

# DELHI TRANSCO LIMITED

(A Govt. of NCT of Delhi Undertaking)

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

Corporate Identification Number (CIN) - U40103DL2001SGC111529

Telephone no-23235380- Tele-fax: - 23238064, Website – [www.dtl.gov.in](http://www.dtl.gov.in)

No. F.42/DTL/ 402 / CS/ 2017-18 / 19

Date: 17th May, 2017

Ms. Rupa Deb,  
General Manager and Company Secretary,  
IFCI Limited, IFCI Tower,  
61, Nehru Place,  
New Delhi

Dear Madam

Please find enclosed herewith Half Yearly Report of Delhi Transco Limited for the period ended March 31, 2017.

Thanking you.

Yours faithfully  
For Delhi Transco Limited

*CML*

(P.K. Mallik)  
Executive Director (C.G.)  
& Company Secretary

Encl: As above



DELHI TRANSCO LIMITED  
(A Govt. of NCT of Delhi Undertaking)  
(Shakti Sadan, Kolla Road)  
(New Delhi-110001)

## HALF YEARLY REPORT

Half Yearly Compliance to be sent to Debenture Holders  
Declaration in respect of chapter V clause 52 (4)

S.No.	Terms of Issue	Status of Compliance as on 31.03.2017	Remarks
1	Credit Rating	Crisil: BBB+/Negative (Reaffirmed) India Rating Reserch (Formerly FITCH): IND A Outlook Negative	enclosed
2	Asset Coverage Ratio	complied	Annexure-1
3	Debt Equity Ratio	0.49	
4	DSCR Requirement (for half year ending 31.03.2017)	1.29	
	DSCR Requirement (for FY 2016-17)	1.7	
5	ISCR Requirement (for half year ending 31.03.2017)	3.85	
	ISCR Requirement (for FY 2016-17)	3.59	
6	DRR Requirement	Rs. 8000.00 Lakhs	
7	Net Worth	Rs. 252279.9 Lakhs	
8	Net profit after tax (for half year ending 31.03.2017)	Rs. 20601.51 Lakhs	
	Net profit after tax (for FY 2016-17)	Rs. 40837.85 Lakhs	
9	Earning Per Share	0.52	

B)

### Details of Payment of Interest/Redemption

S.No	Previous Due Dates of Interest/redemption during last half year	Status of Payment	If not paid on due date, status as on date
1	2nd March 2017 (Interest)	Paid	N.A
2	2nd March 2017 (Principal)	Paid	N.A

S.No.	Next Due Dates of Interest & redemption		
1	2nd September 2017 (Interest)		
2	2nd March 2018 (Principal)		

*Vikas Mangla*

**VIKAS MANGLA**  
Manager (Finance)  
Central Accounts  
Delhi Transco Limited  
(A Govt. of NCT of Delhi Undertaking)  
Shakti Sadan, Kolla Road,  
New Delhi-110002

**S. N. NANDA & CO.**  
**CHARTERED ACCOUNTANTS**

E-mail : [snnco@snnco.net](mailto:snnco@snnco.net)  
: [info@snnco.net](mailto:info@snnco.net)

C 43, PAMPOSH ENCLAVE  
GREATER KAILASH - I  
NEW DELHI - 110 048

PH: 91-11-26227853, 41731475  
FAX: 91-11-26227853

**LIMITED REVIEW REPORT**

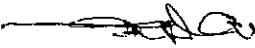
To,  
The Board of Directors,  
M/s. Delhi Transco Limited,  
New Delhi

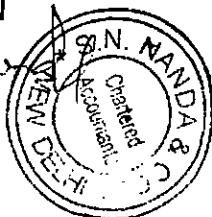
We have reviewed the accompanying statement of unaudited financial results of M/s Delhi Transco Limited, Shakti Sadan, Kotla Road, New Delhi -110002 for the half year ended 31st March 2017. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on this financial statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements issued by the institute of Chartered Accountants of India. These standards require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standard and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 29 of the Listing Agreement for debt securities including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For S. N. Nanda & Co.**  
Chartered Accountants  
FRN: 000685N

