of scheduled maintenance and execution of works is treated as R&M cost. However the quantitative records of the materials, spares and tools at respective sub/stations and sites is maintained for the control purpose.
- Inventories of stores and spare parts and loose tools in stock are valued at cost, on weighted average basis.
- Construction Steel Scrap is valued at estimated realizable or book value whichever is less. Other Scrap is accounted for as and when sold.

2.8 Revenue Recognition:

- Transmission Income is accounted based on the tariff rates approved by the Delhi Electricity Regulatory Commission/Appellate Tribunals and are accounted for in the year of order issued by the Commission/Appellate Tribunals.
- Income on contracts for construction, technical services related to construction of assets, etc. other than deposit works, is accounted for on "Completed Contract" basis, and included in "Other Income". Expenditure incurred during pendency of contracts is carried forward as Work In Progress.
- The incentives/disincentives are accounted for based on the norms notified/approved by the Delhi Electricity Regulatory Commission or agreements with the beneficiaries.
- The surcharge on late payment/overdue sundry debtors for sale of energy/Wheeling Charges is not treated accrued due to uncertainty of its realization and is, therefore, accounted for on receipt.



- e) Warranty claims/liquidated damages are not treated accrued due to uncertainty of realization and are accounted for on receipt/recovery from bills payable to suppliers/contractors.
- f) Scrap other than construction steel scrap is accounted for in the accounts as and when sold.
- g) Insurance claims are accounted for in the year of acceptance.
- h) The income or expenditure as the case may be on account of revision in tariff is done on the basis of orders of DERC/CERC.

2.9 Foreign Currency Translations:

a) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

a) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c) Exchange Differences

Exchange differences arising on settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

2.10 Retirement and other employee benefits:

a) Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. However, the employees in the employment of the Company before the unbundling period are covered under the defined benefits plan to be paid by Pension Trust.

b) In respect of employees employed by the company i.e. other than Ex-DVB employees:

- Ø Gratuity liability and Post employment Medical Benefit liability are defined benefit obligations and are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- Ø Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- Ø Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

c) Payments made under the Voluntary Retirement Scheme are charged to the Profit and Loss account immediately.

2.11 Taxes on Income:

(a) Tax expense comprises of current tax and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

(b) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in situations where the Company has unabsorbed depreciation or carry forward tax losses. Deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

(c) At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

2.12 Earning per share:

(a) Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue.

(b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



2.13 Provisions:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Provision for expenditure relating to voluntary retirement is made when the employee accepts the offer of early retirement. Provisions have been differentiated as long term and short term keeping in the requirement of revised schedule VI

2.14 Cash and Cash equivalents:

Cash and cash equivalents in the balance sheet comprise balance at bank, cash in hand and short-term investments with an original maturity of three months or less.

2.15 Debenture (Bonds) Redemption Reserve:

In terms of section 117C of Companies Act, 1956 and the SEBI Guidelines, Company creates Debenture (Bonds) Redemption Reserve at 50% of the amount of the Bonds issued each year over the period of bonds before the commencement of the redemption of the said Bonds.

2.16 Prior Period and extraordinary items:

Prior Period and Extraordinary transactions are accounted in accordance with Accounting Standard-5.

2.17 Significant Events occurring after the Balance Sheet date:

Treatment of contingencies and significant events are in accordance with Accounting Standard-4.



Note 3

Share capital

Share Capital	(Rs. In Lakhs)	
	2013-14	2012-13
Authorised	Amount	Amount
45000 Lakh Equity Shares of Rs 10 each	4,50,000.00	4,50,000.00
Issued, Subscribed & Paid up		
39510 Lakh Equity Shares of Rs. 10 each out of which 2600 Lakh shares of Rs 10 each are held by Delhi Power Company Ltd and 36910 Lakh Shares of Rs 10 each held by Govt. of NCT	3,95,100.00	3,95,100.00
Total	3,95,100.00	3,95,100.00

Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period i.e. 2013-14

Particulars	2013-14		2012-13	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	39,510.00	3,95,100.00	39,510.00	3,95,100.00
Shares Issued to Govt. of NCT	-	-	-	-
Shares issued to Delhi Power Company Ltd	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	39,510.00	3,95,100.00	39,510.00	3,95,100.00

Name of Shareholder	2013-14		2012-13	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Delhi Power Company Ltd.	26,00,00,000	6.58	26,00,00,000	6.58
Govt. of NCT of Delhi	3,69,10,00,000	93.42	3,69,10,00,000	93.42
	3,95,10,00,000	100.00	3,95,10,00,000	100.00

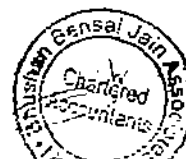
Note 4

Reserves and surplus

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
A. Debenture Redemption Reserve		
Opening Balance	8,000.00	6,000.00
(+) Current Year Transfer	-	2,000.00
Closing Balance	8,000.00	8,000.00
B. Insurance Reserve		
Opening Balance	1,046.19	776.28
(-) Current Year Transfer	-	267.91
Closing Balance	1,046.19	1,046.19
C. Surplus		
Opening balance	(2,39,325.92)	(2,63,192.49)
(-) Net Profit/(Net Loss) For the current year	(19,997.02)	26,134.48
(-) Transfer to Reserves	-	2,267.91
Closing Balance	(2,59,322.94)	(2,39,325.92)
D. Proposed Dividend		
Opening Balance	-	1,185.30
(-) Dividend paid	-	1,185.30
Closing Balance	-	-
Total	(2,50,276.75)	(2,30,279.73)

(i). As per the recognised policy of the company, Insurance Reserve is created out of the current year profits @ 0.10% of gross block of fixed assets in order to meet the loss/damages of the assets, stores etc., due to any theft, accident etc. Since during the current financial year company has not earned any profits, no insurance reserve has been created for the current financial year.

(ii). Debenture (Bonds) Redemption Reserve: In terms of section 177C of Companies Act 1956 and the SEBI Guidelines, the company is creating Debenture (Bonds) Redemption Reserve amounting to Rs.2000 lakhs (Previous year Rs.2000 lakhs) out of each year's profits being 50% of the amount of Bonds over the period of 5 years i.e., before the commencement of the Redemption of the Bonds. Since during the current financial year company has not earned any profits, no Debenture (Bonds) Redemption Reserve has been created for the current financial year.



NOTE 5

Borrowings

	2013-14			2012-13			(Rs. in Lakhs)
	Long term borrowings	Short term borrowings	Total	Long term borrowings	Short term borrowings	Total	
Secured							
(a) 9.5% Secured Redeemable Non Convertible Power Bonds							
(Secured by Pari Passu charge over assets of the company.)	20,000.00		20,000.00	20,000.00		20,000.00	
(b) Term loans							
1. Allahabad Bank	44,170.12	4,583.33	48,753.45	80,741.28	7,492.00	88,233.28	
(Secured By Pari Passu Charge over Assets of the company)							
2. State Bank of India	39,886.11	4,096.20	43,982.31				
(Secured By Pari Passu Charge over Assets of the company)							
3. Union Bank of India							
(Secured By Pari Passu Charge over Assets of the company)				9,967.95	2,500.00	12,467.95	
(c) Long term maturities of finance lease obligations							
Asset taken from PGCL on lease basis	1,986.73		1,986.73	2,204.04		2,204.04	
(d) Other loans and advances (Vehicle Loan)	44.62	62.00	106.62	86.43	62.00	148.43	
(Secured by hypothecation of vehicle)							
(e) Working Capital Loan							
Allahabad Bank		7,658.37	7,658.37				
State Bank of India		7,500.00	7,500.00				
Sub Total (A)	1,06,087.57	23,899.30	1,29,987.47	1,12,999.70	10,054.00	1,23,053.70	
Unsecured							
(a) Term loans							
Loan from State Government for approved Plan Scheme	65,422.53	9,325.20	74,747.73	51,174.80	6,728.53	57,903.33	
Loan from Delhi Power Company Limited.		20,000.00	20,000.00		15,000.00	15,000.00	
Sub Total (B)	65,422.53	29,325.20	94,747.73	51,174.80	21,728.53	72,903.33	
Total (A+B)	1,71,510.10	53,225.10	2,24,735.20	1,64,174.50	31,782.53	1,95,957.03	

Short term borrowing represents the liability of loan due to be paid within a period of 12 Months as per the terms of sanction of said loan



Note 6

Other Long Term Liabilities

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
Retention Money	17,301.25	20,221.30
Security Deposits	205.36	219.62
Advance against deposit works (Net of work executed)	733.37	787.75
Payable to DPCL	6,101.43	6,286.95
Total	24,341.41	27,515.62

A claim of Rs.12,211 Lakhs has been raised by DPCL against company for the payments released by DPCL for works supplies etc. However, the details of the same are yet to be received by the company. However the disputed claim of Rs.12,211 Lakhs has been disclosed as Contingent Liability. Further the admissibility of the said claim is under examination by the company, in terms of the Transfer Scheme rules and therefore the said claim has not been acknowledged and the same has not been recognised in the accounts of the company in the current year. The amount of Rs.6101.43 lakhs is subject to reconciliation.

Note 7

Trade Payable

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
Power Purchase (Revised Tariff)	291.20	2,103.16
Sundry Creditors (Stores & Works)	89.49	1,418.19
Total	380.69	3,521.35

Note 8

Other Current Liabilities

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
Interest accrued but not due on loans from Govt & Banks	7,618.15	5,654.10
Interest Accrued & Due-GNCTD Loan	4,221.64	
Interest accrued on Bonds	156.16	156.45
Expense Payable	4.03	4.03
Earnest Money Deposit	155.92	192.43
Payable & Recoveries (Employees)	272.67	216.87
Payable to Pension Trust	12,098.38	6,424.80
TDS/Sales Tax/WCT Payable	317.35	55.88
Other Duties & Taxes	46.92	5.59
Retention Money	4,644.74	
Other Liabilities	8.06	8.47
Total	29,544.02	12,921.67

(i) In order to meet the severe fund deficit owing to continuing defaults by BSES Yamuna & BSES Rajdhani in releasing the payments to the company against wheeling and other commercial charges, the company had to defer the repayment of instalment of loan and interest due for payment to GNCTD in the month of March 2014 amounting to Rs.3373 lakhs and Rs.4242 lakhs respectively. For the purpose of deferment the approval of GNCTD was obtained by the company.

(ii) As per the tariff order dated 31.07.2013 issued by DERC, the company has been directed to pay a sum of Rs.40000 lakhs to DVB Pension Trust out of the surplus trued up tariff amounting to Rs.103,542 lakhs for the control period 2007-08 to 2011-12. Though the company has challenged the said tariff order before the Appellate Tribunal for Electricity, a sum of Rs.30,057 lakhs has been paid by the company during the financial year 2013-14 to DVB Pension Trust which is subject to the decision on the appeal filed by the company. The balance amount is being paid during the financial year 2014-15.



Note 9

Long Term Provisions

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
(a) Provision for employee benefits		
Provisions based on Actuarial Valuation		
(b) Others	1,507.22	1,121.47
Provision for disputed Claim	6,119.92	6,119.92
Total	7,627.14	7,241.39

(i) As per Accounting Standard, AS-15 issued by ICAI, Company is required to provide for the liability towards employee benefits which falls under two categories of plans namely defined contribution plan and defined benefit plan. Further, the employee benefits are paid in two forms namely short term employee benefits and post employment benefits (retirement benefits).

(ii) The short term employee benefits i.e. wages and salaries have been accounted for the whole year with respect to services rendered by the employees during the year 2013-14.

(iii) In respect of post employment benefits, the employees of the Company fall in two categories namely (a) Who are in employment before the unbundling of DVB i.e. 01.07.2002 and (b) Who have been employed after the unbundling of DVB. In respect of post employment benefits the employees falling in category (a) above are covered with defined benefit plan which include the payment of pension, leave encashment, gratuity, medical benefits and LTC after the retirement. The employees falling in category (b) above are covered under defined benefit plan which include the payment of leave encashment and gratuity on their retirement and also under defined contribution plan i.e. Provident Fund.

(iv) As per Transfer Scheme of unbundling of Delhi Vidyut Board (DVB), a Trust designated as Delhi Vidyut Board Employee Terminal Benefit Fund 2002 was created by GNCTD for the payment of post employment benefits mentioned above to the employees of pre unbundling of DVB. The said trust was funded by GNCTD initially at the time of unbundling and subsequently is also required to be funded from the contributions by the successor entities. As per the provisions of AS 15, the defined benefit obligation (post retirement benefits) existing as on balance sheet date with the break up in current year service cost and past year service cost is required to be charged to Profit and Loss account of the year concerned. As per AS15, the value of the aforesaid defined benefit obligations should be accounted for in the accounts on the basis of actuarial valuation on the date of balance sheet. However, pending the actuarial valuation of the obligations of the Pension Trust towards retirement benefits of the employees as on 31.03.2014, the shortfall, if any, of the contribution payable by the Company to the Pension Trust during the FY 2013-14 could not be ascertained and accounted for in the accounts for the financial year 2013-14.

