SatyamSVG & Co.
Chartered Accountants

CA Yogesh Chandra Pokharna (BCom, FCA, DISA)
CA Manohar Singh Gahlot (BCom, FCA, LLB)

CA Tanmay Pokharna (MCom, ACA)
CA Anjali Pokharna (BCom, ACA, CS)

INDEPENDENT AUDITOR'S REPORT

To the Members of DNH and DD Power Corporation Limited
(Formerly known as 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 and DD POWER CORPORATION LIMITED** (Formerly known as DNH Power Distribution Corporation Limited) ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March, 2023, and its 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 (ICAI) 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

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***Head Office**: 15-18, 1st Floor, Diamond Plaza, Sec-5, Hiran Magri, Udaipur (Raj), 313002*
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Ethics. We believe that the audit evidence obtained by us sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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 2023. These matters 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 the Act 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) specified 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design,

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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.

The Board of Directors is 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 judgement 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.

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• 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 provision of the Companies Act, 2013.

2. As required under the direction and sub-direction 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"**.

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3. As required by the Companies (Auditor's Report) Order, 2020 ('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 Accounting Standards specified 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) 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 (16) of the Act are not applicable to the Company.

h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

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i. The Company has disclosed the impact of pending Litigations on its financial positions 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 was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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v. The Company has not declared or paid any dividend during the current year, in view of this, the compliance with Section 123 of the Companies Act, 2013 would not be applicable.

Date: 29-06-2023
Place: Silvassa
UDIN: 23071503BGVUXW9315

For M/s. SATYAM SVG & CO.
Chartered Accountants
[FRN. 011714C]

SATYAM SVG & CO. AUDITED Chartered Accountants

[YOGESH CHANDRA POKHARNA]
Partner
M.NO. 071503

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Annexure 'A' to the Independent Auditor's Report

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DNH and DD POWER CORPORATION LIMITED
(Formerly Known as 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, 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.

Date: 29.06.2023
Place: Silvassa
UDIN: 23071503BGVUXW9315

For M/s. SATYAM SVG & CO.
Chartered Accountants
[FRN. 011714C]

[YOGESH CHANDRA POKHARNA]
Partner
M.NO. 071503

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Annexure 'B' to the Independent Auditor's Report

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DNH and DD POWER CORPORATION LIMITED
(Formerly Known as DNH Power Distribution Corporation Limited)
Report on the Order issued under Section 143(11) of the Companies Act, 2013

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

b) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has a regular program of physical verification of Property, Plant and Equipment so to cover all the assets once every four years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the said program, certain Property, Plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us 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 (DNH) are not in the name of the Company. The details of all such immovable properties are mentioned as below:

Description of Item	Gross Carrying Value (Rupees in Lakh)*	Location	Area of Land (in Hector)	Title deed held in the name	Whether title deed holder is a promoter, director or their relative or employee	Property holding since	Reason
Land (freehold)	-	Power House-Zanda Chowk	0.25	Electricity Department ,D&NH	Not Applicable, being 100% Government Company	April, 2013	The procedure for registration and / or transfer in the name of the Corporation is in process.
	913.90	Amli Sub-Station	6.53	Electricity Department ,D&NH			

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Description of Item	Gross Carrying Value (Rupees in Lakh)*	Location	Area of Land (in Hector)	Title deed held in the name	Whether title deed holder is a promoter, director or their relative or employee	Property holding since	Reason
Land (freehold)	64	Silli Sub-Station	1.80	Electricity Department, D&NH	Not Applicable, being 100% Government Company	April, 2013	The procedure for registration and / or transfer in the name of the Corporation is in process.
	100	Masat Sub-Station	1.28	Electricity Department D&NH			
	84	Rakholi Sub-Station	1.44	Electricity Department D&NH			
	-	Khadoli Sub-Station	8.45	Electricity Department D&NH			
	55	Khanvel Sub-Station	0.22	Electricity Department D&NH			
	-	Kala Sub-Station	2.42	Electricity Department D&NH			
	-	Velugam Sub-Station	5.00	Electricity Department D&NH			
	-	Pipariya Sub-Station	0.34	M/s Tirveni Developers			
	-	Pipariya Sub-Station	0.92	Mr. Rakeshsinh Mohansinh Chauhan			
	-	Athal Sub-Station	0.80	Electricity Department D&NH			
	67.76	Wagdhara Sub-Station	0.85	Electricity Department D&NH			
	80	Dadra Sub-Station	2.32	Electricity Department D&NH			
TOTAL	**1,364.66**						

* Gross Carrying Value (-) denotes the nominal value of land i.e. Re. 1.00.

