# दादरा नगर हवेली ऊर्जा वितरण निगम लिमिटेड

(सरकार का उपक्रम)

# DNH Power Distribution Corporation Limited

(A Govt. Undertaking)

## 9 वीं वार्षिक रिपोर्ट 2020-21

## 9th Annual Report 2020-21




Illumination of Corporation Building



आज़ादी का अमृत महोत्सव



ऊर्जा जीवन है... इसे संरक्षित रखें ENERGY IS LIFE... CONSERVE IT






विद्युत भवन

DNH Power Distribution Corporation Limited
(A Govt. Undertaking)
CIN: U40100DN2012GOI000405

## Index


| | | |
|---|---|---|
| 1. | Board of Directors | 2 |
| 2. | Chairman's speech | 3 |
| 3. | Directors | 4 |
| 4. | Financial Graph | 6 |
| 5. | Director's Report | 7 |
| | – Annexure – **A** Financial Analysis and at a Glance | 25 |
| | – Annexure – **1** Attendance of Committee Meetings | 27 |
| | – Annexure – **2** Information of Annual Return as on Financial Year ended 31.03.2021 | 28 |
| | – Annexure – **3** Secretarial Audit Report for FY 2020-21 | 32 |
| | – Annexure – **4** Annual Report on Corporate Social Responsibility (CSR) Activities for FY 2020-21 | 36 |
| | – Annexure – **5** Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo | 39 |
| 6. | Comment of the Comptroller and Auditor General of India | 41 |
| 7. | Independent Auditors Report | 42 |
| | – Annexure **– A** to the Independent Auditors Report | 45 |
| | – Annexure **– B** to the Independent Auditors Report | 46 |
| | – Annexure **– C** to the Independent Auditors Report | 49 |
| 8. | Balance Sheet as at 31st March 2021 | 51 |
| 9. | Statement of Profit and Loss for the year ended 31st March 2021 | 53 |
| 10. | Statement of Change in Equity for the year ended 31st March 2021 | 55 |
| 11. | Cash Flow Statement for the year ended 31st March 2021 | 56 |
| 12. | Significant Accounting Policies Forming Part of Financial Statements for the Year ending on 31st March, 2021 | 58 |
| 13. | Notes Forming Part of Financial Statements as at 31st March, 2021 | 71 |
| 14. | Proxy Form | 97 |

## Board of Directors

Chairman

**Shri Praful Patel** (w.e.f. 30.12.2016)

Managing Director

**Ms. Tapasya Raghav, IAS** (w.e.f. 13.09.2019)

Directors

**Shri Anil Kumar Singh, IAS** (w.e.f. 26.10.2019)

**Ms. A. Muthamma, IAS** (w.e.f. 05.11.2019)

**Shri Sandeep Kumar Singh, IAS** (w.e.f. 11.07.2019)

**Shri Gaurav Singh Rajawat, IAS** (w.e.f. 16.02.2021)

**Shri Devinder Singh, IAS** (till 16.02.2021)

Independent Directors

**Shri Hemanshu Kapadia**

**Shri Pentayya Polagani**

**Shri Vijay Kulkarni**

Key Managerial & other Senior Officers

**Shri C. A. Parmar,** Chief Engineer

**Shri Pawan Kumar Mishra,** Chief Financial Officer

**Smt. Anju Madanlal Chaudhary,** Company Secretary

Bankers

**Bank of Baroda, Silvassa**

**HDFC Bank, Silvassa**

Statutory Auditors

**M/s G. B. Laddha Co. LLP & Co.**

Chartered Accountants, Silvassa

# CHAIRMAN'S MESSAGE TO THE SHAREHOLDERS AT THE NINETH ANNUAL GENERAL MEETING HELD ON 27/11/2021



Dear Shareholders,

The financial year 2020-21 has been a difficult year for every one on account of COVID-19 pandemic. Nevertheless, your Corporation continued to supply the power to all consumers on 24/7 basis at very competitive and reasonable rates as approved by the Joint Electricity Regulatory Commission (JERC). The electricity rates in the supply area of your Corporation for FY 2020-21 is very competitive and lowest as compared to neighbouring States. The Corporation has lowest T&D (Transmission & Distribution) losses and AT&C (Aggregate Technical & Commercial) amongst the Power Distribution Utilities.

The average tariff (i.e. billing) rate of electricity during the reported year has been ₹ 5.44 per unit. Further, the average tariff rate for FY 2021-22 has been approved as ₹ 5.11 per unit by the Regulatory Commission. There is reduction of around 6% in the approved tariff rate of FY 2021-22 as compared with actual average tariff rate of FY 2020-21.

During the year under report, your Corporation has achieved a very remarkable / impressive financial performance since its incorporation and achieved a profit before tax (PBT) of ₹ 270.19 crore as against the previous year profit of ₹ 18.50 crore. This is the highest scale of profit achieved by the Corporation till date. In the front of operational efficiency, your Corporation has continued to demonstrate remarkable past performances, such as the T&D losses stand at 3.62% and lower AT&C losses as 3.46% for the reported year. The Collection Efficiency improved to 100.16% in FY 2020-21 as against 100.04% in FY 2019-20, this also demonstrates the realization of trade receivables in more efficient way.

The Corporation has been guided by a set of strong beliefs, right from the time it was founded. Belief in putting the customer above all, belief in investing in people and empowering them and belief in doing right for all the stakeholder communities. The Corporation will make all efforts to ensure sustainable growth and further to attain better heights of performance. I convey my deep appreciation to my colleagues on the Board for their valuable contributions and to all other stakeholders for reposing confidence in the performance of the Corporation.

Sd/-
**(Praful Patel)**
Chairman

Daman,
27th November, 2021





**Shri Praful Khodabhai Patel**
Chairman

Shri Praful Khodabhai Patel is an Administrator of Dadra & Nagar Haveli and Daman & Diu. He has served as Minister of State – Home Gujarat.

He is Chairman of the Corporation w.e.f. 30.12.2016.



**Shri Anil Kumar Singh, IAS**
Nominee Director

Shri Anil Kumar Singh is an IAS officer of AGMUT Cadre 1995 Batch. He has been appointed as the Advisor to the Hon'ble Administrator of Dadra & Nagar Haveli and Daman & Diu.

He has been appointed as a Director in the Corporation w.e.f. 26.10.2019.



**Shri Gaurav Singh Rajawat, IAS**
Nominee Director

Shri Gaurav Singh Rajawat is an IAS officer of AGMUT Cadre 2011 Batch. He has been appointed as the Finance Secretary, Dadra & Nagar Haveli and Daman & Diu.

He has been appointed as a Director in the Corporation w.e.f. 16.02.2021.



**Ms. A. Muthamma, IAS**
Nominee Director

Ms. A. Muthamma is an IAS Officer of AGMUT Cadre 2009 Batch. She has been appointed as Secretary (Health & Family Welfare), Dadra & Nagar Haveli and Daman & Diu

She has been appointed as a Woman Director in the Corporation w.e.f. 05.11.2019.



**Shri Sandeep Kumar Singh, IAS**
Nominee Director

Shri Sandeep Kumar Singh is an IAS officer of AGMUT Cadre 2011 Batch. He has been appointed as the Collector, Dadra & Nagar Haveli.

He has been appointed as a Director in the Corporation w.e.f. 11.07.2019.

## Directors



**Ms Tapasya Raghav, IAS**
Managing Director

Ms. Tapasya Raghav is an IAS Officer of AGMUT Cadre 2013 Batch. She has been appointed as the Secretary (Power and Non Conventional-Renewable Source of Energy), Dadra & Nagar Haveli and Daman & Diu.

She has been appointed as a Managing Director in the Corporation w. e. f. 13.09.2019.



**Shri Hemanshu Kapadia**
Independent Director

Shri Hemanshu Kapadia is Practicing Company Secretary & Insolvency Professional at Mumbai. He is having more than 30 years' experience in the area of corporate laws, secretarial, finance and legal matters. He is rendering his services to reputed business houses which includes listed, unlisted, public & private companies. He is also a law graduate. He is associated with UT of Daman & Diu and Dadra & Nagar Haveli as Company Law Advisor since 1992.

He is an Independent Director in the Corporation w.e.f. 15.02.2013



**Shri Pentayya Polagani**
Independent Director

Shri Pentayya Polagani is post-graduate in Electrical Engineering from Andhra University. He has 33 years of experience in Power System Operation in Central Electricity Authority, Power Grid Corporation of India Ltd and Power System Operation Corporation Ltd. He was head of two Regional Load Dispatch Centers - ERLDC and WRLDC from Feb'10 to Feb'14 and presently retired from service. He has vast experience in Power System Operation, Power System studies, protection, commercial & market operations, SCADA & EMS and Cyber Security.

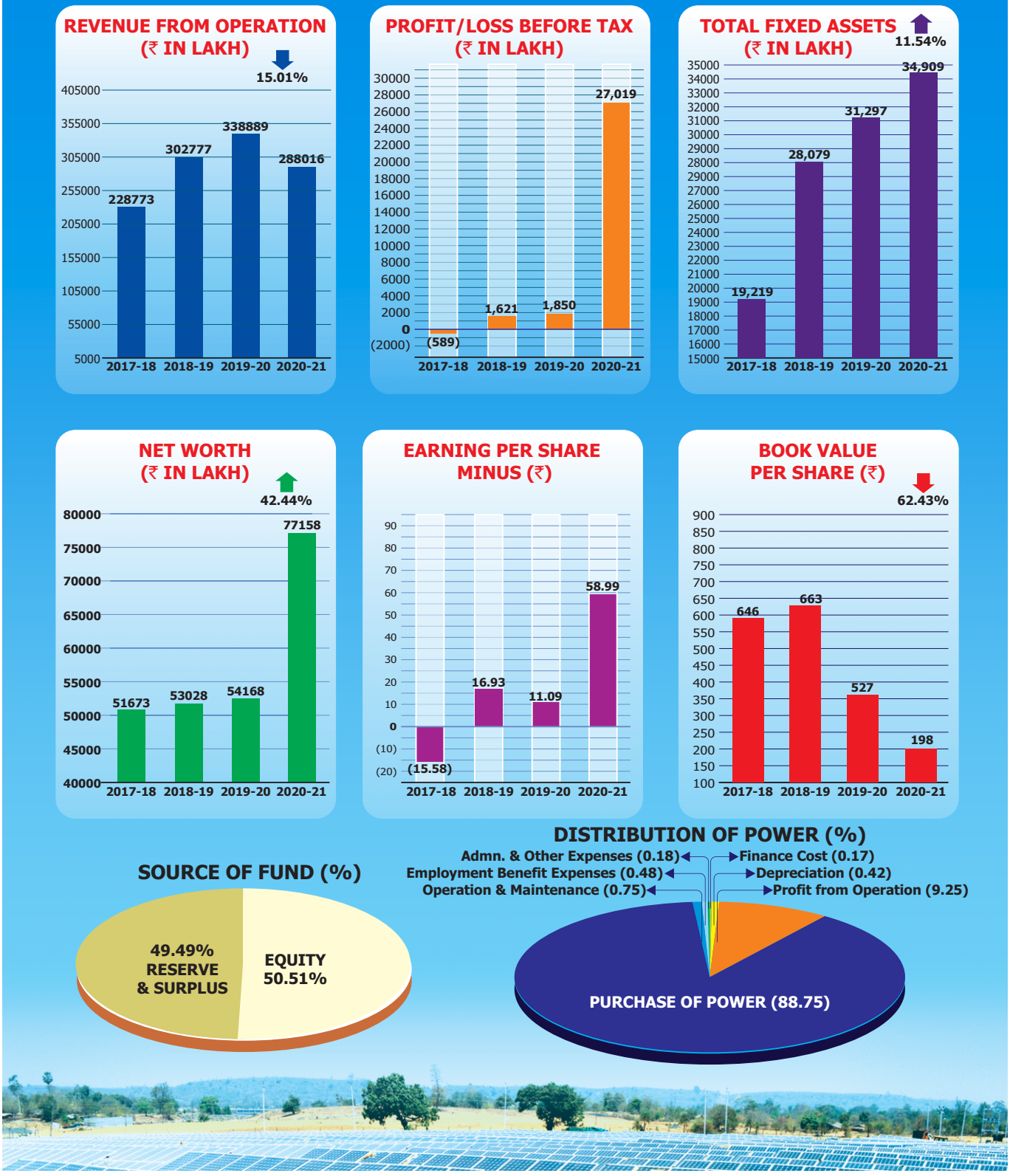
He joined the Company as Independent Director w.e.f. 08.08.2014



**Shri Vijay Kulkarni**
Independent Director

Shri Vijay Kulkarni is Marine Engineer. He has served as Chief Engineer on Merchant vessels, Tech. Manager / Tech. Supt. in Mumbai & London in reputed Shipping Companies. Presently, he is running a business of providing Engineering solutions to various Industries and manufacturing of components for Electrical transformers with clientele spread all over India. Also teaching as visiting faculty in a world renowned Ship Management company to Mariners in various subjects.

He joined the Company as Independent Director w.e.f 10.05.2018


REVENUE FROM OPERATION (₹ IN LAKH)
15.01%
228773
302777
338889
288016
2017-18 2018-19 2019-20 2020-21
PROFIT/LOSS BEFORE TAX (₹ IN LAKH)
(589)
1,621
1,850
27,019
2017-18 2018-19 2019-20 2020-21
TOTAL FIXED ASSETS (₹ IN LAKH)
11.54%
19,219
28,079
31,297
34,909
2017-18 2018-19 2019-20 2020-21
NET WORTH (₹ IN LAKH)
42.44%
51673
53028
54168
77158
2017-18 2018-19 2019-20 2020-21
EARNING PER SHARE MINUS (₹)
(15.58)
16.93
11.09
58.99
2017-18 2018-19 2019-20 2020-21
BOOK VALUE PER SHARE (₹)
62.43%
646
663
527
198
2017-18 2018-19 2019-20 2020-21
SOURCE OF FUND (%)
49.49% RESERVE & SURPLUS
EQUITY 50.51%
DISTRIBUTION OF POWER (%)
Admn. & Other Expenses (0.18)
Employment Benefit Expenses (0.48)
Operation & Maintenance (0.75)
Finance Cost (0.17)
Depreciation (0.42)
Profit from Operation (9.25)
PURCHASE OF POWER (88.75)

To,

The Members,

The Board of Directors has immense pleasure to present the nineth Annual Report of the DNH Power Distribution Corporation Limited (also referred as DNHPDCL / the Corporation) together with the Audited Financial Statements for the Financial Year (FY) ended 31st March 2021.

## 1. KEY HIGHLIGHTS :

The key performance highlights for the Financial Year 2020-21 are as under:

The key Financial performance of the Corporation are;

The total income stood at ₹ 2,92,198 Lakh as compared to ₹ 3,43,154 Lakh, thereby registering a decrease of 14.85 percent on account of COVID impact.

Increase in Profit before tax to ₹ 27,019 Lakh as compared to ₹ 1,850 Lakh of the previous year. The highest scale of profit before tax since incorporation.

Increase in net worth to ₹ 77,158 Lakh as compared to ₹ 54,168 Lakh of the previous year, thereby registering an increase of 42.44 percent.

The Corporation has continued to demonstrate the excellent operational performance, such as;

The T&D (Transmission and Distribution) Losses stood at 3.62% and the AT&C (Aggregate Technical & Commercial) losses stood at 3.47% for FY 2020-21.

The collection efficiency improved to 100.16% in FY 2020-21 as against 100.04% in FY 2019-20, this demonstrates the realization of Trade Receivables in more efficient way.

The billing efficiency stood at 96.38% for FY 2020-21.

**Other Milestones**

The renewable power generation capacity i.e. the capacity of Solar Power Generation of the Corporation stood at 4.79 MW and the capacity of Solar Power Generation of consumers of DNHPDCL stood at 35.66 MW as on 31.03.2021.

The Corporation started facility for making online application for release of power, change of name, reduction of load etc. to Industrial consumers.

Total peak power demand reached to 888 MW in March, 2021 during FY 2020-21.

During FY 2020-21, the Corporation has completed significant capital projects such as erection of GIS sub-station and underground cabling works in the entire Municipality area of Silvassa, erection of an additional source of multi-circuit lines from Vaghchippa to Amli and strengthening of overhead lines from Khanvel to Dudhani (rural / forest area of territory).

## 2. FINANCIAL PERFORMANCE HIGHLIGHTS :

The financial performance of the Company for the year ended March 31, 2021 is summarized hereunder;

( ₹ in Lakh)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Revenue from Operations | 2,88,016 | 3,38,889 |
| Other Income | 4,182 | 4,265 |
| **Total Income** | **2,92,198** | **3,43,154** |
| Purchase of Power | 2,59,326 | 3,35,608 |
| Operation and Maintenance Expenses | 2,182 | 1,950 |
| Employee Benefit Expenses | 1,407 | 1,295 |
| Administration and Other Expenses | 549 | 731 |
| Finance Costs | 488 | 482 |
| Depreciation and Amortization Expenses | 1,227 | 1,238 |
| **Total Expenditure** | **2,65,179** | **3,41,304** |
| **Profit / (Loss) before Rate Regulated Activities** | **27,019** | **1,850** |
| Rate Regulated Income / (Expenses) | – | – |
| **Profit / (Loss) Before Tax** | **27,019** | **1,850** |
| Tax Expenses | 4,028 | 710 |
| **Profit / (Loss) from Continuing Operation** | **22,991** | **1,140** |
| Other Comprehensive Income (Net of Tax) | – | – |
| **Total Comprehensive Income for the year** | **22,991** | **1,140** |
| Add: Balance brought forward from previous year | 15,193 | 14.053 |
| **Balance available for Appropriations** | **38,184** | **15,193** |
| a) Final Dividend and tax paid for previous year | – | – |
| b) Interim Dividend and tax paid for current year | – | – |
| c) Transfer from CSR Fund | – | – |
| d) Transfer from DNHPDCL CAPEX Fund | – | – |
| e) Transfer to CSR Fund | – | – |
| **Balance carried to Balance Sheet** | **38,184** | **15,193** |
| **Earnings per Share in Rs.** (Equity share having face value of Rs. 100/- each) | **58.99** | **11.09** |

These financial performances has been summarized on the basis of Indian Accounting Standards (Ind AS) notified under 'Companies Indian Accounting Standard Rules 2015'.

## 3. OPERATIONAL PERFORMANCE:

The net power purchased during FY 2020-21 was 5490.29 Million KWh as against 6507.67 Million KWh during previous FY 2019-20, thus showing a decrease of 1017.38 Million KWh (-15.63%). Further, the own generation from solar plants was 5.91 Million KWh as against 6.18 Million KWh during previous FY 2019-20. Hence, the total power available for sale was 5496.20 Million kWh as against 6513.85 Million kWh during previous FY 2019-20, thus showing a decrease of 1017.65 Million kWh (-15.62%). The consumers, who opted for open access supply of electricity in few years back, continued to be remained with the Corporation in Current FY 2020-21 also on account of the lower rate of electricity.

During any normal quarter, the net power requirement for electricity in DNH (Dadra and Nagar Haveli) territory remains as 1650 Million kWh. However, during the period of first quarter (April-2020 to June-2020) of FY 2020-21, the net power requirement for electricity reduced to 680 Million kWh on account of lockdown restriction placed to contain the spread of COVID-19 pandemic. The said reduction was 970 Million kWh. The said reduction was mainly on account of reduction of power demand from industrial consumers, which ultimately resulted in reduction of electricity sales for FY 2020-21.

The electricity sales to the consumers during FY 2020-21 was 5297.50 Million kWh as against 6288.00 Million kWh during previous FY 2019-20, thus showing a decrease of 990.50 Million kWh (-15.75%). Accordingly, the distribution loss during FY 2020-21 was 198.70 Million kWh as against 225.85 Million kWh during previous FY 2019-20. The distribution loss in terms of percentage during FY 2020-21 has been steady as 3.62% as against 3.47% during previous FY 2019-20. The very marginal increase of distribution loss of 0.15% is mainly on account of reduction of electricity sales on the reason as explained above as the power system (lines / transformers etc.) was not being operated at optimum scale during the said period due to reduction in demand. Nevertheless, the T&D losses achieved by the Corporation is one of the lowest among the other Electricity Distribution Companies.

## 4. OPERATIONAL RESULTS:

At the outset, it is being informed that the operational and financial results of the Corporation for FY 2020-21 has been very remarkable / impressive since its incorporation. The Corporation has achieved a profit before tax of ₹ 27,019 Lakh for FY 2020-21 and this is the highest scale of profit achieved by the Corporation till date in spite of impact of COVID-19 (pandemic), which has resulted reduction of net electricity distributed to the certain extent as explained above.

The provision for income tax for FY 2020-21 was ₹ 4,028 Lakh as compared to ₹ 710 Lakh for previous FY 2019-20. The provision for income tax has been increased on account of achievement of higher profit during the current FY. Government of India through 'Taxation Laws (Amendment) Act 2019' had inserted Section 115BAA of the Income Tax Act 1961, whereby, a domestic company has an irrevocable option of exercising for a lower Corporate Tax Rate along with consequent forego of certain tax deductions, incentives and set-off loss / depreciation to the extent of notified deductions / incentives including accumulated MAT credit eligible for set-off in subsequent years. The normal tax rate is around 34.94%, whereas, the new tax rate introduced vide Section 115BAA is 25.17%. As, the Corporation is not subject to any such deductions / incentives except the additional depreciation and further not having any MAT credit. Hence, the Corporation had opted for lower Corporate Tax Rate. The exercising of new option has lowered the income tax liability of the Corporation in current FY.

Accordingly, the total comprehensive income after the provision of income tax (i.e. profit after tax) for FY 2020-21 was ₹ 22,991 Lakh as compared to ₹ 1,140 Lakh for previous FY 2019-20.

The Corporation has continued to exhibit the improved operational and the financial performance during FY 2020-21 also. These significant achievements are benefitting to the end consumers, owners and other stakeholders and the main beneficiary remains the consumers, who are getting the supply of electricity at most economical rate. The detailed analysis has been provided under Financial Review / Analysis paragraph included in the Annual Report. However, the Corporation has achieved the following significant noticeable milestones during FY 2020-21:

**1)** The Corporation has achieved the T&D (i.e. Distribution) loss of 3.62% in FY 2020-21 as compared to 3.47% of previous FY 2019-20. The said T&D loss has been very steady as compared to previous FY and showing a very marginal increase of 0.15% mainly on account of reduction of electricity sales during the COVID-19 pandemic

lockdown as the power system (lines / transformers etc.) was not being operated at optimum scale during the said period due to reduced demand. The approved T&D loss for tariff fixation for FY 2020-21 is 4.20%, whereas, the actual T&D loss is 3.62%. This has resulted in saving of 30.73 MUs (i.e. net export 5297.50 * 0.58%) and ₹ 1,506 Lakh on the basis of average purchase price (i.e. 30.73 MUs * ₹ 4.90 *10).

**2)** The Corporation has achieved the AT&C (Aggregate Technical & Commercial) losses of 3.46% in FY 2020-21 as compared to 3.43% of previous FY 2019-20. The said AT&C loss has been very steady as compared to previous FY.

**3)** The Corporation has achieved the collection efficiency of 100.16% for FY 2020-21 as compared to 100.04% in previous 2019-20. The improved collection efficiency establishes the realization of 100% trade receivables recognized during the current FY 2020-21.

**4)** The billing efficiency for FY 2020-21 was 96.38% as against 96.53% of previous FY 2019-20. The said billing efficiency has been very steady as compared to previous FY and showing a very marginal decrease of 0.15%.

**5)** During FY 2020-21, Fixed Assets (i.e. Property, Plant & Equipment) amounting to ₹ 16,392 Lakh has been capitalized. The new capitalized assets mainly include (a) GIS sub-station and Underground cabling works in the entire Municipality area of Silvassa with capitalization value of ₹ 14,291 Lakh to ensure uninterrupted power supply 24*7 basis, (b) Erection of Multi-circuit lines from Vaghchippa to Amli with capitalization value of ₹ 981 Lakh to ensure the reliability of supply in the distribution area and (c) Erection of overhead lines from Khanvel to Dudhani with capitalization value of ₹ 380 Lakh to ensure better supply in rural area.

## 5. COVID – 19 OUTBREAK AND IMPLICATION ON THE COMPANY :

**Impact of COVID-19 (pandemic) for FY 2020-21**

The outbreak of COVID-19 has also impacted the electricity distribution business of the Corporation to certain extent. The Corporation has witnessed a reduction of around 16% in the electricity distributed in the territory during FY 2020-21. The supply of electricity has always been as essential and basic service and the Corporation continued supplying electricity to its customers. Currently, the average power demand is around 700 MW (i.e. April-2021 and May-2021) as against the normal power demand of 775 MW to 850 MW and expected to improve in the future. Nevertheless, there is one favorable event, which is expiring of 200 MW Power Purchase Agreement (PPA) with GMR Worora Energy Limited (GWEL) on 30/06/2020. The said PPA was one of the costlier power sources from the perspective of the Corporation. The effective tariff for GWEL PPA was ₹ 5.85 per kWh and on an average the Corporation was procuring power around 1500 MUs from GWEL on account of lower variable charges (i.e. quoted fuel price). The average billing rate for FY 2021-22 has been approved as ₹ 5.11 per unit as against ₹ 5.37 per unit of FY 2020-21 by the Regulatory Commission (JERC). There is already reduction of around 5% in the approved tariff rate in-spite of the impact of COVID-19 and the approved average billing rate for FY 2021-22 is very competitive from the consumers' perspective.

In view of above, the Corporation believes that the impacts due to the outbreak of COVID-19 are likely to be short-term in nature and also very minimal. The Corporation does not anticipate any medium to long-term risks in the Corporation's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Corporation has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Moreover, impact assessment of COVID-19 is a continuing process considering the uncertainty involved therein such as nature and duration. The Corporation will continue to closely monitor any material changes to the future economic conditions.

## 6. FINANCIAL REVIEW / ANALYSIS :

**Results of Operations (Statement of Profit and Loss Analysis)**

A detailed financial analysis of results of operations of the Corporation is furnished below. Reference to the Note in the following paragraphs refers to the Notes to the Financial Statements of FY 2020-21 included in this Annual Report. Figures of previous FY have been regrouped / rearranged, wherever necessary.

**Total Income (Statement of Profit & Loss)**

The total income mainly comprises of income from distribution and retail supply of power (i.e. electricity) in the area of Dadra & Nagar Haveli (Union Territory), sale of power through exchange, other operating income, income from investments (i.e. deposits with banks) and other miscellaneous income. The total income for FY 2020-21 was ₹ 2,92,198 Lakh (i.e. Revenue from Operations ₹ 2,88,016 Lakh + Other Income ₹ 4,182 Lakh) as compared to ₹ 3,43,154 Lakh (i.e. Revenue from Operations ₹ 3,38,889 Lakh + Other Income ₹ 4,265 Lakh) for previous FY 2019-20, thus showing a decrease of ₹ 50,956 Lakh (-14.85%). The said decrease was mainly on account of decrease in revenue from operations as explained hereunder:

**REVENUE FROM OPERATIONS (NOTE - 21)**

The details of revenue from operations as under; (₹ in Lakh)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| Revenue from Sale of Power | 2,87,572 | 3,38,332 |
| Add: Other Operating Income | 444 | 557 |
| **Total Revenue from Operations** | **2,88,016** | **3,38,889** |

The Corporation's major customers for the revenue from sale of power are High Tension and Low Tension (Industries) consumers and approximately 97% of total revenue from Operations are contributed by these consumers. The revenue from sale of power during FY 2020-21 was ₹ 2,87,572 Lakh as compared to ₹ 3,38,332 Lakh for previous FY 2019-20 i.e. thus showing a decrease of ₹ 50,760 Lakh (-15.00%). The other operating income consists of reactive income, STOA (Short Term Open Access) fees, supervision charges and other operating charges from the consumers during FY 2020-21 was ₹ 444 Lakh as compared to ₹ 557 Lakh for previous FY 2019-20. Accordingly, the revenue from sale of power during FY 2020-21 was ₹ 2,88,016 Lakh as compared to ₹ 3,38,889 Lakh for previous FY 2019-20 i.e. thus showing a decrease of ₹ 50,873 Lakh (-15.01%). The reduction in revenue from sale of power was mainly on account of reduction in sales of electricity due to lockdown restriction imposed to contain spread of COVID-19. This has been explained under the paragraph 'Operational Performance' included in this Annual Report.