However the Company has continued to pay the monthly contributions to Delhi Vidyut Board Employee Terminal Benefit Fund during the current financial year as being done in previous years towards the defined benefit.

(v) In respect of the employees of the Company employed after the unbundling, the Company is liable to pay two types of benefits namely defined contribution plan in the form of EPF and defined benefit plan in the form of Gratuity & Leave encashment. With regard to the former, the Company has made the full contribution towards PF as per statutory requirement for the year 2013-14 and charged the same to Profit & Loss statement. With regard to gratuity and leave encashment, the Company has got the valuation done for the same as on 31.03.2014 through an Actuary as per the requirement of AS 15. The tables below summarize the components of net benefit expense recognized in the Profit and Loss statement and the amounts recognized in the balance sheet for the respective plans.

(vi) In financial year 2013-14 Provision of actuarial valuation is divided into non current and current liability & therefore taken into long term liability & short term liability respectively.



Details of Provision for Gratuity and leave Encashment:-

Particulars	Gratuity		Leave Encashment (Medical and Earned Leave)	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Defined benefit obligation	509.83	451.03	1069.08	723.51
Fair value of plan assets	-	-	-	-
Less: Un recognized past service Cost	-	-	-	-
Plan asset / (liability)	-	-	-	-
Defined benefit obligation	509.83	451.03	1069.08	723.51

Changes in the present value of the defined benefit obligation are as follows:-

Particulars	Gratuity		Leave Encashment (Medical and Earned Leave)	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening defined benefit obligation	451.03	342.67	723.51	532.52
Interest cost	36.98	29.47	59.33	45.81
Current & past service cost	73.65	74.13	141.73	112.11
Benefits paid	-	-	-	(12.37)
Actuarial (gains) / losses on obligation	(51.83)	4.76	144.51	35.34
Closing defined benefit obligation	509.83	451.03	1069.08	723.51

Changes in the fair value of plan assets are as follows:-

Particulars	Gratuity		Leave Encashment (Medical and Earned Leave)	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Opening fair value of plan assets	-	-	-	-
Expected return	-	-	-	-
Contributions by employer	-	-	-	-
Benefits paid	-	-	-	-
Actuarial gains / (losses)	-	-	-	-
Closing fair value of plan assets	-	-	-	-

Since no plan assets have been created so far against the above mentioned defined benefit obligations, the fair value of the same as on 31.03.2014 is NIL.



Actuarial assumptions:

	Gratuity		Leave encashment	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
Discount rate	9.10%	8.20%	9.10%	8.20%
Future salary increase	12%	10%	12%	10%
Methodology	Projected unit credit (PUC)	Projected unit credit (PUC)	Projected unit credit	Projected unit credit

The estimate of future salary increases, considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Note 10

Short Term Provisions

		(Rs. In Lakhs)	
		2013-14	2012-13
		Amount	Amount
(a) Provision for employee benefits			
Provision for actuarial valuation-short term		71.69	53.08
Provision for Ex-Gratia		451.33	317.32
Provision for Dearness Pay in LSC Regular		240.87	240.87
Provision for LSPC Contr Deputation		111.82	127.16
Provision for LTC		92.28	56.28
Provision for IPGCL Empl Salary		496.52	310.90
Provision for Incentive		33.31	245.06
Provision for Interest refundable		2.96	2.96
(A)-		1,500.78	1,353.63
(b) Provisions on account of			
Short term open access & others		-	1,547.53
Prov for O&M Charges (PGCIL)		309.08	-
Other Expenses		879.41	314.10
(B)-		1,188.49	1,861.63
(c) Provisions related to Works & Projects	(C)-	4,476.79	14,634.45
(d) Others Provisions			
Statutory Audit Fees		7.92	8.00
Ground Rent		996.29	871.29
Property Tax		282.44	7.43
(D)-		1,286.65	886.73
Total		8,452.71	18,736.44

Note 11

Non- Current Investments (Non Trade & unquoted)

		(Rs. In Lakhs)	
	No. of Shares per unit	2013-14	2012-13
		Amount	Amount
8.25% NPCIL	22.00	22.00	22.00
Total		22.00	22.00

Note 11A

Current Investment

		(Rs. In Lakhs)	
	No. of Shares per unit	2013-14	2012-13
		Amount	Amount
5.15% HUDCO	10.00	-	95.05
5.5% IREDA	35,581.00	-	355.81
Total		-	450.86



Note 12

Inventories (Stores & Spares)

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
Stores & Materials (As valued and certified by Management)	1,758.95	1,779.16
Less: Provision for Slow Moving Stores	(148.12)	(148.23)
Total	1,610.83	1,630.93

Physical Verification of Fixed Assets and Stores:

(i) As per the Accounting Policy of the Company, the physical verification of the lands, buildings & vehicles was carried out by the Company during the FY 2013-14 through external Chartered Accountants. The discrepancies in the same are under reconciliation.

(ii) Based on the valuation of slow moving stores as on 31.03.2014 done as per the policy of the company, the provision amounting to Rs.148.12 lakhs (Rs.148.23 lakhs previous year) has been created in the current financial year.

(iii) The stores & materials either procured directly by the S/Strs & Lines or transferred from Central Stores at Mehrauli for the purpose of normal operations and maintenance are treated as cost and charged to O&M expenses. Inventory of said stores & materials (if any) at the end of the financial year is thus not included in the above mentioned value of stores & materials.

Note 13

Trade Receivable

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
Trade receivables outstanding for a period exceeding six months from the date they are due for payment.		
Unsecured and Considered Good	80,333.79	56,164.90
Sub Total (A)	80,333.79	56,164.90
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured and Considered Good	16,424.80	46,432.11
Sub Total (B)	16,424.80	46,432.11
Total (A+B)	96,758.59	1,02,597.01

As per Transmission agreement executed between company and distribution utilities, former is entitled to LPSC (Late payment surcharge) against the delay in payment of Bills after due date and therefore on account of the same LPSC is also recoverable from Discoms on the amount of overdue bills. However as per the approved accounting policy of the company the amount of LPSC is recognised as income and recoverable from utilities only on receipt basis. Therefore the outstanding amount of trade receivable as shown above does not include the amount of LPSC recoverable from utilities. The outstanding amount due from utilities as shown above is subject to reconciliation & confirmation.

Note 14

Other Non Current Assets

	(Rs. In Lakhs)	
	2013-14	2012-13
	Amount	Amount
Security Deposit (A)	858.35	858.35
Advances to suppliers & Govt. Dept.	8,405.89	9,318.83
Less: Provision on account of Road Restoration Charges	(136.68)	(107.23)
Net Advances (B)	8,269.21	9,211.60
Total -(A+B)	9,127.56	10,069.95

Company has released the payments to various government departments for road restoration /site clearance/way permission to facilitate the execution of capital works by the Company which is included under "Advance to Suppliers & Govt. depts.". Since the said capital works are under execution by the Company after obtaining the said permission/clearances, the aforesaid amounts paid to the said government departments have also been accounted for as provisions for works expenses pending the certification by the concerned Engineer in charge and included in "Short Term Provisions" and correspondingly charged to the respective capital works in progress.

Note 15

Cash and cash equivalents

	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Cash in hand	0.99	0.70
Balance with Scheduled Banks:		
Balance in current accounts	8,500.32	3,511.79
Fixed Deposit-Plan	12,200.00	20,800.00
Fixed Deposit-Non Plan		1,500.00
Total	20,701.31	25,812.49

Note 16

Short-term loans and advances

	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Advance recoverable		
Unsecured considered good		
Govt Departments & Outside parties	201.37	200.35
Staff	126.36	91.36
Prepaid Expenses	13.84	19.10
Income Tax	465.63	465.63
GNCTD	894.10	829.85
IPGCL	26.51	26.51
Total	1,717.81	1,632.80

Note 17

Other Current Assets

	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Income Tax Refund (Net off MAT Liability)	8,525.69	3,163.56
Interest accrued on Fixed Deposit	36.05	313.30
Interest accrued on advance to staff/outside parties	24.67	26.21
Interest accrued on investment	0.45	18.61
Total	8,586.86	3,521.68



Note 18

Revenue from operations

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Income from Wheeling & Other Operations	52,447.42	77,476.03
Income from SLDC charges	903.56	903.56
Reactive Energy Charges	182.33	196.30
Total	53,533.31	78,575.89

(i) Since the expiry of the Policy Direction Period w.e.f 31.03.2007, the Company has ceased to carry on the business of bulk purchase and sale of power and from the said date, Company is carrying on the business of transmission of power (wheeling operations) and discharging the functions of SLDC as State Transmission Utility (STU). Wheeling charges for the financial year 2013-14 have been billed to the DISCOMS, MES and NDMC as per the Tariff Order dated 31.07.2013 issued by DERC and for SLDC as per the provisional order passed by DERC in year 2008-09. During the financial year 2013-14, the Company has billed a sum of Rs.50000 lakhs (Previous Year Rs.55540 lakhs) & Rs. 904 lakhs (Previous Year Rs. 904 lakhs) to Discoms, NDMC and MES towards Wheeling Charges and SLDC charges respectively and included the same in the income from wheeling and other operations and income from SLDC charges for the financial year 2013-14.

(ii) In its tariff order dated 31.07.2013 for the true up of ARR for the control period 2007 to 2012, a sum of Rs. 59322.00 Lakhs has been approved by hon'ble Delhi Electricity Regulatory Commission (DERC) as provisional tariff for the financial year 2013-14 based on the ARR petition filed by the company before hon'ble DERC. In addition to the same, hon'ble DERC has also approved a sum of Rs.168752.00 Lakhs against the amount of DVB arrears which was previously being disallowed by hon'ble DERC but now has approved the same as per the orders of hon'ble Appellate Tribunal for Electricity (APTEL). However out of the aforesaid approved amount of Rs.168752.00 Lakhs, only a sum of Rs. 54150.00 Lakhs has been allowed in the form of additional tariff for the financial year 2013-14. While approving the ARR/ tariff for the financial year 2013-14, hon'ble DERC has also true up in its tariff order dated 31.07.2013 the amount of ARR provisionally allowed to the company during the control period 2007 to 2012 and determined surplus as available with DTL to the extent of Rs. 103542.00 Lakhs which has been adjusted (set off) by hon'ble DERC in the following manner in the financial year 2013-14:-

Particulars	Amount (Rs.)	Effect in Accounts
(a) Payment to DVB Pension Trust for their funding requirement	400.00 crores	Extraordinary Item (Expenses) in Profit & Loss Account
(b) Payment to P.G.Cell GNCTD	0.70 crores	Extraordinary Item (Expenses) in Profit & Loss Account
(c) Adjustment with provisional ARR for the financial year 2013-14	593.22 crores	Set off with wheeling Charges
(d) Partial adjustment with amount of DVB arrears allowed as per Appellate Tribunal of Electricity (APTEL)	41.50 crores	Set off with wheeling Charges
Total	1035.42 crores	

Thus after adjusting Rs.4150 Lakhs out of Rs.54150 Lakhs as mentioned above, a sum of Rs.50000 Lakhs has been allowed as tariff for the current year i.e., 2013-14 against which the company has raised the bills to Discoms, NDMC and MES.



(iii) In terms of the aforesaid tariff order issued by DERC dated 31.07.2013, company has accounted in its tariff income on net basis amounting to Rs. 500 crores as explained in para ii above and has raised monthly bills on prorata basis for a sum of Rs. 500 crores recoverable from three Discoms, NDMC & MES. The amount of Rs. 400 crores and Rs. 0.70 crores as directed by DERC to be released to OVB Pension Trust and P.G. Cell, GNCTD are being shown in the balance sheet as exceptional items.