d) According to the information and explanations given to us and on the basis of examination of records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including right-of- use assets) or intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of examination of records of the Company, there are no proceedings initiated or pending against the Company

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for holding any benami property under Prohibition of Benami Property Transaction Act, 1988 and rules made thereunder.

ii. a) 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 including the coverage were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits in excess of five crore rupees including non-fund based letter of credit facility, in aggregate, from banks on the basis of security of current assets. Accordingly, the clause 3 (ii) (b) of the order are not applicable.

iii. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnerships or other parties during the year. Accordingly, the clauses 3 (iii) (a), (b), (c), (d), (e) and (f) of the order are not applicable.

iv. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, or made investments, or provided guarantees and security covered under the provisions of section - 185 and 186 of the Companies Act, 2013. Accordingly, the clause 3 (iv) of the order are not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3 (v) of the Order is 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.

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vii. In respect of statutory dues: -

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of customs, Duty of excise, Value Added Tax, Cess and any other statutory dues applicable to the company 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, 2023 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 on the basis of our examination of the records of the Company, there are no statutory dues of referred to in sub-clause vii (a) above, which have not been deposited on account of any dispute as at March 31, 2023.

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3 (ix) (c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis by the Company. Accordingly, clause 3 (ix) (d) of the Order is not applicable.

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(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the company has no subsidiaries, associates or joint ventures, accordingly, the clause 3 (ix) (e) and (f) of the Order is not applicable.

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3 (x) (a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3 (x) (b) of the Order is not applicable.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us and considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints, if any, received by the Company during the year, while determining the nature, timing and extent of our audit procedures.

xii. The Company is not a nidhi Company and accordingly, the clause 3 (xii) of the order is 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. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

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(b) We have considered, the internal audit reports for the year under audit, issued to the Company, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, the provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause 3 (xvi) (a) and (b) of the order is not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the clause 3 (xvi) (c) of the order is not applicable.

(c) According to the information and explanations given to us, the Group does not have any CIC. Accordingly, the clause 3 (xvi) (d) of the order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly, the clause 3 (xviii) of the order is not applicable

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any

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guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3 (xx) (a) of the Order is not applicable for the year.

(b) In respect of ongoing projects, the Company will be transferred Rs. 258.86 Lakh (Previous Year Rs. 137.43 Lakh) in respect of unspent Corporate Social Responsibility (CSR) amount as at the end of the financial year, to a Special account within a period of 30 days from the end of the financial year in compliance with the provision of section 135 (6) of the Act.

xxi. This being the standalone financial statements and not the consolidated financial statements, the reporting under clause 3 (xxi) of the order is not applicable to the company.

Date: 29.06.2023
Place: Silvassa
UDIN: 23071503BGVUXW9315

For M/s. SATYAM SVG & CO.
Chartered Accountants
[FRN. 011714C]

SATYAM SVG & CO. AUDITED Chartered Accountants

[YOGESH CHANDRA POKHARNA]
Partner
M.NO. 071503

Chartered Accountants – The Army Of Indian Economy

SatyamSVG & Co.
Chartered Accountants

CA Yogesh Chandra Pokharna (BCom, FCA, DISA)
CA Manohar Singh Gahlot (BCom, FCA, LLB)
CA Tanmay Pokharna (MCom, ACA)
CA Anjali Pokharna (BCom, ACA, CS)

Annexure 'C' to the Independent Auditor's Report

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DNH and DD POWER CORPORATION LIMITED (Formerly Known as DNH Power Distribution Corporation Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DNH and DD Power Corporation Limited (Formerly known as DNH Power Distribution Corporation Limited) ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended March 31, 2023.

Management's 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.

SATYAMSVG & CO. AUDITED Chartered Accountants

Chartered Accountants – The Army Of Indian Economy

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 Controls 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
3) Provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Chartered Accountants – The Army Of Indian Economy

SatyamSVG & Co.
Chartered Accountants

CA Yogesh Chandra Pokharna (BCom, FCA, DISA)
CA Manohar Singh Gahlot (BCom, FCA, LLB)

CA Tanmay Pokharna (MCom, ACA)
CA Anjali Pokharna (BCom, ACA, CS)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, 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, 2023, 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.