The average selling price in terms of per kWh derived on the basis of total unit sold to consumers for FY 2020-21 was ₹ 5.44 per unit as against ₹ 5.39 per unit for pervious FY 2019-20. The increase in average selling price was ₹ 0.05 paisa per unit. The said increase in average selling price in terms of per kWh was mainly on account of recovery of full fixed charges from HT consumers (Industrial) amounting to ₹ 4,439 Lakh (i.e. around 0.08 paisa per unit, ₹ 4439 Lakh / 5297.50 MUs / 10) for the month of April-2020 in spite of very minimal scheduling of power by industrial consumers.

The average approved selling rate in terms of per Kwh for FY 2020-21 is ₹ 5.37 per unit as per the tariff order approved by the JERC. Whereas, the actual average selling rate for FY 2020-21 is ₹ 5.44 per unit. The actual selling rate as compared with JERC approved rate is slightly higher on account of recovery of fixed charges as explained above.

**Other Income (Note – 22)**

The Other Income for FY 2020-21 was ₹ 4,182 Lakh as compared to ₹ 4,265 Lakh for previous FY 2019-20. There was very marginal decrease of ₹ 83 Lakh as compared to previous FY on overall basis. However, there were increase or decrease in the individual item included in the 'Other Income' and reason of variation is summarized hereunder;

Interest income (i.e. deposits with banks) mainly reduced on account of reduction in interest rates offered by banks.

Delayed Payment Charges from consumers mainly reduced on account of COVID-19 relief extended by JERC (regulator) by reducing the late payment interest rate to 1% per month instead of 2% per month for the period starting from 24/03/2020 to 30/06/2020 as temporary measure.

Provision Written Back for FY 2020-21 mainly increased as an amount of ₹ 804 Lakh Capacity Charges provided for the period 26/03/2020 to 31/03/2020 was written off during FY 2020-21. The Power Purchase cost is not payable to GMR Warora Energy Limited (GWEL) as the imposition of lockdown by the Ministry of Home Affairs to control the spread of COVID-19 virus has been categorized as 'force majeure' (natural calamity). The agreed Power Purchase Agreement (PPA) provides that no tariff (including Capacity Charges) shall be paid by procurer to the seller for the duration of any natural force majeure event.

**Total Expenditure (Statement of Profit & Loss)**

Total expenditure of the Corporation consisting of Purchase of Power, Operating & Maintenance Expenses, Employee Benefits Expenses, Administration & Other Expenses, Finance Costs and Depreciation & Amortisation was ₹ 2,65,179 Lakh as compared to ₹ 3,41,304 Lakh for the previous FY 2019-20, thus showing a decrease of ₹ 76,125 Lakh (-22.30%). The details of the total expenditure as under;

(₹ in Lakh)

| Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|
| **Total Expenses:** | | |
| Purchase of Power | 2,59,326 | 3,35,608 |
| Operation & Maintenance Expenses | 2,182 | 1,950 |
| Employee Benefits Expenses | 1,407 | 1,295 |
| Administrative & Other Expenses | 549 | 731 |
| Finance Costs | 488 | 482 |
| Depreciation & Amortization | 1,227 | 1,238 |
| **Total Expenditure** | **2,65,179** | **3,41,304** |

**Purchase of Power (Note – 23)**

The Power Purchase Cost for FY 2020-21 was ₹ 2,59,326 Lakh as compared to ₹ 3,35,608 Lakh for previous FY 2019-20 i.e. thus showing a decrease of ₹ 76,282 Lakh (-22.73%). The reduction in power purchase cost was mainly on account of reduction in sales of electricity due to lockdown restriction as explained above. The average purchase price in terms of per kWh derived on the basis of total unit sold for FY 2020-21 was ₹ 4.90 per unit as against ₹ 5.34 per unit during pervious FY 2019-20. The decrease in power purchase cost was ₹ 0.44 paisa per unit. The said decrease in average selling price was mainly on account of following;

**a)** Non-availment of power from GWEL (GMR Warora Energy Limited)
During the Previous FY 2019-20, power to the extent of 1494 MUs was procured from GWEL plants at a price of ₹ 87,329 Lakh and average power procurement price was ₹ 5.85 per unit (i.e. ₹ 87,329 Lakh / 1494 MUs /10). During the current FY 2020-21, no power has been procured from the said sources as the Power Purchase Agreement (PPA) was expired on 30.06.2020. During the Current FY 2020-21, the average power procurement cost comes to ₹ 4.90 per unit. Hence, the average saving in power purchase cost was by ₹ 0.95 paisa per unit on account of non-availability of power from the said sources and the overall saving in power purchase cost was ₹ 14,193 Lakh (i.e. 1494 MUs * ₹ 0.95 * 10). This saving in power purchase cost has resulting reduction in average power purchase cost around ₹ 0.27 paisa per unit (i.e. ₹ 14,193 Lakh / 5297.50 MUs /10).

**b)** The reduction in power purchase cost from power procured from NSPCL Bhilai (NTPC-SAIL Power Plant) due to better availability of coal supply. In FY 2019-20, a total 416.96 MUs power had been procured at a cost of ₹ 24,712 Lakh (Rs. average ₹ 5.93 per unit i.e. ₹ 24,712 Lakh / 416.96 MUs /10). Whereas, in FY 2020-21, a total 622.88 MUs power had been procured at a cost of ₹ 27,370 Lakh (Rs. average ₹ 4.39 per unit i.e. ₹ 27,370 Lakh / 622.88 MUs /10). This has resulted into saving of ₹ 6,407 Lakh (i.e. ₹ 24,712 Lakh less ₹ 18,305 Lakh, i.e. cost of 416.96 MUs at current year price of ₹ 4.39 per unit). The said reduction is around 0.12 paisa per unit (i.e. ₹ 6,407 Lakh / 5297.50 MUs /10).

**c)** Additional rebate of ₹ 4,140 Lakh offered by Central Power Generating and Transmission Companies in term of Office Memorandum issued by Ministry of Power. The said reduction is around 0.08 paisa per unit (i.e. ₹ 4,140 Lakh / 5297.50 MUs /10).

During the current FY 2020-21, the average profit per unit was ₹ 0.54 paisa (i.e. average selling price ₹ 5.44 less average purchase price ₹ 4.90) as compared to average profit per unit of ₹ 0.05 paisa (i.e. average selling price ₹ 5.39 less average purchase price ₹ 5.34) of previous FY 2019-20. The increase in the per unit margin was ₹ 0.49 paisa on account of increase in average selling price and decrease in average power purchase price). The said increase in margin was further resulted for achieving record profit of ₹ 27,019 Lakh for FY 2020-21.

**Operation & Maintenance Expenses (Note – 24)**

The Operation and Maintenance Expenses for FY 2020-21 was ₹ 2,182 Lakh as compared to ₹ 1,950 Lakh for previous FY 2019-20 i.e. thus showing an increase of ₹ 232 Lakh. The said increase was mainly on account of following reasons;

Increase of ₹ 185 Lakh on account of amendment in JERC Conduct of Business Regulation (5th Amendment) 2019 resulting increase in JERC license fee (i.e. Current FY 2020-21 ₹ 475 Lakh and Previous FY 2019-20 ₹ 290 Lakh) and

Reimbursement Claim of ₹ 70 Lakh by JERC for the office expenditure of the office of ombudsman from FY 2013-14 to FY 2020-21.

**Employee Benefits Expenses (Note – 25)**

The Employee Benefits Expenses for FY 2020-21 was ₹ 1,407 Lakh as compared to ₹ 1,295 Lakh for previous FY 2019-20 i.e. thus showing an increase of ₹ 112 Lakh. The said increase is mainly on account of new recruitment of employees (i.e. 4 Junior Engineers and 15 Switch Board Operators) in FY 2019-20, salary increments and other entitlements allowed to employees.

**Administration Expenses (Note – 27)**

The Administration Expenses & Other Expenses for FY 2020-21 was ₹ 549 Lakh as compared to ₹ 731 Lakh for previous FY 2019-20 i.e. thus showing a decrease of ₹ 182 Lakh. The said decrease was mainly on account of that the Administration and Other Expenses of previous FY 2019-20 included an amount of ₹ 174 Lakh as fees paid to Ministry of Corporate Affairs (MCA) due to increase in equity share capital.

**Finance Costs (Note – 26)**

The finance costs for FY 2020-21 was ₹ 488 Lakh as compared to ₹ 482 Lakh for previous FY 2019-20, thus showing a marginal increase of ₹ 6 Lakh. The said increase was mainly on account of increase in consumer security deposit (i.e. Current FY 2020-21 ₹ 7,613 Lakh and Previous FY 2019-20 ₹ 6,063 Lakh) on which interest was allowed / provided to consumers as per JERC regulation.

**Depreciation (Note – 1 & 3)**

The depreciation for FY 2020-21 was ₹ 1,227 Lakh as compared to ₹ 1,238 Lakh for previous FY 2019-20, thus showing a marginal decrease of ₹ 11 Lakh. The said decrease was mainly on account of provision of full depreciation (i.e. to the extent of 90% of the cost of the individual asset) on certain lines and transformers, as exhausted its life, as per the applicable JERC regulation.

**Profit / Loss before Tax and Other Comprehensive Income (Statement of Profit & Loss)**

The profit before tax of the Corporation for FY 2020-21 was ₹ 27,019 Lakh as compared to ₹ 1,850 Lakh for previous FY 2019-20 i.e. thus showing an increase of ₹ 25,169 Lakh.

**Tax Expenses (Note – 38)**

The provision for income tax for FY 2020-21 was ₹ 4,028 Lakh as compared to ₹ 710 Lakh for previous FY 2019-20.

The provision for taxation has been increased on account of achievement of higher profit during the current FY.

**Profit / Loss after Tax and Total Comprehensive Income (Statement of Profit & Loss)**

The profit after tax or total comprehensive income after the provision of income tax (i.e. profit after tax) for FY 2020-21 was ₹ 22,991 Lakh as compared to ₹ 1,140 Lakh for previous FY 2019-20 i.e. thus showing an increase of ₹ 21,851 Lakh.

## FINANCIAL POSITION (BALANCE SHEET ANALYSIS)

No material changes and commitments have occurred after the close of the financial year till the date of the Annual Report, which affect the financial position of the Corporation. Financial Analysis of financial position of the Corporation is furnished below. Reference to the Note in the following paragraphs refers to the Notes to the Financial Statements of FY 2020-21 included in this Annual Report.

**Property, Plant & Equipments (PPE) and Intangible Assets (Note – 1 and 3)**

The PPE and Intangible Assets net of depreciation and amortization as on 31st March 2021 increased to ₹ 34,909 Lakh from ₹ 19,744 Lakh as on 31st March 2020, thereby registering an increase of ₹ 15,165 Lakh. The increase was on account of capitalization of new fixed assets (i.e. Property, Plant & Equipment) amounting to ₹ 16,392 Lakh. The new assets mainly include (a) GIS sub-station and Underground cabling works in the entire Municipality area of Silvassa with capitalization value of ₹ 14,291 Lakh to ensure uninterrupted power supply 24*7 basis, (b) Erection of Multi-circuit lines from Vaghchippa to Amli with capitalization value of ₹ 981 Lakh to ensure the reliability of supply in the area and (c) Erection of overhead lines from Khanvel to Dudhani with capitalization value of ₹ 380 Lakh to ensure better supply in rural area.

**Capital Work in Progress (Note – 2)**

The Capital work in progress as on 31st March 2021 was ₹ NIL in comparison to ₹ 11,553 lakh as on 31st March 2021, thus showing a decrease of ₹ 11,553 Lakh. The said decrease was mainly on account of capitalization of GIS sub-station and Underground cabling works in the entire Municipality area of Silvassa and Erection of Multi-circuit lines from Vaghchippa to Amli as explained above.

**Non-Current Financial and Other Assets (Note – 4, 5 & 6)**

The non-current financial and other assets comprising of security deposits, bank deposits more than 12 months, interest accrued on bank deposit, advance income tax (net of provision) and capital advances was ₹ 2,400 Lakh as on 31st March 2021 in comparison to ₹ 791 Lakh as on 31st March 2020, thus showing an increase of ₹ 1,609 Lakh. The said increase was mainly on account of increase in security deposit and new bank deposits.

**Total Current Assets (Note – 7 to Note – 11)**

The current assets comprising of mainly O&M inventories, trade receivables, cash and bank balances, loans and advances, other recoverable and prepaid expenses was ₹ 90,176 Lakh as on 31st March 2021 in comparison to ₹62,798 Lakh as on 31st March 2020, thus showing an increase of ₹ 27,378 Lakh. The said increase was mainly on account of increase in cash and bank balances on account of higher profit, increase in trade receivables and decrease in current financial assets on account reduction in unbilled FPPCA (Fuel and Power Purchase Cost Adjustment).

**Net worth (Note – 12 & 13)**

The net worth comprising of paid up share capital and revenue reserves created out of the profits of the Corporation at the end of FY 2020-21 stands to ₹ 77,158 Lakh as against ₹ 54,168 Lakh at the end of FY 2019-20, thereby registering an increase of ₹ 22,990 Lakh. The said increase was on account of scale of profit achieved for FY 2020-21.

**Non-Current Financial and Other Liabilities (Note – 14 & 15)**

The non-current financial and other liabilities, which includes security deposit from consumers and deferred tax

liabilities was ₹ 10,069 Lakh as on 31st March 2021 in comparison to ₹ 8,662 Lakh as on 31st March 2020, thus showing an increase of ₹ 1,407 Lakh. The said increase was mainly on account of increase in security deposits from consumers.

**Current Financial and Other Liabilities (Note – 16 to Note – 20)**

The current financial and other liabilities comprising of mainly current borrowings, trade and other payables, payable towards deposit works, liability towards consumers, provisions, current tax liability and other liabilities was ₹ 40,258 Lakh as on 31st March 2021 in comparison to ₹ 32,056 Lakh as on 31st March 2020, thus showing an increase of ₹ 8,202 Lakh. The said increase was mainly on account of increase in trade and other payables (i.e. power purchase liability), creation of contract liability towards consumers on account of excess tariff realization, creation of current tax liability and further partially off-setted by a decrease in provision made towards power purchase.

**Financials at a Glance**

The financial performance of DNHPDCL for the last four financial years along with the key financial ratios is summarized as "Financials at a Glance" and enclosed as Annexure – A.

## 7. DIVIDEND

There was remarkable turnaround in the financial performance of the Corporation in the Current FY 2020-21, the Corporation has achieved a post-tax profit of ₹ 22,991 Lakh for FY 2020-21 and this is the highest scale of profit achieved by the Corporation till date in spite of impact of COVID-19 (pandemic), which has resulted reduction of net electricity distributed to the certain extent. However, keeping in view, the continuing impact of COVID-19 pandemic, fund requirement of projects (i.e. liability settlement for under-ground cabling works Silvassa and other future projects) and ongoing commercial litigation with GMR Warora Energy Limited, the Board of Directors has decided not to recommend any dividend for FY 2020-21.

## 8. SHARE CAPITAL

DNHPDCL is a government company with 100% shareholding by the President of India and nominees, through administrative control of Ministry of Home Affairs (MHA). The Corporation has only one class of shares having par value of ₹ 100/- each with equal rights for dividend and vote. The total equity paid-up share capital was ₹ 38,974 lakh as on 31st March 2021 against the Authorized Capital of ₹ 50,000 lakh. There was no change in share capital during FY 2020-21 as compared to previous FY 2019-20.

## 9. TRANSFER TO RESERVES

In the FY 2020-21, there were no transfer of funds to any Reserves.

## 10. OPERATIONAL PERFORMANCE DETAILS

i) The operational performance of the Corporation during FY 2020-21 as against the previous FY 2019-20 are as under:

| Sr. No. | Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| 1 | Net Power Purchased (MUs) - Outside | 5,490.29 | 6,507.67 |
| 2 | Net Self Generation from Solar Power (MUs) | 5.91 | 6.18 |
| 3 | Power available for Sale (MUs) | 5,496.20 | 6,513.85 |
| 4 | Units Sold (MUs) | 5,297.50 | 6,288.00 |
| 5 | Unit Loss (MUs) | 198.70 | 225.85 |
| 6 | T & D Losses (%) | 3.62% | 3.47% |

The T&D and AT&C Losses of the Corporation financial during year 2020-21 was only 3.62% and 3.42% respectively and lowest amongst the power distribution Companies.

**ii) New connections released during financial year :**

| Sr. No. | Particulars | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| 1 | HT new connections/Additional Load | 28 | – |
| 2 | LT industries new connections | 89 | 53 |
| 3 | Residential connections | 2,540 | 5,503 |
| 4 | Commercial connections | 169 | 220 |
| 6 | Street Light connections | 13 | 24 |
| 7 | Agricultural | 40 | – |
| 8 | Water works connections | 5 | 28 |
| 9 | Others | 80 | – |
| | **Total** | **2,964** | **5,828** |

**iii) Category wise sales :**

| Sr. No. | Consumer category | FY 2020-21 (₹ in Cr.) | FY 2020-21 % | FY 2019-20 (₹ in Cr.) | FY 2019-20 % |
|---|---|---|---|---|---|
| 1 | HT Industrial | 2,740.77 | 93.57 | 3,195.55 | 94.41 |
| 2 | LT Industrial | 102.22 | 3.49 | 114.37 | 3.38 |
| 3 | Commercial | 14.09 | 0.48 | 15.64 | 0.46 |
| 4 | Residential | 40.09 | 1.37 | 37.63 | 1.11 |
| 5 | Public Lighting | 1.08 | 0.04 | 1.33 | 0.04 |
| 6 | Public Water Works | 2.93 | 0.10 | 2.65 | 0.08 |
| 7 | Agriculture & others | 3.82 | 0.13 | 3.91 | 0.12 |
| 8 | Sale of power through exchange | 19.43 | 0.66 | 5.72 | 0.17 |
| 9 | DSM Mechanism | 0.27 | 0.01 | 3.74 | 0.11 |
| 10 | SCED - NLDC | 4.26 | 0.15 | 4.04 | 0.12 |
| | **Total** | **2,928.96** | **100** | **3,384.58** | **100** |

**iv) Category wise consumers :**

| Sr. No. | Consumer category | FY 2020-21 | FY 2019-20 |
|---|---|---|---|
| 1 | HT (High Tension) | 914 | 910 |
| 2 | LT (Low Tension) | 2,251 | 2,190 |
| 3 | Commercial | 8,146 | 8,290 |
| 4 | Residential | 71,796 | 69,362 |
| 5 | Public Lighting & Works | 424 | 412 |
| 6 | Agriculture | 1,318 | 1,296 |
| 7 | Others | 859 | 835 |
| | **Total** | **85,708** | **83,295** |

## 11. SYSTEM IMPROVEMENTS INITIATIVES :-

**A.** The Corporation has taken up many steps for the improvement of system. The Corporation has made the following major achievements and provided continuous and un-interrupted power supply to all the category of Consumers.

**(i)** The work for establishment of 66/11 KV GIS sub-station at Power House, Zanda Chowk, Silvassa and underground cabling work in the municipality area of Silvassa was completed during FY 2020-21. This will ensure un-interrupted power supply 24/7 basis in better way.

**(ii)** The Corporation has also completed the work of strengthening of rural feeders to ensure better supply in rural area and installation of DT meters in south zone areas of Dadra & Nagar Haveli under the DDGJUY (Deen Dayal Upadhyaya Gram Jyoti Yojana) scheme of GOI.

**(iii)** The Corporation has also completed erection of multi circuit lines from Vaghchipa to Amli during FY 2020-21. This will ensure reliability of supply of power in Silvassa area being an additional source of supply.

**(iv)** Systematic and scheduled operation and maintenance of existing transformers and line to ensure the uninterrupted power supply 24/7 to all consumers.

## B. VARIOUS OTHER INITIATIVES

### i. CONSUMER SERVICES:-

The Corporation is committed to ensure customer satisfaction through excellent, prompt service. In this direction, the operation and maintenance staff are extending round the clock service to ensure quality power supply and attending technical faults in distribution network to ensure uninterrupted power supply to the consumers.

The Corporation has put in place e-payment facility as a part of better services to its consumers. The consumers are able to pay electricity bills either by using net banking, credit/debit cards, NEFT/RTGS/IMPS at their convenience from anywhere at any time. Moreover, consumers can pay their bills from their banks website using INSTAPAY service. The Corporation is on board on Bharat Bill Payment System of NPCI. This facility is in addition to the Kiosks and collection counters of the Corporation. Your Corporation has also integrated the energy bill payment with "Common Service Centre" (CSC) of the Administration of Dadra & Nagar Haveli. The facilities for the online payment through Mobile APP also started by the Corporation. Consumer Grievances Redressal Forum is also in place to address the grievances of consumers and 24/7 call center services to attain the concerns of the consumers.

### ii. SAFETY MEASURES TAKEN :

The safety of personnel working in the Corporation is the utmost importance for the well being and healthiness of the Corporation. The Corporation is ensuring adequate safety measures as per Indian Electricity (IE) Rules, 1956 for safety of living beings and to avoid any accident due to electrocution from its network. Proper fencing has been provided for distribution transformers and adequate earthening system was also provided. Circulars have been issued regularly to promote awareness of general public to safeguard the utilization of electricity especially during monsoon period. Awareness videos have been prepared and shared with general public through social media and uploaded on website of Corporation.

### iii. I.T. INITIATIVES :

The Corporation already introduced Automatic Meter Reading system, online spot billing system and online bill payment system which helped Corporation to improve billing efficiency and revenue realization. It has also facilitated the Corporation to monitor and analysing the data time to time by sitting in the office. Your Corporation started using online software for stores management which has facilitated the monitoring and analyses of data from time to time. Your Corporation has also provided facility of making online application for release of power, reduction of load, change of name etc., initially to the Industrial consumers.

### iv. ONGOING AND FUTURE PLANS :

The following works are proposed to be executed in the next three years for strengthening the distribution system and provide reliable and stable power to consumers of Dadra and Nagar Haveli.

Establishment of 66/11 KV, 2 X 20 MVA Sub-station at Silli.

Establishment of 66/11 KV, 2 X 20 MVA Sub-station at Sayli.
Establishment of 66/11 KV, 2 X 20 MVA Sub-station at Chinchpada.
Establishment of 66/11 KV, 2 X 20 MVA Sub-station at Naroli.

**v. ANTI-THEFT MEASURES :**

The Corporation has a separate Division for Lab & Vigilance for providing accurate testing of all energy meters and installation of metering equipment to EHT and HT consumer installations and checking of metering installations of all categories consumers in the territory. The meters and equipment installed in the sub-stations are also tested and connected by Lab & Vigilance division. The vigilance checks are being done by the division periodically and kept vigil checks on the consumption pattern of the consumers.

**vi. TARIFF :**

The JERC (Joint Electricity regulatory Commission) for the State of Goa and Union Territories is the Regulatory Authority for the working of electricity utilities in the Union Territories and is entrusted with various functions including the determination of tariff for retail sale of power to the consumers within the territory.

The Corporation filed petition for the approval of Tariff proposal for FY 2021-22. Based on the petition of Corporation, Joint Electricity Regulatory Commission has issued tariff order for the FY 2021-22 which is implemented w.e.f. 01.04.2021. The average billing rate for FY 2020-21 has been approved at ₹ 5.11 per unit as against the approval rate of ₹ 5.37 per unit of FY 2020-21. There is already reduction of 0.26 paisa per unit and the Corporation is committed to supply power to its consumers at best competitive rates.

**vii. AUTOMATIC METER READING :**

Automatic Meter Reading (AMR) system is a technology which is used to gather data from energy metering devices and transfer it to central station through automation process in order to analyse it for billing purposes. It is an effective mean of data collection that allow substantial benefit, greater data accuracy, allow frequent meter reading, improved billing and consumer service, more timely energy billing and consumption trends analysis and better deployment of human resource. 100% Automatic Meter reading is already achieved in HT (High Tension) and for LT (Low Tension) companies or Industries.

**viii. E-BILL & ONLINE BILL PAYMENT :**

The Corporation has started online spot billing through mobile GPRS technology. The work has been carried out through external agency. The Consumers of Corporation can pay their bills online using net banking, credit card, debit card, IMPS etc. The Corporation is on board on Bharat Bill Payment System of NPCI. Moreover consumer can pay their bills from their banks website using INSTAPAY service. The corporation has also integrated the energy bill payment with "Common Service Centre (CSC)" of Administration of Dadra and Nagar Haveli.

**ix. PHOTO READINGS :**

The energy billing for Domestic, Commercial, Agriculture, Temporary category are done by photo reading in most of the areas of Dadra & Nagar Haveli. The work is carried out by the external agencies. The photometer reading has reduced consumer complaints and also improved accuracy in energy billing.

**x. E-TENDERING :**

The Corporation has implemented e-tendering process for all tenders having estimated cost of more than ₹ 5.00 lacs, which has significantly improved the transparency in procurement of goods and services.

**xi. MEASURE TAKEN TO REDUCE T&D LOSSES :**

The Corporation has started vigorous installation checking by vigilance department of the Corporation. The Corporation is continuously re-strengthening electrical network, wherever required. The old electrical network is being replaced. The Corporation has started planned maintenance of HT & LT lines, distribution transformers, 66KV sub-stations and replacement of bare conductor by Ariel Bunch Conductor (ABC). The losses are being continuously monitored zone wise, area wise and sub-station wise. The Low Income Group (LIG) (i.e.

unmetered connection) are being provided with meter to evaluate the total energy consumed. The new Distribution Transformer also installed to reduce the length of LT line to reduce HT & LT ratio and ultimately to reduce the T&D losses.

## 12. FIXED DEPOSIT :

The Corporation has not accepted any fixed deposit within the provisions of Chapter V of the Companies Act, 2013. However, it has accepted security deposits from its consumers in terms of the guidelines issued by the Joint Electricity Regulatory Commission (JERC) for Union Territories and State of Goa.

## 13. DIRECTORS AND KEY MANAGERIAL PERSONNEL :

The following changes took place in the composition of the Board of Directors and Key Managerial Personnel during FY 2020-21.

| **BOARD OF DIRECTORS** | | |
|---|---|---|
| Shri Gaurav Singh Rajawat, IAS | w.e.f. 16.02.2021. | appointed as Director |
| Shri Devinder Singh, IAS | w.e.f. 16.02.2021. | ceased to be Director |

The Board of Directors placed on record the appreciation on the valuable services rendered to the Corporation by Shri Devinder Singh, IAS.

## 14. DECLARATION BY INDEPENDENT DIRECTORS :

All Independent Directors of the Company have submitted the requisite declarations confirming that they continue to meet the criteria of independence as provided under section 149 (6) of the Companies Act, 2013 and are in compliance with the Code for Independent Directors as specified under Schedule IV of the Act. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

## 15. BOARD MEETINGS :

During the financial year 2020-21, three (3) meetings of the Board were held on 17/06/2020, 06/08/2020 and 28/12/2020. The fourth meeting of the Board of Directors was scheduled on 22/04/2021. However, the same could not be held on account of second wave of COVID-19 pandemic, resulting in movement restrictions. Further, Ministry of Corporate Affairs (MCA) has issued a General Circular dated 03-05-2021 in view of second wave of COVID-19 outbreak. The mandatory requirement of holding meetings of the Board within the intervals provided in Section 173 of the Companies Act, 2013 (120 days) stands extended by a period of 60 days. The number of meetings attended by the Directors is as under:-

| Name of Director | | tenure of Director | Number of meetings attended/total meetings held during (FY 2020-21) |
|---|---|---|---|
| Shri Praful Patel, | Chairman | | **3 / 3** |
| Shri Anil Kumar Singh, IAS, | Director | (w.e.f. 26.10.2019) | **2 / 3** |
| Shri Gaurav Singh Rajawat, IAS | Director | (w.e.f.) 16.02.2021) | **0 / 0** |
| Shri Devinder Singh, IAS, | Director | (till 16.02.2021) | **2 / 3** |
| Smt. A. Muthamma, IAS, | Director | (w.e.f. 05.11.2019) | **2 / 3** |
| Shri Sandeep Kumar Singh, IAS, | Director | (w.e.f. 11.07.2019) | **3 / 3** |
| Smt. Tapasya Raghav, IAS, | Managing Director | (w.e.f. 13.09.2019) | **3 / 3** |
| Shri Hemanshu Kapadia, | Independent Director | | **3 / 3** |
| Shri P. Pentayya, | Independent Director | | **3 / 3** |
| Shri Vijay Kulkarni, | Independent Director | | **3 / 3** |

The details of meetings attended by the Independent Directors & Audit Committee is enclosed as **Annexure-1**

## 16. ANNUAL RETURN :

Pursuant to Section 92 of the Companies Act, 2013 read with Rule 12 of The Companies (Management and Administration) Rules, 2014 and Section 134(3)(a), the copy of Annual Return can be accessed on the website of the Company at https://www.dnhpdcl.in/sites/default/files/Draft-Annual-Return-2020-21.pdf.