(iv) In the True up order dated 31.07.2013, hon'ble Delhi Electricity Regulatory Commission (DERC) has computed the amount of income tax liability of the company as recoverable from Discoms, NDMC and MES which is different from the amount of income tax liability assessed, discharged and claimed/recovered by the company from three discoms, NDMC and MES over and above the approved ARR for the each year of control period 2007-12. Thus hon'ble DERC in its tariff order dated 31.07.2013 has directed the company to refund a sum of Rs. 21839 lakhs to three Discoms, NDMC & MES. Aggrieved by the said computation of amount of income tax recoverable from the said utilities, the company has challenged the same before the hon'ble APTEL contending that the company has assessed its income tax liability as per the provision of the Income Tax Act 1956 for each financial year of control period 2007-12 and claimed the same from the three Discoms, NDMC & MES in terms of Tariff Regulations, 2007. Further as the company has also discharged the said liability by depositing the assessed income tax with Govt. Treasury and has also recovered the same from the aforesaid utilities till 2010-11 (except BYPL & BRPL), the amount of income tax to be refunded by the company as per the orders of the hon'ble commission has been disputed & challenged by the company by filing the appeal before hon'ble APTEL. The same therefore has not been provided in the accounts of the current financial year. However the same is disclosed as contingent liability (Note No.27)

(v) The bills regarding NRLDC charges payable to PGCIL after recovery from Discoms have been accounted for on receipt basis as the company doesnot own any liability on this account and is merely acting as nodal agency for the collection of NRLDC charges. Since the payment against the bills raised to Discoms for the months of January, February and March-2014 amounting to Rs 102.51 lakhs is outstanding at the close of the current financial year, the same has not been shown as payable to PGCIL and as well as receivable from Discoms in the accounts for the financial year 2013-14.

Note 19

Other Operating Revenue

Particulars	(Rs. In Lakhs)	
	2013-14 Amount	2012-13 Amount
Rebate Received on power purchase	1.83	-
Incentive/(Disincentive) received from Discom on transmission availability	(295.65)	116.06
LPSC on wheeling & transmission charges	-	479.20
Total	(293.85)	595.26

Note 20

Other income

Particulars	(Rs. In Lakhs)	
	2013-14 Amount	2012-13 Amount
Gain on sale	112.04	1.58
Excess Provision W/back	82.39	1,180.75
Interest on Investments	17.85	35.00
Gain on foreign currency translation	-	252.20
Other miscellaneous receipts	1,248.25	461.36
Total	1,460.57	1,931.89



(i) The SCADA equipment being used for ULDC system was acquired by the Company from PGCIL on lease payment basis payable over a period of 15 years. As on 31.03.2007, the Company had a liability of Rs.3431 lakhs due to PGCIL on this account and was shown as such in the annual accounts of the Company for the year ended on March 31, 2007. However, as per the orders passed by hon'ble DERC w.e.f. 1st April 2007, the balance liability is to be discharged by the DISCOMS, NDMC & MES, being the beneficiary constituents of ULDC system from that date. Accordingly, since the SCADA equipment has been recognised as asset in the books of the Company and depreciation on it being claimed in ARR of the company but at the same time, its liability payable to PGCIL is being discharged by the constituent beneficiaries directly, the amount of the same has been accounted for as the income of the company. Thus, the income on this account amounting to Rs.217 lakhs has been shown under Other Miscellaneous Receipts. As on 31st March 2014, the amount payable to PGCIL stands at Rs. 1986.73 lakhs and is subject to confirmation as at the close of the year.

(ii) In terms of AS-11 the Foreign currency transactions have been converted into Rupee Currency by using the exchange rates at the date of transaction and balance of monetary items carried in foreign currency have been converted at the close of the financial year by using the exchange rate at the date of closing of accounts i.e. 31-03-2014. The loss/profit on such conversion has been recognised as loss/profit during the year.

Note 21

Revised Tariff Cost

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Revised Tariff Cost	(641.13)	2,331.93
Total	(641.13)	2,331.93

(a) During the Financial Year 2013-14, the Company has earned income towards Power Purchase cost against the revised tariffs announced by CERC/Appellate Bodies in respect of the Power purchased by the Company before 01st April 2007 from various Generating Utilities. As per the said revised tariffs, the Company has also recognized income on accrual basis against the power purchase costs paid before 01st April 2007 and accordingly, during the F.Y. 2013-14 the Company has earned net income amounting to Rs.641.13 lakhs (Previous Year Rs.2331.93 lakhs as liability) towards revised power tariff.

(b) The company has also received credit bill towards revised tariff (refund of income tax liability) from NHPC amounting to Rs.1638 lakhs and credit bill of Rs.184 lakhs from THDC on account of revised tariff. Since both the utilities have not released the payment against the credit bills despite the reminder by the company, the same has not been recognized as income in current financial year.

Note 22

Employee Benefits Expense

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Salaries, Wages, Allowances & Benefits to Pensioners	11,479.23	10,796.04
Staff Welfare Expenses	922.99	796.12
Contribution to Provident Fund	229.81	197.08
Terminal Benefits (Pension & Gratuity and Leave Encashment)-Contribution	933.39	2,484.99
Sub Total	13,565.42	14,274.23
Capitalized	(5,320.91)	(6,183.21)
Total	8,244.51	8,091.02



Note 23

Repairs & Maintenance

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Buildings	296.28	211.28
Lines, Cable and Network Assets	886.38	923.90
Vehicles	5.10	0.92
Furniture, Fixture, Office Equipments & Others	251.05	22.21
Total	1,438.81	1,158.31

Note 24

Finance Cost

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Interest on Loan From State Government, Banks and Bonds	19,366.52	20,516.54
Bank & other Charges	2.91	0.56
Less: Interest Income of FD/CLTD	(742.81)	(3,934.65)
Sub Total	18,626.62	16,582.85
Less: Capitalised	(10,720.46)	(9,608.73)
Total	7,906.16	6,974.12

Note 25

Other Expenses

Particulars	(Rs. in Lakhs)	
	2013-14	2012-13
	Amount	Amount
Consumption of stores and spare parts (A)	913.35	1,094.99
Administration, General & Other Expenses (B)	553.55	554.39
Electricity & Water Charges	125.00	161.84
Rent, Rates & Taxes	59.73	66.80
Communication Expenses	66.30	85.82
Professional charges	28.86	170.95
Travelling & Conveyance	127.59	157.41
Advt & Publication	325.27	183.81
Medical expenses	1,352.59	724.00
Other Expenses	(1,419.48)	(788.07)
Less: Capitalization (from Admin, Gen & Other exp)	1,219.41	1,316.95
Sub Total (B)	-	-
Payment to auditor	6.18	6.18
Statutory Audit Fees	1.24	1.24
Tax Audit Fees	0.50	0.58
Other Expenses	7.92	8.00
Sub Total (C)	275.60	799.98
Property Tax (D)	117.54	215.79
Rebate allowed on wheeling charges (E)	3,137.11	192.29
Foreign Exchange Currency Fluctuation (F)	-	244.59
Dividend Distribution Tax (G)	343.67	-
Legal expenses & License Fee (H)	6,014.00	3,872.59
Total (A+B+C+D+E+F+G+H)	-	-



1. (a) North Delhi Municipal Corporation (NDMC) has raised the demand of property tax on Transmission towers erected in the periphery of the NDMC upto the financial year 2013-14 amounting to Rs. 424.92 lakhs against which the company has released Rs. 30 lakhs under protest and is contesting the demand in the court. The said amount of Rs. 30 lakhs has been shown as such under Advances (Note No. 14) and sum of Rs. 424.92 lakhs has been shown as Contingent Liability (Note No. 27).
- (b) Since the levy of property tax on the electricity utilities operating in NCT of Delhi (including DTL) is under consideration between GNCTD and MCD pending the decision, no property tax was deposited during the financial year 2013-14 against buildings. However for the current financial year i.e. 2013-14, the company has made the provision towards property tax on buildings amounting to Rs. 275 lakhs which covers all the buildings under the jurisdiction of North Delhi Municipal Corporation, East Delhi Municipal Corporation & South Delhi Municipal Corporation.
- (c) In the financial year 2012-13 a sum of Rs. 1130.34 lakhs was recovered through attachment by North Delhi Municipal Corporation from bank account of the company as additional property tax on buildings for the period upto the financial year 2012-13. Since the company has disputed the same, the same has been shown as Advances (Note No. 14).
2. During the financial year 2013-14, the East Delhi Corporation has raised additional demand of Rs. 17734.74 lakhs towards property tax on Transmission towers against which the company has deposited a sum of Rs. 800 lakhs under protest and has challenged the same by filing a writ petition before the Hon'ble High Court of Delhi which is pending for adjudication before the hon'ble Court. The amount of Rs. 800 lakhs deposited by the company under provision has been shown under Advances (Note No. 14) and the amount of impugned demand of Rs. 17734.74 lakhs has been shown as Contingent Liability (Note No. 27).
3. South Delhi Municipal Corporation (SDMC) has raised the demand of property tax for all buildings amounting to Rs. 1683.65 lakhs upto the financial year 2012-13. However the company has disputed the said demands as it has already deposited property tax against all the buildings under self assessment scheme upto the financial year 2009-10 and pending the decision on the levy of property tax against electricity utilities operating in NCT of Delhi (including Delhi Transco Ltd.) no additional tax has been deposited for the financial year 2013-14. However a provision as stated herein above amounting to Rs. 275 lakhs has been made in the financial year 2013-14 towards property tax of all the buildings covering three municipalities. Further the impugned demand of Rs. 1683.65 lakhs has been shown as Contingent Liability (Note No. 27).

Note 26: Fixed Assets & CWIP

- (i) During the financial year 2010-11, the company has implemented SAP based ERP system for its operations/functions. The hardware portion of the ERP system has been depreciated @ 33.40% and the software portion has been treated as intangible asset to be depreciated over a period of 3 years.
- (ii) As per the Transfer Scheme Rules, the company is entitled to use land as licensee and land remains in the name of GNCTD including the land allotted to GNCTD after the unbundling against payments made by the company and handed over to the company. Hence no amortization of the cost of land has been claimed and accounted for in the accounts.
- (iii) Management is of the opinion that company's asset have not suffered any loss due to impairment in terms of AS-28.



Note-26
Fixed Asset Details

GROSS BLOCK

Particulars	Opening balance as on 01.04.2013	Additions during the period	Sales/Adj. during the period	As at end on 31.03.2014
Tangible Asset				
Land & Land Rights	6,140.43	253.57	0.00	6,394.00
Buildings (Sub Station)	2,078.11	0.00	0.00	2,078.11
Buildings (Office)	1,511.00	0.00	0.00	1,511.00
Buildings (Residential Colony)	277.11	32.56	0.00	309.67
Meters	177.97	0.00	0.00	177.97
Four Rlys of 400 KV	1,399.63	0.00	0.00	1,399.63
Other Civil Works	20,657.41	1,982.69	0.00	22,640.10
Plant & Machinery	1,37,972.12	71,679.43	0.00	1,59,000.80
SACADA & PLC (Overhead)	1,417.37	0.00	0.00	1,417.37
SCADA & PLC (Control)	1,955.10	0.00	0.00	1,955.10
Lines, Cable Network etc	36,624.16	16,678.76	0.00	53,302.92
Turbines & Pumps	518.00	1.97	0.00	519.97
Vehicles	265.11	8.45	-4.90	268.66
Vehicle Staff	327.11	25.55	-23.40	329.26
Office Equipments	504.57	116.86	0.00	621.43
Computers	401.25	109.23	-0.04	510.44
Small Value Assets	40.34	5.19	0.00	45.53
ERP Other than Software	1,019.01	0.00	0.00	1,019.01
Intangible Asset				
ERP Software	2,807.23	0.00	0.00	2,807.23
Total	2,67,915.26	40,875.22	-18.74	3,08,761.74

Capital Work In progress (CWIP)

	Opening balance as on 01.04.2013	Addition	Capitalization	As at end on 31.03.2014
	97,581.56	78,040.07	-40548.05	85,073.58

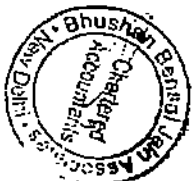
DEPRECIATION

Particulars	Opening balance as on 01.04.2013	Additions during the period	Sales/Adj. during the period	As at end on 31.03.2014
Tangible Asset				
Land & Land Rights				
Buildings (Sub Station)	804.44	65.15	-	869.59
Buildings (Office)	1,006.59	46.96	-	1,053.55
Buildings (Residential Colony)	138.20	2.22	-	140.56
Meters	42.41	8.45	-	50.86
Four Rlys of 400 KV	512.73	56.98	-	569.71
Other Civil Works	4,810.08	605.05	-	5,415.13
Plant & Machinery	43,103.60	6,631.95	-	49,735.56
SACADA & PLC (Overhead)	1,206.16	41.58	-	1,247.74
SCADA & PLC (Control)	3,757.35	3,482.06	-	7,239.41
Lines, Cable Network etc	20,970.22	24.99	-	20,995.21
Turbines & Pumps	206.27	11.54	-4.65	211.16
Vehicles	207.81	62.81	-13.71	256.91
Vehicle Staff	127.32	26.22	-0.42	153.12
Office Equipments	190.68	1.82	-	192.50
Computers	378.32	5.19	-	383.51
Small Value Assets	40.32	316.31	-	356.63
ERP Other than Software	688.23	501.93	-	1,190.16
Intangible Asset				
ERP Software	2,164.93	11,953.82	-18.78	14,100.97
Total	80,520.77	24,452.88	-24.43	1,04,949.22