Date: 29.06.2023
Place: Silvassa
UDIN: 23071503BGVUXW9315

For M/s. SATYAM SVG & CO.
Chartered Accountants
[FRN. 011714C]

SATYAM SVG & CO. AUDITED Chartered Accountants

[YOGESH CHANDRA POKHARNA]
Partner
M.NO. 071503

Chartered Accountants – The Army Of Indian Economy

***Head Office**: 15-18, 1st Floor, Diamond Plaza, Sec-5, Hiran Magri, Udaipur (Raj), 313002*
***Email Id**: yogassociates@gmail.com , yogassociates@yahoo.co.in*
***Phone**: +91 294 246 1039/6442*
***Website**: www.Satyamsvg.com*

CA Satyanarayan Maheshwari (FCA, ACS, LLB, DISA)
CA Suresh Chandra Sinyal (BCom, FCA, ICWA, DISA)
CA Veenu Hiran (BSc, FCA, DISA)
CA Gunwant Lal Jain (BCom ACA)
CA Anil Kumar Singhvi (MCom, FCA, DISA, LLB)
CA Shikha Sarupariya (BSc, FCA, DISA)

***Branch Office:** 402A, Kashi Plaza, Opp Childrens Hospital, Near Majura Gate, Surat,(Guj), 395002, **Phone:** +91 261 246 0816*

DNH and DD POWER CORPORATION LIMITED
(Formerly known as DNH Power Distribution Corporation Limited)
Balance Sheet as at 31st March 2023

(Rupees in Lakh)

	Particulars	Note No.	As at 31st March 2023	As at 31st March 2022
	ASSETS			
1	**Non-Current Assets**			
(a)	Property, Plant and Equipment (PPE)	1	15,943.88	33,535.32
(b)	Capital Work-in-Progress	2	-	-
(c)	Investment Property		-	-
(d)	Goodwill		-	-
(e)	Intangible Assets	3	41.82	77.37
(f)	Intangible Assets under Development		-	-
(g)	Financial Assets		-	-
	i) Investments		-	-
	ii) Trade Receivables		-	-
	iii) Loans		-	-
	iv) Others	4	2,529.95	2,466.60
(h)	Deferred Tax Assets (Net)		-	-
(i)	Other Non-Current Assets		-	-
	Total Non-Current Assets		**18,515.65**	**36,079.29**
2	**Current Assets**			
(a)	Inventories	5	153.82	829.90
(b)	Financial Assets		-	-
	i) Investments		-	-
	ii) Trade Receivables	6	2,202.70	34,955.28
	iii) Cash and Cash Equivalents	7	52,565.81	27,522.81
	iv) Bank Balances other than (iii) above	7	-	31,881.58
	v) Loans		-	-
	vi) Others	8	63.98	5,293.41
(c)	Current Tax Assets (Net)		-	-
(d)	Other Current Assets	9	13.68	14.63
	Total Current Assets		**54,999.99**	**1,00,497.61**
3	**Non-Current Assets classified as held for sale**	10	**159.44**	**438.41**
	TOTAL ASSETS (1+2+3)		**73,675.08**	**1,37,015.31**
	EQUITY AND LIABILITIES			
1	**Equity**			
(a)	Equity Share Capital	11	38,974.45	38,974.45
(b)	Other Equity	12	29,137.77	48,768.36
	Total Equity		**68,112.22**	**87,742.81**
	Liabilities			
2	**Non-Current Liabilities**			
(a)	Financial Liabilities			
	i) Borrowings		-	-
	(ia) Lease Liabilities		-	-
	ii) Trade and Other Payables		-	-
	iii) Other Financial Liabilities	13	74.81	8,468.34
(b)	Provisions	14	536.95	536.95
(c)	Deferred Tax Liabilities (Net)	15	1,596.66	920.48
(d)	Other Non-Current Liabilities	16	200.00	200.00
	Total Non-Current Liabilities		**2,408.42**	**10,125.77**
3	**Current liabilities**			
(a)	Financial Liabilities			
	i) Borrowings		-	-
	(ia) Lease Liabilities		-	-
	ii) Trade and Other Payables	17		
	Total Amount due of Micro & Small Enterprises		25.17	188.87
	Total Amount due other than Micro & Small Enterprises		844.69	29,892.41
	iii) Others Financial Liabilities	18	1,603.41	8,403.60
(b)	Provisions	19	404.76	192.25
(c)	Current Tax Liabilities (Net)	20(a)	212.89	139.31
(d)	Other Current Liabilities	20(b)	63.52	330.29
	Total Current Liabilities		**3,154.44**	**39,146.73**
	Total Liabilities		**5,562.86**	**49,272.50**
	TOTAL EQUITY AND TOTAL LIABILITIES (1+3)		**73,675.08**	**1,37,015.31**

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
For, M/s. Satyam SVG & Co.
Chartered Accountants
FRN. 011714C

(Yogesh Chandra Pokharna)
Partner
M.N. 071503
Place: Silvassa
Date: 29-06-2023
UDIN: 23071503BGVUXW9315