The extract of information of Annual return has been made part of this Annual Report as **Annexure-2.**

## 17. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY :

The Corporation has adequate internal control system commensurate with the nature and size of business which meets the objectives of efficient use and safeguarding of resources, compliance with statutes, policies and procedures and maintaining accuracy of recording of transaction and reporting the same promptly. The scope of internal audit involves examination and evaluation of the adequacy and effectiveness of the system of internal accounting, system and procedures and other operational areas. Independent firms of Chartered Accountants has been appointed to carry out the internal audit. The observations raised out of the auditor are subject to periodic review and compliance monitoring by the Audit Committee.

## 18. AUDITORS :

### i) STATUTORY AUDITORS AND AUDITORS' REPORT:

M/s. G. B. Laddha & Co. LLP, Chartered Accountants, Silvassa was appointed, by the Comptroller & Auditor General of India as Statutory Auditors for the financial year 2020-21. The Board has duly reviewed the Statutory Auditors' Report on the Financial Statements. There is no observations and comments in the Statutory Auditors' Report, which call for any further explanation / clarification by the Board under the Companies Act, 2013. The Auditors' report is attached with the financial statements included in this Annual Report.

### ii) COST AUDIT:

Pursuant to the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, and amendments thereof, the cost accounts are maintained by the Corporation for FY 2020-21. In accordance with the Companies (Cost Records and Audit) Rules, 2014, the company is required to get its cost records audited by a Cost Auditor. The Board of Directors has appointed M/s B. F. Modi & Co., Vapi as Cost Auditors for financial year 2020-21. There is no observations and comments in the Cost Auditors' Report, which call for any further explanation/ clarification by the Board under the Companies Act, 2013. The Cost Auditors' Report (CAR) for financial year ended 31st March, 2020 has been filed with the Central Government/ MCA on 30.12.2020. The Cost Auditors' Report (CAR) for financial year ended 31st March, 2021 would be filed with the Central Government/ MCA within the stipulated time.

### iii) SECRETARIAL AUDIT:

The Corporation has engaged M/s Gaytri Bhide & Associates, Practising Company Secretary, Vapi for conducting annual Secretarial Audit for the year 2020-21 pursuant to the provisions of Section 204 of the Companies Act, 2013. M/s Gaytri Bhide & Associates, Practising Company Secretary, Vapi has issued Secretarial Audit Report (Form MR-3) for the year 2020-21 which forms part of this Report and is furnished as **Annexure-3.**

## 19. VARIOUS COMMITTEES CONSTITUTED BY THE BOARD :

### a) Audit Committee

The Audit Committee was constituted as per the terms of reference as prescribed under Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its powers) Rules, 2014. The Composition of the Audit Committee as on 31st March, 2021 was as under:

| | | | |
|---|---|---|---|
| 1. | Shri. Gaurav Singh Rajawat, IAS, Director | – | Chairman |
| 2. | Shri. Hemanshu Kapadia, Independent Director | – | Member |
| 3. | Shri. P. Pentayya, Independent Director | – | Member |
| 4. | Shri. Vijay Kulkarni, Independent Director | – | Member |

During the year under review, the Audit Committee held 2 meetings on 23/07/2020 and 24/03/2021.

**b) Corporate Social Responsibility (CSR) Committee**

The Corporation's Corporate Social Responsibility (CSR) initiatives focus on the programs that benefit the communities in the Union Territory of Dadra & Nagar Haveli and enhancing the quality of life, empowering women and economic wellbeing of the local population. The CSR projects adopted are in accordance with Schedule VII of the Companies Act, 2013. The Composition of the CSR Committee as on 31st March, 2021 was as under:

| | | | |
|---|---|---|---|
| 1. | Smt. Tapasya Raghav, IAS, Managing Director | – | Chairman |
| 2. | Shri. Hemanshu Kapadia, Independent Director | – | Member |
| 3. | Shri. P. Pentayya, Independent Director | – | Member |
| 4. | Shri. Vijay Kulkarni, Independent Director | – | Member |

The CSR policy of the Corporation is available on website.

During the year under review, the CSR Committee held its meetings on 14/10/2020. Pursuant to Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Annual Report on CSR activities is annexed herewith as **Annexure-4.**

**c) Nomination & Remuneration Committee**

The composition of the Nomination and Remuneration Committee of the Corporation as on 31st March 2021 was as under:

| | | | |
|---|---|---|---|
| 1. | Shri. Gaurav Singh Rajawat, IAS, Director | – | Chairman |
| 2. | Smt. Tapasya Raghav, IAS, Managing Director | – | Member |
| 3. | Shri. Hemanshu Kapadia, Independent Director | – | Member |
| 4. | Shri. P. Pentayya, Independent Director | – | Member |
| 5. | Shri. Vijay Kulkarni, Independent Director | – | Member |

The Corporation being a Government Company, the provisions of section 134(3)(e) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 05/06/2015 issued by Government of India, Ministry of Corporate Affairs. The Company being a Government Company in which all members of the Board are appointed by the Administrator, DD & DNH in pursuance of the Articles of Association. The appointment and remuneration of other employees of the Corporation are done as per Recruitment Rules/Policies approved by the Board.

## 20. ANNUAL GENERAL MEETING :

The 8th Annual General Meeting of the Corporation was held on 28th December, 2020.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT :

To the best of knowledge and belief and according to the information and explanations received, Directors make the following statement in terms of Section 134(3)(c)of the Companies Act, 2013 for the Financial Year 2020-21.

**a)** In the preparation of the Annual Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

**b)** The Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

**c)** The Directors had taken proper and sufficient care for the maintenance of the adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

**d)** The Directors had prepared the annual accounts on a going concern basis;

**e)** The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

**f)** The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 22. CORPORATE GOVERNANCE :

The Corporation is committed to best practices in Corporate Governance by adhering to high standards of transparency and accountability in the interest of all the stakeholders. To begin with, your Corporation has appointed Independent Professional Directors from diverse fields and constituted Audit Committee, CSR Committee and Nomination & Remuneration Committee.

## 23. STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES / ASSOCIATE COMPANIES / JOINT VENTURES :

The Corporation does not have subsidiaries, joint ventures and associate companies.

## 24. PARTICULARS OF EMPLOYEES :

None of the employees of the Corporation were in receipt of remuneration in excess of limits prescribed under Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## 25. PARTICULARS OF CONTRACTS AND ARRANGEMENT WITH RELATED PARTIES :

DNHPDCL being a government company with 100% shareholding by the President of India and under the administrative control of Ministry of Home Affairs (MHA) is subject matter of strict rules and norms for every transaction entered into during normal course of business. There were no materially significant related party transactions having potential conflict with the interests of the Corporation at large during FY 2020-21. Nevertheless, Related Party Disclosures are included in the notes forming part of the Financial Statements.

## 26. LOANS, GUARANTEES OR INVESTMENT U/S 186 OF COMPANIES ACT, 2013 :

The particulars of loans given and investment made are included in the notes forming part of the Financial Statements of the Corporation (i.e. Note no. 4 'Non-current Financial Assets - Loans', Note no. 5 'Non-current Financial Assets - Others') in terms of requirement of Section 186 of the Companies Act, 2013.

## 27. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND :

Since there was no unpaid/unclaimed Dividend as on 31/03/2021, the provisions of Section 125 of the Companies Act, 2013 does not apply to the Company.

## 28. RESOURCE MOBILISATION, CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORBPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO :

Presently, the Corporation has not deployed / mobilized any long term resources (i.e. long term borrowings) for business requirements. There is no transaction undertaken by the Corporation during the FY 2020-21, which involved the payment / earning in the foreign exchange. Further, there is no scope on incurring of any expenditure on Research & Development / Technology Development keeping in view the nature and area of business.

Information required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings & outgo are furnished in **Annexure-5** which forms part of this Report.

## 29. STATEMENT INCLUDING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY :

Enterprise Risk Management Policy has been framed for identification of key risk areas and to formulate appropriate risk mitigation plans for taking corrective action in a time bound manner. The Board has also constituted Risk Management Committee under Chairmanship of Managing Director and comprising of Independent Directors, Chief Engineer, Chief Financial Officer/ General Manager (HR & Admin.) and Superintending Engineer.

## 30. WHISTLE BLOWER POLICY FOR DIRECTORS AND EMPLOYEES :

The Corporation has adopted a Vigil Mechanism/ Whistle Blower Policy as per the requirements of Section 177 of the Companies Act, 2013. All employees of the Corporation and Directors on the Board of the Company are covered under the mechanism. This mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct. It also provides for adequate safeguards against the victimization of employees who avail of the Mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

The Vigil Mechanism/Whistle Blower Policy may be accessed on the Company's website at the link www.dnhpdcl.in .

## 31. ANNUAL PERFORMANCE EVALUATION OF THE BOARD OF THE DIRECTORS AS A WHOLE, ITS COMMITTEES AND INDIVIDUAL DIRECTORS :

In pursuance of the provisions of the Companies Act, 2013, the Corporation has devised a policy for performance evaluation of Independent Directors. The evaluation of performance of Independent Directors is carried out by entire Board of Directors excluding the Director being evaluated. While evaluating the performance of the Independent Directors, the following parameters are considered:

**a)** Attendance at Board meetings and Committees thereof;
**b)** Participation in Board meetings or Committee meetings;
**c)** Contribution towards strategic decision making;
**d)** Contribution towards review of risk assessment and risk mitigation;
**e)** Contribution towards review of Financial Statements and Business Performance; and
**f)** Contribution towards development of brand image of the Corporation.

Ministry of Corporate Affairs vide its GSR 463 (E) dated 5th June 2015 exempted the provisions of Section 134(3)(p) to Government Companies in case the directors are evaluated by the Ministry or Department of the Central Government which is administratively in charge of the Company or as the case may be, the State Government as per its own evaluation methodology. Schedule IV of the Companies Act, 2013 deals with Code of Conduct for Independent Directors inter-alia provides that Independent Directors in their separate meeting shall review the performance of non-independent directors, the Board as whole and the Chairman. Thus, the Independent Directors in their separate meeting reviewed the performance of the Non-Independent Directors, Board as whole, Committees and the Chairman. The Board of Directors reviews the performance of the Independent Directors.

## 32. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013S :

In line with provisions of "Sexual Harassment of Women (Prevention, Prohibition & Redressal) Act, 2013, an "Internal Complaints Committee" has been constituted in the Corporation for Redressal of compliant(s) against sexual harassment of women employees.

During the FY 2020-21, the Corporation did not receive any complaint of sexual harassment.

## 33. GENERAL :

The Board of Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these matters during the reported year:

a) Issue of equity shares with differential rights as to dividend, voting or otherwise.

b) Sweat equity shares to employees of the Company under any scheme.

c) Stock Options to the Directors or any employee of the Company.

d) Buy back of securities and Bonus shares

e) Neither the Managing Director nor the whole-time Directors of the Company receive any remuneration or commission from any its subsidiaries.

f) No significant or material orders were passed by the regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

g) There was no change in the nature of business of the Company during the FY 2020-21.

## 34. ACKNOWLEDGEMENT :

The Board of Directors take this opportunity to thank the Ministry of Home Affairs, Ministry of Power, the Administration of Dadra & Nagar Haveli and Daman & Diu, Central Electricity Regulatory Commission (CERC), Joint Electricity Regulatory Commission (JERC), Appellate Tribunal for Electricity (APTEL), Statutory Auditors, Secretarial Auditors and other Auditors, Bankers, Consumers and Suppliers for their co-operation and support. The Directors would also like to place on record their sincere appreciation to all employees of the Corporation for their commitment to the growth of the Corporation.

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

| | Sd/- | Sd/- |
|---|---|---|
| | **(A. Muthamma)** | **(Ms. Tapasya Raghav)** |
| Date :27.11.2021 | Director | Managing Director |
| Place : Daman | DIN No. 07652308 | DIN No. 09582761 |

## Annexure – A
## Financial Analysis and Ratio at a Glance

( ₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|
| **For the year** | | | | | |
| Revenue from Operations | 2,88,016 | 3,38,889 | 3,02,777 | 2,28,773 | 1,92,210 |
| Other Income | 4,182 | 4,265 | 4,978 | 9,105 | 4,683 |
| **Total Income** | **2,92,198** | **3,43,154** | **3,07,755** | **2,37,878** | **1,96,893** |
| Purchase of Power | 2,59,326 | 3,35,608 | 3,00,874 | 2,33,322 | 1,99,075 |
| Operation and Maintenance | 2,182 | 1,950 | 1,748 | 1,317 | 720 |
| Employee Benefit Expenses | 1,407 | 1,295 | 1,154 | 1,144 | 1,202 |
| Administration and Other Expenses | 549 | 731 | 339 | 828 | 389 |
| Finance Costs (i.e. Interest) | 488 | 482 | 394 | 327 | 929 |
| Depreciation | 1,227 | 1,238 | 1,624 | 1,529 | 1,391 |
| **Total Expenses** | **2,65,179** | **3,41,304** | **3,06,134** | **2,38,467** | **2,03,706** |
| **Profit before Tax** | **27,019** | **1,850** | **1,621** | **(589)** | **(6,813)** |
| Tax Expenses | 4,028 | 710 | 266 | 657 | 312 |
| **Net Profit after Tax (Total Comprehensive Income)** | **22,991** | **1,140** | **1,354** | **(1,246)** | **(7,125)** |
| Dividend for the year | – | – | – | – | – |
| **At the end of year** | | | | | |
| Gross Block of PPE and Intangible Assets | 66,116 | 49,725 | 48,111 | 46,171 | 42,737 |
| Less: Accumulated Depreciation / Amortisation | 31,207 | 29,981 | 28,743 | 27,118 | 25,589 |
| Net Block of PPE and Intangible Assets | 34,909 | 19,744 | 19,368 | 19,053 | 17,148 |
| Capital Work-in-Progress (CWIP) | – | 11,553 | 8,711 | 166 | 1,910 |
| Total Fixed Assets including CWIP | 34,909 | 31,297 | 28,079 | 19,219 | 19,058 |
| Non Current Financial & Other Assets | 2,400 | 791 | 1,564 | 3,076 | 1,621 |
| **Total Non Current Assets (a)** | **37,309** | **32,088** | **29,643** | **22,295** | **20,679** |
| Inventories | 759 | 852 | 905 | 566 | 821 |
| Trade Receivables | 32,856 | 28,357 | 28,553 | 23,843 | 19,931 |
| Cash & Bank Balances | 56,265 | 23,538 | 31,234 | 33,824 | 52,606 |
| Other Financial and Other Assets | 296 | 10,051 | 6,899 | 349 | 751 |
| **Total Current Assets (b)** | **90,176** | **62,798** | **67,591** | **58,582** | **74,109** |
| **Total Assets (a+b)** | **1,27,485** | **94,886** | **97,234** | **80,877** | **94,788** |
| Share Capital | 38,974 | 38,974 | 8,000 | 8,000 | 8,000 |
| Revenue Reserves | 38,184 | 15,194 | 45,028 | 43,673 | 44,919 |
| **Net Worth (c)** | **77,158** | **54,168** | **53,028** | **51,673** | **52,919** |
| Non Current Financial & Other Liabilities (d) | 10,069 | 8,662 | 7,459 | 5,754 | 4,479 |
| Current Financial & Other Liabilities (e) | 40,258 | 32,056 | 36,747 | 23,450 | 37,390 |
| **Total Liabilities (c+d+e)** | **1,27,485** | **94,886** | **97,234** | **80,877** | **94,788** |

## Annexure – A
## Financial Analysis and Ratio at a Glance

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 |
|---|---|---|---|---|---|
| Total No. of Shares (Weighted average) | 3,89,74,445 | 1,02,85,000 | 80,00,000 | 80,00,000 | 80,00,000 |
| Net Power Purchased (MUs) - Outside (f) | 5,490.29 | 6,507.67 | 6,315.25 | 5,936.88 | 3,966.17 |
| Own Solar Generation (MUs) (g) | 5.91 | 6.18 | 5.38 | 5.23 | 0.88 |
| Net Power Purchased (MUs) - Total (h) | 5,496.20 | 6,513.85 | 6,320.63 | 5,942.11 | 3,967.05 |
| Net Power Sold (MUs) (i) | 5,297.50 | 6,288.00 | 6,072.42 | 5,676.29 | 3,752.91 |
| **KEY RATIOS AND PERFORMANCE*** | | | | | |
| **For the Financial Year** | | | | | |
| Distribution Losses (MUs) (j = h-i) | 198.70 | 225.85 | 248.21 | 265.82 | 214.14 |
| Distribution Losses (%) (j / h * 100) | 3.62 | 3.47 | 3.93 | 4.47 | 5.40 |
| AT&C Losses (%) | 3.46 | 3.43 | 5.41 | 6.24 | 5.20 |
| Collection Efficiency (%) | 100.16 | 100.04 | 98.46 | 98.16 | 100.20 |
| Billing Efficiency (%) (h / i*100) | 96.38 | 96.53 | 96.07 | 95.53 | 94.60 |
| **Liquidity** | | | | | |
| Current Ratio | 2.24 | 1.96 | 1.84 | 2.50 | 1.98 |
| Quick Ratio | 2.22 | 1.93 | 1.81 | 2.47 | 1.96 |
| **Profitability** | | | | | |
| Expenditure Coverage Ratio | 110.19% | 100.54% | 100.53% | 99.75% | 96.66% |
| EBIDTA Margin / Total Revenue | 9.83.% | 1.04% | 1.18% | 0.53% | -2.28% |
| Return on Total Income | 7.87% | 0.33% | 0.44% | -0.52% | -3.62% |
| Return on Net Worth (i.e. Equity) | 29.80% | 2.10% | 2.55% | -2.41% | -13.46% |
| Return on Total Assets | 18.03% | 1.20% | 1.39% | -1.54% | -7.52% |
| Gross Margin (Sale of Power) | 9.96% | 0.97% | 0.63% | -1.99% | -3.57% |
| **Efficiency** | | | | | |
| Fixed Asset Turnover (Total Income) | 837% | 1,096% | 1096% | 1238% | 1033% |
| Total Asset Turnover (Total Income) | 229% | 362% | 317% | 294% | 208% |
| Trade Receivables Turnover Ratio (SOP) | 8.77 | 11.95 | 10.60 | 9.59 | 9.64 |
| Average Collection Period (days) | 42.00 | 31.00 | 34.00 | 38.00 | 38.00 |
| Earnings per share (Rs.) - Weighted Average Shares | 58.99 | 11.09 | 16.93 | -15.58 | -89.06 |
| Book Value per share (Rs.) - Closing Shares | 198.00 | 527.00 | 663.00 | 646.00 | 661.00 |
| Dividend per share (Rs.) - Weighted Average Shares | – | – | – | – | – |

**Annexure – 1**
**Attendance of Audit Committee**
**Attendance of Board Meetings**
**Attendance of CSR Committee**



| | During 2020-21 Total Two (2) Meeting of Audit Committee Meetings were held : | | During 2020-21 Total Three (3) Meetings of Board of Director Meetings were held : | | During 2020-21 Total One (1) Meetings of CSR Commitee Meetings were held : | |
|---|---|---|---|---|---|---|
| Name of Director | Meeting held during Tenure of the Director (23.07.2020, 24-03-2021) | Meeting Attended | Meeting held during Tenure of the Director (17.06.2020, 06.08.2020, 28.12.2020) | Meeting attended | Meeting held during Tenure of the Director (14.10.2020) | Meeting attended |
| **Shri Shri Praful Patel** (Chairman) | – | – | **3** | **3** | – | – |
| **Shri Anil Kumar Singh, IAS** | – | – | **3** | **2** | – | – |
| **Shri Gaurav Singh Rajawat, IAS** (Chaiman, Audit Committee w.e.f. 16.02.2021) | **1** | **1** | **0** | **0** | – | – |
| **Shri Devinder Singh, IAS** (Chairman, Audit Committee, till 16.02.2021) | **1** | **1** | **3** | **2** | – | – |
| **Smt. Muthamma, IAS** | – | – | **3** | **2** | – | – |
| **Shri Sandip Kumar Singh, IAS** | – | – | **3** | **3** | – | – |
| **Smt. Tapasya Raghav, IAS** Manageing Director (Chair Person, CSR Committee) | – | – | **3** | **3** | **1** | **1** |
| **Shri Hemanshu Kapadia** (Independent Director) | **2** | **2** | **3** | **3** | **1** | **1** |
| **Shri P. Pentayya** (Independent Director) | **2** | **1** | **3** | **3** | **1** | **1** |
| **Shri Vijay Kulkarni** (Independent Director) | **2** | **2** | **3** | **3** | **1** | **0** |

**Annexure – 2**
**Information of Annual Return as on Financial Year ended on 31.03.2021**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.**

## I. REGISTRATION AND OTHER DETAILS:

| | | |
|---|---|---|
| **i)** | CIN | **: U40100DN2012GOI000405** |
| **ii)** | Registration Date | **: 13.07.2012** |
| **iii)** | Name of the Company | **: DNH Power Distribution Corporation Limited** |
| **iv)** | Category/Sub Category of the Company | **: Government Company** |
| **v)** | Address of the Registered Office & Contact Details | **: Vidyut Bhavan, 66 KV Road, Near Secretariat, Amli, SILVASSA 396 230, DNH** |
| | Tel/Fax | **: 0260-2406500** |
| | E-mail | **: cs.dnhpdcl@gov.in** |
| | Website | **: www.dnhpdcl.in** |
| **vi)** | Whether listed Company | **: No** |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

| Sr. No. | Name and Description of main Business Activity | % to total turnover of the company |
|---|---|---|
| **1.** | **Electricity Power Generation, Transmission and Distribution** | **100%** |

## III. SHARE CAPITAL

**Number of Class ..... 1**

**a) Equity Share Capital**

| Particulars | Authorised Capital | Issued Capital | Subscribed Capital | Paid up Capital |
|---|---|---|---|---|
| Total numbers of Equity Shares | **5,00,00,000** | **3,89,74,445** | **3,89,74,445** | **3,89,74,445** |
| Nominal value per share (in ₹) | **100** | **100** | **100** | **100** |
| **Total amount of Equity Shares** (in ₹) | **5,00,00,00,000** | **3,89,74,44,500** | **3,89,74,44,500** | **3,89,74,44,500** |

**b) Break up of paid-up Share Capital**

| Class of Shares | Number of Shares | | | Total Nominal Amount | Total Paid up Amount |
|---|---|---|---|---|---|
| **Equity Shares** | Physical | Demat | Total | | |
| At the begining of the Year | **3,89,74,445** | **0** | **3,89,74,445** | **3,89,74,44,500** | **3,89,74,44,500** |
| Increase during the Year | **–** | **–** | **–** | **–** | **–** |
| Decrease during the Year | – | – | – | – | – |
| **At the end of the Year** | **3,89,74,445** | **0** | **3,89,74,445** | **3,89,74,44,500** | **3,89,74,44,500** |

## III. SHARE CAPITAL

**Details of Share Transfers since closure date of last Financial Year :**

| | |
|---|---|
| Date of Registration of Transfer | **16 Feb 2021** |
| Type of Transfer | **Equity Share** |
| Number of Share | **1** |
| Amount per Share | **100** |
| Name of Transferor | **Devinder Singh** |
| Ledger folio of Transferor | **35** |
| Name of Transferee | **Gaurav Singh Rajawat** |
| Ledger folio of Transferee | **16** |

## IV. TURNOVER AND NET WORTH OF THE COMPANY

| | |
|---|---|
| Turnover | **28,80,16,11,028** |
| Net Worth | **7,71,58,41,668** |

## V. SHARE HOLDING PATTERN – Promoters

| Sr. No. | Category | Equity Number of Shares | Percentage | Preference Number of Shares | Percentage |
|---|---|---|---|---|---|
| **1.** | **Government :** | | | | |
| | Central Government | **3,89,74,445** | **100** | **0** | **0** |
| | Total | **3,89,74,445** | **100** | **0** | **0** |

| | |
|---|---|
| **Total number of Shareholders –** In Promotoer Category | **9** |
| **Total number of Shareholders –** In Public Category | **0** |
| **Total number of Shareholders –** In Promotoer + Public Category | **9** |

| Sr. No. | List of Nominee Shareholders in Promotor Category | Face Value of Shares (in ₹) | No. Equity Shares |
|---|---|---|---|
| **1.** | **President of India** | **100/-** | **79,94,994** |
| **2.** | President of India – acting through UT Administration of DNH | **100/-** | **3,09,74,445** |
| **3.** | **Shri Praful Patel**<br>Hon'ble Administrator, DNH & DD,<br>as a nominee of President of India | **100/-** | **5,000** |
| **4.** | **Shri Anil Kumar Singh, IAS**<br>as a nominee of President of India | **100/-** | **1** |
| **5.** | **Smt. Tapasya Raghav, IAS**<br>as a nominee of President of India | **100/-** | **1** |
| **6.** | **Smt. Muthamma, IAS**<br>as a nominee of President of India | **100/-** | **1** |
| **7.** | **Shri Gaurav Singh Rajawat, IAS**<br>as a nominee of President of India | **100/-** | **1** |
| **8.** | **Shri Karanjit Vadodaria, Danics**<br>as a nominee of President of India | **100/-** | **1** |
| **9.** | **Shri C. A. Parmar**<br>as a nominee of President of India | **100/-** | **1** |
| | **Total** | **100/-** | **3,89,74,445** |

## VI. NUMBER OF PROMOTERES, MEMBERS (other than promoters) DEBENTURE HOLDERS

| Sr. No. | Details | At the begining of the Year | At the end of the Year |
|---|---|---|---|
| 1. | Promoters | 9 | 9 |
| 2. | Members (other than promoters) | 0 | 0 |
| 3. | Debenture Holders | 0 | 0 |

## VII. DETAILS OF DIRECTOR AND KEY MANAGERIAL PERSONNEL

**Details of Director and Key Managerial Personnel as on the closure of Finanacial Year :**

| Sr. No. | Name | DIN/PAN | Designation | Number of Shares held | Executive / Non-Executive |
|---|---|---|---|---|---|
| 1. | **Prafulbhai Khodidas Patel** | **7652308** | Nominee Director Chairman | **5,000** | Non-Executive |
| 2. | **Anil Kumar Singh** | **7004069** | Nominee Director | **1** | Non-Executive |
| 3. | **Muthamma** | **7340534** | Nominee Director | **1** | Non-Executive |
| 4. | **Sandip Kumar Singh** | **7895437** | Nominee Director | **0** | Non-Executive |
| 5. | **Tapasya Raghav** | **8582761** | Nominee Director | **1** | Executive |
| 6. | **Gaurav Singh Rajawat** | **7112508** | Nominee Director | **1** | Non-Executive |
| 7. | **Hemanshu Lalitbhai Kapadia** | **6482858** | Independent Director | **0** | Non-Executive |
| 8. | **Pentayya Polagani** | **6943298** | Independent Director | **0** | Non-Executive |
| 9. | **Vijay Kulkarni** | **2632339** | Independent Director | **0** | Non-Executive |
| 10. | **Pawan Kumar Mishra** | **AHFPM8878A** | CFO | **0** | Non-Executive |
| 11. | **Anju Madanlal Chaudhary** | **AMDPC5441J** | Company Secretary | **0** | Non-Executive |

**Particulars of change in Director(s) and Key Managerial Personnel during the Year :**

| Sr. No. | Name | DIN/PAN | Designation | Date of Appointment /Change in Designation Cessation | Nature of Change (Appointment /Cessation/ change in Designation |
|---|---|---|---|---|---|
| 1. | **Devinder Singh** | **7922454** | Nominee Director | 16.02.2021 | Cessation |
| 2. | **Gaurav Singh Rajawat** | **7112508** | Nominee Director | 16.02.2021 | Appointment |

## VIII. MEETINGS OF MEMBERS

| Sr. No. | Type of Meeting | Date of Meeting | Total Number of Members entitled to attend Meeting | Attendance | |
|---|---|---|---|---|---|
| | | | | Number of Members attended | % of total Shareholding |
| 1. | 8th Annual General Meeting | 28.12.2020 | 8 | 6 | 99 % |
| 2. | Extra- ordinary General Meeting | 24.09.2020 | 8 | 8 | 100 % |

## IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Number of CEO, CFO and Company Secretary whose remuneration details to be entered : 2**

| Sr. | Name | Designation | Gross Salary |
|---|---|---|---|
| 1. | **Pawan Kumar Mishra** | Chief Financial Officer | **18,96,519** |
| 2. | **Anju Madanlal Chaudhary** | Company Secretary | **5,40,000** |
| | | **Total** | **24,36,519** |

**Number of other Directors whose remuneration details to be entered : 3**

| | | | |
|---|---|---|---|
| 1. | **Hemanshu Lalitbhai Kapadia** | Independent Director | **4,24,800** |
| 2. | **Pentayya Polagani** | Independent Director | **4,42,500** |
| 3. | **Vijay Kulkarni** | Independent Director | **3,54,000** |
| | | **Total** | **12,21,300** |

## Form No. MR - 3

## SECRETARIAL AUDIT REPORT

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021

**[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel)Rules, 2014]**

To,

The Members,

**DNH Power Distribution Corporation Limited**

CIN: U40100DN2012GOI000405

Vidyut Bhawan, 66 KV Road, Near Secreteriat,

Amli, Silvassa - 396 230.