(Figures in Rs. Lakhs)

NET BLOCK

	As at end on 01.04.2013	As at end on 31.03.2014
	6,394.00	6,140.43
	1,208.52	1,273.67
	417.45	461.42
	109.11	138.82
	127.11	135.56
	629.92	686.90
	12,164.07	15,847.13
	1,09,859.24	94,863.27
	138.63	141.20
	197.75	197.75
	78,831.04	65,851.96
	216.61	211.73
	53.94	57.28
	152.94	190.79
	456.53	314.89
	132.32	21.03
	0.00	0.00
	14.47	330.78
	140.37	647.30
	2,16,305.88	1,87,394.45



Note 27: Contingent Liability

- (a) The contingent liability on account of arbitration / Court cases and other claims is Rs.17018.86 Lakhs plus interest (Previous year Rs.17078.72 Lakhs plus interest) against the counter claim of the Company amounting to Rs.1197.92 Lakhs (Previous Year Rs.9629.72 Lakhs). Considering the status of the pending cases no provision has been considered in terms of AS-29.
- (b) The demand of Rs.19843.31 lakhs raised by South Delhi, East Delhi & North Delhi Municipal Corporation towards property tax against the company has not been acknowledged by the company as the matter of levy of property tax on the company against the properties in possession of the company is under examination by GNCTO.
- (c) A sum of Rs.319.87 lakhs has been paid towards disputed demand of TDS for the financial year 2004-05 which is appearing under advances. The Company disputed and appealed against the same before the Commissioner of Income Tax/Appellate Tribunal which has been decided in favour of the company but the department has gone in appeal before the hon'ble High Court of Delhi. Similar Demand was also raised by the department for the financial year 2003-04 amounting to Rs.292 lakhs against which company went into appeal before the hon'ble Tribunal and which has been decided in favour of company. However department has gone in further appeal before hon'ble High Court of Delhi. The Income Tax Department has also disallowed a sum of Rs.1369 lakhs for the financial year 2002-03 on account of excess rebate recoverable from discoms and a sum of Rs.179 lakhs on account of prior period depreciation for Financial Year 2007-08 respectively, which was disputed and appealed by the company before CIT (Appeals) and which was decided in favour of the company. However the department has gone in appeal before Hon'ble Appellate Tribunal for the demand of Rs.1369 lakhs for financial year 2002-03 only.
- (d) Liability of the Company to banks against Inland/Foreign LCs issued by the banks on behalf of the Company is Rs.180 lakhs (Previous year Rs.813 lakhs).
- (e) Estimated value of contracts remaining to be executed on Capital Account (net of advance) and not provided for as at 31st March 2014 amounts to Rs.16784.65 Lakhs (Previous year Rs.71016.93 Lakhs).
- (f) The LPSC on the revised power purchase cost amounting to Rs.752.56 lakhs (Previous year Rs.670.03 lakhs) has been claimed by SJVNL which has been disputed by the company.
- (g) In the True up order dated 31.07.2013, hon'ble Delhi Electricity Regulatory Commission (DERC) has computed the amount of income tax liability of the company as recoverable from Discoms, NDMC and MES which is less than the amount of income tax liability assessed, discharged and claimed/recovered by the company from three discoms, NDMC and MES over and above the approved ARR for the each year of control period 2007-12. Thus hon'ble DERC in its tariff order dated 31.07.2013 has directed the company to refund a sum of Rs.21839 lakhs to Discoms, NDMC & MES. Aggrieved by the said computation of amount of Income tax recoverable from the said utilities, the company has filed the appeal before the hon'ble APTEL contending that the company has assessed its income tax liability as per the provisions of the Income Tax Act 1961 for each financial year of control period 2007-12 and claimed the same from the three Discoms, NDMC & MES in terms of Tariff Regulations, 2007. Further since the company has also discharged the said liability by depositing the assessed income tax with Govt. treasury and has also recovered the same from the aforesaid utilities till 2010-11 (except BYPL & BRPL), the amount of income tax to be refunded by the company as per the orders of hon'ble DERC has not been recognised as liability in the accounts of the current financial year.

Note 28: Deferred Tax

As per AS 22, the deferred tax assets (the deferred tax benefits) should be recognized only when there is certainty for the income generation in future which can be utilized for setting off the said deferred tax assets. Considering the huge amount of accumulated unabsorbed losses, it is not probable that the same can be set off with the future income within the allowable period specified in the Income Tax Act 1961. In view of the said uncertainty, it is considered prudent not to recognize the deferred tax asset in the current financial year 2013-14.

Note 29: Segment Reporting:

The Company has only one segment of business of power transmission & SLDC functions, hence AS 17 issued by ICAI does not apply to it.

Note 30: Related Party Disclosure

[Disclosure of transactions between the Company and related parties during the year / period as per AS 18].

Managerial Remuneration to Key Management Personnel:

(Rs. In Lakhs)

Nature of Relationship	Name of the Related Party	For the period from April 1, 2013 to March 31, 2014	For the period from April 1, 2012 to March 31, 2013
Chairman & Managing Director	Sh. Arun Goyal (25.02.2014-31.03.2014)	-	-
	Sh. Puneet Goel (30.12.2013-25.02.2014)	Salary-2.53 Perquisite .39	-
	Sh. R.K. Verma (19.03.2013-30.12.2013)	Salary-6.41 Perquisite .60	-
	Sh. Shakti Sinha (21.05.2012-19.03.2013)	-	-
Director (HR)	Sh. Ankur Garg (20.06.2013-31.03.2014)	-	-
	Sh. A.B. Shukla (05.05.2011-19.05.2014)	Salary-5.72 Perquisite .59	Salary-17.17 Perquisite-2.37
Director (Finance)	Sh. A.K. Saxena (01.04.2012-31.03.2014)	Salary 21.72 Perquisites-2.38 (50% of the salary is borne	Salary-18.93 Perquisites-2.07 (50% of the salary is



Director (Operations)	Sh. A.K. Halder (01.12.2011-31.03.2014)	Salary-26.43 Perquisites-1.80	Salary-24.15 Perquisites-5.95
Company Under Common Management	Delhi Power Company Ltd.	(a) Rs. 228 Lakhs (Salary and other admin expenses) (b) Rs. 20000.00 lakhs is unsecured loan as on 31.03.2014 (c) Interest paid during the year Rs. 1739.16 Lakhs	(a) Rs. 7232 Lakhs (Salary and other admin expenses) (b) Rs. 15000.00 Lakhs is unsecured loan as on 31.03.2013 (c) Interest paid during the year Rs. 472.60 Lakhs

Note 31: Expenditure in Foreign Currency

	(Rs. in Lakhs)	
	March 31, 2014	March 31, 2013
Imports on CIF Value	3375.57	3217.46
Professional Charges	0	0
Travelling Expenses	0	0

Note 32: Managerial Remuneration (Managing Director and Whole Time Directors)

	(Rs. in Lakhs)	
	March 31, 2014	March 31, 2013
Salary	62.81	60.30
Perquisites	8.76	10.35

Note 33: Earning Per Share

Particulars	2013-14	2012-13
Profit for the year as per Profit and Loss Account for calculation of basic and diluted EPS (Rs. in lakhs)	(19,997.02)	26,134.48
Weighted average number of equity shares in calculating basic EPS (No. in lakhs)	39510	39510
Add:		
Weighted average number of equity shares which would be issued on the conversion of loan/potential equity subscription (No. in lakhs)		
Weighted average number of equity shares in calculating diluted EPS (No. in lakhs)		
Basic earning per share (in Rs.) (Face Value 10/- each)	(0.51)	0.66
Diluted earning per share (in Rs.) (Face Value 10/- each)	(0.51)	0.66

Note 34 Disclosure as required in A5-29 of Provisions, Contingent Liabilities and Contingent Assets:
Contingent Liabilities as stated under Note No. 27 (a) & (b) above are dependent upon the outcome of court/appellate authorities/out of court settlement and terms of contractual obligations.



Note 35 Company is dealing with the SLDC function also as per the provisions of Electricity Act. The summarized financial position of SLDC is given as under

Particulars	(Rs. In Lakhs)	
	2013-14	2012-13
Income		
Income from SLDC charges and other operations	1,109.31	1,142.27
Interest from Banks	59.42	149.94
Other Misc receipts	1.70	0.77
Expenditure		
Store Consumed	8.60	3.20
Employee expenses	818.44	797.99
Repair & Maintenance	103.11	136.30
Administrative, General & Other Expenses including Bank Charges	131.85	
Prior Period Expenses	6.69	180.69
Profit/(Loss)	96.74	174.60

Assets		
Fixed Assets (Net)	164.16	159.77
Capital Work in Progress	6.06	
Stores & Material as valued and certified by Management including at site	57.59	50.57
Sundry Debtors (SLDC & Open Access Charges)	164.18	191.73
Cash & Bank Balances	1,614.15	1,867.11
Loans & Advances	481.67	342.60
Liabilities		
Sundry Creditors for Stores and Works	181.64	122.01
Other Current Liabilities	64.82	38.65

As a part of SLDC functions, the company is maintaining separate central pool bank accounts for UI Energy, REA Energy and Congestion charges for and on behalf of Discoms and other constituents in Delhi and is realising from and disbursing payments to the Discoms/constituents since 01.04.2007 as per the said accounts. Since the money available in the said bank accounts as on 31.03.2014 does not pertain to the company, the same does not form part of the annual accounts of the company for the financial year 2013-14. However for the sake of disclosure of the bank accounts being maintained and operated by the company, it is reported that the sums of Rs 5.50 crore, Rs.0.61 crore and Rs.NIL are lying in credit of the said central pool Bank Accounts for UI Energy, REA Energy and Congestion charges respectively.

Note 36 The balances of Sundry Debtors, Sundry Creditors, Advances, other Parties and Bank balance shown in the Accounts for the financial year 2013-14 are subject to Confirmation/Reconciliation.

Note 37 Previous year's figures have been regrouped and reclassified wherever considered necessary





Delhi Transco Limited
 [An Undertaking of Govt. of NCT of Delhi]
 Shakti Sadan, Kotia Road, New Delhi-110002

Cash Flow Statement for year ended March 31, 2014

(Rs. in Lakhs)

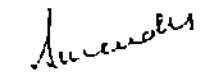
S.No	Particulars	For the year ended 31.03.2014	For the year ended 31.03.2013
A.	Cash Flow From Operating Activities		
	Net Profit (Loss) before Tax	(19,997.02)	32,719.36
	Add:		
	Depreciation	11,953.87	10,838.03
	Adjustment for Pension Trust	40,070.00	16,000.00
	(Gain)/Loss on Sale of Fixed Asset	(112.10)	(1.58)
	Interest on loans	8,648.97	10,908.77
	Less:		
	Interest on Investment	(17.99)	(36.00)
	Interest on Bank FD	(742.61)	(3,934.65)
	Adjustment of currency Fluctuation	3,389.30	1,112.45
	Adjustment of provision of slow moving stores	0.12	9.69
	Adjustment of provision for doubtful debt		
	Change in Trade payable	(6,529.99)	(1,991.58)
	Change in Other current liabilities	12,509.66	(15,187.42)
	Change in other long term liabilities	(3,174.21)	(2,380.77)
	Change in provisions	(9,897.97)	(2,115.98)
	Change in Inventories	19.99	542.51
	Change in trade receivable	5,838.42	(12,580.48)
	Change in Loans & Advances (excluding PG Cell expenses)	(155.01)	623.66
	Change in other current assets	(5,360.59)	(3,158.64)
	Change in other non current assets	942.59	927.22
	Cash generated from operations	37,385.13	32,293.59
	Income Tax		(6,584.88)
	Net Cash From Operating Activities	37,385.13	25,708.71
B.	Cash Paid to Pension Trust & PGCell (Exceptional Item)	(30,057.79)	(7,149.11)
C.	Cash Flow From Investing Activities		
	Change in Fixed Asset & CWIP	(28,366.02)	(28,454.84)
	Change in Investment	450.87	91.15
	Sale of Fixed Asset	121.74	20.37
	Interest on Investment	36.05	30.19
	Interest received (other)	1,020.06	3,699.58
	Net Cash From Investing Activities	(26,738.20)	(24,613.55)
D.	Cash Flow from Financing Activities		
	Issue of Shares		
	Increase/Decrease in borrowing	28,773.17	(6,954.93)
	Finance Cost	(14,478.49)	(10,740.16)
	Dividend & Dividend Distribution Tax paid		(1,185.30)
	Net Cash From Financing Activities	14,294.68	(18,880.44)
E.	Net increase (decrease) in cash & cash equivalents (A+B+C+D)	(5,111.18)	(24,934.39)
F.	Cash & Cash equivalents (Opening Balance)	25,812.49	50,746.88
G.	Cash & Cash equivalents (Closing balance)	20,701.31	25,812.49
H.	Net Change in cash & cash equivalents (F-G)	5,111.18	24,934.39

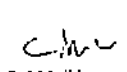
Note 1 to 37 form the integral part of these financial statements.

