



TATA POWER-DDL

To, JD(Law)

TPDDL/Regulatory/2018-19/03/ 420
Dec 26, 2018

Office of the HoD Regulatory

OPANo. 7459

The Jt. Director (Law),

Delhi Electricity Regulatory Commission
Viniyamak Bhavan, C Block, Shivalik
Malviya Nagar
New Delhi – 110017



Subject: Curing of Defects in the Tariff Petition for FY 2019-20

Dear Sir,

This is with reference to your letter no. F.11 (1640)/DERC/2018-19/6337 dated 18.12.2018, whereby the Hon'ble Commission has sought additional information with respect to the curing of some deficiencies found in the Tariff Petition which was filed by Tata Power – DDL on dated 31.10.2018.

Point wise reply of such deficiencies are given below:

Query 1. Data has not been provided in Form S1?

Reply: Form S1 dealt with the information related to Profit & Loss account for the year. We have already provided the figures of Profit & Loss account based on audited financial statement for the FY 2017-18 in Form S1 (ref. Page 221 of Tariff Petition for True-up of FY 2017-18, copy enclosed).

Query 2. Form S2 has not been provided?

Reply: Please find enclosed the duly signed audited Certificate of Cash Flow for FY 2017-18 (Annexure – A) as Form S2.

Query 3. Reconciliation with the Audited Accounts has not been provided for Form S3?

Reply: In Form S3 information with respect to AAR has been provided. It is submitted that ARR has been prepared based on Terms and Conditions issued by the Hon'ble Commission for Tariff determination. However, Audited Accounts of the DISCOMs are prepared based on guidelines issued under Companies Act and the Institute of Chartered Accountant of India. Therefore, reconciliation statement of each parameter of ARR has not been prepared. It is worth to mention that in Tariff Petition we have already provided the reference Note No of Audited Financial Statement wherever required.

Page 1 of 3

TATA POWER DELHI DISTRIBUTION LIMITED

(A Tata Power and Delhi Government Joint Venture)

Corporate Office : NDPL House Hudson Lines Kingsway Camp Delhi - 110 009

Website : www.tatapower-ddl.com CIN No. : U40109DL2001PLC111526



TATA POWER-DDL

Query 4. Month wise Data not provided in Form F1?

Reply: Copy of the Audited Certificate (Month Wise and annually) of Power Purchase has already been attached as Annexure "A3" in Volume II of the Tariff Petition.

Query 5. Current Year (Estimated) is not provided in Form F2?

Reply: As the Tariff Petition is related to true up of FY 2017-18 & ARR for FY 2019-20; hence Form F2 not provided for Current year (i.e. FY 2018-19).

Query 6. Reconciliation with the Audited Accounts has not been provided for Form F3?

Reply: Refer Note No 39.3 of the Audited Financial Statement (Attached as Annexure "A1" in Volume II of the Tariff Petition)

Query 7,8,10 Break-up of the R&M, Employees and A&G exp. have not been provided?

Reply: O&M Expenses are allowed on normative basis without bifurcating into subheads like Employees, R&M and A&G expenses. Thus, in the Tariff Petition, we have provided only the total amount of expenses in respective Form No's.

However, for details the Hon'ble Commission may refer Note no 32 and Note no 34 of the Audited Financial Statements (attached as Annexure- "A1" in Volume II of the Tariff Petition).

Query 9. Employee Strength in Form 6(a) has not been provided for FY 2017-18?

Reply: Please find enclosed Form No 6(a) as a part of Annexure - B.

Query 11. Break up of Legal Expense has not been provided in Form F7?

Reply: Please find enclosed details of Form F7 (Legal exp.) as a part of Annexure - B.

Query 12. Asset wise details has not been provided in Form F8?

Reply: As the process of finalization of capitalization is going on hence no breakup has been provided.

Query 13. Data has not been provided in Form F9?

Reply: We have already mentioned in the tariff petition that due to voluminous of data involved it can be provided in due course of prudence check.

Query 14: Complete data has not been provided in Form 10?

Reply: We have already clarified the reason for non-providing the information in Tariff Petition.



Query 15: Form F 16 not been provided?

Reply: Form F16 deals with the computation of Net-worth of the Company. The said information would be provided in due course of prudence check.

Query 16: District wise detailed breakup has not been provided?

Reply: Please find enclosed District wise information for FY 2017-18 as Form F21 as part of Annexure -B.

We hope that the Hon'ble Commission would find the above information in order.