Dadar Nagar Haveli.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by DNH Power Distribution Corporation Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

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

**1.** The Companies Act, 2013 (the Act) and the rules made there under;

**2.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under; **(This clause is not applicable to the Company)**

**3.** The Depositories Act, 1996 and the Regulations and bye-laws framed there under; **(This clause is not applicable to the Company )**

**4.** Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(This clause is not applicable to the Company)**

**5.** The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); **(This clause is not applicable to the Company)**

**6.** Other laws applicable specifically to the company namely:

a) Secretarial Standards issued by Institute of Company Secretaries of India made effective from 1st July, 2015

b) The Electricity Act, 2003;

c) Indian Electricity Rules, 1956;

d) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;

e) JERC Rules and Regulations, 2010

f) Factories Act, 1948;

g) Provident Fund Act 1952;

h) Labor Laws and other incidental laws related to labor and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, professional tax, ESIC, compensation etc.;

i) Labor Welfare Act of respective State;

j) Maternity Benefit Act, 1961

k) Minimum Wages Act, 1948

l) Payment of Bonus Act, 1965

m) Payment of Gratuity Act, 1972

n) Payment of Wages Act,1936

o) Workman's Compensation Act, 1923

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above,

During the period under review, we have received the internal compliance certificates from Company's respective departments.

**I further report that**

**1.** The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review are carried out in compliance with the provisions of the Act and necessary e-filing is complied with Registrar of Companies, Gujarat.

**2.** Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**3.** As per the Minutes of the meetings of the Board of Directors & the committee thereof duly recorded and signed by the Chairman the decision of the Board or Committee was unanimous and no dissenting views have been recorded.

**4.** As per Section 173(1) of the Companies Act, 2013 every company is required to conduct minimum four board meetings during every financial year. The fourth meeting of the Board of Directors was scheduled on 22/04/2021, however the same could not be held on account of COVID-19 Pandemic and got rescheduled on 30/06/2021.

**5.** I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**6.** As per Section 203(4) of Companies Act, 2013 if the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled up by the Board at a meeting of the Board within the period of six months from the date of such vacancy. However, due to Lok Sabha Elections of 2019, and Managing Director being assigned the duties of the Lok Sabha Elections, the Company was unable to comply the above sited compliance within prescribed time. Thus, the time gap between resignation of previous whole-time Company Secretary and appointment of new Whole-time Company Secretary is approximately one year. However the appointment of Whole-time Company Secretary is done on 25/02/2020 and DIR-12 for this appointment is filed with Registrar of Companies Gujarat.

**7.** To empower the Board of Directors to take appropriate decisions on privatization process of electricity distribution business of the Company, an Extra-Ordinary General Meeting of members was duly conducted on 24/09/2020 in accordance with provisions of Section 180 of the Companies Act, 2013 and requisite filing of e-form MGT-14 with Registrar of Companies, Gujarat is carried out.

I further report that during the audit period, there are no instances of:

a) Public / Rights / Preferential issue of shares / debentures / sweat equity.

b) Redemption / buy-back of securities.

c) Merger / amalgamation / reconstruction etc.

d) Foreign technical collaborations.

For **G. S. Bhide & Associates**

Company Secretaries

Sd/-

**Gayatri V. Phatak**
Proprietor
**C.P.No. 11816**

Place : Vapi
Date : 02 . 09 . 2021
UDIN : A031886B000660580

**"Annexure – A"**
**Form No. MR - 3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2021**

To,
The Members,
**DNH Power Distribution Corporation Limited**
CIN: U40100DN2012GOI000405
Vidyut Bhawan, 66 KV Road, Near Secreteriat,
Amli, Silvassa - 396 230.
Dadar Nagar Haveli.

Our Report of even date is to be read along with this letter.

**1.** Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

**2.** I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the Secretarial records. The verification was done on test check basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices followed by me, provide a reasonable basis for our opinion.

**3.** I have not verified the correctness and appropriateness of financial records, Books of Accounts, Compliance Certificates received from respective departments of the Company

**4.** Where ever required, I have obtained the Management representation about the Compliance of Laws, Rules and Regulations and happening of events etc.

**5.** The Compliance of the Provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.

**6.** The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **G. S. Bhide & Associates**

Company Secretaries

Sd/-

**Gayatri V. Phatak**
Proprietor
**C.P.No. 11816**

Place : Vapi
Date :02 . 09 . 2021
UDIN : A031886B000660580

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR F. Y. 2020-21

**(Pursuant to clause (o) of sub-section(3) of Section 134 of the Companies Act, 2013 and Rule 8(l) of the Companies (Corporate Social Responsibility) Amendment Rules, 2021.**

**1. A brief outline on CSR policy of the Company :**

Your Company's Corporate Social Responsibility (CSR) initiatives focus on the programs that benefit the communities in the UT of Dadra & Nagar Haveli and enhancing the quality of life and economic well being of the local populace.

The Corporation has framed Corporate Social Responsibility (CSR) Policy is in line with the provisions of the Companies Act, 2013 read with Company ( Corporate Social Responsibility Policy) Rules, 2014. The Corporate Social Responsibility (CSR) policy of the Corporation is available at www.dnhpdcl.in

**2. The Composition of the CSR Committee.**

The Composition of the Corporate Social Responsibility (CSR) Committee as on 31.03.2021:

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | **Ms. Tapasya Raghav, IAS,** | Managing Director, (Chairperson, CSR Committee) | **1** | **1** |
| 2 | **Shri Hemanshu Kapadia,** | Independent Director/ Member | **1** | **1** |
| 3 | **Shri P. Pentayya,** | Independent Director/ Member | **1** | **1** |
| 4 | **Shri Vijay Kulkarni,** | Independent Director/ Member | **1** | **0** |

**3.** Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company.

https://www.dnhpdcl.in/includes/pdfc/DNHPDCL-CSR-POLICY.pdf

**4.** Provide the details of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of the rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):

**Not Applicable, being the average CSR obligation less than the prescribed limit.**

**5.** Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial year, if any

| Sr. No. | Financial Year | Amount available for set off from preceding financial year (in ₹) | Amount required to be set off for the Financial year, if any (in ₹) |
|---|---|---|---|
| 1. | – – | Nil | Nil |
| **Total** | | | |

**6. Average net profit of the Company as per Section 135(5) :** **(₹ in lakhs)**

| Sr. No. | Particulars | Net Profit before Tax |
|---|---|---|
| **1.** | Profit/(Loss) before tax: FY 2017-18 | **(588.90)** |
| **2.** | Profit/(Loss) before tax: FY 2018-19 | **1,620.66** |
| **3.** | Profit/(Loss) before tax: FY 2019-20 | **1,850.23** |
| | Total Profit/(Loss) | **2,881.99** |
| **4.** | Average net Profit for last three years | **960.66** |
| **5.** | 2 % of average net profit to be spent on CSR activities for FY 2020-21 as per section 135 of the Companies Act, 2013 | **19.21** |

| | | | |
|---|---|---|---|
| 7. | a) | **2 %** of average net profit of the Company as per section 135(5) for FY 2002-21 | : ₹ **19.21 Lakh** |
| | b) | Surplus arising out of the CSR projects or activities of the previous financial year | : **Nil** |
| | c) | Amount required to be set off or for the financial year, if any | : **Nil** |
| | d) | Total CSR obligation for the financial year 2020-21 (7a + 7b – 7c) | : ₹ **19.21 Lakh** |

**8. a) CSR amount spent or unspent for the Financial year 2020-21 :**

| Amount Unspent (in ₹) ( ₹ in Lakh) | | | | | |
|---|---|---|---|---|---|
| Total Amount Spent for the Financial Year (in ₹)(₹ in Lakh) | Total Amount transferred to Unspent CSR Account as as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second provision to section 135(5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| 19.21 | Nil | – | – | Nil | – |

**b) Details of CSR amount spent against Ongoing Projects for the Financial Year :**

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | 9 | 10 | 11 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes /No) | Location of the Project | | Project duration | Amount allocated for the project (in ₹) | Amount spent in the current financial year (in ₹) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹) | Mode of Implementation Direct (Yes/ No) | Mode of Implementation through Implementing Agency | |
| | | | | State | Dist. | | | | | | Name | CSR Registration Number |
| 1. | – | – | – | – | – | – | Nil | Nil | Nil | – | – | – |
| | Total | | | | | | | | | | | |

**c) Details of CSR amount spent against other than Ongoing Projects for the Financial Year :**

| 1 | 2 | 3 | 4 | 5 | | 6 | 7 | 8 | |
|---|---|---|---|---|---|---|---|---|---|
| Sr. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the Project | | Amount spent for the project (in ₹)(₹ in Lakh) | Mode of Implementation Direct (Yes/No) | Mode of Implementation through Implementing Agency | |
| | | | | State | Dist. | | | Name | CSR Regd. No. |
| 1. | GAAY (Gir Adarsh Aajeevika Yojna) Scheme of UT of DNH & DD | (iii) & (iv) animal welfare and measure for reducing inequalities faced by Socially and economically backward groups | Yes | UT of DNH & DD | Dadra & Nagar Haveli | 19.21 | Yes | – | Nil |
| Total | – | – | – | – | – | 19.21 | – | – | – |

| | | | |
|---|---|---|---|
| **d)** | Amount spent in Administrative Overheads | : | **Nil** |
| **e)** | Amount spent on Impact Assessment, if applicable | : | **Nil** |
| **f)** | Total amount spent for the Financial Year 2020-21 (8b+8c+8d+8e) | : | **₹ 19.21/- Lakh** |
| **g)** | Excess amount for set off, if any | : | **Nil** |

| Sr. No. | Particular | Amount (in ₹)(₹ In Lakh) |
|---|---|---|
| **i)** | Two percent of average net profit of the company as per section 135(5) | **: 19.21/-** |
| **ii)** | Total amount spent for the Financial Year | **: 19.21/-** |
| **iii)** | Excess amount spent for the financial year [(ii)-(i)] | **– –** |
| **iv)** | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | **– –** |
| **v)** | Amount available for set off in succeeding financial years [(iii)-(iv)] | **– –** |

**9. a) Details of Unspent CSR amount for the preceding Three Financial Years :**

| Sr. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135(6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any | | | Amount remaining to be spent in succeeding financial year (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| **1.** | **–** | **Nil** | **–** | **–** | **Nil** | **–** | **–** |
| | **Total** | | | | | | |

**b) Details of CSR amount spent in the financial year for Ongoing Projects for the preceding Financial Year(s) :**

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
|---|---|---|---|---|---|---|---|---|
| **Sr. No.** | **Project ID** | **Name of the Project** | **Financial Year in which the project was commenced** | **Project duration** | **Total amount allocated for the project (in ₹)** | **Amount spent on the project in the reporting Financial Year (in ₹)** | **Cumulative amount spent at the end of reporting Financial Year (in ₹)** | **Status of the project – Completed /Ongoing** |
| **1.** | **–** | **–** | **–** | **–** | **Nil** | **Nil** | **–** | **–** |
| **Total** | **–** | **–** | **–** | **–** | **–** | **–** | **–** | **–** |

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset- wise details):--

The eligible CSR amount of FY 2020-21 has not been spent by the Corporation on assets or acquisition of any capital assets.

| | | | |
|---|---|---|---|
| **a)** | Date of creation or acquisition of the capital asset(s) | : | **None** |
| **b)** | Amount of CSR spent for creation or acquisition of capital asset | : | **Nil** |
| **c)** | Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. | : | **Not Applicable** |
| **d)** | Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) | : | **Not Applicable** |

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : **Not Applicable**

Sd/-
**Chairman, CSR Committee**

ऊर्जा जीवन है .... इसे संरक्षित रखें

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

**(Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies ( Accounts) Rules, 2014)**

### (A) CONSERVATION OF ENERGY :

**i) Steps taken or impact on conservation of energy :**

The Corporation firmly believes that any energy saved is energy generated. The distribution loss of the Corporation is one of the lowest in distribution industry. During FY 2020-21 the distribution loss of the Corporation interms of percentage has been steady 3.62% as against 3.47% during previous FY 2019-20 thus showing a very marginal increase of 0.15% mainly on account of reduction of electricity sales during the **COVID – 19** pandemic.

On an average, 0.99 power factor is maintained in the territory. The Corporation's constant effort was to sensitize its consumers for the efficient use of energy.

Slogans on energy conservation is also embossed in energy bills to sensitize our consumers on regular basis.

The Corporation is also implementing **Ujala Scheme** of Government of India for distribution of **LED** bulbs, Tube lights and fans at affordable rates.

**ii) Steps taken for utilizing the alternate sources of energy :**

The installed capacity of solar generation by the Corporation is 4.79 MW and 35.66 MW is installed by the industrial consumers on active supervision of the Corporation. Further, the PPA was signed with SECI for availing 50 MW wind power. Additionally, the Corporation is exploring for tie up with SECI/NTPC for procurement of renewable energy.

**iii) Capital investment on energy conservation equipment :**

All the efforts and investment for conservation of energy are made within the normal developmental activities of the Corporation.

### (B) TECHNOLOGY ABSORPTION :

**(i) The efforts made towards technology absorption :**

The Corporation has adopted various advanced technology like:-

a) Introduction of Automatic Meter Reading System (AMR) and its monitoring from the central station.

b) Introduction of on-line payment facility, mobile payment facilitiy, e-billing.

c) Introduction of photo readings and online spot billing.

d) Use of online software for stores management and meter testing laboratories.

e) Distribution of LED bulbs / Tube Lights & Fans through EESL.

f) Underground cabling in SMC area with GIS sub-station at Zanda Chowk, Silvassa

g) Initiated for installation of smart meters.

h) Renewable Power Policy for promotion of solar energy has been notified by UT Administration of DNH. Achieved installation of 43 MW roof top ground mounted solar plants by HT/EHT industrial consumers.

i) Initiated online facility for making of applications for release of power, change of name, reduction of load etc. for industrial consumers.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution :**

a) Improved billing and collection efficiency.

b) Improved the monitoring system on the functioning of metering equipments of major consumers.

c) Improved the periodical billing efficiency of the consumers.

d) Improved consumers satisfaction.

e) Reduced the complaints on errors in manual reading.

f) Enable effective monitoring of stores.

g) Enable effective tendering process through e-tendering.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) :**

| | | |
|---|---|---|
| a) | Details of technology imported- | NIL |
| b) | Year of import- | N.A. |
| c) | Whether technology been fully absorbed- | N.A. |
| d) | If not fully absorbed, areas where this has not taken place, reasons therefore.- | N.A. |

**(iv) Expenditure incurred on Research and Development – NIL**

## ( C ) FOREIGN EXCHANGE EARNINGS & OUTGO :

| | |
|---|---|
| The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. | **NIL** |

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF DADRA NAGAR HAVELI POWER DISTRIBUTION CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021.

The preparation of financial statements of **DNH Power Distribution Corporation Limited** for the year ended 31st March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated **30.06.2021.**

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of **DNH Power Distribution Corporation Limited** for the year ended 31st March 2021 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and selective examination of some of the accounting records.

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

**Sd/-**

**Place : New Delhi**
**Date : 11.10.2021**

**(Pravir Pandey)**
**DIRECTOR GENERAL OF AUDIT**
**(Home, Education & Skill Development)**
**NEW DELHI**

## To the Members of DNH Power Distribution Corporation Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying the standalone financial statements of **M/S DNH POWER DISTRIBUTION CORPORATION LIMITED ("the Company")** which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit & Loss (including Other Comprehensive Income), and the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred as to 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the State of Affairs of the Company as at March 31, 2021, and Profit (including Other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2021. These matter were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

### Information other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information in materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit & loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting

policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Standalone Financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

## Report On Other Legal and Regulatory Requirements

1. The Company is also governed by the provision of the Electricity Act 2003, rules and the regulations issued there under. The provisions of said Act have prevailed wherever they have been inconsistent with the provisions of the Companies Act, 2013.

2. As required under the directions and sub-directions issued by Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to information and explanation given to us, we are enclosing our report in the **"Annexure-A".**

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

4. As required by section 143(3) of the Act, we report that:

   **a)** We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   **b)** In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   **c)** The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.

   **d)** In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   **e)** Being Government Company pursuant to Notification No. GSR 463 (E) dated 05/06/2015 issued by Ministry of Corporate Affairs, the provisions of Section - 164 (2) of the Act are not applicable to the Company.

   **f)** With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure C".**

   **g)** With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      **i.** The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the Standalone Financial statements.

      **ii.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      **iii.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **M/s G. B. LADDHA & CO. LLP**
Chartered Accountants
FRN: 120352W/W100033

**(GIRIRAJ B. LADDHA)**
Partner
M.No.: 108558
UDIN : 21108558AAAARJ5749

Place : Silvassa
Date : 30.06.2021

**Annexure 'A' to the Independent Auditor's Report**

## TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DNH POWER DISTRIBUTION CORPORATION LIMITED

### Report on directions and sub-directions issued by Comptroller and Auditor General of India under Section 143 (5) of the Companies Act, 2013.

1. **Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

   Based on records examined and explanations given to us, the company has system in place to process all the accounting transactions through IT system, and accordingly, the implications of processing of accounting transactions outside IT system on the integrity of the accounts would not be applicable to the Company.

2. **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for ? (In case, lender is a Government Company, then this direction is also applicable for statutory auditor of lender company)**

   Based on records examined and explanations given to us, the Company has not borrowed any money and accordingly, there is no restructuring of any loan or cases of waiver / write off of debts / loans / interest made by a lender to the company due to the company's inability to repay the loan.

3. **Whether funds (grants / subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for / utilized as per its term and conditions? List the cases of deviation.**

   Based on records examined and explanations given to us, the funds received / receivable for specific schemes from central / state agencies were properly accounted for / utilized as per its term and conditions. The said receivable also represents grant / financial support / subsidy receivable as per the said scheme.

For **M/s G. B. LADDHA & CO. LLP**
Chartered Accountants
FRN: 120352W/W100033

**(GIRIRAJ B. LADDHA)**
Partner
M.No.: 108558
UDIN : 21108558AAAARJ5749

Place : Silvassa
Date : 30.06.2021

## TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DNH POWER DISTRIBUTION CORPORATION LIMITED

### Report on the Order issued under Section 143(11) of the Companies Act, 2013

**I In respect to Fixed Assets:**

**a)** The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

**b)** The Company has a program of verification to cover all the items of fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. As informed to us, no material discrepancy was noticed on such physical verification.

**c)** According to the information and explanations given and on the basis of examination of records of the Company, the Legal Ownership (titles) of Immovable Properties transferred from Electricity Department of Dadra & Nagar Haveli (ED-DNH) are still in the name of said ED-DNH. However, the procedure for registration and / or transfer in the name of the Company is in progress. Details of such free hold properties are mentioned as below:

| Sr. No. | Circle No. | Name of Premises | Area of Land (in Hector) | Nature (Freehold /Leasehold) | Gross & Net Block Value (in Lakh) |
|---|---|---|---|---|---|
| 1. | Silvassa City | Power House – Zanda Chowk Land | 0.25 | Freehold | – |
| 2. | Silvassa City | Amli Sub-Station, Corporate Office, Store and Laboratory Office Land | 6.53 | Freehold | 913.90 |
| 3. | Dadra | Dadra Sub-Station Land | 2.32 | Freehold | 80.00 |
| 4. | Sili | Sili Sub-Station Land | 1.80 | Freehold | 64.00 |
| 5. | Masat | Masat Sub-Station Land | 1.28 | Freehold | 100.00 |
| 6. | Rakholi | Rakholi Sub-Station Land | 1.44 | Freehold | 84.00 |
| 7. | Khadoli | Khadoli Sub-Station Land | 8.45 | Freehold | – |
| 8. | Khanvel | Khanvel Sub-Station Land | 0.22 | Freehold | 55.00 |
| 9. | Kala | Kala Sub-Station Land | 2.42 | Freehold | – |
| 10. | Velugam | Velugam Sub-Station Land | 5.00 | Freehold | – |
| 11. | Silvassa City | Piparia Sub-Station Land | 1.26 | Freehold | – |
| 12. | Athal | Athal Sub-Station Land | 0.80 | Freehold | – |
| 13. | Waghdhara | Waghdhara Sub-Station Land | 0.85 | Freehold | 67.76 |

**ii)** As explained to us, the physical verification of inventory (i.e. stores and spares) has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. As informed to us, no material discrepancy was noticed on such physical verification.

**iii)** According to the information and explanation given to us, the Company has not granted any loans secured or un-secured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly the clauses (iii) (a), (b) and (c) of the order are not applicable. -

**iv)** According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security covered under the provisions of section - 185 and 186 of the Companies Act, 2013.

**v)** The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

**vi)** We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

**vii)** In respect of statutory dues :

**a)** According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.

**b)** According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute as at March 31, 2021.

**viii)** In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues (i.e. loans / borrowings) to Banks or Government. Further, the Company has not taken any loan from financial institutions and has not issued any debentures.

**ix)** Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

**x)** Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

**xi)** Being Government Corporation pursuant to Notification No. - GSR 463 (E) dated 05/06/2015 issued by Ministry of Corporate Affairs, the provisions of Section - 197 of the Act are not applicable to the Company.

**xii)** The Company is not a Nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.

**xiii)** In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements in Note No. 29 as required by the applicable accounting standards.

**xiv)** Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

**xvi)** Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.

**xvii)** In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable to the Company.

For **M/s G. B. LADDHA & CO. LLP**
Chartered Accountants
FRN: 120352W/W100033

**(GIRIRAJ B. LADDHA)**
Partner
M.No.: 108558
UDIN : 21108558AAAARJ5749

Place : Silvassa
Date : 30.06.2021

## TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DNH POWER DISTRIBUTION CORPORATION LIMITED

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DNH Power Distribution Corporation Limited ("the Company")as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended March 31,2021.

### MANAGEMENTS' RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITORS' RESPONSIBILITY

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

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

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

### MEANING OF INTERNAL FINANCIAL REPORT OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

## OPINION

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

For **M/s G. B. LADDHA & CO. LLP**
Chartered Accountants
FRN: 120352W/W100033

**(GIRIRAJ B. LADDHA)**
Partner
M.No.: 108558
UDIN : 21108558AAAARJ5749

Place : Silvassa
Date : 30.06.2021

DNH Power Distribution Corporation Limited
(A Govt. Undertaking)
CIN: U40100DN2012GOI000405

## Balance Sheet As at 31st March, 2021

| Particulars | Note No. | As at 31 March, 2021 (₹ in Lakh) | As at 31 March, 2020 (₹ in Lakh) |
|---|---|---|---|
| **ASSETS** | | | |
| **1 Non-Current Assets** | | | |
| (a) Property, Plant and Equipment (PPE) | 1 | 34,797.81 | 19,599.14 |
| (b) Capital Work-in-Progress | 2 | – | 11,552.62 |
| (c) Investment Property | | – | – |
| (d) Goodwill | | – | – |
| (e) Intangible Assets | 3 | 111.31 | 145.25 |
| (f) Intangible Assets under Development | | – | – |
| (g) Financial Assets | | – | – |
| i) Investments | | – | – |
| ii) Trade Receivables | | – | – |
| iii) Loans | 4 | 1,205.58 | 55.58 |
| iv) Others | 5 | 1,194.21 | – |
| (h) Deferred Tax Assets (Net) | | – | – |
| (i) Other Non-Current Assets | 6 | – | 735.32 |
| **Total Non-Current Assets** | | **37,308.91** | **32,087.91** |
| **2 Current Assets** | | | |
| (a) Inventories | 7 | 758.82 | 851.52 |
| (b) Financial Assets | | – | – |
| i) Investments | | – | – |
| ii) Trade Receivables | 8 | 32,855.71 | 28,357.23 |
| iii) Cash and Cash Equivalents | 9 | 30,258.85 | 22,532.49 |
| iv) Bank Balances other than (iii) above | 9 | 26,006.03 | 1,006.03 |
| v) Loans | | – | – |
| vi) Others | 10 | 254.39 | 9,965.15 |
| (c) Current Tax Assets (Net) | | – | – |
| (d) Other Current Assets | 11 | 41.84 | 85.42 |
| **Total Current Assets** | | **90,175.64** | **62,797.84** |
| **TOTAL ASSETS** | | **1,27,484.55** | **94,885.75** |
| **EQUITY AND LIABILITIES** | | | |
| **1 Equity** | | | |
| (a) Equity Share Capital | 12 | 38,974.45 | 38,974.45 |
| (b) Other Equity | 13 | 38,183.97 | 15,193.41 |
| **Total Equity** | | **77,158.42** | **54,167.86** |

## Balance Sheet As at 31st March, 2021

| Particulars | Note No. | As at 31 March, 2021 (₹ in Lakh) | As at 31 March, 2020 (₹ in Lakh) |
|---|---|---|---|
| **Liabilities** | | | |
| **2 Non-Current Liabilities** | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | | – | – |
| ii) Trade and Other Payables | | – | – |
| iii) Other Financial Liabilities | **14** | 7,612.50 | 6,063.17 |
| (b) Provisions | | – | – |
| (c) Deferred Tax Liabilities (Net) | **15** | 2,456.03 | 2,598.58 |
| (d) Other Non-Current Liabilities | | – | – |
| **Total Non-Current Liabilities** | | **10,068.53** | **8,661.75** |
| **3 Current liabilities** | | | |
| (a) Financial Liabilities | | | |
| i) Borrowings | **16** | 10.00 | – |
| ii) Trade and Other Payables | **17** | | |
| Total Amount due of Micro & Small Enterprises | | 281.13 | 192.54 |
| Total Amount due other than Micro & Small Enterprises | | 26,239.73 | 23,730.97 |
| iii) Others Financial Liabilities | **18** | 11,657.38 | 4,822.96 |
| (b) Provisions | **19** | 606.55 | 2,835.43 |
| (c) Current Tax Liabilities (Net) | **20(a)** | 973.74 | – |
| (d) Other Current Liabilities | **20(b)** | 489.07 | 474.24 |
| **Total Current Liabilities** | | **40,257.60** | **32,056.14** |
| **Total Liabilities** | | **50,326.13** | **40,717.89** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,27.484.55** | **94,885.75** |