Note 1 is the general information only

Note 2 States the significant accounting policies followed by the company

Note: Previous year's figures have been regrouped and reclassified wherever considered necessary to conform to the current year classification.


 Suresh Babbar
 G.M. (Finance)


 P.K. Mallik
 Company Secretary


 Sanjay Chel
 Director (Finance)


 Arun Goyal
 Chairman & Managing Director

Dated: 15th August 2014
 Place: New Delhi

As per our report of even date attached
 Dhushan Bansal Jain Associates
 (Chartered Accountants)
 Firm Registration No. 003854N

(CA Rev. 08/2006)
 Partner



DELHI TRANSCO LTD
CAPITAL INVESTMENT PLAN FOR FY-2014-15, FY-2015-16, FY-2016-17

SR. NO.	Name of the Transmission line / substations	Capacity In MVA/CKT KMS.	Scheme cost (In RS Crores)	Fund Requirement In 2014-15	Fund Requirement In 2015-16	Fund Requirement In 2016-17	Completion	Work Executing Agency
1	3rd 220/66KV 100 MVA Trf at Sarita Vihar	1 x 100	8.00	0.00	8.00	0.00	2015-16	DTL
2	S/C LULO Barnauli-Najafgarh at Papankalan-II	2x3	15.08	0.00	10.00	5.08	2016-17	DTL
3	S/C LULO Barnauli-Naraina at Papankalan-I	2 x 0.5	1.11	0.00	1.11	0.00	2016-17	DTL
4	ERS Procurement		21.29	0.00	10.00	11.29	2016-17	DTL
5	1x160 MVA Tr. And 2x66 KV feeder bays alongwith associated equipments at 220 KV DSIDC Bawana S/Stn		12.89	0.00	12.89			DTL
6	LULO of 1st circuit of D/C Pragati - Sarita Vihar at 400 KV Maharni Bagh	1x0.5	6.70	0.00	6.70	0.00	2015-16	DTL
7	1x160 MVA Tr. And 2x66 KV feeder bays alongwith associated equipments at 220 KV Papankalan-II S/Stn		12.48	0.00	12.48			DTL
8	Control Room Shifting at 220/33 KV IP Power S/Stn	1.50	0.00	1.00	0.50	2016-17	DTL
9	1x160 MVA Tr. And 2x66 KV feeder bays alongwith associated equipments at 220 KV Kanjhawla S/Stn		13.54	0.00	13.54			DTL
10	1x100 MVA Tr. And 2x220 KV Bays alongwith associated equipments at Maszid Moth S/Stn	1x100 MVA	7.89	0.00	7.89	0.00	2015-16	DTL
11	Augmentation of existing 2x100 MVA Power transformers with 2x160 MVA Transformers at 220 KV S/Stn Papankalan-I	2x160 MVA	16.00	0.00	16.00			DTL
12	Existing transmission lines and tower strengthening		20.00	1.00	5.00		2015-16	DTL
13	100 MVA Power transformer replacement at IP Power S/Stn	1x100 MVA	5.32	0.00	4.00	1.32	2016-17	DTL
14	4x66 KV Bays at Kanjhawla S/Stn		3.14	0.00	3.14	0.00	2015-16	DTL
15	4x66 KV Bays at Sarita Vihar S/Stn		3.78	0.00	3.78	0.00	2015-16	DTL
16	5x66 KV bays at Mehrauli S/stn		5.44	0.00	5.44	0.00	2015-16	DTL
17	2x220 KV bays at Shallimar Bagh S/Stn		3.98	0.00	3.98	0.00	2015-16	DTL
18	2x66 Kva bays at Gazipur S/Stn		1.60	0.00	1.60	0.00	2015-16	DTL

19	2x220 KV bays at Vasant Kunj S/Stn		3.84	0.00	3.84	0.00	2015-16	DTL
20	2x220KV bays & 5x66KV bays at SOW		10.46	0.00	5.00	5.46	2016-17	DTL
21	Replacement of 100MVA transformer at Narela by dismantled transformer from PPK-1		0.50	0.00	0.50	0.00	2015-16	DTL
22	Replacement of 100MVA transformer at Mehrauli by dismantled transformer from PPK-1		0.50	0.00	0.50	0.00	2015-16	DTL
23	Polymer Insulator for 220KV lines		21.93	0.00	5.00	16.93	2016-17	DTL
24	Procurement of testing equipment		10.00	0.00	4.00	6.00	2016-17	DTL
25	220/66KV 2x160 MVA Trf at Gopalpur alongwith 66KV GIS	2 x 160	42.67	0.00	10.00	32.67	2016-17	DTL
26	220/33KV GIS at Maharan Bagh	3 x 100	100.00	0.00	30.00	70.00	2016-17	DTL
27	220/66KV GIS at Hamidpur	2 x 160	166.58	0.00	100.00	66.58	2016-17	DTL
28	HTLS conducting D/C Bannauli-Mehrauli-BTYS	2 x 30	53.76	0.00	20.00	33.76	2016-17	DTL
29	LILO of D/C U/G Ridge Valley-ALIMS at RKPuram	2 x 5	64.19	0.00	30.00	34.19	2016-17	DTL
30	LILO of 220KV D/C Narela-Mandola at Hamidpur	2 x 2.5	12.79	0.00	6.00	6.79	2016-17	DTL
31	2nd ckt LILO of Pragati-Sarita at Maharanibagh	2 x 1	10.00	0.00	1.00	9.00	2016-17	DTL
32	220 KV D/C Vasantkunj-R.K.Puram U/G cable link	2x 5.5 KM	73.00	30.00	43.00	0.00	2015-16	DTL
33	3 nos 220KV GIS bay addition at Kashmiri gate		9.58	0.00	5.00	4.58	2016-17	DTL
34	Conversion of 220KV AIS Into GIS at Sabji Mandi.	1 x 100	40.12	0.00	10.00	30.12	2016-17	DTL
35	3rd 100MVA 220/33KV Trf. At Subji Mandi	1 x 100	7.00	0.00	0.00	7.00	2016-17	DTL
36	220KV D/C Peeragadi - Rohini-II Transmission Link	2 x 7	25.00	0.00	10.00	15.00	2016-17	DTL
37	220KV/66 & 33KV GIS at R.K. Puram	2x160 + 2x100	132.53	0.00	60.00	72.53	2016-17	DTL (Earlier was in TBCB)
38	220 KV S/C Patparganj-Gazipur U/G cable link	2 x 5 KM	13.00	10.00	3.00	0.00	2015-16	Being executed by DMRC

[illegible]

66	LILO D/C Wazirpur-Peera garhi at Karampura U/G	2 x 9	120.00	0.00	40.00	80.00	2016-17	PGCIL
67	Karampura to Rohtak road D/C U/G cable	2 x 3.4	45.00	0.00	15.75	29.25	2016-17	PGCIL
68	220kV D/C Karampura - Budella O/H line (LILLO Scheme near S/Stn)	2 x 6	2.00	0.00	0.70	1.30	2016-17	DTL
69	220kV D/C Karampura - Subzi Mandi line	2 x 10	65.00	0.00	10.00	55.00	2016-17	PGCIL
	GRAND TOTAL (DTL & PGCIL) 12th PLAN		2353.42	174.00	1203.09	976.33		

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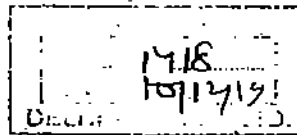
No. 3/8/2014-Trans
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg, New Delhi-110001

Dated, 3rd December, 2014

To

The Pay & Accounts Officer,
Ministry of Power,
Sewa Bhavan, R.K. Puram,
New Delhi.



Subject: Release of payment to Govt of NCT of Delhi for "NCT of Delhi Transmission System Improvement Projects for strengthening of the Intra-State Transmission system in Delhi".

Reference: Ministry of Power sanction order of even number dated 29.10.2014.

I am directed to convey the approval of the President of India for release of payment of Rs.200 crore (Rupees Two hundred crore only) to the Government of NCT of Delhi (GNCTD) as non-recurring grants-in-aid in lump sum for implementation of "NCT of Delhi Transmission System Improvement Projects for strengthening of the Intra-State Transmission system in Delhi" scheme in accordance with clause 3.3(i) of Memorandum of Understanding entered amongst GNCTD, DTL and Powergrid (PGCIL) on 5.11.2014 (Annex-I) in pursuance of clause 3(iv) of scheme's sanction order No.3/8/2014-Trans dated 29.10.2014 referred above. The payment is to be made against the GNCTD Invoice No. GNTDC/INVOICE/01 Dated 11.11.2014 (Annex-II).

2. The terms and conditions of above Grants-in-aid shall be as below:

- (i) Expenditure beyond above mentioned grants-in-aid of Rs.200 crore shall be borne by Govt. of NCT of Delhi/DTL from their own resources.
- (ii) The Government of NCT of Delhi/DTL will submit monthly report to the Ministry of Power and Central Electricity Authority (CEA) indicating the financial and physical progress of implementation of the activities covered under above mentioned scheme.
- (iii) The above mentioned grants-in-aid shall not be diverted to any other projects. Govt. of NCT of Delhi shall ensure that the release of funds from GNCTD to DTL is made through a dedicated bank account for the project.
- (iv) Govt of NCT of Delhi/DTL shall ensure timely release of funds to PGCIL in accordance with fund release and terms of payment provisions of MoU dated 5.11.2014 (Annex-I).
- (v) Govt of NCT of Delhi/DTL shall maintain a subsidiary books of accounts which shall be open to inspection/audit by the Comptroller & Auditor General of India under Section 15(1) of the CAG's (DPC) Act, 1971. The account is also subject to the audit of Internal Wing of Ministry of Power.

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GM (Plg) / (Project-I) / (Project-II) / (CEA) / (Finance)
29/12/2014
-149-

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(iv) Govt of NCT of Delhi/DTL shall submit utilization certificate to Ministry of Power, Govt of India as per Rule 212 of GFRs-2005 in proforma (GFR Form 19A) within three months of closing of financial year.

3. Powergrid (PGCIL) will charge consultancy fee of only @ 10% of the project cost as a special case.

4. The above expenditure will be debitable to the following heads of accounts in the year 2014-15:

Grant No.77 (Ministry of Power)
Major Head- 3602 – Grants-in-aid to UT
Minor Head- 02.800 – Grants for Union Territory Plan Schemes
Sub-Head- 02 – National Capital Territory of Delhi
Detailed Head- 01 – Power Sector Support to NCT of Delhi
Object Head- 31 – Grants-in-aid (General)

5. This issues with the concurrence of Integrated Finance Division of Ministry of Power vide their Dy.No 193/US(F)/2014 dated 3.12.2014.

Encl.: as above

Yours faithfully,



(S. Venkateshwarlu)

Under Secretary to the Govt. of India

Tel: 011-2332 5242

Copy to the following:

1. Principal Secretary (Power), Govt of NCT of Delhi, Delhi..
2. CMD, PGCIL, Gurgaon.
3. Managing Director, DTL, New Delhi.
4. Chairperson, CEA, Sewa Bhavan, RK Puram, New Delhi
5. Member (GO), CEA, Sewa Bhawan, New Delhi.
6. Controller of Accounts, Ministry of Power, Sewa Bhavan, RK Puram, New Delhi.
7. Principal Director of Audit, Economic & Service Ministry, AGCR Building, IP Estate, Near ITO, New Delhi – 110002.
8. Principal Director of Audit (Commercial) and Member Audit Board II, 'A' Block, Hutments, Behind South Block, New Delhi.
9. Secretary, Ministry of Statistics & Programme Implementation, Sardar Patel Bhavan, New Delhi.
10. Secretary, Planning Commission, Yojana Bhavan, New Delhi.
11. Secretary, Department of Expenditure, North Block, New Delhi.
12. Drawing & Disbursement Officer, Ministry of Power, New Delhi with the request to draw and disburse the payment of Rs.200 crore (Rupees Two Hundred Crore only) to Government of NCT of Delhi through e-payment/cheque in favour of 'Govt of NCT of Delhi'.
13. Finance / Budget Section, Ministry of Power, New Delhi.