For and On behalf of
DNH and DD Power Corporation Limited
(Formerly DNH Power Distribution Corporation Limited)

(Anju Chaudhary)
Company Secretary

(Arun T.)
Managing Director
[DIN-09584076]

(Bhanu Prabha)
Director
[DIN-09682294]

DNH and DD POWER CORPORATION LIMITED
(Formerly known as DNH Power Distribution Corporation Limited)
Statement of Profit and Loss for the year ended 31st March 2023

(Rupees in Lakh)

	Particulars	Note No.	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
	INCOME / REVENUE			
I	Revenue from Operations	21	6,707.68	3,54,912.64
II	Other Income	22	3,517.58	3,919.31
III	**Total Income (I + II)**		**10,225.26**	**3,58,831.95**
IV	**EXPENSES**			
	Purchase of Power	23	-	3,40,917.00
	Operation and Maintenance Expenses	24	953.83	2,022.00
	Employee Benefit Expenses	25	562.52	1,400.16
	Finance Costs	26	-	409.78
	Depreciation and Amortization Expenses	1&3	1,239.50	1,536.03
	Administration and Other Expenses	27	1,223.28	702.12
	Total Expenses (IV)		**3,979.13**	**3,46,987.09**
V	**Profit/(loss) before exceptional items and tax (III - IV)**		**6,246.13**	**11,844.86**
VI	**Exceptional Items**		**-**	**-**
VII	Profit before Tax (V - VI)		**6,246.13**	**11,844.86**
VIII	**Tax Expenses:**			
	Current Tax		1,697.75	2,796.02
	Deferred Tax		676.18	(1,535.55)
	Total Tax Expenses		**2,373.93**	**1,260.47**
IX	**Profit / (Loss) for the year from continuing operations (VII-VIII)**		**3,872.20**	**10,584.39**
X	**Profit / (Loss) from discontinued operations**			
XI	**Tax Expenses of discontinued operations**			
XII	**Profit/ (Loss) from discontinued operations (X - XI)**			
XIII	**Profit/ (Loss) for the year (IX + XII)**		**3,872.20**	**10,584.39**
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 Comprehensive Income for the year (net of tax)			
XV	**Total Comprehensive Income for the year (XIII + XIV)**		**3,872.20**	**10,584.39**
XVI	**Earnings per Equity Share (Face Value of Rs. 100/- each)**			
	For continuing operations before Rate Regulated Activities			
	i) Basic (in Rs.)		**9.94**	**27.16**
	ii) Diluted (in Rs.)		**9.94**	**27.16**
	For continuing operations			
	i) Basic (in Rs.)		**9.94**	**27.16**
	ii) Diluted (in Rs.)		**9.94**	**27.16**
	For discontinued operations			
	i) Basic (in Rs.)		**-**	**-**
	ii) Diluted (in Rs.)		**-**	**-**
	For continuing operations and discontinued operations			
	i) Basic (in Rs.)		**9.94**	**27.16**
	ii) Diluted (in Rs.)		**9.94**	**27.16**

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
For, M/s. Satyam SVG & Co.
Chartered Accountants
FRN. 011714C

SATYAM SVG & CO. AUDITED Chartered Accountants

(Yogesh Chandra Pokharna)
Partner
M.N. 071503
Place: Silvassa
Date: 29-06-2023
UDIN: 23071503BGVUXW9315

For and On behalf of
DNH and DD Power Corporation Limited
(Formerly DNH Power Distribution Corporation Limited)

(Anju Chaudhary)
Company Secretary

(Arun T.)
Managing Director
[DIN-09584076]

(Bhanu Prabha)
Director
[DIN-09682294]

DNH and DD POWER CORPORATION LIMITED
(Formerly known as DNH Power Distribution Corporation Limited)
Statement of Changes in Equity for the year ended 31st March 2023

A. Equity Share Capital (Rupees in Lakh)

Particulars	Amount
Balance as at 31st March 2021	38,974.45
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1st April 2021	38,974.45
Changes in equity share capital during the previous year	-
Balance as at 31st March 2022	**38,974.45**
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1st April 2022	38,974.45
Changes in equity share capital during the previous year	-
Balance as at 31st March 2023	**38,974.45**