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements

In terms of our Audit Report of even date attached

Sd/-
For **M/s G. B. Laddha & Co. LLP**
Chartered Accountants
FRN. 120352W/W100033

Sd/-
**(Giriraj B. Laddha))**
Partner
M. No. 108558
UDIN : 21108558AAAARJ5749

For and On behalf of
For, **DNH Power Distribution Corporation Ltd.**

Sd/-
**( Pawan Kumar Mishra )**
Chief Financial Officer

Sd/-
**(Tapasya Raghav)**
Managing Director
(DIN-08582761)

Sd/-
**( Anju Chaudhary)**
Company Secretary

Sd/-
**(A. Muthamma))**
Director
(DIN-07652308)

Place : Silvassa
Date : 30.06.2021

DNH Power Distribution Corporation Limited
(A Govt. Undertaking)
CIN: U40100DN2012GOI000405

## Statement of Profit and Loss for the year ended on 31st March 2021

(₹ in Lakh)

| | Particulars | Note No. | For the year ended on 31 March, 2021 | For the year ended on 31 March, 2020 |
|---|---|---|---|---|
| | **INCOME / REVENUE** | | | |
| I | Revenue from Operations | 21 | 2,88,016.11 | 3,38,889.12 |
| II | Other Income | 22 | 4,182.37 | 4,265.21 |
| III | **Total Income (I+II)** | | **2,92,198.48** | **3,43,154.33** |
| IV | **EXPENSES** | | | |
| | Purchases of Power | 23 | 2,59,326.37 | 3,35,607.77 |
| | Operation and Maintenance Expenses | 24 | 2,182.40 | 1,949.71 |
| | Employee Benefits Expenses | 25 | 1,406.90 | 1,295.22 |
| | Finance Costs | 26 | 488.00 | 482.24 |
| | Depreciation and Amortization Expenses | 1&3 | 1,226.77 | 1,238.07 |
| | Administration and Other Expenses | 27 | 549.06 | 731.09 |
| | **TOTAL EXPENSES (IV)** | | **2,65,179.50** | **3,41,304.10** |
| V | **Profit/ (Loss) before Exceptional Items and Tax (III-IV)** | | **27,018.98** | **1,850.23** |
| VI | **Exceptional items** | | – | – |
| VII | **Profit before Tax (V-VI)** | | **27,018.98** | **1,8520.23** |
| VIII | **Tax Expense :** | | | |
| | Current Tax | | 4,170.97 | 262.69 |
| | Deferred Tax | | (142.55) | 447.26 |
| | **Total Tax Expense** | | **4,028.42** | **709.95** |
| IX | **Profit/(Loss) for the year from continuing operations (VII-VIII)** | | **22,990.56** | **1,140.28** |
| X | Profit /(Loss) from discontinued operations | | – | – |
| XI | Tax Expenses of discontinued operations | | – | – |
| XII | **Profit/(Loss) from discontinued operations (XI–X)** | | – | – |
| XIII | **Profit(Loss) for the year (IX+XII)** | | **22,990.56** | **1,140.28** |
| XIV | **Other Comprehensive Income** | | | |
| | A – Items that will not be reclassified subsequently to profit or loss | | – | – |
| | B – Items that will be reclassified subsequently to profit or loss | | – | – |
| | **Other Compehensive Income for the year (net of Tax)** | | **–** | **–** |
| XV | **Total Compehensive Income for the year (XIII+XIV)** | | **22,990.56** | **1,140.28** |

## Statement of Profit and Loss for the year ended on 31st March 2021

(₹ in Lakh)

| | Particulars | Note No. | For the year ended on 31 March, 2021 | For the year ended on 31 March, 2020 |
|---|---|---|---|---|
| XVI | **Earning per Equity Share (Face Value of Rs. 100/- each)** | | – | – |
| | **For Continuing Operations before Rate Regulared Activities** | | | |
| | i) Basic (in Rs.) | | **58.99** | **11.09** |
| | ii) Diluted (in Rs.) | | **58.99** | **11.09** |
| | **For Continuing Operations** | | | |
| | i) Basic (in Rs.) | | **58.99** | **11.09** |
| | ii) Diluted (in Rs.) | | **58.99** | **11.09** |
| | **For Discontinuing Operations** | | | |
| | i) Basic (in Rs.) | | – | – |
| | ii) Diluted (in Rs.) | | – | – |
| | **For Continuing Operations and Discontinuing Operations** | | | |
| | i) Basic (in Rs.) | | **58.99** | **11.09** |
| | ii) Diluted (in Rs.) | | **58.99** | **11.09** |

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements

In terms of our Audit Report of even date attached

Sd/-
For **M/s G. B. Laddha & Co. LLP**
Chartered Accountants
FRN. 120352W/W100033

Sd/-
**(Giriraj B. Laddha))**
Partner
M. No. 108558
UDIN : 21108558AAAARJ5749

For and On behalf of
For, **DNH Power Distribution Corporation Ltd.**

Sd/-
**( Pawan Kumar Mishra )**
Chief Financial Officer

Sd/-
**(Tapasya Raghav)**
Managing Director
(DIN-08582761)

Sd/-
**( Anju Chaudhary)**
Company Secretary

Sd/-
**(A. Muthamma))**
Director
(DIN-07652308)

Place : Silvassa
Date : 30.06.2021

## Statement of Changes in Equity for the year ended on 31 March, 2021

**A Equity Share Capital :** (₹ in Lakh)

| Particulars | Amount |
|---|---|
| **Balance as at 31st March 2019** | **8,000.00** |
| Changes in Equity Share Capital during the Year | **30,974.45** |
| **Balance as at 31st March 2020** | **38,974.45** |
| Changes in Equity Share Capital during the Year | – |
| **Balance as at 31st March 2021** | **38,974.45** |

**B. Other Equity :** (₹ in Lakh)

| Particulars | DNHPDCL CAPEX, Replacement & Development Fund | General Reserve | Retained Earning/ Surplus | Total |
|---|---|---|---|---|
| **Balance as at 1st April 2019** | **30,974.45** | **1,171.53** | **12,881.60** | **45,027.58** |
| | (30,974.45) | – | – | (30,974.45) |
| Proceeds from Share Application | – | – | – | – |
| Profit for the FY 2019-20 | – | – | 1,140.28 | 1,140.28 |
| Grant Received | – | – | – | – |
| Other Comprehensive Income for the FY 2019-20 | – | – | – | – |
| **Total Comprehensive Income for the FY 2019-20** | **–** | **–** | **1,140.28** | **1,140.28** |
| Transfer to Retained Earnings/ Surplus | – | – | – | – |
| Transfer to Other Current Liabilities | – | – | – | – |
| Dividend paid | – | – | – | – |
| Tax on Dividend paid | – | – | – | – |
| **Balance as at 31st March 2020** | **–** | **1,171.53** | **14,021.88** | **15,193.41** |
| Issue of Equity Share Capital | – | – | – | – |
| Proceeds from Share Application | – | – | – | – |
| Profit for the FY 2020-21 | – | – | 22,990.56 | 22,990.56 |
| Grant Received | – | – | – | – |
| Other Comprehensive Income for the 2020-21 | – | – | – | – |
| **Total Comprehensive Income for the FY 2020-21** | **–** | **–** | **22,990.56** | **22,990.56** |
| Transfer to Retained Earnings/ Surplus | – | – | – | – |
| Dividend paid | – | – | – | – |
| Tax on Dividend paid | – | – | – | – |
| **Balance as at 31st March 2021** | **–** | **1,171.53** | **37,012.44** | **38,183.97** |

The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements

In terms of our Audit Report of even date attached

Sd/-
For **M/s G. B. Laddha & Co. LLP**
Chartered Accountants
FRN. 120352W/W100033

Sd/-
**(Giriraj B. Laddha))**
Partner
M. No. 108558
UDIN : 21108558AAAARJ5749

For and On behalf of
For, **DNH Power Distribution Corporation Ltd.**

Sd/-
**( Pawan Kumar Mishra )**
Chief Financial Officer

Sd/-
**(Tapasya Raghav)**
Managing Director
(DIN-08582761)

Sd/-
**( Anju Chaudhary)**
Company Secretary

Sd/-
**(A. Muthamma))**
Director
(DIN-07652308)

Place : Silvassa
Date : 30.06.2021

## Cash Flow Statement for the year ended on 31 March, 2021

| Particulars | 2020-21 (₹ in Lakh) | | 2019-20 (₹ in Lakh) | |
|---|---|---|---|---|
| **A CASH FLOW FROM OPERATING ACTIVITIES:-** | | | | |
| **Profit before tax from continuing operations** | | **27,018.98** | | **1,850.23** |
| **Adjustments for :** | | | | |
| Add: (a) Depreciation and Amortization | 1,226.77 | | 1,238.07 | |
| (b) Provision for Trade Receivables | 125.39 | | 63.21 | |
| (c) Provision for RPO and Others | 0.00 | | 2,229.70 | |
| (d) Provision for Leave Salary,Pension & Gratuity | 69.60 | | 68.78 | |
| (e) Finance cost recognised in Statement of Profit & Loss | 488.00 | 1,909.76 | 419.69 | 4,019.45 |
| | | 28,928.74 | | 5,869.68 |
| Less :(a) Interest paid for Security Deposit | 392.60 | | 284.23 | |
| (c) Interest income recognised in Statement of Profit & Loss | 1,173.66 | 1,566.26 | 1,711.35 | 1,995.58 |
| **Operating Profit before working capital changes** | | **27,362.47** | | **3,874.10** |
| **Adjustments for Decrease/(Increase) in :** | | | | |
| Trade Receivables | (4,623.87) | | 132.30 | |
| Inventories | 92.70 | | 53.83 | |
| Financial assets – other | 8,561.76 | | (3,200.51) | |
| Financial assets – loans | (1,150.00) | | – | |
| Other Assets | 43.58 | | (17.09) | |
| Trade and other payables | 2,670.11 | | 12,014.46 | |
| Provision | (2,298.48) | | (14,570.24) | |
| Other financial liabilities | 6,892.98 | | (1,845.03) | |
| Other Current liabilities | 14.83 | 10,203.61 | 37.61 | (7,394.67) |
| **CASH GENERATED / (USED) IN OPERATION** | | **37,566.09** | | **(3,520.57)** |
| less : Taxes Paid (Net of Refund) | | (2,630.06) | | (3.10) |
| **NET CASH GENERATED BY OPERATING ACTIVITIES** | | **34,936.02** | | **(3,523.67)** |
| **B CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Addition to Property Plant & Equipments | (14,900.73) | | (1,613.70) | |
| Addition to Intangible Assets | – | | – | |

DNH Power Distribution Corporation Limited
(A Govt. Undertaking)
CIN: U40100DN2012GOI000405

## Cash Flow Statement for the year ended on 31 March, 2021

| Particulars | 2020-21 (₹ in Lakh) | | 2019-20 (₹ in Lakh) | |
|---|---|---|---|---|
| Investment Fixed Deposit) | (25,000.00) | | 27,423.44 | |
| Interest received on Investments and Loans | 1,128.45 | | 1,777.46 | |
| Addition to Capital Work in Progress | 11,552.62 | | (4,848.60) | |
| Addition to Capital Advances | – | | 513.16 | |
| **NET CASH (USED IN) / FROM INVESTING ACTIVITIES** | | **(27,219.66)** | | **23,251.76** |
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from issue of Equity Share Capital / Share Application | – | | – | |
| Finance Costs | – | | – | |
| Proceeds from Banks | 10.00 | | – | |
| Interim Dividend for Current Year (including tax thereon) | – | | – | |
| Final Dividend for Previous Year (including tax thereon) | – | | – | |
| **NET CASH (USED IN) / FROM FINANCING ACTIVITIES** | | **10.00** | | **–** |
| **Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)** | | **7,726.36** | | **19,728.09** |
| **Cash & Cash Equivalents as at the Commencement of the Year** | | **22,532.49** | | **2,804.40** |
| **Cash & Cash Equivalents as at the Close of the Year** | | **30,258.85** | | **22,532.49** |

In terms of our Audit Report of even date attached

Sd/-
For **M/s G. B. Laddha & Co. LLP**
Chartered Accountants
FRN. 120352W/W100033

Sd/-
**(Giriraj B. Laddha))**
Partner
M. No. 108558
UDIN : 21108558AAAARJ5749

Place : Silvassa
Date : 30.06.2021

For and On behalf of
For, **DNH Power Distribution Corporation Ltd.**

Sd/-
**( Pawan Kumar Mishra )**
Chief Financial Officer

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Managing Director
(DIN-08582761)

Sd/-
**( Anju Chaudhary)**
Company Secretary

Sd/-
**(A. Muthamma))**
Director
(DIN-07652308)

## 01. Corporate Information

DNH Power Distribution Corporation Limited (DNHPDCL or 'the Corporation) is a Public Limited Company incorporated in India with its registered office at Vidyut Bhavan, 66 KV Road, Near Secretariat, Amli, Silvassa - 396230. The Corporation is a company with 100% shareholding by the President of India and nominees under administrative control of Ministry of Home Affairs ('MoHA'), the ultimate parent being the Government of India ('GOI'). The equity shares of the Corporation are not listed on any stock exchange. It was incorporated in July 2012 with the objective to carry out the business of electricity sub-transmission, distribution and retail supply. The Corporation is presently engaged in the business of distribution of power in the area of Dadra & Nagar Haveli and there is no major change in the business activity during the current financial year. The Corporation is also involved in the generation of electricity with the use of renewable resources (i.e. Solar).

Pursuant to 'The Dadra & Nagar Haveli (DNH) Electricity Reforms Transfer Scheme, 2013 notified vide notification no.1-1(594)/ELE/2013/697 dated 07/03/2013, the functions of distribution and its associated division (i.e. meter testing and laboratory division) of Electricity Department of DNH has been corporatized and stand transferred to the Corporation. The said scheme also includes the transfer of the entire assets, liabilities, rights, obligations and proceedings etc. of distribution and its associated division of Electricity Department of DNH to the Corporation from the effective date. Further, the effective date has been notified as 01/04/2013 vide notification no. 1-1(656)/ELE/2013/700 dated 08/03/2013. The initial assets and liabilities transferred to the Corporation in pursuant to above scheme had been transferred at the value as notified by Administrator vide notification no. DNH/Ele/Trans/2014/108/278 dated 04/06/2014.

## 02. Basis for Preparation of Accounts:

These Financial Statements except the Cash Flow Statement are prepared on accrual basis of accounting and all principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

### i) Statement of Compliance

In accordance with the notification dated 16th February, 2015, issued by the Ministry of Corporate Affairs, the Corporation has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1st April, 2016. The Financial Statements for the year ended 31st March, 2017 was the first Financial Statements of the Corporation which had been prepared in accordance with Ind AS. Accordingly, the date of transition to Ind AS was 1st April, 2015.

The Standalone Financial Statements have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act. The Corporation has adopted all the applicable Indian Accounting Standards ('Ind AS') in the preparation of Financial Statements.

### ii) Basis of measurement

The Financial Statements have been prepared on historical cost basis considering the applicable provisions of Companies Act 2013 and Electricity Act 2003 except the following material items that have been measured at fair value as required by relevant Ind AS. Nevertheless, historical cost is generally based at the fair value of the consideration given in exchange for goods and services.

Certain financial assets/liabilities measured at fair value (refer accounting policy regarding financial instruments) and

Any other item as specifically stated in accounting policy.

The Financial Statement are presented in Indian Rupee ('INR') and all values are rounded to the Rupee in lakhs (up to two decimals), unless otherwise stated.

### iii) Use of Estimate and judgment

In the application of significant accounting policy which are described in note (3) below, the management are required to make judgment, estimates and assumptions about the carrying amount of assets and liabilities, income and expenses and contingent liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future period.

The few critical estimations and judgments made in applying accounting policies are useful life of Property, Plant & Equipments (PPE), evaluation of indicators of impairments of PPE, classification of security deposits, impairments of trade receivables and other financial assets and contingent liabilities. Similarly, the management provides for inventory obsolescence, surplus inventory and inventory with carrying values in excess of net realizable value based on assessment of the future uses.

The income or expenditure relating to previous period prior to current financial year of immaterial value is recognised in current Financial Statements.

## 03. Summary of Significant Accounting Policies

### i) Property, Plant & Equipment

For transition to Ind AS, the Corporation has elected to continue with the carrying value of Property, Plant and Equipment ('PPE') recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost of the PPE as on the transition date.

PPE are stated at cost less accumulated depreciation and accumulated impairment losses except for freehold land which is not depreciated. Cost includes purchase price (after deducting trade discount / rebate) or construction cost, non-refundable duties and taxes, borrowing costs and other directly attributable cost to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

An item of PPE acquired on the basis of contribution made by consumers, which requires an obligation to provide electricity connectivity to the consumers is recognised at nominal value of Rs.1.00. If the Corporation is also liable to make payment, then such an item of PPE is stated at cost attributable to the Corporation.

Subsequent costs are included in the carrying amount PPE or recognised as a separate item of PPE, as appropriate, only if the recognition criteria are satisfied. Subsequent costs relating to day to day servicing of an item of PPE are not recognised in the carrying amount of PPE, rather, these costs are recognised in the Statement of Profit & Loss. Likewise, when a major inspection / repair occurs, its cost is recognised in the carrying amount of PPE as a replacement, if the recognition criteria are satisfied.

An item of PPE is derecognised on disposal or when no future economic benefits are expected from use. Any profit or loss arising on the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in Statement of Profit & Loss.

### ii) Intangible Assets

For transition to Ind AS, the Corporation has elected to continue with the carrying value of intangible assets recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment

losses. Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

An item of Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any profit or loss arising from derecognition of an intangible asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the Statement of Profit & Loss.

### iii) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Corporation reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit & Loss.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset or CGU in prior years. A reversal of an impairment loss is recognised in the Statement of Profit & Loss.

### iv) Capital Work in Progress

For transition to Ind AS, the Corporation has elected to continue with the carrying value of Capital Work in Progress ('CWIP') recognised as of 1st April, 2015 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Expenditure incurred on tangible assets under construction, which are not yet ready for its intended use, are carried at cost under Capital work in Progress ('CWIP'). Such costs comprise purchase price (after deducting trade discount/ rebate) including non-refundable duties and taxes and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CWIP also includes inventories / construction supplies consumed as well as lying in stock for the purpose of construction. Payment against material pending acceptance or stage payment made to supplier or fabricator for supply of capital goods, if any are also grouped as part of CWIP. Major Renovation, Modernization and Up-gradation of an item of PPE resulting in increased life and / or efficiency are considered as CWIP and capitalized on its completion.

### v) Investment properties

Investment properties held to earn rentals or for capital appreciation or both are initially stated at cost. Subsequent to initial recognition, investment properties are carried out at cost less accumulated depreciation and accumulated impairment loss, if any. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit & Loss. Transfer to or from investment property is made when and only when there is change in use and carried out at the carrying amount of investment property.

### vi) Foreign Currency Transactions

The Financial Statements of Corporation are presented in Indian Rupee (INR), which is also its functional currency. In preparing the Financial Statements, transactions in currencies other than the entity's functional currency are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction. Exchange differences on monetary items are recognised in the Statement of Profit & Loss in the period in which they arise

### vii) Inventories

Inventory mainly consists of Operations & Maintenance ('O&M') stores & spares, which includes maintenance supplies, consumables and loose tools to be consumed in the operations & maintenance of PPE and those do not qualify as PPE. Inventories are valued at cost on weighted average and net realizable value ('NRV') whichever is lower. Cost of inventories include cost of purchase (after deducting trade discount / rebate) including non-refundable duties and taxes, cost of conversion and other related costs including incidentals like freight etc. incurred in bringing the inventories to their present location and condition. NRV is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

The amount of any write-down of inventories to NRV and all abnormal losses of inventories are recognized as expense in the Statement of Profit & Loss in the period in which such write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the NRV is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.

### viii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Corporation takes into account the characteristics of asset and liability if market participants would take those into consideration. Fair value for measurement and / or disclosure purposes in these Financial Statements is determined in such basis except for transactions in the scope of Ind AS 2, 17 and 116. Normally at initial recognition, the transaction price is the best evidence of fair value.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Corporation uses valuation techniques those are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1 —** Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement rate.

**Level 2 —** Valuation techniques for which the lowest level input (other than quoted prices included within level 1) that is significant to the fair value measurement is directly or indirectly observable.

**Level 3 —** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Corporation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

### ix) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Corporation recognizes a financial asset or financial liability in its balance sheet only when the entity becomes party to the contractual provisions of the instrument.

#### a) Financial Assets

A financial asset inter-alia includes any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial asset or to exchange financial asset or financial liability under condition that are potentially favorable to the Corporation.

Financial assets of the Corporation comprise trade receivables, cash and cash equivalents, Bank balances, investment other than equity shares, loans to employee / related parties / others, security deposits, claims recoverable etc.

**Initial recognition and measurement**

All financial assets except trade receivable are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are charged in the Statement of Profit & Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in the Statement of Profit & Loss and in other cases spread over life of the financial instrument using effective interest. The Corporation measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component**.**

**Subsequent measurement**

For purposes of subsequent measurement financial assets are classified in three categories:

Financial assets measured at amortized cost

Financial assets at fair value through OCI

Financial assets at fair value through profit or loss

**Financial assets measured at amortized cost**

Financial assets are measured at amortized cost if the financials asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financials assets are amortized using the effective interest rate ('EIR') method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit & Loss. The losses arising from impairment are recognized in the Statement of Profit & Loss.

**Financial assets at fair value through OCI ('FVTOCI')**

Financial assets are measured at fair value through other comprehensive income if the financial asset is held within a business model whose objective is achieved by both collecting contractual

cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, an irrevocable election is made (on an instrument-by-instrument basis) to designate investments in equity instruments other than held for trading purpose at FVTOCI. Fair value changes are recognized in the other comprehensive income ('OCI'). However, the Corporation recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit & Loss. On derecognition of the financial asset other than equity instruments designated as FVTOCI, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit & Loss.

**Financial assets at fair value through profit or loss ('FVTPL')**

Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income is classified as financial assets at fair value through profit or loss. Further, financial assets at fair value through profit or loss also include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit & Loss.

**Derecognition**

The Corporation derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the financial asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay.

**Impairment of financial assets**

The Corporation assesses impairment based on expected credit loss ('ECL') model on the following:

Financial assets that are measured at amortised cost; and

Financial assets measured at FVTOCI.

ECL is measured through a loss allowance on a following basis: -

The 12 month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within 12 months after the reporting date)

Full life time expected credit losses (expected credit losses that result from all possible default events over the life of financial instruments)

The Corporation follows 'simplified approach' for recognition of impairment on trade receivables or contract assets resulting from normal business transactions. The application of simplified approach does not require the Corporation to track changes in credit risk. However, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, from the date of initial recognition. The measurement of life time expected credit loss allowance for trade receivables / contract assets by using a practical expedient as permitted under Ind AS 109 i.e. expected credit loss as experienced on the historical periodicity.

For recognition of impairment loss on other financial assets, the Corporation determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has

increased significantly, lifetime ECL is provided. For assessing increase in credit risk and impairment loss, the Corporation assesses the credit risk characteristics on instrument-by-instrument basis.

ECL is the difference between all contractual cash flows that are due to the Corporation in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls) discounted at the original EIR.

Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the Statement of Profit & Loss.

**b) Financial Liabilities**

The Corporation's financial liabilities include loans & borrowings including bank overdrafts (if any), trade payables, security deposits, accrued expenses and other payables etc.

**Initial recognition and measurement**

All financial liabilities at initial recognition are classified as financial liabilities at amortized cost or financial liabilities at fair value through profit or loss, as appropriate. All financial liabilities classified at amortized cost are recognized initially at fair value net of directly attributable transaction costs. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit & Loss or in the CWIP, if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the Effective interest rate ('EIR') method.

**Subsequent measurement**

The subsequent measurement of financial liabilities depends upon the classification as described below: -

**Financial Liabilities classified as Amortised Cost**

Financial Liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest expense that is not capitalized as part of costs of assets is included as Finance costs in the Statement of Profit & Loss.

**Financial Liabilities classified as Fair value through Profit & Loss (FVTPL)**

Financial liabilities classified as FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities designated upon initial recognition at FVTPL only if the criteria in Ind AS 109 is satisfied.

**Derecognition of Financial Liability**

A financial liability is derecognized when the obligation under the liability is discharged / cancelled / expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit & Loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### x) Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds. Par value of the equity share is recorded as share capital and the amount received in excess of the par value, if any is classified as share premium.

### xi) Dividend Distribution to equity shareholders

The Corporation recognizes a liability to make cash distributions to equity holders when the distribution is authorized and the distribution is no longer at the discretion of the Corporation. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in other equity along with any tax thereon.

### xii) Government Grants

Government grants (including subsidies) are recognized when there is reasonable assurance that the Corporation will comply with the conditions attached to them and that the grants will be received.

Grants that compensate the Corporation for the cost of an item of PPE (i.e. non-monetary assets) are recognised by deducting the grant in arriving at the carrying amount of the asset. Further, grants that may take the form of a transfer of a non-monetary asset (such as land or other resources) are recognised at a nominal amount.

Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of providing immediate financial support with no future related costs are recognized in the Statement of Profit & Loss in the period in which they become receivable. Grants related to income are presented under other income in the Statement of Profit & Loss except for grants received in the form of rebate or exemption which are deducted in reporting the related expense.

### xiii) Leases

#### The Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right of use (ROU) assets and lease liabilities includes these options, when it is reasonably certain that they will be exercised.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 3 (iii) impairment of tangible assets.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss. Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

**The Company as a lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the ROU asset arising from the head lease. For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**xiv) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event and it is probable (i.e. more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date. When the Corporation expects some or all of a provision to be reimbursed, the reimbursement is recognised as a standalone asset only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance costs.

Contingent liabilities are not recognised but disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent Assets are not recognized, however, disclosed in financial statement when inflow of economic benefits is probable.

**xv) Revenue Recognition**

The Corporation earns revenue primarily from retail distribution of power (i.e. electricity) in the area of Dadra & Nagar Haveli. The tariff for the sale of power to retain consumers is determined by Joint Electricity Regulatory Commission (JERC) i.e. regulatory authority. Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Corporation expects to receive in exchange for those products or services.

### Revenue from Sale of Power

Revenue from Sale of Power including deviation settlement mechanism or unscheduled interchange is recognized on accrual basis for energy supplied in accordance with the respective tariff order awarded JERC or other regulation as applicable. Revenue is measured based on the transaction price, which is the consideration, adjusted for rebate, discount, price concession and similar allowances, if any. Revenue also excludes taxes, if any, collected from customers.

Contract assets are recognised when there is excess of revenue earned over billings as per applicable regulations. Contract assets are classified as unbilled receivables (only act of invoicing is pending), when there is unconditional right to receive cash, and only passage of time is required as per applicable regulations. Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues as per applicable regulations.

### Other Miscellaneous Charges / Revenue from Consumers:

Other miscellaneous charges / revenue from consumers are recognised on cash basis being immaterial value.

### Interest Income

Interest on financial assets is recognised when it is probable that the economic benefits will flow to the Corporation and the amount can be measured reliably.

### Other Income

Income in respect of delayed payment charges (DPC) on dues by consumers for sale of power are accounted for in the subsequent bill.

Sale of scrap is accounted for as and when the sale is completed and its collection is reasonably certain.

Claims lodged with insurance companies and others are accounted for as and when these are settled by the concerned agencies.

Other incomes excluding specifically stated above are recognised on accrual basis except when the ultimate realization of such income is uncertain.

### xvi) Depreciation & Amortization:

The Corporation, being engaged in the electricity business, is covered under the Electricity Act 2003 and the provisions of said Electricity Act supersede the provisions of Companies Act 2013. Accordingly, the depreciation of tangible assets and amortization of Intangible assets is provided on straight line method over the useful life of assets as per the rates specified / notified in respective Joint Electricity Regulatory Commission (Generation, Transmission and Distribution Multi Year Tariff) Regulation (JERC). In the absence of useful life / the rates under JERC regulation, the useful life of assets / the rates specified / notified in respective Central Electricity Regulatory (Terms and Conditions of Tariff) Regulation (CERC) is adopted for depreciation calculation. The residual value of the asset is considered as 10% and accordingly, the depreciation / amortization is provided up to the extent of 90% of original cost of asset.