Copy to: PS to JS (Trans)/ JS&FA/ Director (Trans)/ US (Fin), for information.

Dir(Fin)
(WPS)

11/11



**GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI
DEPARTMENT OF POWER**

8th Level, B-Wing, Delhi Secretariat, I.P. Estate, New Delhi - 110113
Phone : 011-23392047 Fax : 011-23392423 E-mail: pspower@nic.in

**PROFORMA INVOICE
(FOR PROJECT COST)**

FROM : DEPARTMENT OF POWER,
GOVERNMENT OF NCT OF DELHI

TAN No. : DELD10375B

INVOICE NO.: GNCTD/INVOICE/01

11 th November, 2014		
To The Under Secretary (Trans.), Ministry of Power, Govt. of India, Sharm Shakti Bhawan, Rafi Marg, New Delhi - 110001		Ref. : Approval dated 29 th October, 2014 of Ministry of Power, Govt. of India Work : NCT of Delhi Transmission System Improvement Project for strengthening of the intra-State Transmission system in Delhi
S.No.	Description	Amount (in Rs.)
1.0	Estimated project cost	2,30,00,00,000/-
2.0	Funds provided under the budget of Ministry of Power, Govt. of India for 2014-15	2,00,00,00,000/-
3.0	Balance requirement of funds shall be borne by Govt. of NCT of Delhi/Delhi Transco. Limited from their own resources	30,00,00,000/-
4.0	As per provision of MoP, invoice for 100% of Sl. No. 2.0	2,00,00,00,000/-
TOTAL (In words) Rupees Two Hundred Crores Only		

For & on behalf of
Govt. of NCT of Delhi

[Signature]
(Vijender Kumar)
Asstt. Director (Power)
Govt. of NCT of Delhi

Note : Cheque may be drawn in favour of 'Government of NCT of Delhi'.



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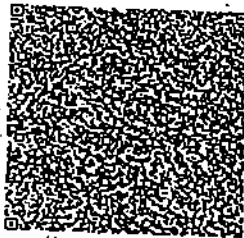
Government of National Capital Territory of Delhi

e-Stamp

Certificate No.
Certificate Issued Date
Account Reference
Unique Doc. Reference
Purchased by
Description of Document
Property Description
Consideration Price (Rs.)

First Party
Second Party
Stamp Duty Paid By
Stamp Duty Amount(Rs.)

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SUBIN-DL D192130347704687021178M
POWER GRID CORPORATION OF INDIA LIMITED
Article 5 General Agreement
Not Applicable
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(Zero)
POWER GRID CORPORATION OF INDIA LIMITED
AS APPLICABLE
POWER GRID CORPORATION OF INDIA LIMITED
100
(One Hundred only)



Please write or type below this line

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (MOU) entered into on this 5th day of November Two Thousand Fourteen.

BETWEEN

SECRETARY (POWER), DEPARTMENT OF POWER, GOVERNMENT OF
NCT OF DELHI ON BEHALF OF LIEUTENANT GOVERNOR OF
GOVERNMENT OF NATIONAL CAPITAL TERRITORY OF DELHI having its

Arvind

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Statutory Alert:

1. The authenticity of this Stamp Certificate should be verified at "www.shclsestamp.com". Any discrepancy in the details on this Certificate and as available on the website renders it invalid.
2. The onus of checking the authenticity is on the user of this certificate.



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DELHI TRANSCO LIMITED, a Government of NCT of Delhi Undertaking, incorporated under the Companies Act, 1956 having its Registered Office at Shakti Sadan, Kotla Road, New Delhi-110002 (hereinafter referred to as "DTL" or "Owner" depending upon the context which expression shall unless repugnant to the context or meaning thereof include its Successors and permitted assigns) as party of the Second Part

POWER GRID CORPORATION OF INDIA LIMITED, a Government of India Undertaking, incorporated under the Companies Act, 1956, having its Registered Office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110016 (hereinafter referred to as "POWERGRID" or "Consultant" depending upon the context which expression shall unless repugnant to the context or meaning thereof include its Successors and permitted assigns) as party of the Third part.

A. WHEREAS, DTL has formulated plans to create robust transmission system in the National Capital Territory of Delhi and desires to obtain Consultancy and Supervisory Services from POWERGRID for implementation of works for strengthening of 400 KV & 220 kV Transmission Systems.

C. WHEREAS Ministry of Power have accorded approval vide letter ref.no: 3/8/2014-Trans dated 29th Oct'14 (Copy enclosed at Appendix-I) for strengthening of intra-state Transmission system in Delhi at an estimated cost of Rs. 230 Crore with a contribution of Rs. 200 Crore by Government of India and balance by GNCTD/ DTL from their own resources to be implemented by POWERGRID on deposit work basis with consultancy charge of only @10% of the project cost as a special case.

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D. AND WHEREAS, a MOU amongst GNCTD, DTL & POWERGRID is signed for smooth implementation of the project as provided in the MOP approved letter dtd. 29th Oct' 14.

NOW, THEREFORE, THIS MOU WITNESSETH AS UNDER:

For the purpose of this MOU, the terms used herein shall unless repugnant to the context thereof shall have the meaning assigned to them as under:

1.0 DEFINITIONS :

- 1.1 "MOU" shall mean the MOU containing the Terms & Conditions set forth & agreed herein, including all other documents expressly annexed thereto or incorporated therein.
- 1.2 "Bid Documents" shall mean the tender documents that shall be prepared by POWERGRID consisting of technical specifications, notice inviting tenders and other terms & conditions pursuant to which POWERGRID shall invite proposals for procurement of goods and services for the Project.
- 1.3 "Contractor" shall mean the Bidder whose bid is accepted by POWERGRID on behalf of the Owner for award of contract for the Project or any part of the Project resulting in a contract and shall include such contractor's legal representatives, successors and permitted assigns.
- 1.4 "Cost Plus basis" shall mean actual executed cost of the Project including Taxes & Duties plus Consultancy Fee payable to POWERGRID @ 10% of the actual executed cost of the Project. Taxes & Duties applicable on Consultancy Fee shall also be payable to POWERGRID.
- 1.5 "Equipment/ Materials" shall mean the equipment/ materials procured by POWERGRID on behalf of DTL.
- 1.6 "Project" shall mean the transmission system in Delhi consisting of the Transmission Lines and Substations as specified under scope of work to be undertaken by POWERGRID for & on behalf of DTL.
- 1.7 "Project Coordinator(s)" shall mean the officer of DTL appointed in writing to coordinate for & on behalf of DTL for this Project. He shall be supported by a multidisciplinary team of DTL officials to facilitate his functioning.
- 1.8 "Project Manager" shall mean the official nominated by POWERGRID in writing who shall be responsible for co-ordination for & on behalf of POWERGRID for all activities of this Project. He shall be supported by a multidisciplinary team of executives of POWERGRID.

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"Site" shall mean and include the land & other places free from all encumbrances & disputes at which the Project and related facilities are to be constructed and any adjacent land, path etc., which may be allocated or used by the Owner/POWERGRID/Contractor in performance of work under this MOU.

1.10 Words singular shall include the plural and vice versa, where the contexts so desire.

2.0 SCOPE OF WORK TO BE UNDERTAKEN BY POWERGRID FOR & ON BEHALF OF DTL:

The scope of works under this MOU shall be as under:

- Replacement of 2x315 MVA Transformers with 2x500 MVA Transformers at Bannauli. Existing 1x315 MVA Transformer to be relocated at Mundka & 1x315 MVA Transformer shall be stored at Bannauli itself,
- Replacement of ACSR Zebra with HTLS Conductor on South of Wazirabad (SOW) to Geeta Colony 220 kV D/C Line,
- Double Circuit 220 kV Underground Cable cum Over Head(O/H) Transmission Line from Harsh Vihar - Preet Vihar - Patparganj.

3.0 SCOPE OF SERVICES:

3.1 SCOPE OF POWERGRID'S SERVICES

Subject to specific exclusions as brought out elsewhere in this MOU, the scope of consultancy & supervisory services including Design, Engineering, Procurement & Project Management for implementation till commissioning of the Project on behalf of DTL as its Agent, shall be as hereunder :-

- i) Preparation of all Bid documents including Technical Specifications and tender drawings,
- ii) Invitation of Bids, evaluation of bids, assessment of capacity & capability, if required pre-award discussions with the selected vendors and finalization of awards,
- iii) Issuing Notice of Award (NOAs)/ finalization of contract and signing of contract agreement, all post contract co-ordination, approval of contractor's drawings/documents including Manufacturing Quality Plans(MQPs) & Field Quality Plans(FQP), inspection of materials at the manufacture's works and/or at site and witnessing of testing of equipment/materials etc., and implementation of the agreed quality assurance programme of the various manufacturer/contractors,
- iv) Project Management including expediting to ensure supply of all equipment/ material in line with the agreed work schedule and supervision of all activities such as storage, handling of equipment/material at site, erection, testing and commissioning by the

concerned contractors and making progressive payment to the contractors on behalf of DTL subject to adequate funds & Right of Way being made available to POWERGRID by DTL from time to time,

The scope of work shall also include preparatory work, collection/ compilation of details/ data and preparation of the draft proposal for Forest Clearances, Right of Way, Crop Compensation, Tree Compensation, Power & Telecom Coordination Committee (PTCC) clearance, Wireless Clearance, Aviation/ defense clearance, railway crossing clearance, River/ Canal/ Drain/ Road crossing clearance, Statutory electrical clearance etc. as per requirement. POWERGRID shall undertake all the documentations and representing to all concerned agencies and release of due payments to third parties out of the funds made available to POWERGRID,

- vi). Survey & Soil investigation, Site leveling, boundary wall, fencing, roads & drains, Control room building, store shed, Various Electrical & Mechanical Auxiliaries & buildings to house them, as per the requirement and shall form part of the Project.
- vii). Immediately after award, POWERGRID shall submit copy of two sets of NITs, evaluation report, and LOAs to DTL,
- viii). After execution at the time of handing over, POWERGRID shall submit all drawings, manuals and completed route profile details to DTL,
- ix). Provide advance information to facilitate DTL in discharging its responsibilities as mentioned at clause no 3.2.
- x). POWERGRID shall assist DTL in obtaining the clearances for the activities mentioned at Clause no. 3.2 (vi) to 3.2 (x).

**3.2 SCOPE OF DTL SERVICES
(EXCLUSION FROM POWERGRID'S SCOPE OF SERVICES)**

DTL shall undertake activities at their own cost as stated hereunder :-

- i). Provide all data/ information so as to plan implementation of Project,
- ii). Provide funds including those to be received from Govt. of India (GOI) and GNCTD,
- iii). Facilitate POWERGRID in carrying out its tasks,
- iv). Make available Work Permits/ Shutdown as per the requirement,
- v). Land Acquisition & related activities including payment of compensation etc., for handing over the same to POWERGRID free from all encumbrances at the earliest to match the completion schedule.

And *Signature*

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All statutory clearances from concerned Authorities. Being the owner of the Project, the risk associated with obtaining the Project clearance, Forest clearance, Right of Way, Crop Compensation, Tree Compensation, Power & Telecom Coordination Committee (PTCC) clearance, Wireless clearance, Aviation/ Defense clearance, Railway, River/Canal/Drain/ Road crossing clearance, any other statutory clearance etc. as per requirement shall be that of DTL.

- vii) Liaison and follow up with all Government bodies including local administration,
- viii) Settlement of any disputes with Public/ Tax authority/ Statutory Bodies/ Local Authorities/ State Authorities etc.,
- ix) Coordination of PLCC and protection scheme with remote end Substations,
- x) DTL shall obtain Electrical Inspector's clearance for lines & Substations from the concerned authorities,
- xi) To take up with concerned law enforcement agencies, wherever and whenever required, for smooth implementation of the Project.
- xii) Taking over, Operation & Maintenance of the commissioned elements.