Thanking You,

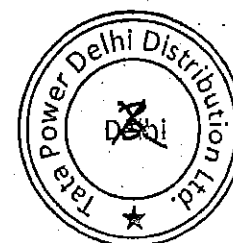
Yours Sincerely,
For TATA Power Delhi Distribution Limited

Bharat Kumar Bhadawat
HoD (Regulatory)

Enclosure: as stated above.

kim

TATA POWER DELHI DISTRIBUTION LIMITED				
Profit & Loss Account			Form No: S1	
All figures in Rs Crores				
Sl. No.	Particulars	Previous Year (FY 2017-18)		Variance
		Audited	Actual	
A	Revenue			
1	Revenue from sale of power	6,972.42		
2	Non-tariff income	195.99		
3	Other Revenue/ subsidies - Sourcewise			
	Total Revenue or Income	7,168.42		
B	Expenditure			
1	Purchase of Power from Long term Sources			
2	Purchase of Power from Other than Long term Sources			
3	Transmission Charges			
	(a) Inter State	5,130.91		
	(b) Intra State			
4	Load Despatch Charges			
5	Operations and Maintenance Expenditure			
	(a) Repairs and Maintenance	179.73		
	(b) Employee costs (Excluding loans and advances to Staff)	522.31		
	(c) Administration and General expenses	129.23		
6	Net prior period credit/(charges)			
7	Other Debits, Write-offs			
8	Extraordinary Items-- Regulatory Income/Expense	173.85		
9	Less: Expenses Capitalized (A&G/Employee Expenses)	(48.75)		
C	Profit before depreciation, interest and taxes	1,081.14		
D	Depreciation	289.96		
E	Provisions	6.49		
F	PBIT	784.69		
1	Interest & Finance Charges	355.69		
2	Less: Interest Capitalized	(8.96)		
G	Total Interest and Finance Charges	346.73		
H	TOTAL EXPENDITURE	6,730.45		
I	Profit/Loss before Tax	437.97		
J	Income Tax	94.52		
K	Other Comprehensive Income & Exceptional Item - Impairment of p	(37.37)		
L	Profit/Loss after Tax	306.08		
Figures are as per Audited Financial Statement for FY 2017-18				



Walker Chandlok & Co LLP

To

The Board of Directors
Tata Power Delhi Distribution Limited
NDPL House, Hudson Lines, Kingsway Camp
New Delhi-110009

Walker Chandlok & Co LLP
(Formerly Walker, Chandlok & Co)
L-41 Connaught Circus
New Delhi 110001
India

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Independent Auditor's Certificate on the Statement of Cash Inflow/Outflow for the year ended 31 March 2018

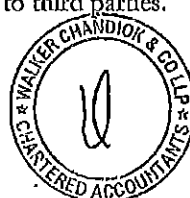
1. This certificate is issued in accordance with the terms of our engagement letter dated 19 July 2018 with Tata Power Delhi Distribution Limited ('the Company').
2. The management of the Company has prepared the accompanying statement of cash inflow/outflow for the year ended 31 March 2018 ('the Statement') as per the format specified by the Delhi Electricity Regulatory Commission ('DERC') in its Letter No. F.6(27)/AP/DERC/2013-14/3934/376 dated 9 June 2014 ('DERC letter'), which has been initialed by us for identification purposes only.

Management's Responsibility for the Statement

3. The preparation of the statement is the responsibility of the management including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Management is also responsible for ensuring that the Company complies with the requirements of the DERC letter and for providing all relevant information to the DERC.

Auditor's Responsibility

5. Our responsibility is to provide reasonable assurance in the form of an opinion as to whether the cash inflows / (outflows), as set out in the accompanying Statement have been accurately extracted from the audited standalone financial statements and underlying books and records of the Company for the year ended 31 March 2018, and the computation thereof is arithmetically correct.
6. The audited standalone financial statements referred to in paragraph 5 above have been audited by us, on which we have issued an unmodified opinion thereon vide our report dated 26 April 2018. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (the 'ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement. Such audit of standalone financial statement was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.



Walker Chandio & Co LLP

7. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the ICAI. The Guidance note requires that we comply with ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements issued by the ICAI.

Opinion

9. Based on our examination, as above, evidences obtained and the information and explanations, along with the representations provided by the management, we are of the opinion that the cash inflows / (outflows), as set out in the accompanying Statement, have been accurately extracted from the audited standalone financial statements and underlying books and records of the Company for the year ended 31 March 2018, and that the computation thereof is arithmetically correct.

Restriction on distribution or use

10. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with DERC letter to submit the accompanying Statement to the DERC. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have had as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
11. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Neeraj Goel

Neeraj Goel
Partner
Membership No.: 099514



Place: New Delhi
Date: 5 October 2018

Attachment I
(to our certificate of even date)

TATA Power Delhi Distribution Limited
(Formerly North Delhi Power Limited)
Statement of Cash Inflow/ Outflow for the year ended 31-03-2018