PPE or Intangible assets which are added / disposed-off during the year, depreciation / amortization is provided on pro rata basis from / up to the date on which the asset is available for use / disposal. The deprecation rates of tangible assets are as under;

| Assets Category | Rate (%) |
|---|---|
| Lines & Networks | 3.60% |
| Underground Cables | 2.57% |
| Transformer Centres | 3.60% |
| Laboratory & Other Equipments | 3.60% |
| Meters | 9.00% |
| Batteries | 18.00% |
| Buildings | 1.80% |
| Vehicles | 18.00% |
| Furniture & Fixtures | 6.00% |
| Office Equipments | 6.00% |
| Solar Power Plants | 5.28% |
| Computers including Software | 15.00% |

### xvii) Borrowing Costs

Borrowing cost includes interest, commitment charges, brokerage, underwriting costs, discounts / premiums, financing charges, exchange difference to the extent they are regarded as interest costs and all ancillary / incidental costs incurred in connection with the arrangement of borrowing.

Borrowing costs which are directly attributable to acquisition/construction on qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized as a part of cost pertaining to those assets. All other borrowing costs are recognised as expense to the Statement of Profit & Loss in the period in which they are incurred.

### xviii) Employee Benefits

#### a) Short-term Employees Benefits

All short term employees' benefits such as salaries, wages, allowances, performance incentive and employee welfare costs are recognised during the period in which the employee render services and are measured at undiscounted amount expected to be paid when the liabilities are settled.

#### UT / GOI Employees (Employees on Deputation)

Leave Salary, Pension contribution and Provident Fund contributions in respect of employees on deputation from UT/GOI are paid to UT/GOI in accordance with the norms / rules prescribed by UT/GOI.

#### b) Post-employment benefits

The Corporation provides the post-employment benefits (i.e. Defined Contribution Plan) such as Provident Fund and Gratuity to the eligible employees.

### Provident Fund

Eligible employees of the Corporation received benefits from Employees Provident Fund Organization (EPFO) constituted under the Employees Provident Fund and Miscellaneous Provisions Act, 1925. Both, the eligible employees and the Corporation makes monthly contributions to the EPFO equal to a specified percentage / fixed amount of employees' salary. The Corporation's Contribution to Provident Fund as per the said Act are charged to the Statement of Profit & Loss of the year when the contribution to the fund are due.

### Gratuity

Liability towards Gratuity payable to eligible employees of the Corporation made by making provision as per Central Government Gratuity Rules under the Payment of Gratuity Act, 1972. The Corporation has taken the "Group Gratuity Scheme" covering all eligible employees from Life Insurance Corporation of India (LIC). In accordance with Central Government Gratuity Rules and Payment of Gratuity Act, 1972, the Group Gratuity Scheme provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Annual Contribution with regard to the Group Gratuity Scheme is determined by LIC on the basis of their actuarial valuations methodology and are charged to the Statement of Profit & Loss of the respective year.

## xix) Income Taxes

Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit & Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

### Current tax

Current tax includes provision for Income Tax computed under Special provision (i.e. Minimum alternate tax) or normal provision of applicable Income Tax Act. The tax currently payable is determined on the basis of taxable profit for the year computed in accordance with the provision of relevant Income Tax Act by using tax rates that have been enacted or by any amendment thereof for the reporting period. Further, Taxable profit differs from profit as reported in the Statement of Profit & Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

### Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unabsorbed losses and unabsorbed depreciation to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unabsorbed losses and unabsorbed depreciation can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Corporation intends to settle its current tax assets and liabilities on a net basis.

### xx) Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared in accordance with the indirect method prescribed in the relevant Accounting Standard. For the purpose of presentation in the Statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet for the purpose of presentation.

### xxi) Current versus non-current classification

The Corporation presents assets and liabilities in the Balance Sheet based on current/non-current classification.

**a)** An asset is current when it is:

Expected to be realized or intended to be sold or consumed in the normal operating cycle,

Held primarily for the purpose of trading,

Expected to be realised within twelve months after the reporting period, or

Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**b)** A liability is current when:

It is expected to be settled in the normal operating cycle,

It is held primarily for the purpose of trading,

It is due to be settled within twelve months after the reporting period, or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

**c)** Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**d)** The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Corporation has identified twelve months as its operating cycle.

## 01 Property, Plant and Equipment

I Details of Property, Plant and Equipment (PPE) are as under : (₹ in Lakh)

| Particulars | Land (Free hold) | Buildings (Free hold) | Lines & Net works | Trans former Centres | Furni ture and Fixture | Vehi cles | Office Equip ment | IT Equip ments | Other Equip ments | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Year ended 31st March 2020** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening Gross Carrying Amount | 1,364.66 | 2,996.27 | 23,796.87 | 10,685.96 | 156.89 | 199.39 | 25.69 | 235.46 | 8,407.79 | 47,868.98 |
| Additions during the year | – | – | 747.48 | 490.84 | 0.30 | – | 0.34 | 33.68 | 351.18 | 1,623.82 |
| Deduction / Adjustments during the year | – | – | 10.12 | – | – | – | – | – | – | 10.12 |
| **Closing Gross Carrying Amount** | **1,364.66** | **2,996.27** | **24,534.23** | **11,176.80** | **157.19** | **199.39** | **26.03** | **269.14** | **8,758.97** | **49,482.68** |
| **Accumulated Depreciation** | | | | | | | | | | |
| Opening Accumulated Depreciation | – | 644.77 | 16,730.68 | 7,079.02 | 26.84 | 60.50 | 8.55 | 96.13 | 4,033.04 | 28,679.53 |
| Depreciation charge during the year | – | 49.96 | 555.03 | 240.67 | 9.42 | 31.39 | 1.49 | 30.73 | 285.32 | 1,204.01 |
| Deduction / Adjustments during the year | – | – | – | – | – | – | – | – | – | – |
| **Closing Accumulated Depreciation** | – | **694.73** | **17,285.71** | **7,319.69** | **36.26** | **91.89** | **10.04** | **126.86** | **4,318.36** | **29,883.54** |
| **Net Carrying Amount** | **1,364.66** | **2,301.54** | **7,248.52** | **3,857.11** | **120.93** | **107.50** | **15.99** | **142.28** | **4,440.61** | **19,599.14** |
| **Year ended 31st March 2021** | | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | | |
| Opening Gross Carrying Amount | 1,364.66 | 2,996.27 | 24,534.23 | 11,176.80 | 157.19 | 199.39 | 26.03 | 269.14 | 8,758.97 | 49,482.68 |
| Additions during the year | – | – | 15,963.97 | 382.49 | – | – | 1.61 | 0.64 | 42.79 | 16,391.50 |
| Deduction / Adjustments during the year | – | – | – | – | – | – | – | – | – | – |
| **Closing Gross Carrying Amount** | **1,364.66** | **2,996.27** | **40,498.20** | **11,559.29** | **157.19** | **199.39** | **27.64** | **269.78** | **8,801.76** | **65,874.18** |
| **Accumulated Depreciation** | | | | | | | | | | |
| Opening Accumulated Depreciation | – | 694.73 | 17,285.71 | 7,319.69 | 36.26 | 91.89 | 10.04 | 126.86 | 4,318.36 | 29,883.54 |
| Depreciation charge during the year | – | 49.96 | 553.20 | 220.87 | 9.43 | 31.39 | 1.56 | 32.47 | 293.95 | 1,192.83 |
| Deduction / Adjustments during the year | – | – | – | – | – | – | – | – | – | – |
| **Closing Accumulated Depreciation** | – | **744.69** | **17,838.91** | **7,540.56** | **45.69** | **123.28** | **11.60** | **159.33** | **4,612.31** | **31,076.37** |
| **Net Carrying Amount** | **1,364.66** | **2,251.58** | **22,659.29** | **4,018.73** | **111.50** | **76.11** | **16.04** | **110.45** | **4,189.45** | **34,797.61** |

ii) Depreciation for the year is reconciled as under : (₹ in Lakh)

| Particulars | | 2020-21 | 2019-20 |
|---|---|---|---|
| Depreciation charged to Statement of Profit & Loss | | 1,192.83 | 1,204.01 |
| Add: Depreciation included under expenditure during construction pending allocation. | | – | – |
| Less: Deduction / Adjustments | – | – | |
| | **Total** | **1,192.83** | **1,204.01** |

iii) The title deeds of Land (Freehold) remains mainly in the name of Electricity Department, UT Administration of Dadra & Nagar Haveli.

## 02 Capital Work in Progress

**i)** Details of Capital Work in Progress are as under:

₹ in Lakh

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| Capital Work in Progress | See description Note (ii) | – | 11,552.62 |
| **Total Capital WIP** | | **–** | **11,552.62** |

**ii)** Capital Work in Progress includes the amount being incurred on assets under construction i.e. carrying out works of underground cabling lines in Silvassa Municipal Council area ₹ Nill (Previous Year - ₹ 11,309.47 Lakh), Multi Circuit Line from Vaghchhipa to Amli ₹ NIL (Previous Year - 243.15 Lakh).

## 03 Intangible Assets

**i)** Details of Intangible Assets are as under:

₹ in Lakh

| Particulars | Software | Total |
|---|---|---|
| **Year ended 31st March 2020** | | |
| **Gross carrying amount** | – | – |
| Opening Gross Carrying Amount | 242.32 | 242.32 |
| Additions during the year | – | – |
| Deduction / Adjustments during the year | – | – |
| **Closing Gross Carrying Amount** | **242.32** | **242.32** |
| **Accumulated Amortisation** | | |
| Opening Accumulated Amortisation | 63.01 | 63.01 |
| Amortisation charge during the year | 34.06 | 34.06 |
| Deduction / Adjustments during the year | – | – |
| **Closing Accumulated Amortisation** | **97.07** | **97.07** |
| **Net Carrying Amount** | **145.25** | **145.25** |
| **Year ended 31st March 2021** | | |
| **Gross carrying amount** | – | – |
| Opening Gross Carrying Amount | 242.32 | 242.32 |
| Additions during the year | – | – |
| Deduction / Adjustments during the year | – | – |
| **Closing Gross Carrying Amount** | **242.32** | **242.32** |
| **Accumulated Amortisation** | | |
| Opening Accumulated Amortisation | 97.07 | 97.07 |
| Amortisation charge during the year | 33.94 | 33.94 |
| Deduction / Adjustments during the year | – | – |
| **Closing Accumulated Amortisation** | **131.01** | **131.01** |
| **Net Carrying Amount** | **111.31** | **111.31** |

**ii)** Amortisation for the year is reconciled as under :

₹ in Lakh

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| Amortisation charged to Statement of Profit & Loss | 33.94 | 34.06 |
| Less : Deduction / Adjustments | – | – |
| **Total** | **33.94** | **34.06** |

## 04 Non Current Financial Assets-Loans

**i)** Details of Non Current Financial Assets-Loans (at amortised cost) are as under: ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Security Deposits** | | |
| Secured, Considered Good | – | – |
| Unsecured, Considered Good | 1,205.58 | 55.58 |
| Doubtful, which have significant increase in credit risk | | |
| Credit impaired | – | – |
| See description Note (ii) | 1,205.58 | 55.58 |
| Less: Provision for Doubtful Debt & Credit Impaired | – | – |
| **Total** | **1,205.58** | **55.58** |

**ii)** Security Deposits includes the amount deposited with different bodies / authorities

(a) for availing facilities during regular business operation or

(b) as per the directions issued by the authorities.

These deposits are generally without any fixed period of maturity.

**iii)** The security deposits includes an amount of ₹ 1,200.00 Lakh (Previous Year - NIL) deposited with Supreme Court of India, New Delhi in view of interim stay granted against the order of Appellate Tribunal for Electricity (APTEL) in the matter of linkage coal shortage compensation issue subject to depositing half of the amount ordered to be paid and offering security to the satisfaction of Secretary General of the Registry for the other half [Refer Note No. 5(ii) and 28(ii)(d)].

## 05 Non Current Financial Assets – Others

**i)** Details of Non Current Assets – Other are as under: ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Bank Deposits with more than 12 months | | |
| See description Note (ii) | 1,193.00 | – |
| Others – Interest accrueld but no due on deposits | 1.21 | – |
| **Total** | **1,194.21** | **–** |

**ii)** Bank deposits with more than 12 months includes Fixed Deposits of Rs. 1,193.00 Lakh (Previous Year - NIL) offered as 100% margin money for the issuance of Bank Guarantee as per the direction of Hon'ble Supreme Court in the coal shortage compensation claim matter of GMR Warora Energy Limited. The said fixed deposit are not available for use in the normal course of business. [Refer Note No. 4(iii) and 28(ii)(d)]

## 06 Other Non Current Assets

**i)** Details of Other Non Current Assets are as under: ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| a) Capital Advances | – | – |
| b) Other than Capital Advance | | |
| i) Other Advances | | |
| Advance Income Tax / Tax Recoverable | | |
| (Net of Provision) See description Note (ii) | – | 735.32 |
| **Total** | **–** | **735.32** |

**ii)** Details of Advance Income Tax/Tax Recoverables (Net of provision): ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Gross Amount of Advance Income Tax / Tax Recoverable | – | 998.01 |
| Including TDS Recoverable (Previous Year ₹ 1.79 Lakh) | | |
| Less : Provision for Taxation | – | 262.69 |
| **Total** | **–** | **735.32** |

## 07 Inventories

**i)** Details of Inventories are as under: ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Stores and Spares (O & M) | 758.82 | 851.52 |
| Less: Provision for obsolescene – See description Note (ii) | – | – |
| **Total** | **758.82** | **851.52** |

* For valuation method refer Accounting Policy No. 3 (vii).

**ii)** Inventory stated above includes Goods in Transit amounting to ₹ NIL (Previous Year ₹ NIL).

## 08 Current Financial Assets -Trade Receivables

**i)** Details of Current Financial Assets -Trade Receivables are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Trade Receivables** | | |
| – **Secured & Considered Good** | | |
| Outstanding Exceeding Six Months from due date of payment | 1,059.44 | 548.99 |
| Others | 31,265.20 | 26,707.39 |
| | **32,324.64** | **27,256.38** |
| – **Un-Secured & Considered Good** | | |
| Outstanding Exceeding Six Months from due date of payment | 44.20 | 18.28 |
| Others | 486.87 | 1,082.57 |
| | **531.07** | **1,100.85** |
| – **Doubtful** which have significant increase in credit risk | | |
| Outstanding Exceeding Six Months from due date of payment | 1,056.95 | 931.56 |
| Others | – | – |
| | **1,056.95** | **931.56** |
| – **Credit Impaired** | | |
| Outstanding Exceeding Six Months from due date of payment | – | – |
| Others | – | – |
| | **–** | **–** |
| Less : Provision for Doubtful & Credit Impaired See description Note (ii) & (iii) | 1,056.95 | 931.56 |
| **Total** | **32,855.71** | **28,357.23** |

**ii)** The Corporation has used a practical expedient for computing expected credit loss allowance for trade receivables taking into account credit loss based on historical periodicity. As per management assessment, provision was made wherever necessary.

**iii)** The movement in provision for doubtful trade receivables is as under: ₹ in Lakh

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| Balance at beginning of the year | 931.56 | 868.35 |
| Movement in expected credit loss allowance – doubtful trade receivables | 125.39 | 63.21 |
| **Balance at end of the year** | **1,056.95** | **931.56** |

## 09 Cash & Cash Equivalents and Bank Balances other than Cash & Cash Equivalents

**i)** Details of Cash & Cash Equivalents are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Balances with Bank** | | |
| Current Accounts' Balance | 7,667.10 | 632.99 |
| Deposit Accounts' Balance | 22,591.75 | 21,899.50 |
| **Cash on hand** | – | – |
| **Others - including Imprest Balance** | – | – |
| **Total** | **30,258.85** | **22,532.49** |

**ii)** Details of Bank Balances other than Cash and Cash Equivalents are as under: ₹ in Lakh

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| Bank Deposits - with maturity more than 3 to 12 months | See description Note (iii) | 26,006.03 | 1,006.03 |
| **Total** | | **26,006.03** | **1,006.03** |

**iii)** Bank Deposits with maturity more than 3 months and more includes fixed deposits amounting to ₹ 1,006.03 Lakh (Previous Year ₹ 1,006.03 Lakh) held as the margin money for opening of letter of credit. These deposits are not available for use in the normal course of business operation.

## 10 Current Financial Assets- Others

**i)** Details of Current Financial Assets- Others as under : ₹ in Lakh

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| Interest receivable on Deposit/Advances | | 44.01 | 0.01 |
| Deviation Settlement Mechanism Charges Receivable | | – | 1.77 |
| Unbilled FPPCA | See description Note (ii) | – | 9,860.72 |
| Others Receivable | See description Note (iii) | 210.38 | 102.65 |
| **Total** | | **254.39** | **9,965.15** |

**ii)** Unbilled FPPCA ₹ NIL (Previous Year ₹ 9,860.72 Lakh) represents the increased in power purchase cost of the last quarter (i.e. January to March) to be recovered from the consumers in subsequent Financial Year. The increase in power purchase cost as per the respective tariff order is required to be recovered from the consumers as Fuel and Power Purchase Cost Adjustment (FPPCA). The recognition of unbilled FPPCA for the last quarter of any financial year is further subject matter of condition in the respective tariff order, past trends of approvals and management's probability estimates in view of application accounting policy.

**iii)** The Others Receivable amounting to ₹ 210.38 Lakh (Previous Year ₹ 102.65 Lakh) represents the amount recoverable from Rural Electrification Corporation (REC) under the Deen Dayal Upadhyaya Gram Jyoti Yojana Scheme.

## 11 Other Current Assets

**i)** Details of Other Current Assets as under :

₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Other advances** | | |
| Prepaid Expenses | 41.84 | 85.42 |
| **Other Receivable** | – | – |
| **Total** | **41.84** | **85.42** |

## 12 Equity Share Capital

**i)** Details of Authorised Share Capital as under :

₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| 5,00,00,000 (As at 31st March 2020: 5,00,00,000) Equity Shares of Rs. 100/- each | 50,000.00 | 50,000.00 |
| **Total** | **50,000.00** | **50,000.00** |

**ii)** Details of Issued, Subscribed and Paid-up Share Capital are as under :

₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| 3,89,74,445 (As at 31st March 2020: 3,89,74,445) Equity Shares of Rs. 100/- each fully paid up | 38,974.45 | 38,974.45 |
| **Total** | **38,974.45** | **38,974.45** |

**iii)** Reconciliation of number of Equity Share is as under :

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Equity Shares at the beginning of the year | 3,89,74,445 | 80,00,000 |
| Add : Equity Shares allotted during the year | – | 3,09,74,445 |
| Equity Shares at the end of the year | **3,89,74,445** | **3,89,74,445** |

**iv)** The Corporation is a Government Company with 100% shareholding by the President of India and nominees, through administrative control of Ministry of Home Affairs. The Corporation has only one class of shares having par value of Rs. 100/- each with equal rights for Dividend and Vote.

**v)** The Dadra & Nagar Haveli (DNH) Electricity Reforms Transfer Scheme, 2013 was notified vide notification no.1-1(594)/ELE/2013/697 dated 07/03/2013 and in pursuant to the said reform scheme, the functions of distribution and its associated division (i.e. meter testing and laboratory division) of Electricity Department of DNH was corporatized and stand transferred to the Corporation. The net assets value (i.e. total assets less total liabilities) resulting from the said transfer scheme was stated to be contribution from the Government and the same is presented in the Financial Statements of the Corporation as 'DNHPDCL Capex, Replacement & Development Fund'. During the Previous Financial Year 2019-20, the said net assets value of ₹ 30,974.45 Lakh was settled by way of issuance of 3,09,74,445 fully paid up equity share to the owner (i.e. Government of India) (Also refer descriptive note 13 (iii).

## 13 Other Equity

**i)** Details of Other Equity are as under :

₹ in Lakh

| Particulars | | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|---|
| DNHPDCL CAPEX, Replacement & Development Fund | See description Note (ii) & (iii) | – | – |
| General Reserve | See description Note (ii) & (iv) | 1,171.53 | 1,171.53 |
| Retained Earnings / Surplus | See description Note (ii) & (v) | 37,012.44 | 14,021.88 |
| **Total** | | **38,183.97** | **15,193.41** |

**ii)** Movement in Other Equity are as under :

₹ in Lakh

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **DNHPDCL CAPEX, Replacement & Development Fund** | | |
| Opening Balance | – | 30,974.45 |
| (+) Addition during the year | – | – |
| (-) Transfer during the year (Issuance of new equity share capital) | – | 30,974.45 |
| **Closing Balance** | **–** | **–** |
| **General Reserve** | | |
| Opening Balance | 1,171.53 | 1,171.53 |
| (+) Addition during the year | – | – |
| (-) Transfer during the year | – | – |
| **Closing Balance** | **1,171.53** | **1,171.53** |
| **Retained Earnings / Surplus** | | |
| Opening Balance | 14,021.88 | 12,881.60 |
| (+) Net profit/(Net loss) for the Current Year | 22,990.56 | 1,140.28 |
| **Closing Balance** | **37,012.44** | **14,021.88** |
| **Total** | **38,183.97** | **15,193.41** |

**iii)** The 'DNHPDCL Capex, Replacement and Developments Fund' represents the contribution from the Government (i.e. net assets value) attributable to the Corporatisation of distribution and associated division of Electricity Department in terms of 'Dadra and Nagar Haveli Electricity Reforms Transfer Scheme 2013'. During Financial Year 2019-20, the net assets value has been settled by way of issuance of fully paid up equity share capital to the owner (Refer descriptive note 12 (v)).

**iv)** The General Reserve is created by transfer of profit from time to time. As the General Reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. Hence, the General Reserve will not be reclassified subsequently to the Statement of Profit & Loss.

**v)** The Retained Earnings / Surplus represents amount remaining with the Corporation after considering appropriations.

## 14 Non-Current Financial Liabilities - Others

**i)** Details of Non-Current Financial Liabilities - Others are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Security Deposits (Consumers & Others) | 7,612.50 | 6,063.17 |
| **Total** | **7,612.50** | **6,063.17** |

**ii)** Security Deposits represents mainly amount collected from consumers against power connections. These deposits are generally without any fixed period of maturity. Accordingly, the Corporation has classified these Security Deposits as Non-Current Financial liabilities – Others.

## 15 Deferred Tax Liabilities (Net)

**i)** Details of Deferred Tax Liabilities (Net) are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Deferred Tax Liabilities | 2,456.03 | 2,598.58 |
| Less: Deferred Tax Recoverable (Assets) | – | – |
| **Net Deferred Tax (Assets)/Liabilities** | **2,456.03** | **2,598.58** |

**ii)** The item wise details of deferred tax liability (net) in accordance with Ind AS 12 : "Income Taxes" are given below : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Deferred Income Tax Liabilities** | | |
| Depreciation and Amortization | 2,459.81 | 2,637.42 |
| **Deferred Income Tax Assets** | | |
| Provisions not currently deductible for tax purposes | 3.78 | 38.84 |
| **Total** | **2,456.03** | **2,598.58** |

## 16 Current Financial Liability - Borrowings

**i)** Details of Current Financial Liability- Borrowings are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Unsecured Borrowing (At amortised cost)** | | |
| i) Loan repayable on demand | – | – |
| From Bank | – | – |
| From UT Administration, DNH & DD | 10.00 | – |
| See description Note (ii) | – | – |
| ii) Loans from related parties | – | – |
| iii) Deposits | – | – |
| iv) Other Loans | – | – |
| **Total** | **10.00** | **–** |

**ii)** The Ministry of Home Affairs vide notification dated 24/03/2020 ordered the lockdown with an aim to contain spread of COVID-19 virus. This has resulted drastic reduction of electricity demand in territory around by 85% in the month of April-2020. Further, JERC (Regulatory Commission) vide its order dated 10/04/2020 offered moratorium on payment of fixed charges payable by consumers during the period 24/03/2020 to 30/06/2020. These events resulted financial crisis and with an aim to ease the said liquidity crunch, the Corporation has requested financial support / assistance in the form of short term loan from UT Administration. The opening of economic activities in planned manner resulted in improvement of financial position of the Corporation. As a budgetary provision is already made in RE-2020-21 by the UT Administration, DNH & DD, hence, a short term loan assistance of ₹ 10.00 Lakh was disbursed on 31/03/2021 with the applicable interest rate as one year SBI MCLR. The said loan along with applicable interest is repaid on 12/04/2021.

## 17 Current Financial Liabilities - Trade and Other Payables

**i)** Details of Current Financial Liabilities - Trade and Other Payables are as under: ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| **Trade Payables** | | |
| – Amount due to Micro & Small Enterprise, See description Note (ii) & (iii) | 281.13 | 192.54 |
| **Total Amount due of Micro & Small Enterprises** | **281.13** | **192.54** |
| – Payable to Others See description Note (iii) | 25,793.46 | 23,304.11 |
| **Other Payables** | | |
| – Accrued Expenses See description Note (iii) | 299.93 | 404.11 |
| – Accrued Payroll See description Note (iii) | 146.34 | 22.75 |
| **Total Amount due other than Micro & Small Enterprises** | **26,239.73** | **23,730.97** |
| **Total** | **26,520.86** | **23,923.51** |

**ii)** The Details of liabilities to Micro & Small Enterprises, to the extent information available with the Corporation are given under. ₹ in Lakh

| Due to MSME Enterprise | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| 1. The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of the accounting year (No amount is due for more than 45 days & Interest due ₹ Nil). | 281.13 | 192.54 |
| 2. The amount of interest paid by the buyer in terms of Section 16 of the Micro Small and Medium Enterprise Development Act, 2006,alongwith the amounts of the payment made to the supplier beyond appointed day during the accounting year. | – | – |
| 3. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006 | – | – |
| 4. The amount of interest accrued and remaining unpaid at the end of the accounting year | – | – |
| 5. The amount of further interest remaining due and payable even in the succeeding years. Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of Disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006 | – | – |
| **Total** | **281.13** | **192.54** |

**iii)** Terms and conditions of above Financial Liabilities:

a) Trade Payables are non interest bearing and generally settled after submission of all relevant documents for payment as per the terms of the contract.

b) Other Payables - Accrued expenses are non interest bearing liabilities that have not been settled or invoiced and generally settled in normal course of business.

c) Other Payables - Accrued payroll are non-interest bearing dues to employees and generally settled in normal course of business.

## 18 Current Financial Liability- Others

**i)** Details of Current Financial Liability- Others are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Payable towards Deposit Works See description Note (ii) | 1,242.95 | 989.30 |
| Other Payable See description Note (iii) | 5,324.43 | 3,833.66 |
| Contract Liability towards consumers See description Note (iii) | 5,090.00 | – |
| **Total** | **11,657.38** | **4,822.96** |

**ii)** Payable towards Deposit Works represents amount collected from various Government Department/Authorities on account of electrical works to be executed on their behalf.

**iii)** Other Payable represents amount payable on account of on going capital activities and amount withheld from M/s GMR Warora Energy Limited on account of non compliance to the terms of agreed PPA. The above amount includes a sum of ₹ 745.00 Lakh deducted from GMR on account of rebate and related interest due to non submission of provisional bills as per the agreed PPA. The said payable amount is further subject to settlement of the matter.

**iv)** The Corporation is a rate regulated entity and tariff (i.e. price of electricity) for supply of electricity is determined by regulatory commission (JERC) as per respective MYT (Multi Year Tariff) Regulation. The said regulatory regime also results into sales billing in excess of eligible revenue as per applicable regulations. In view of said circumstances, the accounting policy on 'Revenue recognition from sale of power' provides that unearned and deferred revenue (Contract Liability) is recognised, when there is billing in excess of revenue as per applicable regulations. During the current Financial Year 2020-21, the Corporation has realised excess revenue of ₹ 5,090.00 Lakh through sales billing / approved tariff rate (i.e. price of electricity) and accordingly, the same has been shown as ' Contract Liability towards consumer'.