  
S. N. Nanda  
Partner  
M. No: 005909



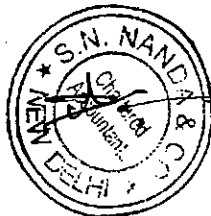
**Date: 12<sup>th</sup> May 2017**  
**Place: New Delhi**



**DELHI TRANSCO LIMITED**  
(An Undertaking of Govt. of NCT of Delhi)  
Shakti Sadan, Kotla Road, New Delhi-110002

Unaudited Financial Results for Half Year Ending 31st March 2017

S.No.	PARTICULARS	(Rs. In Lakhs)			
		6 months ended 31.03.2017	6 months ended 31.03.2016	Accounting Year Ended 31.3.2017	Previous Accounting Year Ended 31.3.2016
		(Limited Review)	(Limited Review)	(Limited Review)	(Audited)
1	<b>Income</b>				
(a)	Net Sales/Income from Operations	51,232.77	51,091.37	1,02,744.56	1,02,744.56
(b)	Other Operating Income	3,259.40	5,647.75	6,455.27	8,553.10
	<b>TOTAL</b>	<b>54,492.17</b>	<b>56,739.12</b>	<b>1,09,199.83</b>	<b>1,11,297.66</b>
2	<b>Expenditure</b>				
(a)	Increase/Decrease in stock in trade & Work in Progress	-	-	-	-
(b)	Consumption of Raw Materials	-	-	-	-
(c)	Purchase of traded goods	-	-	-	-
(d)	Employee Cost	6,731.51	5,496.49	13,487.65	12,431.59
(e)	Depreciation	11,392.44	9,657.75	21,622.77	20,248.40
(f)	Transmission, Administration and other expenses	3,634.89	6,736.87	6,266.88	6,207.56
	<b>TOTAL</b>	<b>21,758.83</b>	<b>21,891.11</b>	<b>41,377.30</b>	<b>40,887.56</b>
3	Profit from operations before other income, interest & exceptional items (1-2)	32,733.34	34,848.01	67,822.53	70,410.11
4	Other Income	2,508.29	1,321.98	3,315.16	5,653.24
5	Profit before Interest & Exceptional Items(3+4)	35,241.62	36,169.99	71,138.68	76,063.35
6	Interest (Paid on Loans)	9,041.03	8,083.00	19,211.08	19,887.08
7	Exceptional Items	-	-	-	(0.00)
8	Profit/Loss from ordinary activities before tax (5-6-7)	26,200.60	28,086.99	51,927.60	56,176.27
9	Tax expenses	5,589.74	5,994.32	11,080.39	11,928.45
10	Net Profit/Loss from ordinary activities after tax (8-9)	20,610.86	22,092.67	40,847.21	44,247.82
11	Extraordinary Items	9.35	0.00	9.35	283.33
12	Net Profit/Loss for the period	20,601.51	22,092.67	40,837.85	43,964.49
13	Paid up equity share capital(Face value of share shall be indicated)Face value of Rs.10 each	3,95,100.00	3,95,100.00	3,95,100.00	3,95,100.00
14	Paid up Debt capital	1,95,314.42	2,27,974.29	1,95,314.42	2,27,973.67
15	Reserves excluding revaluation reserves at the end of Financial Year	(1,42,820.09)	(1,78,779.22)	(1,22,583.75)	(1,62,997.77)
16	Debenture Redemption Reserve	8,000.00	9,000.00	8,000.00	9,000.00
17	Earning Per Share(EPS)	0.52	0.56	1.03	1.11
18	Debt Equity Ratio	0.49	0.58	0.49	0.58
19	Debt Service Coverage Ratio	1.29	1.83	1.70	2.43
20	Interest Service Coverage Ratio	3.85	4.33	3.59	4.42



*S.N. Nanda*

Director (Finance)

जे. पी. एस. चावला  
निदेशक (वित्त)

**Notes forming part of half yearly financial results for the period ending 31<sup>st</sup> March 2017.**

1. The company is primarily engaged in the business of Transmission of Electricity in the National Capital Territory of Delhi which is a single segment as per the Accounting Standard 17 (AS 17) issued by The Institute of Chartered Accountants of India (ICAI). The accounts are maintained on accrual system of accounting & historical cost basis.