3.3 SCOPE OF GNCTD SERVICES

- i) To coordinate and receive funds amounting to Rs. 200 Crore from Ministry of Power, Govt. of India and transfer it to DTL for subsequent release to POWERGRID for the implementation of the Project.
- ii) To facilitate availability of funds beyond Rs. 200 Crore and to ensure release of funds to POWERGRID for smooth implementation of the Project as per EFC sanction dated 29th Oct. 2014.
- iii) To submit quarterly report to Ministry of Power & Central Electricity Authority indicating financial and physical progress of implementation of activities of the Project.

4.0 WORKING PROCEDURE :

- 4.1 To enable POWERGRID to discharge its obligations in a smooth and efficient manner, DTL shall issue necessary authorization in favour of POWERGRID to act on behalf of Owner for the scope of services under this MOU. The Owner shall also provide all other necessary documents required for this purpose including concessional sales-tax declaration forms or any other applicable forms duly filled in and signed. DTL shall issue concessional sales tax forms in the name of contractor.

All the invoices shall be raised by the Contractors in the name of DTL acting through POWERGRID. Road Permits as may be required shall be issued by DTL.

The recovery of TDS under CST/ VAT/ WCT/ Income Tax Act and any other Acts or Government regulation related to this work shall be done by POWERGRID on behalf

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of DTL from the Contractor's Bills. TDS so deducted by POWERGRID on behalf of DTL shall be deposited with the relevant tax authorities by using PAN, TIN & TAN of DTL. Copies of chalan will be forwarded to DTL for filing returns and necessary TDS certificates will be issued by POWERGRID after getting necessary acknowledgement number and identification number in this regard from DTL.

Wherever the returns are to be filed electronically, DTL will file tax returns and issue necessary TDS certificates directly under intimation to POWERGRID within statutory period.

- 4.2 DTL, as Owner, shall be responsible to arrange funds from GNCTD (both from GOI and GNCTD) & shall also ensure prompt release of funds to POWERGRID to enable unhindered progress of work as per this MOU.
- 4.3 To ensure proper co-ordination between POWERGRID and DTL for carrying out the works under the scope of this MOU, both DTL and POWERGRID shall respectively nominate their "Project Coordinator" & "Project Manager", who shall be the focal point for all matters relating to this MOU.
- 4.4 Bid Securities & Advance Guarantees shall be in favour of POWERGRID, whereas CPG will be in favour of DTL with appropriate provision to facilitate its invocation by POWERGRID.
- 4.5 Due to complexity involved in maintaining the Fibre Optic based Communication Equipment, it is standard practice of POWERGRID to invite and evaluate bids for their AMC (during as well as after warranty). Offers for AMC for FO-based Communication equipment shall be obtained along with the offer for FO-based communication equipment. The bids shall be evaluated including the cost of AMC. POWERGRID shall issue NOA including AMC portion. DTL shall sign the AMC and pay for the same from their own resources and necessary guarantees shall be in favour of DTL. AMC shall commence after successful commissioning, i.e. Site Acceptance Testing (SAT). POWERGRID shall not be entitled for consultancy charges on AMC amount.
- 4.6 For carrying out various activities not covered above, a working procedure shall be separately agreed between POWERGRID and DTL, as the need may arise.
- 5.0 **RELEASE OF FUNDS:**
- 5.1 To facilitate smooth execution of work and to complete the work within time schedule, DTL shall take appropriate actions so that the required funds are released to POWERGRID as per clause No. 10.0 of this MOU. DTL shall be responsible for the liability arising out of delay in release of funds required for work.
- 5.2 POWERGRID shall commence activities under this MOU immediately after signing of MOU and receipt of first installment payment, whichever is later. However, the first installment of payment shall be released by DTL as indicated in Clause 10.0(a) below.

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It is clearly understood by the parties that funding of the Project and Consultancy Fee along with applicable Taxes & Duties is the responsibility of DTL. POWERGRID shall not finance any portion of the Project at any time during the implementation of the Project.

6.0 AWARD OF CONTRACT (METHODOLOGY):

6.1 The contract shall be awarded by POWERGRID on behalf of DTL in line with the "Works & Procurement Policy and Procedure (WPPP)" of POWERGRID.

6.2 POWERGRID reserves the right to appoint any contractor for any specific job to ensure timely commissioning of the Project.

7.0 PROJECT COST:

7.1 The work shall be implemented by POWERGRID on behalf of DTL as deposit work on "Cost Plus Basis".

7.2 The Project Cost shall be the cost of all materials/ services as paid to the contractor, statutory authorities for various clearances or any other person or agency as may be required for implementing this Project plus all the applicable taxes & Duties.

7.3 The Project Cost is estimated as Rs.230 Crore* including the Consultancy Fee payable to POWERGRID & applicable Service Tax on Consultancy Fee.

(*includes consultancy fees @ 12% as originally envisaged which is now reduced to 10%. Therefore, project cost excluding initial Consultancy Fee & applicable Service Tax on Consultancy Fee comes Rs. 202.67 Crore)

7.4 Any addition/modification/augmentation/deletion required during implementation of Project and agreed mutually amongst DTL and POWERGRID shall form part of the scope of work and accordingly estimates of Project Cost & Consultancy Fee shall be revised by POWERGRID for payments by DTL.

7.5 The above cost is for estimation purpose only to meet administrative requirements to move forward. However, depending upon site/ market conditions or for any other reason, the cost of the Project may undergo change during the execution of the Project. As such, the final executed cost of the Project will be certified by POWERGRID based on the actual works executed.

7.6 The actual Project Cost (including applicable taxes & duties) and resultant consultancy fee (including taxes & duties) shall be arrived at by POWERGRID after the completion of the Project and accounts (including TDS certificate) shall be accordingly reconciled.

8.0 CONSULTANCY FEE:

The Consultancy Fee payable to POWERGRID for its scope of services as brought out in this MOU shall be 10% of the actual executed Project Cost. Based on presently estimated Project Cost as per DTL estimates, the Consultancy Fee payable to POWERGRID is estimated as Rs. 20.3 Crore.

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TAXES AND DUTIES:

The aforementioned Consultancy Fee does not include any taxes & duties. At present the Service Tax @ 12.36 % (including Education Cess @ 3%) is applicable on consultancy fee.

All extant statutory taxes, duties and levies & as amended from time to time by any Act/ Notification of Government (Central/ State) or any other local bodies/ authorities shall be applicable to Project Cost as well as Consultancy Fee.

10.0 FUND RELEASE & TERMS OF PAYMENT OF CONSULTANCY FEE:

The funds towards meeting Project Cost & the consultancy fee shall be released by DTL to POWERGRID, as follows:

- a) 5% of the estimated cost of the Project along with corresponding Consultancy Fee and applicable Service Tax on Consultancy Fee shall be paid within 15 days of signing of the MOU.
- b) 15 % of the estimated cost of the Project along with corresponding Consultancy Fee and applicable Service Tax on Consultancy Fee shall be paid on placement of first award by POWERGRID.
- c) 70% of the estimated/awarded cost of the Project along with corresponding Consultancy fee shall be payable quarterly in advance corresponding to the quarterly cash flow requirement submitted by POWERGRID.
- d) Balance 10% of the Project Cost and corresponding consultancy fee along with applicable service tax on consultancy fee shall be released progressively upon taking over of elements by DTL.
- e) Payments arising due to adjustment on account of variation between estimated Project Cost & anticipated Project Cost, as per the periodic updation, primarily associated with the amendments to the Contracts, shall be made together with consultancy fee & applicable taxes & duties within 15-days of submission of invoice by POWERGRID.
- f) All payments shall be made by DTL within 15 days of raising of invoices by POWERGRID.
- g) No Bank Guarantee shall be furnished by POWERGRID for receiving the payments under this MOU.
- h) At no stage, POWERGRID shall use its own funds for execution of this Project.
- i) Any delay in execution of the Project on account of non-availability of funds and/ or services to be provided by DTL shall not be attributable to POWERGRID and the period of implementation shall be deemed to have been extended consequent to & commensurate with such delays.

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TIME SCHEDULE:

- 1 Subject to DTL fulfilling its obligations, the entire Project shall be completed within 12 months from the date of signing of MOU or receipt of 1st installment payment, whichever is later. The completion schedule (on best effort basis) for various elements shall be as under:

Sl. No	Description	Completion Schedule (Best Efforts)
(i)	Replacement of 2x315 MVA Transformers with 2x500 MVA Transformers at Bamnauli. Existing 1x315 MVA Transformer to be relocated at Mundka & 1x315 MVA Transformer shall be stored at Bamnauli itself	30 th April 2015
(ii)	Replacement of ACSR Zebra with HTLS Conductor on South of Wazirabad (SOW) to Geeta Colony 220 kV D/C Line	30 th April 2015
(iii)	Double Circuit 220 kV Underground Cable cum O/H Transmission Line from Harsh Vihar-Preet Vihar-Patparganj	30 th April 2015

- 11.2 Any delay in fulfillment of its obligation by DTL will affect the completion schedule and therefore completion schedule shall be deemed to have been automatically extended to cover such delay as may occur.

- 11.3 If by reason of extra or additional work or any industrial dispute or any cause or causes outside of and beyond the reasonable control of POWERGRID and its contractor(s), the work is delayed or impeded, the delayed period shall be construed as automatic time extension. In case of any industrial dispute or any cause or causes outside of and beyond the reasonable control of POWERGRID and its contractor(s), the Project is delayed or impeded, POWERGRID shall bring it to the notice of DTL to this effect within 30 days from cause of action occurred.

- 11.4 The completion period is indicated in good faith and is subject to fulfillment of obligation on part of DTL and POWERGRID.

- 11.5 POWERGRID shall submit a detailed Project implementation schedule and the same shall be adhered to.

12.0 PROGRESS REVIEW:

- 12.1 Joint Co-ordination Committee (JCC): DTL and POWERGRID shall nominate their representatives in a body called JCC to review the Project. POWERGRID shall specify monthly milestones or targets, which shall be reviewed jointly by JCC through

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a formal monthly review meeting: JCC shall be headed by Managing Director. This meeting forum shall be called as Joint Co-ordination Committee Meeting (JCCM) and the POWERGRID shall keep a record of every meeting.

A monthly progress report covering physical/financial progress & highlighting physical & financial exceptions/ constraints shall be prepared by POWERGRID & shall form the basis of such JCCM.

12.2 Contractor's Review Meeting (CRM): Periodic Review Meeting will be held by officials of POWERGRID with Contractors at field offices, RHQ (NR-I) & Corporate Office, as per the requirement. These shall be called "Contractor's Review Meeting" (CRM). POWERGRID shall keep a record of all CRMs, which shall be shared with all concerned and with DTL.

12.3 As and when required, a review may be held among Department of Power, GNCTD, DTL and POWERGRID primarily to maintain oversight at the top level and also to debottleneck issues that require intervention at GNCTD level. DTL & POWERGRID shall attend the meeting along with all the details. Minutes of the meeting shall be prepared by POWERGRID and shared with all the concerned.

12.4 Quarterly progress report indicating financial and physical activities under the project shall be submitted by POWERGRID to Ministry of Power, GOI under intimation to GNCTD, CEA and DTL.

13.0 FACILITIES/ INFORMATION TO BE PROVIDED BY OWNER:

13.1 All necessary information/data and facilities as may be required by POWERGRID in connection with services shall be promptly made available/ rendered by DTL.

13.2 DTL shall give their views on all matters pertaining to this Project as may be referred to by POWERGRID from time to time within a reasonable time which would normally not exceed fifteen (15) days and shall discharge faithfully all its obligations.

14.0 FORCE MAJEURE:

14.1 Force Majeure is hereby defined as any cause, which is beyond the control of POWERGRID or its Contractor(s) or DTL as the case may be, which they could not foresee or with a reasonable amount of diligence could not have foreseen and which substantially affects the performance of the said work including, but not limited to the followings:

a) Natural phenomena including but not limited to floods, droughts, earthquakes, epidemics etc.,

b) Acts of any Government, domestic or foreign, including but not limited to war, declared or undeclared, quarantines, embargoes etc.,

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Hostilities, revolutions, riots, civil commotions, strike, terrorism including in the premises of the Contractors.

- 4.2 POWERGRID or DTL or GNCTD shall not be liable for any delays in performing its obligation resulting from Force Majeure causes as referred to and/ or defined herein above. The date of completion will be extended by corresponding period equal to the period of Force Majeure if the situation so warrants and by such period to be mutually agreed to by the Parties. Should one or more Parties be prevented from fulfilling their obligations by state of Force Majeure lasting for a period of two months, the concerned Parties shall consult each other and decide as to further course of action.