## 19 Current Liabilities- Provision

**i)** Details of Current Liabilities - Provisions are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Provision for Non Solar Power (RPO) See description Note (ii) | – | – |
| Provision for Solar Power (RPO) See description Note (ii) | – | – |
| Provision for NSPCL Power Purchase See description Note (iii) | 536.95 | 536.95 |
| Provision for Power Purchase | – | 2,229.70 |
| Leave salary | 27.38 | 27.40 |
| Pension | 42.22 | 41.38 |
| **Total** | **606.55** | **2,835.43** |

**ii)** The movement in the provision for Solar and Non Solar Power are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Non – Solar RPO | – | 6,617.88 |
| Solar RPO | – | 7,878.05 |
| **Opening Balance (A)** | **–** | **14,495.93** |
| Adjustment (Previous Year - Provision) – Non – Solar | – | 6,661.67 |
| Adjustment (Previous Year - Provision) – Solar | – | (4,906.24) |
| **Total Adjustment (B)** | **–** | **1,755.43** |
| Purchase – Non –Solar REC | – | 13,279.55 |
| Purchase – Solar REC | – | 2,971.81 |
| **Total Purchase (C)** | **–** | **16,251.36** |
| Non – Solar RPO | – | – |
| Solar RPO | – | – |
| **Closing Balance (A+B–C)** | **–** | **–** |

**a)** During Financial Year 2019-20, the Corporation has purchased Non-Solar Renewable Energy Certificates (REC) of ₹ 13,279.55 Lakh in compliance to JERC Renewable Purchase Obligation (RPO). The said purchase has been carried out by utilising opening provision of ₹ 6,617.88 Lakh and an amount of ₹ 6,661.67 Lakh provided during FY 2019-20.

**b)** During Financial Year 2019-20, the Corporation has purchased Solar REC of ₹ 2971.81 Lakh in compliance to JERC-RPO. The said purchase has been carried out by utilising opening provision of ₹ 7,878.05 Lakh and remaining excess balance of ₹ 4,906.24 Lakh is reversed / adjusted during the year.

**c)** Till FY 2018-19, the on account of RPO is provided on the basis of floor price notified by Central Electricity Regulatory Commission (CERC). CERC in Petition No. 6/8M/2020 dated 31.03.2020 has proposed to notify the floor price at zero for Solar REC and Non-Solar REC on account of drastic reduction in the tariff of renewable resources as compare to average power purcase cost. Moreover, in the true up tariff determination carried out by the JERC, the cost of purchase of REC is allowed on the actual incurrence of expenditure (i.e. total cost paid for purchase of REC), hence, the provision for purchase of solar/non-solar REC is not warrented in the books of accounts and accordingly discontinued in FY 2019-20.

**iii)** Provision for NSPCL power purchase represents the amount payable on account of delayed payment of Capacity Charges for two months (January-2014 and February-14) which settled on 18/12/2018 after the delay of 57 months. Under the agreed terms of PPA, delayed payment surcharge is payable on account of late payment of capacity charges and energy charges. Accordingly, there is no delayed payment surcharge on the delayed payment of said surcharge amount. The said matter is further subject of mutual conclusion before the settlement, hence, the same is shown as a part of provision.

## 20(a) Current Tax Liabilities (Net)

**i)** Details of Current Tax Liabilities are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Provision for taxation (Net of tax paid) | | |
| See description Note (a) (ii) | 973.74 | - |
| **Total** | **973.74** | **-** |

**ii)** Details of Provision for taxation is as under: ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Gross amount of provision | 4 339.00 | – |
| Less : Advance Tax paid | – | – |
| Including TDS & TCS Recoverable of ₹ 83.63 Lakh | 3,365.27 | – |
| **Total** | **973.73** | **–** |

**20(b) Other Current Liabilities**

**i)** Details of Other Current Liabilities are as under : ₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Payable to Statutory Authorities | 289.07 | 264.59 |
| Payable to EPF & GPF Trust | – | 9.65 |
| State Energy Conservation Fund See description Note (b) (ii) | 200.00 | 200.00 |
| Other Liabilities | – | – |
| **Total** | **489.07** | **474.24** |

**ii)** The Corporation has been appointed as State Designated Agency vide Notification No. 01/17/ED-DNH/2017-18/141 dated 19-04-2018 issued by Union Territory Administration. As per the said notification, the State Energy Conservation Fund shall be utilized for the purpose of promotion and efficient use of energy and its conservation in the area of DNH (Dadra & Nagar Haveli).

**21. Revenue from Operations**

**i)** Details of Revenue from Operations are as under:- ₹ in Lakh

| Particulars | For the year ended on 31st March 2021 | For the year ended on 31st March 2020 |
|---|---|---|
| **i) Revenue from Sale of Power** | | |
| a) Sale to High Tension Consumers | 2,74,077.32 | 3,19,555.32 |
| **Total HT Supply** | **2,74,077.32** | **3,19,555.32** |
| b) Sale to Low Tension Consumers | | |
| Domestic | 4,008.42 | 3,762.62 |
| Commercial | 1,408.62 | 1,563.73 |
| Low Tension (Industries) | 10,222.19 | 11,436.93 |
| Public Lighting | 108.05 | 133.25 |
| Public Water Works | 293.19 | 264.80 |
| Agriculture & Others See description Note (ii) | 382.37 | 391.14 |
| **Total LT Supply** | **16,422.84** | **17,552.47** |
| c) Sale of Power Through Exchange | 1,942.86 | 572.56 |
| d) Deviation Settlement Mechanism Receipts | 27.22 | 373.74 |
| e) Security Constrained Economic Dispatch (SCED-NLDC) | 425.92 | 403.93 |
| **Total (a+b+c+d+e)** | **2,92,896.16** | **3,38,458.02** |
| Less: Rebate Allowed to Consumers | 233.84 | 125.91 |
| Less : Contract Liability towards consumers See description Note 18(iv) | 5,090.00 | – |
| **Revenue from Sale of Power** | **2,87,572.32** | **3,38,332.11** |

₹ in Lakh

| Particulars | | For Year ended on 31st March, 2021 | For Year ended on 31st March,2020 |
|---|---|---|---|
| **II) Other Operating Income** | | | |
| Reactive Income | | 5.02 | 3.12 |
| STOA Application Fees | | 56.86 | 96.59 |
| Supervision Charges | | 281.45 | 208.35 |
| Other Charges from Consumers | See description Note (iii) | 100.46 | 248.95 |
| **Other Operating Income** | | **443.79** | **557.01** |
| **Total Revenue from Operation (I+II)** | | **2,88,016.11** | **3,38,889.12** |

**ii)** The Details of Sales to LT Consumers- Agriculture & Others are as under: ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Agriculture | 84.63 | 129.67 |
| LIG Power Sale | 58.60 | 39.23 |
| Temporary Connections | 239.37 | 222.24 |
| **Total** | **382.37** | **391.14** |

**iii)** The Details of Other charges from consumers are as under:- ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Meter Testing Charges | 12.56 | 7.71 |
| Reconnection Charges & Name Change | 1.61 | 2.23 |
| Registration Fees | 54.38 | 200.01 |
| Test Report Charges | 6.90 | 4.90 |
| Service Connection Charges | 25.01 | 34.10 |
| **Total** | **100.46** | **248.95** |

## 22 Other Income

**i)** Details of Other Income are as under : ₹ in Lakh

| Particulars | | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|---|
| Interest Income | | 1,303.78 | 1,711.35 |
| Delayed Payment Charges from consumers | | 1,645.88 | 2,289.09 |
| Tender Fees | | 0.70 | 2.32 |
| Provision Written Back | See description Note (ii) | 1,090.32 | 9.45 |
| Sale of Scrap | | – | 22.85 |
| Miscellaneous Income | See description Note (iii) | 141.69 | 230.15 |
| **Total** | | **4,182.37** | **4,265.21** |

**ii)** Provision Written Back for FY 2020-21 includes an amount of ₹ 804.41 Lakh Capacity Charges for the peroid 26/03/2020/to 31/03/2020. The said Power Purchase is not payable to GMR Warora Energy Limited (GWEL) as the imposition of lockdown by the Ministry of Home Affairs to control the spread of COVID – 19 virus has been categorised as ' force majeure' (i.e. natural calamity). The agreed Power Purchase Agreement (PPA) provides that no tariff (including Capacity Charges) shall be paid by procurer to the seller for the duration of any natural force majeure event (Refr Note – 28(ii)(c).

**ii)** The details of Miscellaneous Income are as under : ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Assessment Charges from Consumers | 82.58 | 226.18 |
| Licence Fees | 0.27 | 0.31 |
| Other Miscellaneous Income | 58.84 | 3.66 |
| **Total** | **141.69** | **230.15** |

## 23 Purchase of Power

**i)** Details of Purchase of Power are as under : ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Power Purchase | 2,23,175.95 | 2,90,830.80 |
| Renewable Power Obligation (RE Certificate) | – | 1,755.42 |
| Point of Connection Charges (Transmission & Wheeling Charges) | 42,365.13 | 47,449.60 |
| Deviation Settlement Mechanism Charges | 1,184.16 | 899.92 |
| Reactive Charges | 123.02 | 22.35 |
| **Total Purchase of Power** | **2,66,848.26** | **3,40,958.09** |
| Less: Rebate on Power Purchase See description Note (ii) | 7,521.89 | 5,350.32 |
| **Total** | **2,59,326.37** | **3,35,607.77** |

**ii)** "Rebate on Power Purchase" includes an amount of ₹ 4,139.92 Lakh offered by Central Generating & Transmission Companies in terms of Ministry of Power Office Memorandum (OM) No. 11/16/2020–TH–II dated 15/05/2020 for the lockdown period on account of COVID–19 pandemic relief. The said relief has been further passed on to the end consumers of DNHPDCL by charging the reduced rate of FPPCA (Fuel and Power Purchase Cost Adjustment) in Quarter –II of the FY 2020-21.

## 24 Operation & Maintenance Expenses

**i)** Details of Operation & Maintenance Expenses are as under : ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 1st March, 2020 |
|---|---|---|
| Stores & Spares Consumed | 344.42 | 386.40 |
| **Repairs & Maintenance** | | |
| (i) Plant & Machinery | 894.98 | 854.76 |
| (ii) Repair & Maintenance Office | 44.46 | 49.40 |
| (iii) Other Operational Expenses See description Note (ii) | 898.54 | 659.15 |
| **Total** | **2,182.40** | **1,949.71** |

**ii)** "Other Operational Expenses" has increased on account of amended JERC Conduct of Business (5th amendment) Regulation 2019, which is resulted in increase JERC License Fee by an amount of ₹ 185.00 Lakh. (Current Year – ₹ 475.00 Lakh less Previous Year ₹ 290.00 lakh).

## 25 Employee Benefit Expenses

**i)** Details of Employee Benefit Expenses are as under : ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Salary & Wages | 1,234.52 | 1,156.37 |
| Provident Fund Contribution | 67.69 | 62.00 |
| Leave Salary, Pension and Gratuity | 77.35 | 74.53 |
| Special Cash Package – LTC See description Note (ii) | 18.17 | – |
| Staff Welfare Expenses | 9.17 | 2.32 |
| **Total** | **1,406.90** | **1,295.22** |

**ii)** Department of Expenditure, Ministry of Finance vide Office Memorandum (OM) No. 12(2)/2020–EII(A) dated 12/10/2020 announced Special Cash Package equivalent in lieu of Leave Travel Concession (LTC). The Special Cash Package – LTC of ₹ 18.17 Lakh has been incurred on the account of The said OM during current FY 2020-21

## 26 Finance Costs

**i)** Details of Finance Costs are as under : ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| **Interest Expenses** | | |
| Interest on Short Term Borrowing [Refer description note 16 (ii)] | – | – |
| Interest on Power Purchase | – | 62.55 |
| Interest on Security Deposit | 319.84 | 419.69 |
| Interest on Others | 168.16 | – |
| **Total** | **488.00** | **482.24** |

## 27 Administrative & Other Expenses

**i)** Details of Administrative & Other Expenses are as under : ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Fees to Auditors See description Note (ii) | 8.94 | 8.96 |
| Printing and Stationery Expenses | 13.91 | 18.72 |
| Travelling and Accommodation Expenses | 3.44 | 5.22 |
| Advertisment Expenses | 1.50 | 9.24 |
| Corporate Social Responsibiltiy Expenses See description Note (iii) | 19.21 | – |
| Telephone Expenses | 34.64 | 43.55 |
| Legal and Professional Charges | 71.65 | 180.54 |
| Bank Charges | 63.21 | 34.72 |
| Fees and Subscription Expenses | 151.26 | 277.16 |
| Other Expenses | 55.91 | 89.77 |
| Provision for Bad & Doubtful Debts | 125.39 | 63.21 |
| **Total** | **549.06** | **731.09** |

**ii)** Fees to Auditors includes the amount paid to Statutory Auditors: ₹ in Lakh

| Particulars | For Year ended on 31st March, 2021 | For Year ended on 31st March, 2020 |
|---|---|---|
| Fees paid for Statutory Audit | 6.50 | 6.50 |
| Fees paid for Tax Audit | 0.57 | 0.57 |
| Out of pocket expenses | – | – |
| **Total** | **7.07** | **7.07** |

**iii)** In terms of stipulation of Section – 135 of the Companies Act 2013, the Corporation is required to spend ₹ 19.21 Lakh during FY 2020-21 on Corporate Social Responsibility (i.e. CSR) (Previous Year ₹ NIL). During the said FY, the Corporation has incurred an amount of ₹ 19.21 Lakh (Previous Year ₹ NIL) on the following CSR activities.

(₹ in Lakh)

| Particulars | For Year ended on 31st March, 2021 | | | For Year ended on 31st March, 2020 | | |
|---|---|---|---|---|---|---|
| | Amount Paid | Yet to be Paid | Total | Amount Paid | Yet to be Paid | Total |
| **i)** construction / acquisition of any asset in the name of Corporation | – | – | – | – | – | – |
| **ii)** On purposes other than (Iabove | | | | | | |
| – Health and Sanitation | – | – | – | – | – | – |
| – Education | – | – | – | – | – | – |
| – Environmental Sustainability | – | – | – | – | – | – |
| – Eligible Contribution | 19.21 | – | 19.21 | – | – | – |
| **Total** | **19.21** | **–** | **19.21** | **–** | **–** | **–** |

Further, in terms of Section – 135(5) and (6) of the CA 2013, the Corporation has an obligation of ₹ NIL to transfer the fund specified in Schedule–VII of CA 2013 as on 31/03/2021 and further NIL amount is required to be spent on going project, which is required to be transferred to special account as on 31/03/2021.

**28 Contingent Liabilities & Commitments :**

**i) Contingent Liabilities not provided for includes :**

₹ in Lakh

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| (a) Claims against the Corporation not acknowledged as debts | 36,418.05 | 24,663.75 |
| (b) Letter of Credit issued by Bank of Badoda, Silvassa to Power Generating Companies. (LC are secured by creation of charge on book-debts and movable assets of the Corporation) | 20,429.82 | 24,316.20 |
| (c) Unexpired value of Bank Guarantee on behalf of the Corporation | 1,193.00 | – |

**ii) Claims under point (i) (a) above includes :**

a) Claim of ₹ 5,511.34 (Previous Year ₹ 5,511.34 Lakh) made by M/s Ratnagiri Gas & Power Private Limited (RGPPL) for the period October-2013 to March-2020. The RGPPL had stopped the generation & supply of power since October-2013 on account of technical minimum requirement load as the principle beneficiary (95% beneficiary of installed capacity) of the power plant i.e. Maharashtra was not scheduling the power. Accordingly, the non-supply of the power as per the terms of Purchase Power Agreement (PPA) is solely on account of reason attributable to RGPPL, hence, the Corporation is not liable to make any payment to RGPPL. RGPPL has not initiated / taken any litigation in the said matter before any authority as per the agreed terms of PPA. If the said contingent liability on the claim settlement matter is eventually arisen in the future, the same would be recovered from the consumers being power purchase cost.

b) Claim of ₹ NIL (Previous Year ₹ 3,213.41 Lakh) made by M/s Maharashtra State Electricity Transmission Corporation Limited (MSETCL) for the period January-2014 to March-2020. The Corporation entered into an Agreement for Bulk Power Transmission with MSETCL for transmission of allocated power to be generated by Ratnagiri Gas & Power Private Limited (RGPPL) to the Corporation. However, the RGPPL was unable to generate the power as explained in the (ii) (a) above. Accordingly, there was no power transmission. Hence, the said claim has not been provided for. The CERC (Central Electricity Regulatory Commission) vide its order in Petition No. 153/MP/2018 and 154/MP/2018 dated 04/02/2021 has decided that "Wheeling (i.e. transmission) charges are to be paid by DNHPDCL or GED (Goa Electricity Department) on actual drawal (in MU) to be calculated by WRPC (Western Regional Power Committee) based on methodology approved by the Commission in Petition No. 64/2008

The WRPC has further not communicated any information in the said matter after the decision of the CERC. However, as there is no actual drawal of power (in MU) on account of RGPPL being unable to generate the power, hence, the Corporation has firm view that there would not be any liability in the said matter. If, the said contingent liability on the claim settlement is eventually arisen in the future, the same would be recovered from the consumers being power purchase cost.

c) Claim of ₹ 13,155.71 Lakh made by M/s GMR Warora Energy Limited (GWEL) for the period 26/03/2020 to 30/06/2020 on account of capacity charges. The Corporation had entered into an agreement (PPA) for procurement of 200 MW power through competitive bidding process (i.e. tendering) for a period of 7 years and 3 months starting from April-2013. The Ministry of Home Affairs vide its order no. 40-3/2020-DM-I(A) dated 24/03/2020 has ordered complete lockdown with an aim to stop the spread across the country of COVID -19 virus, which was declared as a pandemic by World Health Organisation. The Ministry of Finance vide its OM No. F 18/4/2020-PPD dated 19/02/2020 has clarified that 'Disruption due to spread of corona virus will be covered in the Force Majeure Clause as a case of natural calamity. Ministry of New and Renewable Energy vide OM No. 283/18/2020-Grid Solar dated 20/03/2020 has also conveyed the similar view. The CERC in its suo-motu petition no. 6/SM/2020 dated 03/04/2020 has also upheld that the generating companies whose tariff has been determined under Section 63 (i.e. through competitive bidding process) of the Electricity Act, relief on the Late Payment Surcharge for payment which become delayed beyond 45 days during the period from 24/03/2020 to 30/06/2020 may be claimed in terms of the force majeure provisions of the respective PPA. The said unprecedented event of lockdown enforced to contain the spread of COVID-19 virus disrupted the power demand supply chain drastically in territory during the period 26/03/2020 to 30/06/2020 and registered a reduction in the range of 21% to 85% during the said period. The executed PPA with GWEL provides that "in case of a Natural Force Majeure Event affecting the Procurer (i.e. DNHPDCL), no Tariff (including capacity charges) shall be paid by the Procurer to the Seller for the duration of such Natural Force Majeure Event. Accordingly, the Corporation is not liable for the payment of capacity charges for the period 26/03/2020 to 30/06/2020 as per the terms of the agreed PPA. If, the said contingent liability on the claim settlement is eventually arisen in the future, the same would be recovered from the consumers being power purchase cost.

d) The letter of assurance regarding the supply of coal from Coal India Limited was issued in June-2010 to M/s GMR Warora Energy Limited (GWEL) for Unit-2 (DNHPDCL PPA). In the said assurance letter, the 100% supply of coal was assured to GWEL with the stipulation that the parameters of imported coal shall be as specified by Coal India Limited. Further, officials of GWEL in the discussion meeting with the officials of DNHPDCL and also in letter dated 27/07/2012 confirmed that the quoted rates for 200 MW power supply are very competitive keeping in view the shortfall of domestic coal (i.e. linkage coal), which is required to be met by power producer either by auction coal / imported coal. In-spite of above, CERC vide its common order in petition no. 284/MP/2018 dated 16/05/2019 allowed shortfall in linkage coal due to change in NCDP (New Coal Distribution Policy issued by Ministry of Coal in the October -2007) as change in law compensation for DNHPDCL and MSEDCL (Maharashtra) both. Whereas, the case of MSEDCL was altogether different from the case of DNHPDCL as letter of assurance to GWEL for MSEDCL PPA by Coal India Limited was issued in November 2006 before to pronouncement of NCDP in October 2007. The total coal shortage compensation claim raised by GWEL is ₹ 12,406 Lakh (i.e. Coal Shortage claim ₹ 8,148 Lakh and carrying cost thereon ₹ 4,258 Lakh). Whereas, the said claim as per the computation of the Corporation is ₹ 2,393 Lakh (i.e. Coal Shortage claim ₹ 1,341 Lakh and carrying cost thereon ₹ 1,052 Lakh).

The GWEL claim is excessive on account of various reasons such as delay in execution of FSA (Fuel Supply Agreement) before supply of power, non-consideration of cheaper coal for computation of weighted average and consideration of linkage coal for supply of power in open market. The step wise calculation methodology / details of claim raised by GWEL has been requested vide office letter dated 25/06/2019 and 01/08/2019. However, GWEL has failed to submit the requested information till date, whereas the CERC order in petition no. 284/MP/2018 dated 16/05/2019 categorically states the submission of all the relevant documents along with the claim by GWEL. APTEL (Appellate Tribunal for Electricity) vide its order in Appeal no. 283 of 2019 dated 13/10/2020 has confirmed the view of CERC for the payment of coal shortage compensation claim as change in law.

An appeal is preferred before Supreme Court (SC) of the India against the order of APTEL and the case matter has been admitted by the Hon'ble SC on 02/03/2021. The Hon'ble SC has also granted interim stay against the order of ATPEL subject to depositing half of the amount ordered to be paid and offering security to the satisfaction of Secretary General of the Registry for the other half. Accordingly, the Corporation has deposited an amount of ₹ 2,393 Lakh in the SC on dated 27/03/2021 as per the calculation of the Corporation, which was admitted before the APTEL in the said matter. In view of above, the half of the amount i.e. ₹ 1,200 Lakh has been deposited to SC by way of pay order / demand draft and further another half of the amount i.e. ₹ 1,193 has been offered as Bank Guarantee in favour of SC. If, the said contingent liability on the claim settlement is eventually arisen in the future, the same would be recovered from the consumers being power purchase cost.

e) During the period April-2013 to June-2020 (i.e. PPA Period – 7 years 3 months), GMR Warora Energy Limited (GWEL) has raised supplementary energy bill for various change in law compensation claim such as clean energy cess (GST compensation cess), service tax (GST on coal transportation), NEMT, DMF, CG - Prayawaran Tax & Vikas upkar Tax and Evacuation Facility etc. allowed by Central Regulatory Electricity Commission (CERC). On appeal to Appellate Tribunal of Electricity (APTEL), the said matter was also decided in the favour of GWEL. In the said period, GWEL has raised a total claim of ₹ 16,478 Lakh (Previous Year ₹ 16,442 Lakh), whereas the actual claim paid by DNHPDCL is ₹ 12,933 Lakh (Previous Year ₹ 12,909 Lakh). The claim is less settled by an amount of ₹ 3,545 Lakh (Previous Year ₹ 3,533 Lakh). The lesser compensation claim settlement is due to excessive claim on account of various reasons (a) raising of bills from the date of notification in place of actual date of implication as change in law compensation allowed on paid basis (₹ 305 Lakh), (b) non passing of the reduction benefit of Central Sales Tax and Stowing Excise Duty post GST from July-2017 to June-2019 (₹ 700 Lakh), (c) excess claim of service tax (GST on transportation) on normative basis / coal transported by other means, whereas, change in law compensation allowed for transportation through railway (₹ 1,243 Lakh) and non-measurement of Gross Calorific Value (GCV) of coal as per CERC direction resulting in adoption of mid value of GCV as per coal invoices (₹ 1,297 Lakh). If the said contingent liability on the claim settlement matter is eventually arisen in the future, the same would be recovered from the consumers being power purchase cost.

**iii)** The Corporation has contractually committed (net of advances) ₹ NIL and ₹ 2,529.57 Lakh as at March 31, 2021 and 2020 respectively for purchase/construction of Property, Plant & Equipment and Intangible Assets.

**29 i) Related Parties – Key Management Personnel who exercise control :**

| | Name | Designation |
|---|---|---|
| **a)** | Shri Praful Patel | **Chairman** |
| **b)** | Ms. Tapasya Raghav | **Managing Director** |

**ii)** Transaction with related parties mentioned in (Iabove;

Remuneration for the FY 2020-21 ₹ NIL (Previous Year ₹ NIL)

Dues outstanding to the Corporation as at 31st March 2021 ₹ NIL (As at 31st March 2020: ₹ NIL)

**iii)** The Corporation is ultimately controlled by the Central Government of India (GOI) and various entities which are controlled, jointly controlled or significantly influenced by the GOI are considered to be government related entities. The Corporation enters into various transactions in normal course of business with government related entities which are at its arms length and are entered on the basis of tendering procedures wherein other entities also participate. Further, the Corporation also enters into certain other transactions which are not subject matter of tendering procedures, however, these transactions are not outside normal day to day business operation and are not carried out on non market terms.

**30 Details of Earnings per Share :**

**i) Earnings per Share (EPS) Basic and Diluted (after tax) is calculated as under:**

| Year | Numerator - Profit (after tax) as per the Statement of Profit & Loss | Denominator - Weighted Average number of equity shares outstanding (Face Value of ₹ 100/- each) | Earnings Per Share |
|---|---|---|---|
| **Basic EPS for continuing operation before Rate Regulated Activities :** | | | |
| 2020-21 | 22,990.56 | 38,974,445 | 58.99 |
| 2019-20 | 1,140.28 | 10,285,000 | 11.09 |
| **Diluted EPS for continuing operation before Rate Regulated Activities :** | | | |
| 2020-21 | 22,990.56 | 38,974,445 | 58.99 |
| 2019-20 | 1,140.28 | 10,285,000 | 11.09 |
| **Basic EPS for continuing and discontinuing operation :** | | | |
| 2020-21 | 22,990.56 | 38,974,445 | 58.99 |
| 2019-20 | 1,140.28 | 10,285,000 | 11.09 |
| **Diluted EPS for continuing and discontinuing operation :** | | | |
| 2020-21 | 22,990.56 | 38,974,445 | 58.99 |
| 2019-20 | 1,140.28 | 10,285,000 | 11.09 |

**ii) Weighted average no. of Equity Share used for calculation of Earnings per Share (Basic and Diluted) are as under:**

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Weighted average no. of Equity Share used for calculation of Basic Earnings per Share | 38,974,445 | 1,02,85,000 |
| Adjustments for calculating Diluted Earnings per Share: | – | – |
| Share Application Money | – | – |
| Weighted average no. of Equity Share used for calculation of Diluted Earnings per Share | 38,974,445 | 1,02,85,000 |

* Current Year NIL and Previous Tear 3,09,74,445 no. of equity shares have been allotted on 05/03/2020 and accordingly, the weighted average number of equity shares have been calculated.

**31** As stipulated in Ind AS–36 Impairment of Assets, the Corporation assessed potential Purchase of economic benefits from its business units and is of the view that assets employed in continuing businesses are capable of generating adequate returns over their useful lives in the usual course of business, there is no indication to the contrary and accordingly the management is of the view that no impairment provision is called for in these accounts.

**32 Expenditure in foreign currency (on Payment Basis) are as under :**

| | Particulars | 2020-21 | 2019-20 |
|---|---|---|---|
| **i)** | Project related payments | NIL | NIL |
| **ii)** | Other matters (travelling, subscription to books, periodicals, membership fee, etc.) | NIL | NIL |

**33 Receipts in foreign currency are as under :**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| – | NIL | NIL |

**34 Foreign Currency Exposures not hedged are as under :**

| Particulars | Currencies | 2020-21 | 2019-20 |
|---|---|---|---|
| Sundry Creditors / Deposits / | – | NIL | NIL |
| Loans / Retention Money | – | NIL | NIL |

**35 Value of imports :**

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| Value of imports calculated on CIF basis | NIL | NIL |

**36 Disclosure in respect of Operating Segments :**

**i)** **Operating Segments :-** In accordance with Ind AS 108 – Operating Segment used to present the segment information are identified on the basis of internal report used by the Corporation management to allocate resources to the segment and assess their performances. The Board of the directors of the Corporation is collectively Chief Operating Decision Maker (CODM). The Corporation activities i.e. purchase and sale of electricity are in one single reportable segment and also are in one geographical segment (within UT of Dadra & Nagar Haveli). Therefore, there is no other significant classes of operating segment or geographical segment.