B. Other Equity (Rupees in Lakh)

Particulars	Reserve & Surplus		Total
	General Reserve	Retained Earnings / Surplus	
Balance as at 1st April 2021	**1,171.53**	**37,012.44**	**38,183.97**
Changes in accounting policies or prior period errors	-	-	-
Restated balance as at 1st April 2021	**1,171.53**	**37,012.44**	**38,183.97**
Proceeds from Share Application	-	-	-
Profit for the FY 2021-22	-	10,584.39	10,584.39
Other Comprehensive Income for the FY 2021-22	-	-	-
Total Comprehensive Income for the FY 2021-22	-	10,584.39	10,584.39
Transfer to Retained Earnings/ Surplus	-	-	-
Dividend paid	-	-	-
Tax on Dividend paid	-	-	-
Balance as at 31st March 2022	**1,171.53**	**47,596.83**	**48,768.36**
Changes in accounting policies or prior period errors	-	-	-
Restated balance as at 1st April 2022	**1,171.53**	**47,596.83**	**48,768.36**
Issue of Equity Share Capital	-	-	-
Proceeds from Share Application	-	-	-
Profit for the FY 2022-23	-	3,872.21	3,872.21
Other Comprehensive Income for the 2022-23	-	-	-
Total Comprehensive Income for the FY 2022-23	-	3,872.21	3,872.21
Transfer to Retained Earnings/ Surplus	-	-	-
Dividend paid	-	-	-
Tax on Dividend paid	-	-	-
Deductions / Adjustments	-	23,502.80	23,502.80
Balance as at 31st March 2023	**1,171.53**	**27,966.23**	**29,137.77**

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
For, M/s. Satyam SVG & Co.
Chartered Accountants
FRN. 011714C

SATYAM SVG & CO. AUDITED Chartered Accountants

(Yogesh Chandra Pokharna)
Partner
M.N. 071503
Place: Silvassa
Date: 29-06-2023
UDIN: 23071503BGVUXW9315

For and On behalf of
DNH and DD Power Corporation Limited
(Formerly DNH Power Distribution Corporation Limited)

(Anju Chaudhary)
Company Secretary

(Arun T.)
Managing Director
[DIN-09584076]

(Bhanu Prabha)
Director
[DIN-09682294]

DNH and DD POWER CORPORATION LIMITED
(Formerly known as DNH Power Distribution Corporation Limited)
Cash Flow Statement for the year ended 31 March, 2023

(Rupees in Lakh)

	PARTICULARS	FY 2022-23		FY 2021-22	
A	**CASH FLOW FROM OPERATING ACTIVITIES:-**				
	Profit before tax from continuing operations		6,246.13		11,844.86
	Adjustments for :				
	Add: (a) Depreciation and Amortization	1,239.50		1,536.03	
	(b) Provision for Trade Receivables	491.00		142.64	
	(c) Provision for Unspent CSR Fund	258.86		137.44	
	(d) Provision for Leave Salary, Pension & Gratuity	41.43		54.81	
	(e) Finance cost recognised in Statement of Profit & Loss	24.84	2,055.63	409.78	2,280.70
			8,301.76		14,125.56
	Less: (a) Interest paid for Security Deposit	311.13		326.75	
	(b) Leave Salary, Pension & Gratuity Paid	54.81		69.60	
	(c) Unbilled FPPCA Income	-		5,227.97	
	(d) Unspent CSR Expenses Paid	32.97		-	
	(e) Interest income recognised in Statement of Profit & Loss	2,685.78	3,084.69	1,978.47	7,602.79
	Operating Profit before working capital changes		5,217.07		6,522.77
	Adjustments for :				
	Decrease/(Increase) in Trade Receivables	32,261.58		(2,242.22)	
	Decrease /(Increase) in Inventories	676.08		(71.08)	
	Decrease/(Increase) in financial assets - others	5,227.00		157.73	
	Decrease/(Increase) in Other Assets	0.95		27.22	
	Increase/(Decrease) in trade and other payables	(28,925.13)		3,541.65	
	Increase/(Decrease) in other financial liabilities	(15,193.72)		(368.20)	
	Increase/(Decrease) in other Current liabilities	(266.76)	(6,220.00)	41.22	1,086.32
	CASH GENERATED / (USED) IN OPERATION		(1,002.93)		**7,609.09**
	less : Taxes Paid (Net of Refund)		(1,624.16)		(3,694.68)
	NET CASH GENERATED BY OPERATING ACTIVITIES		**(2,627.09)**		**3,914.41**
B	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Addition to Property Plant & Equipments	(1,196.82)		(2,269.35)	
	Sale of Property Plant and Equipments	17,863.28		(438.41)	
	Investment (Fixed Deposit)	31,881.57		(5,875.55)	
	Interest received on Investments and Loans	2,624.86		1,942.88	
	Addition to Capital Work in Progress	-		-	
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES		**51,172.89**		**(6,640.43)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of Equity Share Capital / Share Application	-		-	
	Finance Costs	-		(0.02)	
	Proceeds from Banks	(23,502.80)		(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		**(23,502.80)**		**(10.02)**
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		**25,043.00**		**(2,736.04)**
	Cash & Cash Equivalents as at the Commencement of the Year		**27,522.81**		**30,258.85**
	Cash & Cash Equivalents as at the Close of the Year		**52,565.81**		**27,522.81**