Sl. No	Particulars	(Rs. Lacs) Amount
A	Opening Cash and cash equivalents	9,998.53
B	Cash Inflows	
	Collection	
	Towards sale of Energy *	6,80,959.86
	Towards subsidy disbursed	45,714.30
	Collection from Open Access	1,253.60
	Collection from Pension Trust Surcharge	10,990.25
	Bulk supply of short term power sale (net of rebate)	21,743.82
	Disbursement of loan taken	
	Capex	17,990.00
	Non Capex	1,05,500.00
	Additional utilisation of Cash Credit during the year	10,912.89
	Non Tariff/ Other Income	9,559.51
	Proceeds from Service Line Deposit	3,217.88
	Proceeds from Capital Grants/CCCW/CDW	6,773.16
	Net proceeds from CSD	5,456.69
	Advance Govt Subsidy	2,693.70
	Other receipts (net)**	14,758.71
	Total Cash Inflow- "B"	9,37,524.38
C	Cash Outflow	
	Capital expenditure (Vendor Payments & net of sale of fixed assets)	54,975.11
	Power Purchase payment (net of rebate)	5,22,269.19
	Short Term Power Purchase payment	45,023.22
	Amount Paid to Pension Trust Surcharge	16,038.33
	Operation and Maintenance Expenses***	
	Employee Expenses	47,329.83
	A & G Expenses	12,905.51
	R & M Expenses	16,256.08
	Statutory Dues	
	Taxes paid (including tax deducted at source)	9,372.69
	Electricity Tax (net of Commission on E. Tax collection/other adjustment)	28,282.90
	Dividend paid Both Equity & Preference Shares (including dividend tax)	11,207.71
	Financial Expenses	28,223.69
	Loan repayment	1,45,437.08
	Bank deposits	4.52
	Total Cash Outflow - "C"	9,37,325.86
D	Closing Cash and cash equivalents "D = (A+B-C)"	10,197.05

Notes:

* Collection towards sale of energy is calculated as Total Billed Amount during the year less (Non Energy Billed During the year & subsidy disbursed during the year).

** Other receipts(net) is on account of movement in residual assets and liabilities.

***Operation and Maintenance expense are considered as per Audited Financial Statements of the year.

For and on behalf of
Tata Power Delhi Distribution Limited

Hemant Goyal
Chief Finance Officer

HEMANT GOYAL

Chief Financial Officer

Tata Power Delhi Distribution Ltd.

Place:
Date:



Tata Power Delhi Distribution Limited					
Form F 6(a)					
Employees Strength for FY 2017-18					
Sl. No	Particulars	Opening Balance	Addition	Retired/Death/ other Separation	Closing Balance
1	FRSR	1465	0	103	1,362
2	Non-FRSR*	1874	224	113	1,985
	Total	3339	224	216	3,347

*excluding Fixed Term Employees

Tata Power Delhi Distribution Limited

Form F 7

Details of Legal Expenses for FY 2017-18		
Sl. No	Court / Authority Name	Amount (Rs.) Lacs
1	Appellate Tribunal of Electricity	254.44
2	Arbitration	52.59
3	CCI	25.35
4	Central Electricity Regulatory Commission	101.97
5	Civil Court	3.35
6	Delhi Electricity Regulatory Commission	67.27
7	Electrical Inspector	4.22
8	High court	263.76
9	NGT	15.99
10	Others	323.56
11	Rohini/Tis Hazari Court/ Saket	44.18
12	Supreme Court	78.26
13	Misc. including Professional Charges	562.47
	Total*	1,797.41

*Refer Note no 34 of the Audited Financial Statement

Name of District	Energy Input (MU)	Energy Billed (MU)	Distribution Losses (%)	Amount Billed (Rs. Cr.)		Amount Realized (Rs. Cr.)		Coll. Eff. (%)	Average Rate of billing (Rs./Kwh)	Energy Realized (MU)	AT&C Losses (%)
				Gross	Net of surcharge, E.tax	Gross	Net of surcharge, E.tax				
Badli	641	595	7.19%	523.68	457.03	526.63	460.19	100.69%	7.68	599.07	6.55%
Bawana	1282	1107	13.67%	1064.13	928.70	1067.92	933.20	100.48%	8.39	1111.87	13.25%
Civil Lines	731	690	5.58%	586.18	511.58	582.17	508.73	99.44%	7.41	686.50	6.10%
Keshav Puram	709	669	5.64%	599.33	523.06	596.93	521.63	99.73%	7.82	666.93	5.90%
Mangolpuri	760	691	9.06%	506.38	441.94	502.47	439.08	99.35%	6.39	687.02	9.65%
Model Town	522	484	7.30%	398.12	347.45	397.19	347.08	99.89%	7.17	483.83	7.39%
Moti Nagar	822	772	6.08%	700.61	611.45	698.06	609.99	99.76%	7.92	769.78	6.31%
Narela	1202	1067	11.27%	984.68	859.37	981.75	857.90	99.83%	8.06	1065.04	11.42%
Pitam Pura	654	613	6.23%	510.28	445.34	506.78	442.85	99.44%	7.27	609.52	6.76%
Rohini	853	817	4.20%	654.09	570.85	654.23	571.69	100.15%	6.99	818.06	4.06%
Shakti Nagar	354	332	6.33%	278.87	243.38	277.61	242.58	99.67%	7.33	330.97	6.64%
Shalimar Bagh	872	794	8.89%	586.01	511.44	584.91	511.12	99.94%	6.44	793.74	8.94%
Total	9402	8631	8.20%	7392.35	6451.58	7376.64	6446.04	99.91%	7.47	8623.59	8.28%