**ii)** With regard to information about major products, refer the disclosure made in Note **37**.

**iii)** Details of customers having sales value more than Rs. 100 crore or more either in current year or previous year

(₹ in Lakh)

| Particulars | 2020-21 | 2019-20 |
|---|---|---|
| **Consumer - A** | 33,534.06 | 33,690.33 |
| **Consumer - B** | 22,866.84 | 31,983.26 |
| **Consumer - c** | 20,907.81 | 24,476.64 |
| **Total** | **77,308.71** | **90,150.23** |

**37(a) Details of Units Purchased, Sold, and Distribution Losses are as under :**

Units in Mus

| | Particulars | 2020-21 | 2019-20 |
|---|---|---|---|
| 1. | Net Power Purchased* | 5,496.20 | 6,513.85 |
| 2. | Unit Sold* | 5,297.50 | 6,288.00 |
| 3. | Unit Loss 3=1-2 | 198.70 | 225.85 |
| 4. | Distribution Losses (%) 4=(3/1)*100 | 3.62% | 3.47% |

* Includes own generation and distribution of Solar Energy as detailed below.

**37(b) Quantitative information in respect of generation and distribution of Solar :**

| Electricity | | Solar Energy |
|---|---|---|
| Generation (In Millions Kwh) | 2020-21 | 5.91 |
| | 2019-20 | 6.18 |
| Sales (In Millions Kwh) | 2020-21 | 5.91 |
| | 2019-20 | 6.18 |

**38 : Details of Renewable Purchase Obligation (RPO) outstanding in terms of Mus are as under :** (₹ in Lakh)

| | Particulars | 2020-21 | 2019-20 |
|---|---|---|---|
| **A** | **Net Export of Units** | **5,297.50** | **6,288.00** |
| **B** | **Opening Backlog- RPO** | | |
| **(I)** | Non-Solar | 411.62 | 695.72 |
| **(II)** | Solar | 261.76 | 83.95 |
| **B (I+II)** | **Total Opening Backlog** | **673.38** | **779.68** |
| **C** | **RPO Obligation for the year** | | |
| **(I)** | Non-Solar 6.80% (PY 5.40%) | 423.80 | 427.58 |
| **(II)** | Solar 4.70% (PY 3.60%) | 323.15 | 295.54 |
| **C (I+II)** | **Total RPO Obligation** | **746.95** | **723.12** |

(₹ in Lakh)

| | Particulars | | 2020-21 | 2019-20 |
|---|---|---|---|---|
| D | **RPO Met during for the year ended** | | | |
| | **a (i)** | Non–Solar Power Purchase | 26.28 | – |
| | **a (ii)** | Non- Solar REC | – | 711.69 |
| | **Total of a** | **Total Non–Solar** | **26.28** | **711.69** |
| | **b (i)** | Solar Self Generation | 5.91 | 6.18 |
| | **b (ii)** | Solar Consumer Generation | 20.22 | 1.95 |
| | **b (iii)** | Solar REC | – | 109.60 |
| | **b (iv)** | Solar power Purchase | 28.72 | – |
| | **Toatl of b** | **Total Solar** | **54.85** | **117.73** |
| | **Total of (a + b)** | **Total RPO Met** | **81.13** | **829.42** |
| E | **Closing Backlog** | | | |
| | **(i)** | Non-Solar | 809.14 | 411.62 |
| | **(ii)** | Solar | 530.06 | 261.76 |
| | **E (i+ii)** | **Total Closing Backlog** | **1,339.20** | **673.38** |

**39 Income and deferred taxes**

**i)** Movement in deferred tax assets/liabilities (₹ in Lakh)

| Particulars | Depreciation and Amortization | Provisions | Total |
|---|---|---|---|
| **As at 31st March 2019** | **(2,191.28)** | **39.96** | **(2,151.32)** |
| (Charged)/ Credited: To profit or loss | (446.15) | (1.11) | (447.26) |
| To other comprehensive income | – | – | – |
| Recognised directly in Equity | – | – | – |
| Reclassified from equity to profit and loss | – | – | – |
| Deferred Tax on basis adjustment | – | – | – |
| **As at 31st March 2020** | **(2,637.43)** | **38.85** | **(2,598.58)** |
| (Charged)/ Credited: To profit or loss | 177.62 | (35.07) | 142.55 |
| To other comprehensive income | – | – | – |
| Recognised directly in Equity | – | – | – |
| Reclassified from equity to profit and loss | – | – | – |
| Deferred Tax on basis adjustment | – | – | – |
| **As at 31st March 2021** | **(2,459.81)** | **3.78** | **(2,456.03)** |

**ii) Reconciliation of tax expenses and accounting profit multiplied by country's tax rate:** (₹ in Lakh)

| Particulars | As at 31st March 2021 | As at 31st March 2020 |
|---|---|---|
| Profit from continuing operations before income tax expenses | 27,018.98 | 1,850.23 |
| Profit from discontinuing operations before income tax expenses | – | – |
| Tax at the Indian tax rate of 34.608% (Previous Year 34.608%) | – | – |
| Tax effect of amounts which are not deductible (taxble) in calculating taxable income: | – | – |
| Tax provided at lower rate 115BAA / 115JB | 4,170.97 | 262.69 |
| Difference in overseas tax rates | – | – |
| Adjustment for current tax of prior periods | – | – |
| Substantially enacted tax rate change | – | – |
| Tax losses for which no deferred income tax was recognised | – | – |
| Previously unrecognised tax losses now recouped to reduce current tax expenses | – | – |
| Previously unrecognised tax losses used to reduce deferred tax expenses | – | – |
| **Income Tax Expense** | **4,170.97** | **262.69** |

**40 A. Financial Instruments- Fair values and risk management**

**The following table shows the carrying amount and fair value of financial assets and financial liabilities including their levels in the fair value hierarchy**

(₹ in Lakh)

| As at 31st March 2021 | Note No. | | | | Fair Value | | | | Valuation technique and key input |
|---|---|---|---|---|---|---|---|---|---|
| | | Other financial assets- Amortised cost | Other financial liabilities | Total Carrying Amount | Level 1 (Quoted Prices) | Level 2 (Significant observable inputs) | Level 3 (Significant un observable inputs) | Total | |
| Financial Assets measured at Fair value | | – | – | – | – | – | – | – | – |
| Financial Assets not measured at Fair value | | – | – | – | – | – | – | – | – |
| Receivables & Others* | 4,5,8,9,10 | **91,774.77** | – | **91,774.77** | – | – | – | – | – |
| **Total** | | **91,774.77** | – | **91,774.77** | – | – | – | – | – |
| Financial Liabilities not measured at fair value | | – | – | – | – | – | – | – | – |
| Payables & Others* | 14,18,19 | – | **19,876.43** | **19,876.43** | – | – | – | – | – |
| **Total** | | – | **19,876.43** | **19,876.43** | – | – | – | – | – |
| **As at 31st March 2020** | | | | | | | | | |
| Financial Assets measured at Fair value | | – | – | – | – | – | – | – | – |
| Financial Assets not measured at Fair value | | – | – | – | – | – | – | – | – |
| Receivables & Others* | 4,5,8,9,10 | **61,916.48** | – | **61,916.48** | – | – | – | – | – |
| **Total** | | **61,916.48** | – | **61,916.48** | – | – | – | – | – |
| Financial Liabilities not measured at fair value | | – | – | – | – | – | – | – | – |
| Payables **& Others*** | 14,18,19 | – | **13,721.56** | **13,721.56** | – | – | – | – | – |
| **Total** | | – | **13,721.56** | **13,721.56** | – | – | – | – | – |

* The Corporation has not disclosed the fair values for financial instruments as their carrying amounts are a reasonable approximation of fair value.

**B. Financial risk management:**

The Corporation has assessed followed risks arising from financial instruments:-

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash & Cash equivalents, Bank Balance, Trade Receivables and financial assets measured at amortised cost. | Ageing analysis and credit ratings | Regular follow ups to ensure timely recovery and closely monitoring all receivables |
| Liquidity risk | Borrowings and other liabilities | Cash flow forecasts | Availability of regular cash flows through operations. |

**C. Credit risk management :**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Corporation. Credit risk arises from Cash and Cash equivalents, investments carried at amortised cost, deposits with banks and financial institutions as well as credit exposures to customers including outstanding receivables.

The carrying amounts of financial assets represent maximum credit exposure.

**Trade receivables & Trade payables:**

The Corporation limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 15 days for all customers and by offering prompt settlement discounts if payment done within 7 days. The Corporation's main consumers are HT consumers contributing more than 90% and have been transacting with the Corporation for over significant period of time, and none of these customers balances are credit-impaired at the reporting date.

The Corporation's exposure to credit risk for trade receivables by type of counterparty is given in Note. 8.

**Balances with Banks and other financial assets:**

For banks and financial institutions, only high rated banks/institutions are accepted. The Corporation holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Corporation considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

For other financial assets, the Corporation assesses and manages credit risk based on reasonable and supportive forward looking information. The Corporation does not have significant credit risk exposure for these items.

**D. Liquidity risk management:**

Liquidity risk is the risk that the Corporation will not be able to settle or meet its obligations on time or at a reasonable price. The Corporation's Finance Department is responsible for liquidity, funding as well settlement management. The Corporation manages liquidity risk by maintaining adequate surplus and banking facilities by continuously monitoring forecast.

**41 Capital Management:**

The Corporation objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders of capital.

**42** Previous Year figures have been regrouped/reclassified to achieve the better presentation, requirement wherever found necessary.

**43 Recent Pronouncements or Amendments**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

However, the MCA through a notification dated 24/03/2021 amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01/04/2021. Key amendments relating to Division II (applicable to the Corporation), which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 and mainly includes the following;

**Balance Sheet:**

Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances for the current and previous reporting period.

Specified format for disclosure of shareholding of promoters.

Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

Specific disclosure under 'Additional Regulatory Information' such as title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, information about wilful default, compliance with number of layers of companies, presentation of financial ratios with explanation and clarification, compliance with approved schemes of arrangements etc.

**Statement of Profit and Loss:**

Additional disclosures relating to undisclosed income, which has been disclosed as income under the Income Tax.

Additional disclosures relating to Corporate Social Responsibility (CSR).

Specific disclose, if the Company has traded or invested in crypto or virtual currency

The amendments are extensive and the Corporation will evaluate the same to give effect to them as required by law.

**44 Impact of Amendmnt or Adoption of New Ind AS**

The Ministry of Corporate Affairs (MCA) through a notification dated 24/07/2020 amended Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The impact of these amendments are summarized as under;

**Amendment to Ind AS 103 – Business Combinations**

The Ministry of Corporate Affairs issued amendments to Ind AS 103, 'Business Combinations' in connection with definition of business, elements of business, optional test to identify concentration of fair value and additional guidance for the assessment of a substantive acquired process. The amendment to Ind AS 103 did not have any impact on the standalone financial statements of the Corporation.

**Amendment to Ind AS 107 – Financial Instruments: Disclosure**

The Ministry of Corporate Affairs issued amendments to Ind AS 107, 'Financial Instruments: Disclosure' in connection with disclosures required to be made by an entity in respect of hedging relationships to which it applies. The amendment to Ind AS 107 did not have any impact on the standalone financial statements of the Corporation.

**Amendment to Ind AS 109 – Financial Instruments**

The Ministry of Corporate Affairs issued amendments to Ind AS 109, 'Financial Instruments' in connection with temporary exceptions from applying specific hedge accounting requirements, Highly probable requirement for cash flow hedges and Highly probable requirement for cash flow hedges. The amendment to Ind AS 109 did not have any impact on the standalone financial statements of the Corporation.

**Amendment to Ind AS 116 – Leases**

The Ministry of Corporate Affairs issued amendments to Ind AS 116, 'Lease' permitting as a practical expedient, not to assess whether a rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and instead to account for those rent concessions as if they were not lease modifications. These amendments does not affect lessors. The amendment to Ind AS 116 did not have any impact on the standalone financial statements of the Corporation.

**Amendment to Ind AS 1 – 'Presentation of Financial Statements', Ind AS 8 – 'Accounting Policies, Changes in Accounting Policies and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 – 'Interim Financial Reporting' and Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'**

The Ministry of Corporate Affairs issued amendments to Ind AS 1, 'Presentation of Financial Statements' in connection with refined definition of 'Material' and related clarifications. Prior to said amendment, 'Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements'. Whereas, the refined definition states that 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements'. Amendments have also been made to other Standards such as Ind AS – 8, Ind AS – 10, Ind AS – 34 and Ind AS – 37 consequent to the refined definition of material. Amendments to these Ind AS I did not have any impact on the standalone financial statements of the Corporation.

**45** In May 2020, Government of India (GOI) announced 'Atma Nirbhar Bharat Abhiyaan' so as to make India self-reliant through structural reforms. The Hon'ble Finance Minister, GOI on 16/05/2020 further announced an initiative to privatise Electricity Distribution Business of Power Departments / Utilities in Union Territories (UTs) as a part of 'Aatmanirbhar Bharat Abhiyaan'. In the Joint Meeting of Secretary (Power), GOI with Advisors / Chief Secretaries of UTs, it was mandated to initiate the process of privatisation process for Electricity Distribution Business of Power Departments / Utilities in UTs. The Section 131 (4) of the Electricity Act, 2003 provides that the State Government (in case of UT, the Hon'ble Administration) by drawing up a transfer scheme may vest in a transferee the property, interest in property, rights and obligations of the Government Company.

In the 34th Meeting of Board of Directors of DNHPDCL held on 06/08/2020, the proposal for the privatisation of electricity distribution business was discussed and recommended and subsequently, approved by the members in the Extra-ordinary General Meeting of the Corporation held on 24/09/2020. In September 2020, the Ministry of Power issued Draft Standard Bidding Documents for Privatization of Distribution Licensees and suggested that existing

distribution will be transferred to the new entity at regulatory approved net asset value and in case of distribution utility with lower AT&C (losses less than 15%), the bidding parameter would be upfront premium above net assets carrying value.

Notice Inviting Bids (NIT) to privatise electricity distribution business of DNHDPCL along with the electricity distribution business of Daman & Diu was commonly issued by UT Administration of DNH & DD (Dadra and Nagar Haveli and Daman & Diu) in December – 2020. The proposed transfer scheme issued with NIT outlined the transfer of the assets and liabilities as per their book value plus upfront premium. The carrying values of assets and liabilities as published with NIT as per the audited Financial Statement as on 31/03/2020 is presented in table below. The carrying value change on the actual transfer date to be notified later will be further subject matter of quoted consideration adjustment. The price bid is also opened in February - 2021, however, the highest bidder has not been notified.

A Public Interest Litigation (PIL) was filed before Bombay High Court against the NIT process alleging that there is no transfer scheme / company, hence, no sale of shares as per Section 131 of the Electricity Act, the increase in price of electricity post privatisation, no public consultation before privatisation. Hence, it is prayed to set aside the existing tender process. The Bombay High Court heard the said case matter on 03/03/2021 and it was observed that section - 131 talks about "Reorganisation of Board" and the Board has been defined as 'State Electricity Board'. As there is no Board in UTs, hence, the statutory source of exercise of power, as of now, is non-existent. The Bombay High Court has stayed the tender process and till date, the case matter is sub-judice.

The said transfer, if happens result into restructuring of business of DNHPDCL i.e. reduction of assets and liabilities of electricity distribution business of DNHDPCL at net carrying value and adjustment of equity share capital by the residual value. The business of electricity transmission (i.e. 66KV and above lines and associated infrastructure) and solar power plants will remain with DNHPDCL.

(₹ in Lakh)

| ASSETS | To be Privatised | DNHPDCL | TOTAL |
|---|---|---|---|
| **Non-Current Assets** | | | |
| Property, Plant and Equipment (PPE) | 5,467.02 | 14,132.12 | 19,599.14 |
| Capital Work-in-Progress | 11,309.48 | 243.14 | 11,552.62 |
| Intangible Assets | – | 145.25 | 145.25 |
| Financial Assets - Loans | – | 55.58 | 55.58 |
| Other Non-Current Assets | – | 732.32 | 732.32 |
| **Total Non-Current Assets (A)** | **16,776.50** | **15,308.41** | **32,084.91** |
| **Current Assets** | | | |
| Inventories | 825.05 | 26.47 | 851.52 |
| Financial Assets | | | |
| i) Trade Receivables | 25,187.75 | 3,169.48 | 28,357.23 |
| ii) Cash and Cash Equivalents | 5,973.01 | 17,565.51 | 23,538.52 |
| iv) Others | 9,860.72 | 189.85 | 10,050.57 |
| **Total Current Assets (B)** | **41,846.53** | **20,951.31** | **62,797.84** |
| **TOTAL ASSETS C = (A+B)** | **58,623.03** | **36,259.72** | **94,882.75** |
| **Non-Current Liabilities** | | | |
| i) Other Financial Liabilities | 5,973.01 | 90.16 | 6,063.17 |
| ii) Deferred Tax Liabilities (Net) | – | 2,598.58 | 2,598.58 |
| **Total Non-Current Liabilities (D)** | **5,973.01** | **2,688.74** | **8,661.75** |
| **Current liabilities** | | | |
| **Financial Liabilities** | | | |
| a) Trade Payables | 20,978.00 | 2,945.51 | 23,923.51 |
| b) Other Financial Liabilities | – | 4,822.96 | 4,822.96 |
| Provisions | 2,229.70 | 605.73 | 2,835.43 |
| Other Current Liabilities | – | 474.24 | 474.24 |
| **Total Current Liabilities (E)** | **23,207.70** | **8,848.44** | **32,056.14** |
| **Total Liabilities F = D+E** | **29,180.71** | **11,537.18** | **40,717.89** |
| **Net Carrying Value / Equity (C-F)** | **29,442.32** | **24,722.54** | **54,164.86** |

**46 Impact of COVID-19 (pandemic)**

The outbreak of COVID-19 has also impacted the electricity distribution business of the Corporation to the certain extent. The Corporation has witnessed a reduction of around 21% in the electricity distributed in the territory during FY 2020-21.The supply of electricity has always been as essential and basic services and the Corporation continued supplying electricity to its customers. Currently, the average power demand is around 700 MW (April-2021 and May-2021) as against the normal power demand of 775 MW to 850 MW and expected to improve in the future. Nevertheless, there is one favourable event, which is expiring of 200 MW Power Purchase Agreement (PPA) with GMR Worora Energy Limited (GWEL) on 30/06/2020. The said PPA was one of the costlier power sources from the perspective of the Corporation. The effective tariff for GWEL PPA was ₹ 5.85 per kWh and on an average the Corporation was procuring around 1500 MUs from GWEL on account of lower variable charges (i.e. quoted fuel price). The average billing rate for FY 2021-22 has been approved as ₹ 5.11 per unit as against ₹ 5.37 per unit of FY 2020-21 by the Regulatory Commission (JERC). There is already reduction of around 5% in the approved tariff rate in-spite of the impact of COVID-19 and the approved average billing rate for FY 2021-22 is very competitive from the consumers perspective.

In view of above, the Corporation believes that the impacts due to the outbreak of COVID-19 are likely to be short-term in nature and also very minimal. The Corporation does not anticipate any medium to long-term risks in the Corporation's ability to continue as a going concern and meeting its liabilities as and when they fall due. The Corporation has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Moreover, impact assessment of COVID-19 is a continuing process considering the uncertainty involved therein such as nature and duration. The Corporation will continue to closely monitor any material changes to the future economic conditions.

**47** Government of India through 'The Taxation Laws (Amendment) Act 2019' has inserted Section 115BAA of the Income Tax Act 1961, whereby, a domestic company has an irrevocable option of exercising for a lower Corporate Tax Rate along with consequent forego of certain tax deductions, incentives and set-off loss / depreciation to the extent of notified deductions / incentives including accumulated MAT credit eligible for set-off in subsequent years. The Corporation has exercised this option for a lower Corporate Tax Rate being beneficial to the Corporation. Accordingly, the provision of Income Tax for the current financial year and carrying amount of Deferred Tax Liability (net) has been recognised and adjusted considering the new lower Corporate Tax Rate.

**48** The standalone financial statements are approved for issue by the Board of Directors on 30/06/2021.

For and On behalf of
In terms of our Audit Report of even date attached

Sd/-
For **M/s G. B. Laddha & Co. LLP**
Chartered Accountants
FRN. 120352W/W100033

Sd/-
**(Giriraj B. Laddha))**
Partner
M. No. 108558
UDIN : 21108558AAAARJ5749

For, **DNH Power Distribution Corporation Ltd.**

Sd/-
**( Pawan Kumar Mishra )**
Chief Financial Officer

Sd/-
**( Anju Chaudhary)**
Company Secretary

Sd/-
**(Tapasya Raghav)**
Managing Director
(DIN-08582761)

Sd/-
**(A. Muthamma))**
Director
(DIN-07652308)

Place : Silvassa
Date : 30.06.2021

## Proxy Form
## (Form No. MGT-11)

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management & Administration) Rules, 2014)**

CIN: U40100DN2012GOI000405

Name of the Company: **DNH Power Distribution Corporation Ltd**

Registered Office: VidyutBhavan, 66 KV Road, Near Secretariat, Amli, Silvassa-396230

Name of the member(s) : _____

Registered Address : _____

E-mail ID : _____ Folio No/Client ID: _____ DP ID: _____

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name : _____
   Address : _____
   Email-id : _____ Signature : _____ , or failing him
2. Name : _____
   Address : _____
   Email-id : _____ Signature : _____ , or failing him
3. Name : _____
   Address : _____
   Email-id : _____ Signature : _____ , or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **9th Annual General Meeting** to be held on Saturday, 27th November, 2021 at 1:30 PM at Conference Hall, Vidyut Bhavan, Daman and at any adjournment thereof in respect of such resolutions as are indicated below :

| Sr. No. | Resolution | For | Against |
|---|---|---|---|
| 1. | To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2021, together with the Board's Report and Auditors Report thereon along with Comments of the Comptroller & Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013 (Ordinary Resolution). | | |
| 2. | To fix remuneration of Statutory Auditors to be appointed by Comptroller & Auditor General of India for the financial year 2021–22 (Ordinary Resolution) | | |
| 3. | To ratify the remuneration of the Cost Auditors for the Financial year ending March 2022 (Ordinary Resolution) | | |
| | | | |

Signed this _____ day of _____ 2021.

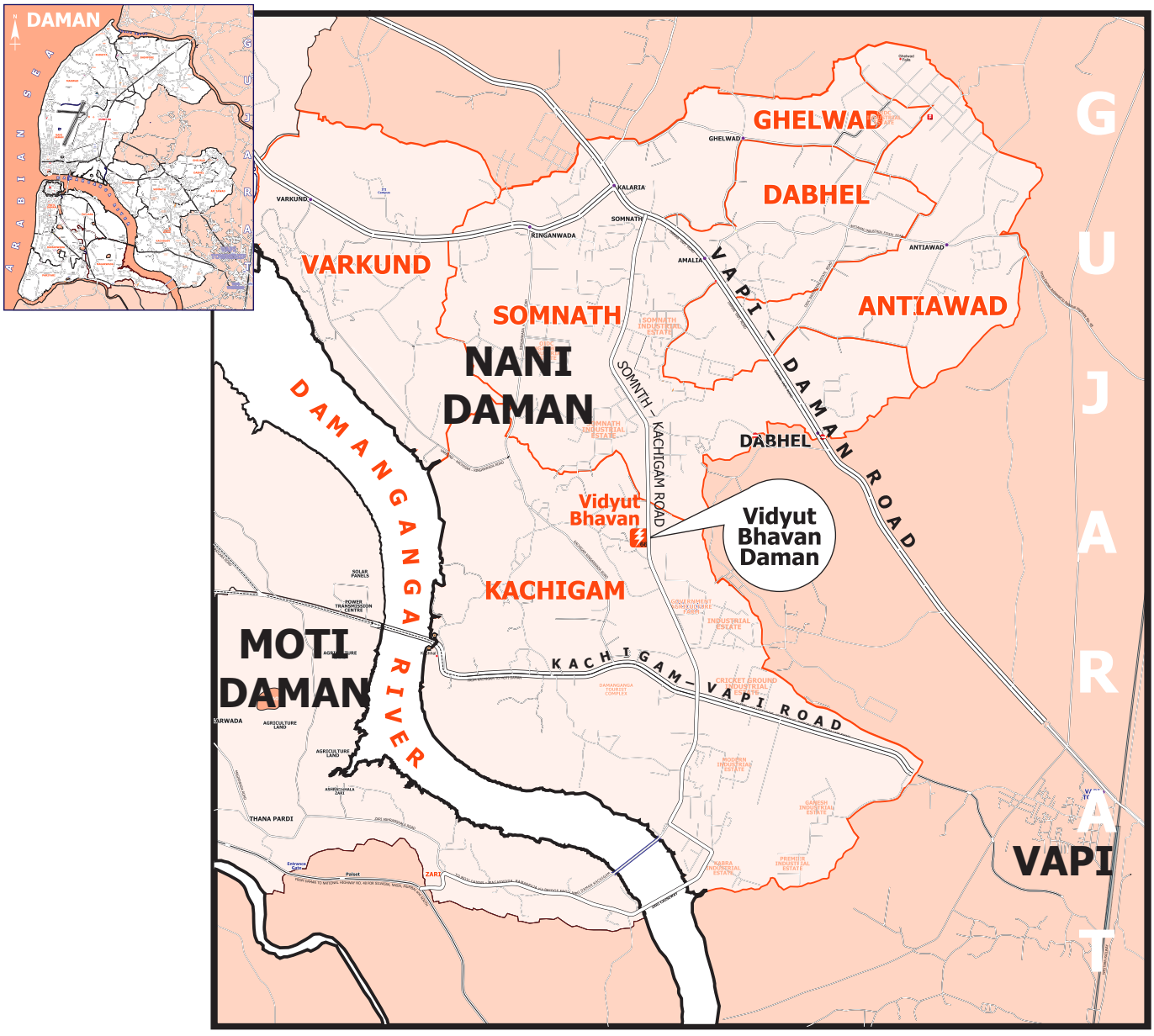
Signature of shareholder

Signature of Proxy holder(s)

Affix Revenue Stamp

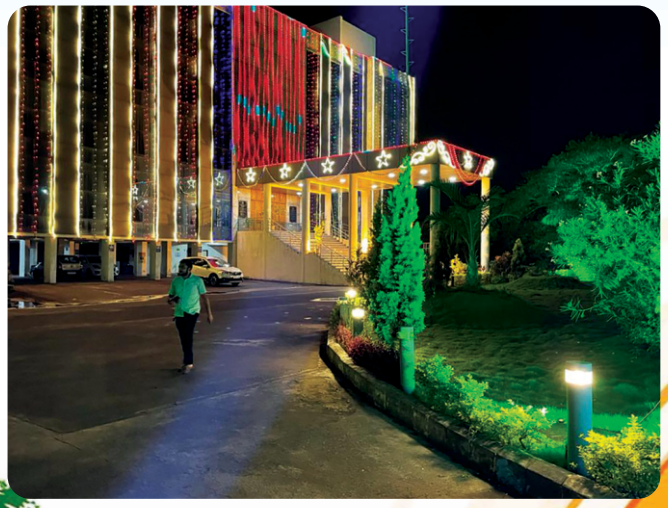
**Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.**

## Road Map to 9th Annual General Meeting






XEROX

















दादरा नगर हवेली ऊर्जा वितरण निगम लिमिटेड
(सरकार का उपक्रम)

**DNH Power Distribution Corporation Limited**
(A Govt. Undertaking)

पंजीकृत कार्यालयः
विद्युत भवन, सचिवालय के सामने, 66 KVA रोड, आमली,
सिलवासा 396 230 दादरा एवं नगर हवेली

Registered Office:
Vidyut Bhavan, Opp. Secretariat, 66 KVA Road, Amli,
Silvassa 396 230 Dadra & Nagar Haveli

Design : 2m Impression, Vapi