In terms of our Audit Report of even date attached

For, M/s. Satyam SVG & Co.
Chartered Accountants
FRN. 011714C

SATYAM SVG & CO. AUDITED Chartered Accountants

(Yogesh Chandra Pokharna)
Partner
M.N. 071503
Place: Silvassa
Date: 29-06-2023
UDIN: 23071503BGVUXW9315

For and On behalf of
DNH and DD Power Corporation Limited
(Formerly DNH Power Distribution Corporation Limited)

(Anju Chaudhary)
Company Secretary

(Arun T.)
Managing Director
[DIN-09584076]

(Bhanu Prabha)
Director
[DIN-09682294]

DNH and DD POWER CORPORATION LIMITED
(Formerly known as DNH Power Distribution Corporation Limited)

Significant Accounting Policies forming part of financial statements for the year ended 31/03/2023.

1. Corporate Information

DNH and DD Power Corporation Limited (DNHDDPCL or 'the Corporation) (erstwhile known as DNH Power Distribution Corporation Limited / DNHPDCL) 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 initially incorporated in July 2012 with the objective to carry out the business of electricity sub-transmission, distribution and retail supply as explained in the next clause.

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.

Later-on, the Government of India has announced Aatma Nirbhar Bharat Abhiyan in May, 2020 to make India self-reliant through structural reforms. One of the key reform measures planned is to reform power distribution and retail supply in Union Territories. In this context, the Hon'ble Administrator of the Union Territory of Dadra and Nagar Haveli and Daman and Diu (hereinafter also referred as the "Government"), in the larger public interest and to promote the viability of power distribution, ensure economic efficiency, serve the interest of consumers, ensure progress and good governance has resolved to reform and restructure the power distribution and retail supply business in the Union Territory of Dadra and Nagar Haveli and Daman and Diu.

In furtherance of this objective, the Government, under Section 131, 133 and 134 of the Electricity Act, has notified Dadra and Nagar Haveli and Daman and Diu Electricity (Reorganisation and Reforms) Transfer Scheme, 2022 ("Transfer Scheme") to transfer the electricity distribution and retail supply functions together with the assets, liabilities, interests, rights, functions, obligations, proceedings and personnel of (a) the Electricity Department, Daman and Diu, and (b) DNH and DD Power Corporation Limited (Formerly known as DNHPDCL) to the Dadra and Nagar Haveli and Daman and Diu Power Distribution Corporation Limited (i.e. new distribution Company / DNHDD PDCL). The said transfer Scheme is notified vide notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/411 dated 09/03/2022 and made effective from 01/04/2022 vide notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/440 dated 14/03/2022. The DNHDDPDCL has been

SHYAM SEL & CO. AUDITED Chartered Accountants

incorporated as a limited liability company under the Companies Act, 2013 to undertake the business of distribution and retail supply of electricity having distribution license (11 kv & below network) to distribute and supply of electricity in the UT of DNH & DD as per the provisions of the transfer scheme, notified as stated above in the said matter.

Moreover, as the Corporation (DNHDDPCL) currently remains associated with functions relating to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation. Hence, the residual business of the company would also require the alteration / change in the objective clause of the Memorandum of Association (MoA) by removing the electricity distribution and retail supply business from the existing clauses and by introducing the clauses to define the new business of the Corporation and also change of name of the Corporation as per transfer scheme. Accordingly, after due recommendations of the Board of Directors in its 39th Board Meeting held on 03/06/2022, the Shareholders of the Company in Extra-Ordinary General Meeting (EOGM) held on 03/06/2022 approved the change of name from 'DNH Power Distribution Corporation Limited' to 'DNH and DD Power Corporation Limited' and alteration in object clauses of the Corporation.

2. 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

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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.

3. 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.

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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.

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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.

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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

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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 of Financial Asset

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 Asset

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.

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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) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets or disposal held for sale

Non-current assets or disposal groups are classified as held for sale, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such assets or disposal groups are classified only when (a) sale is considered highly probable and (b) the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets. Upon classification, they are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Discontinued operation

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit and loss.

(xi) 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.

(xii) 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.



(xiii) 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.

(xiv) 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

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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.

(xv) 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 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.