2. As per the approved accounting policy of the company being followed consistently in relation to Revenue Recognition, the operational income (tariff income) has been recognized on the basis of tariff order passed by DERC for the Financial Year 2015-16 as the tariff order for 2016-17 is yet to be issued by DERC. Accordingly, for the half year ended on 31<sup>st</sup> March, 2017, a sum of Rs.507.81 crore (Rs.506.39 Crore on 31<sup>st</sup> March, 2016) has been accounted for as tariff income against wheeling charges. Similarly on the basis of last tariff order passed by DERC for SLDC charges, a sum of Rs.4.52 crore has been accounted for as tariff income from SLDC charges during the half year ended on 31<sup>th</sup> March 2017. The income from wheeling charges and SLDC charges form the part of income from operations in the accompanying half yearly financial results.

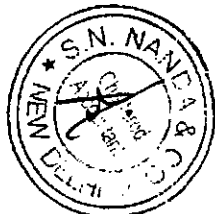
3. Company has not computed deferred tax since previous years on account of accumulated unabsorbed losses.

4. Debentures amounting to Rs.20 Crore were redeemed on the date of maturity i.e. 2<sup>nd</sup> March 2017 on yearly basis. The closing balance of Debentures as on 31<sup>st</sup> March 2017 is Rs.160 Crore.

6. As per transfer scheme of unbundling of Delhi Vidyut Board (DVB), a Trust designated as Delhi Vidyut Board Employee Terminal Benefit Fund, 2002(ETBF) was established by GNCTD for the payment of post retirement benefits to the employees of erstwhile DVB. The said Trust was funded by GNCTD initially at the time of unbundling and is required to be subsequently funded through the contributions by the successor entities including Delhi Transco Ltd. As per the provisions of AS 15, the defined benefit obligations (post retirement benefits) existing as on date of closing of accounts whether half yearly or yearly as the case may be 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. However, pending the actuarial valuation of the obligations of the Pension Trust towards retirement benefits of the employees as on current date (i.e 31<sup>st</sup> March, 2017), the shortfall, if any, of the contribution payable by the Company to the Pension Trust as on that date could not be ascertained and accounted for accordingly in the accompanying Financial Results.

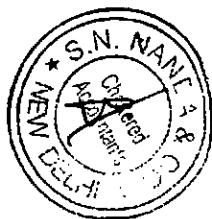
7. The company is liable to pay revised wage with effect from 1<sup>st</sup> January,2016 in accordance with recommendation of 7<sup>th</sup> Pay commission. The effect of the same has not been ascertained and provided for.

8. Statutory Auditors for FY 2015-16 have qualified in their report on the following matters.



*S. N. Nanda*  
पी. एस. चावला  
नि.दे.क (वित्त)