15.0 TAKING OVER:

POWERGRID shall intimate DTL as soon as the elements of the Project are progressively commissioned (except in such respects that do not affect their use and/ or cause any serious risks) and DTL shall issue to POWERGRID Site-in-Charge, a certificate (herein called the Taking Over Certificate) in which they shall certify the date on which the works have been completed and passed commissioning tests, if any.

Issues, which do not come in the way of beneficial use of the elements of the Project, shall not constitute the reason for not taking it over. In case Taking Over certificate is not issued upon progressive commissioning of the Project, it shall be deemed to have been taken over on expiry of 30 days from the date of intimation by POWERGRID. However, immediately upon commissioning of the elements of the Project, the Operation & Maintenance of the same shall become the responsibility of the Owner.

The dismantled/ scrap materials, if any, shall be retained/ disposed off by the Contractors and therefore Contractors shall quote their prices considering the credit on account of dismantled/ scrap materials. Suitable provisions in the bidding documents shall be made by POWERGRID.

16.0 TERMINATION OF MOU:

- 16.1 In the event when the Parties mutually agree to terminate the MOU, on account of Force Majeure, the termination shall take effect from the date and time to be agreed upon mutually.
- 16.2 In the event of termination of this MOU as per Clause No.14.1 above, expenditures towards Project Cost & Consultancy fee thereof shall be paid proportionately to POWERGRID for such of those items of work, which have been completed/ partially completed and mutually agreed.

17.0 SETTLEMENT OF DISPUTE & ARBITRATION:

- 17.1 This MOU shall be governed by and construed in accordance with the laws of India. Any dispute or difference arising out of this MOU shall be amicably settled between the Parties.
- 17.2 In case of non-settlement of dispute or difference, the matter shall be within 30 days referred to arbitrator as provided in Government of India, Ministry of Heavy

Industries and Public Enterprises, Department of Public Enterprises, vide Memorandum No. 4(1)/2011-DPE(PMA)-GL dated 12th June'13 to be read Office Memorandum No-4(1)/2011-DPE(PMA) dated 24.03.2014 and its subsequent amendments thereof.

17.3 The parties to the dispute will share equally the cost of arbitration as intimated by the Arbitrator.

17.4 The venue of Arbitration shall be at New Delhi.

17.5 This MOU shall be subject to the jurisdiction of the court at New Delhi.

18.0 **THIRD PARTY DISPUTE:**

If any litigation/ arbitration cases crop up during the process of placement of contract order or thereafter by POWERGRID on behalf of DTL, POWERGRID shall resolve the same on behalf of DTL. DTL shall provide necessary details, if required. The cost of such litigation/arbitration and liability arising out of the award thereof, if any, shall be borne by DTL.

19.0 **DELAY IN COMPLETION:**

POWERGRID shall suitably incorporate the provisions towards levy of Liquidated Damages in their Agreements with Contractor(s) for delay in completion of the Project. All amounts towards Liquidated Damages, if any, as may be received by POWERGRID under this provision, shall be suitably adjusted in the Project Cost.

20.0 **PERFORMANCE GUARANTEE:**

POWERGRID shall suitably incorporate the provision of Guarantee Clause in their Contract Agreements with Contractor(s) valid for a period of 60 calendar months commencing immediately after commissioning of the Project, which will be enforceable by the Owner.

21.0 **AMENDMENT:**

This MOU may be amended or modified if necessary by a written instrument signed by the Parties and the same shall be considered as an integral part of this MOU.

22.0 **EFFECTIVE DATE:**

This MOU shall be deemed to have come into force with effect from the date of signing of MOU, in case the first installment payment is released within 30 days of submission of invoice by POWERGRID failing which from the date of receipt of first installment payment. All rights, obligations and responsibilities of Owner and POWERGRID shall be deemed to have commenced and accrued from the above date.

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NOTICE OF DEFAULT:

Notice of default given by either Party to the other Party under this MOU shall be in writing within 30 days and shall be deemed to have been duly and properly served upon the Parties hereto if delivered against acknowledgement due, addressed to the signatories to this MOU.

24.0 CORRESPONDENCE:

- 24.1. All communications from DTL to POWERGRID shall be addressed to the Project Manager to be nominated by POWERGRID in writing for the purpose of this Project.
- 24.2. All communication from POWERGRID to DTL shall be addressed to the Project Coordinator nominated by DTL in writing for the purpose of this Project.

IN WITNESS WHEREOF the Parties hereto have fully executed these present through their duly authorized representatives on the Day, Month and Year mentioned above.

For and on behalf of
Power Grid Corporation
of India Limited

अध्यक्ष/एडीएम/एडीएम (BOD)
पावर ग्रिड कॉर्पोरेशन ऑफ इंडिया लिमिटेड
Power Grid Corporation of India Ltd.
(प्राप्त सरकार का उद्यम/A Govt. of India Enterprise)
प्लॉट नं-2, सेक्टर-29, गुरुग्राम-122 001 (हरियाणा)
Plot No-2, Sector-29, Gurgaon- 122 001 Haryana


For and on behalf of
Delhi Transco Limited

VER A C AGRAWAL
General Manager (Pip.)
(A Govt. of NCT of Delhi Undertaking)
Shakti Deep Building,
Jhandewalan, New Delhi-110055

For and on behalf of
Govt. of NCT of Delhi

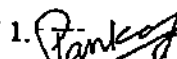
Addl. Secretary (Power)
Govt. of NCT of Delhi
Delhi Secretariat, 1st Estate
New Delhi-110002

WITNESS:

1. 
(DEEPAK TULSIA)
Manager (BDD)
POWERGRID, Gurgaon.


2.

WITNESS:

1. 
(PANKAJ K. VITAR)
Manager (CREG)
DTL

2.

WITNESS

1. 
(Moinuddin Suman)
Dy. Secy (Power)
GWCTD

2.

No. 3/8/2014-Trans
Government of India
Ministry of Power

Shram Shakti Bhawan, Rafi Marg,
New Delhi, dated 29th October, 2014

To

1. Principal Secretary (Power),
Government of NCT of Delhi.
2. CMD,
PGCIL, Gurgaon.

Subject: NCT of Delhi Transmission System Improvement Project for
strengthening of the Intra-State Transmission system in Delhi.

The undersigned is directed to convey the approval of competent authority for the scheme "NCT of Delhi Transmission System Improvement Projects for strengthening of the intra-State Transmission system in Delhi" at an estimated cost of Rs. 230 Crore (Rupees Two Hundred Thirty Crore only).

2. The scope of work and estimated cost of the scheme is given below:

Sl. No.	Scope of work	Capacity / line length	Estimated Cost (Rs. in crore)
(i)	Replacement of 2x315 MVA ICTs with 2X500 MVA at Bamnoli	2 x 500 MVA	30
(ii)	HTLS re-conductoring of D/C Geeta Colony -Wazirabad	2 x 6 kms	20
(iii)	220kV D/C Harsh Vihar- Patparganj UG+OH line	2 x 16 kms	180
Total			230

3. The terms and conditions for implementation of the aforesaid scheme shall be as below:

- (i) An amount of Rs.200 crore only shall be provided to Govt of NCT of Delhi under the budget of Ministry of Power for 2014-15.
- (ii) Expenditure beyond Rs. 200 Crore shall be provided by Govt. of NCT of Delhi (GNCTD) / Delhi Transmission Limited (DTL) from their own resources.

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- (iii) PGCIL will charge consultancy fee of only @10% of the project cost as a special case.
- (iv) PGCIL shall ensure that the project gets completed before 30th April, 2015 positively and DTL and Govt of NCT of Delhi shall provide the necessary support as may be required by PGCIL. Memorandum of Understanding (MOU) amongst DTL, PGCIL and GNCTD may be prepared / signed for smooth implementation of the scheme.
- (v) Since the project will be implemented on deposit-work basis by PGCIL, the MOU to be entered into should contain adequate safeguards to ensure that the implementing agency, namely, PGCIL does not face difficulties in getting timely release of funds from GNCTD.
- (vi) PGCIL shall get payments from GNCTD as per the MOU to be signed amongst DTL, PGCIL and GNCTD.

4. GNCTD and PGCIL will submit quarterly report to the Ministry of Power and CEA indicating financial and physical progress of implementation of activities covered by this sanction.

5. This issues with the concurrence of Integrated Finance Division of Ministry of Power vide their Dy.No.1171/JS&FA/2014 dated 29.10.2014.

Encl.: as above

Yours faithfully,



(S. Venkateshwarlu)
Under Secretary to the Govt. of India
Tel: 011-2332 5242

Copy forwarded to the following:

1. Chairperson, Central Electricity Authority (CEA), Sewa Bhavan, RK Puram, New Delhi.
2. Prime Minister's Office (Kind Attn: Shri Santosh D. Vaidya, Director) with reference to their PMO ID No. 210/31/C/29/2014-ES.I dated 21.8.2014, for information.
3. Pay & Accounts Officer, Ministry of Power, New Delhi.
4. Controller of Accounts, Ministry of Power, Sewa Bhavan, RK Puram, New Delhi.
5. Principal Director of Audit, Economic & Service Ministry, AGOR Building, Near ITO, New Delhi-110002.
6. Secretary, Planning Commission, Yojana Bhavan, New Delhi.
7. Secretary, Department of Expenditure, Ministry of Finance, New Delhi.

Copy to: PS to MoSP (IC) / PPS to Secretary (Power) / AS(DC) / JS (Trans) / JS&FA/ Director (Trans) / US (Fin.), Ministry of Power.



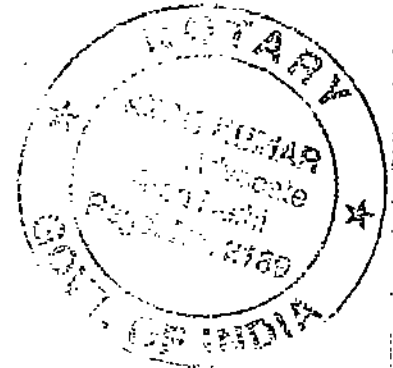
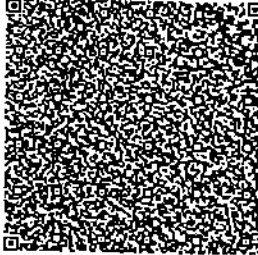
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Government of National Capital Territory of Delhi

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Second Party	: Not Applicable
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20 FEB 2015

BEFORE THE DELHI ELECTRICITY REGULATORY COMMISSION, NEW DELHI

Petition No.: _____

IN THE MATTER OF:

Petition for True up for FY 2012-13 to FY 2014-15 & ARR for FY 2015-16.

AND

IN THE MATTER OF:

Delhi Transco Limited, (DTL), Shakti Sadan, Kotla Marg, New Delhi-110002.

AFFIDAVIT VERIFYING THE PETITION

I, Kiran Saini, working as General Manager (Comm. & Regulatory Affairs) in Delhi Transco Ltd., having its Registered Office at Shakti Sadan, Kotla Road, New Delhi - 110002, do hereby solemnly affirm and state as follows:

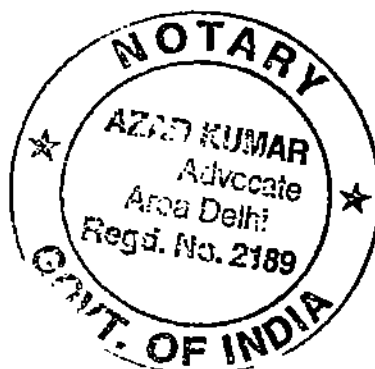
1. That I am the G.M. (C&RA) of Delhi Transco Limited and am conversant with facts of the case.
2. I say that the statements made in the accompanying Petition for True up for ARR FY 2012-13 to FY 2014-15 & ARR for FY 2015-16 are based on the records of the company and believed by me to be true.



DEPONENT

VERIFICATIONS

Verified at Delhi on this day 20th of February, 2015 that the contents of the above affidavit are true to the best of my knowledge and belief. No part of it is false and nothing has been concealed.


DEPONENT



ATTESTED

BY NOTARY PUBLIC
NEW DELHI (INDIA)

20 FEB 2015

भारतीय स्टेट बैंक
State Bank of India
जारी करने वाली शाखा
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FOR STATE BANK OF INDIA

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BRANCH MANAGER

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INSTRUMENTS FOR ₹ 1,00,000/- & ABOVE ARE NOT VALID UNLESS SIGNED BY TWO OFFICERS

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