(xvi) Revenue Recognition

The Corporation earns revenue primarily from transmission of power and generation of renewable resources (i.e. Solar Power) in the area of Dadra & Nagar Haveli. The tariff for the transmission of power and generation of power 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 Transmission of Power
Revenue from Transmission of Power is recognized on accrual basis for capacity of energy transmission 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 are billings in excess of revenues as per applicable regulations.

Revenue from Sale of Solar Power
Revenue from Sale of Solar Power 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 are billings in excess of revenues as per applicable regulations.

Other Miscellaneous Charges / Revenue from Consumers:
Other miscellaneous charges / revenue from consumers including past arrear dues related to distribution business 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 and DPC on past arrear dues related to distribution business is recognised on cash basis being immaterial value.
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.

(xvii) Depreciation & Amortization:

The Corporation, being engaged in the electricity transmission business (previous year distribution business as explained in point no.1), is covered under the Electricity Act 2003 and the provisions of said Electricity Act supersede the provisions of Companies Act 2013. Accordingly, the section 31.6 of Joint Electricity Regulatory Commission (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2021 provides that for Transmission Licensee, the depreciation shall be calculated at rates and norms notified / specified in the prevalent CERC Tariff Regulations for transmission system (Previous FY 2021-22- depreciation rates and norms notified / specified in the prevalent JERC Tariff Regulations for distribution system). Therefore, 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 Central Electricity Regulatory Commission (Generation, Transmission and Distribution Multi Year Tariff) Regulation (CERC). 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 except the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable / amortise.

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	5.28%
Underground Cables	5.28%
Transformer Centres	5.28%
Other Equipments	5.28%
Meters	5.28%
Batteries	5.28%
Buildings	3.34%
Vehicles	9.50%
Furniture & Fixtures	6.33%

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Assets Category	Rate (%)
Office Equipments	6.33%
Solar Power Plants	5.28%
Computers including Software	15.00%

(xviii) 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.

(xix) 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

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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.

(xx) 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.

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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.

(xxi) 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.

(xxii) 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.



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II. Notes forming part of the Financial Statements as at 31st March 2023

1 :- Property, Plant and Equipment

(i) : Details of Property, Plant and Equipment (PPE) are as under :

(Rupees in Lakh)

Description of Assets	Land (Freehold)	Buildings (Freehold)	Lines & Networks	Transformer Centre	Furniture and Fixture	Vehicles	Office Equipment	IT Equipments	Other Equipments	Solar Projects	Total
Year ended 31st March 2022											
Gross Carrying amount											
Opening Gross Carrying Amount	1,364.66	2,996.27	40,498.20	11,559.29	157.19	199.39	27.64	269.78	5,586.93	3,214.83	**65,874.18**
Add- Additions during the year	-	-	742.55	124.83	0.87	-	-	8.72	84.14	-	**961.11**
Less- Deduction / Adjustments during the year	-	-	631.54	1,918.51	-	-	-	-	81.97	-	**2,632.02**
Closing Gross Carrying Amount	**1,364.66**	**2,996.27**	**40,609.21**	**9,765.61**	**158.06**	**199.39**	**27.64**	**278.50**	**5,589.10**	**3,214.83**	**64,203.27**
									-	-	
Accumulated Depreciation									-	-	
Opening Accumulated Depreciation	-	744.69	17,838.91	7,540.56	45.69	123.28	11.60	159.33	3,931.99	680.32	**31,076.37**
Add- Depreciation charge during the year	-	49.96	869.57	215.72	9.45	27.38	1.59	32.37	129.23	166.82	**1,502.09**
Less- Deduction / Adjustments during the year	-	-	300.08	1,571.75	-	-	-	-	38.68	-	**1,910.51**
Closing Accumulated Depreciation	**-**	**794.65**	**18,408.40**	**6,184.53**	**55.14**	**150.66**	**13.19**	**191.70**	**4,022.54**	**847.14**	**30,667.95**
									-	-	-
Net Carrying Amount	**1,364.66**	**2,201.62**	**22,200.81**	**3,581.08**	**102.92**	**48.73**	**14.45**	**86.80**	**1,566.56**	**2,367.69**	**33,535.32**
Year ended 31st March 2023											
Gross carrying amount											
Opening Gross Carrying Amount	1,364.66	2,996.27	40,609.21	9,765.61	158.06	199.39	27.64	278.50	5,589.10	3,214.83	**64,203.27**
Add- Additions during the year	-	-	810.69	297.60	-	-	7.44	4.31	56.22	20.57	**1,196.83**
Less- Deduction / Adjustments during the year	-	-	19,740.59	4,520.34	-	199.39	0.02	0.02	1,983.45	150.00	**26,593.81**
Closing Gross Carrying Amount	**1,364.66**	**2,996.27**	**21,679.31**	**5,542.87**	**158.06**	**-**	**35.06**	**282.79**	**3,661.87**	**3,085.40**	**38,806.29**
Accumulated Depreciation											
Opening Accumulated Depreciation	-	794.65	18,408.40	6,184.53	55.14	150.66	13.19	191.70	4,022.54	847.14	**30,667.95**
Add- Depreciation charge during the year	-	92.71	638.53	168.79	10.01	-	1.99	38.66	83.45	169.81	**1,203.95**
Less- Deduction / Adjustments during the year	-	-	5,046.13	2,625.99	-	150.66	-	0.01	1,186.70	-	**9,009.49**
Closing Accumulated Depreciation	**-**	**887.36**	**14,000.80**	**3,727.33**	**65.15**	**-**	**15.18**	**230.35**	**2,919.29**	**1,016.95**	**22,862.41**
										-	-
Net Carrying Amount	**1,364.66**	**2,108.91**	**7,678.51**	**1,815.54**	**92.91**	**-**	**19.88**	**52.44**	**742.58**	**2,068.45**	**15,943.88**