- i. As per Accounting Policy "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 basis". During the year 2015-16, the company has recognized Rs. 2333.55 lakhs as income equivalent to TDS deposited by the debtors. As per Accounting Standard-9, "Revenue Recognition", revenue should be recognized if there is no uncertainty. As debtors have deducted & deposited TDS, the income became certain and gross amount Rs. 23335.45 lakhs should have been recognized. Therefore, the profit of the company is understated by the Rs. 21001.91 lakhs.
- ii. As per Accounting Standard- 10, "Accounting for Fixed Assets", Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized. The Company has not identified such machinery spares.
- iii. Employees employed by the company after the unbundling i.e. other than DVB employees are eligible to receive LTC during the period of employment and Baggage allowances at the time of retirement. As per Accounting Standard-15, "Employee benefits", the liability is required to be determined based on actuarial valuation, which has not been determined and provided.
- iv. Non provision of the cumulative shortfall as on 31<sup>st</sup> March 2016 if any in the recognition of expenditure on retirement benefits in respect of employees employed before unbundling of DVB, company's share of liability has not been ascertained pending the actuarial valuation of the present value of obligations of the Pension Trust towards retirement benefits.
- v. As per Accounting Standard-22, "Accounting for Taxes on Income", Deferred tax is to be computed and recognized. The company has not recognized such deferred tax.
- vi. Land under the head "Fixed Assets" in the Balance Sheet amounting to Rs. 7151.14 lakhs, is in the name of Government of National Capital Territory of Delhi. This amount represents payment made by the company on account of compensation etc. As the land has been given to the company for use only, the amount should be amortized over its useful life as per Accounting Standard-26, "Intangible Assets". The company has not ascertained the useful life of asset.
- vii. The company has disclosed various contingent liabilities on account of arbitration/court cases, property tax and other claims. The company has



*Attender*

जे. पी. एस. चावला  
निदेशक (वित्त)

not ascertained the probable outflow as required by Accounting Standard 29, "Provisions, Contingent Liabilities and Contingent Assets".

- viii. In accordance with recommendation of 7<sup>th</sup> Pay commission, the company is liable to pay revised wages with effect from 1<sup>st</sup> January, 2016. The effect of the same has not been ascertained and provided.
- ix. Balances of sundry debtors, sundry creditors and advance to other parties are subject to confirmation & reconciliation. The effect of the same is not ascertainable.
- x. The company is maintaining a parking account i.e. GR/IR account, which has not been reconciled since 2010. The effect of the same has not been ascertained.
- xi. The company in previous years had accounted for cost of SCADA equipment Rs 3955.10 lakhs as Fixed Assets and liability of Rs. 3431.00 lakhs due to PGCIL. Honorable DERC had ordered that the liability is not of the company w.e.f. 1<sup>st</sup> April, 2007. The company continued to claim depreciation on the same till 31<sup>st</sup> March, 2009. The Asset and the Liability amounting to Rs.197.75 lakhs & Rs.1769.42 lakhs is not of the company, but the same are appearing in the Balance Sheet of the company.
- xii. The company is discharging function of SLDC-UI energy as a nodal agency. Their bank accounts are in the name of the company but the same are not included in the financial statements. The company as a nodal agency earned interest of Rs. 3325.63 lakhs on fixed deposits on which TDS Rs 33.25 lakhs was deducted. No records for the functions of SLDC UI energy have been maintained.
- xiii. According to the information given to us, the company has not established its financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting issued by Institute of Chartered Accountants of India. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31<sup>st</sup> March, 2016.

Directions have been given by the Board of Directors for taking actions on the above observations of the Statutory Auditor. Financial impact of above observations has not been ascertained and taken in accompanying financial results.

9. No investor complaints were pending at the beginning of half year and no complaints were received during the said half year.



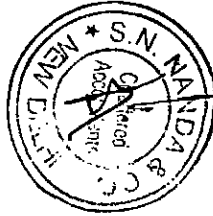
*Attender*  
जे. पी. एस. चावला  
निदेशक (वित्त)

10. Previous period's figures have been regrouped/re-classified wherever deemed necessary.

11. Delhi Transco Limited is in the process of implementing IND AS. Therefore these results have been prepared in accordance with Accounting Standards specified under Section 133 of the Companies Act,2013 read with rule 7 of the Companies (Accounts) Rule,2014.

The results for the half year ending on 31<sup>st</sup> March 2017 have been subjected to limited review by the Statutory Auditors appointed by the company and were taken on record by the Board of Directors at their meeting held on 12<sup>th</sup> May 2017.

Date: 12<sup>th</sup> May 2017.  
Place : New Delhi



*Jtendra*  
(J.P.S. Chawla)  
Director (Finance)  
ज. पी. एस. चावला  
दि. देराक (वित्त)