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

(Rupees in Lakh)

Particulars	FY 2022-23	FY 2021-22
Depreciation charged to Statement of Profit & Loss	1,203.95	1,502.09
Add : Depreciation included under expenditure during construction pending allocation.	-	-
Less : Deduction / Adjustments	-	-
Total	**1,203.95**	**1,502.09**

** For depreciation methodology refer significant accounting policy no. 3 (xvii).*



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1 :- Property, Plant and Equipment (Continued)

(iii) : The title deeds immovable properties- Land (freehold) are not held in the name of the Corporation and the related information is disclosed as under-

(Rupees in Lakh)

Item	Description of Item	Gross Carrying Value	Location	Area of Land (in Hector)	Title deed held in the name	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property holding since	Reason
Property, Plant and Equipment	Land (freehold)	-	Power House-Zanda Chowk	0.25	Electricity Department ,D&NH	Not Applicable, being 100% Government Company	April, 2013	The procedure for registration and / or transfer in the name of the Corporation is in process.
		913.90	Amli Sub-Station	6.53	Electricity Department ,D&NH			
		80.00	Dadra Sub-Station	2.32	Electricity Department ,D&NH			
		64.00	Silli Sub-Station	1.80	Electricity Department ,D&NH			
		100.00	Masat Sub-Station	1.28	Electricity Department ,D&NH			
		84.00	Rakholi Sub-Station	1.44	Electricity Department ,D&NH			
		-	Khadoli Sub-Station	8.45	Electricity Department ,D&NH			
		55.00	Khanvel Sub-Station	0.22	Electricity Department ,D&NH			
		-	Kala Sub-Station	2.42	Electricity Department ,D&NH			
		-	Velugam Sub-Station	5.00	Electricity Department ,D&NH			
		-	Pipariya Sub-Station	0.34	M/s Tirveni Developers			
		-	Pipariya Sub-Station	0.92	Mr. Rakeshsinh Mohansinh Chauhan			
		-	Athal Sub-Station	0.80	Electricity Department ,D&NH			
		67.76	Wagdhara Sub-Station	0.85	Electricity Department ,D&NH			
Total		**1,364.66**						

* Gross Carrying Value (-) denotes the nominal value of land i.e. Re. 1.00.

(iv) : As there is no changes in PPE on account of revaluation or other such adjustments, hence, the related information as required in Schedule – III, Division – II of the Companies Act, 2013 has not been disclosed.

(v) : The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation. Further, the deductions / adjustments in PPE based on the transferred carrying value of assets and liabilities to the new company is as per the final opening balance sheet notified in official gazette dated 31/03/2023 [Refer note no. 45 and significant accounting policies (Point no. 1)].



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

2 :- Capital Work in Progress

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

(Rupees in Lakh)

Particulars		As at 31st March 2023	As at 31st March 2022
Capital Work in Progress	See description Note (ii)	-	-
Total Capital WIP		**-**	**-**

(ii) : As there is no capital work in progress (CWIP), hence, the information about ageing schedule as required in Schedule – III, Division – II of the Companies Act, 2013 has not been disclosed.



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II. Notes forming part of the Financial Statements as at 31st March 2023

3 :- Intangible Assets

(i) : Details of Intangible Assets are as under:-

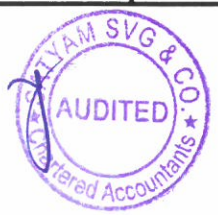
(Rupees in Lakh)

Description of Assets	Software	Total
Year ended 31st March 2022		
Gross Carrying amount		
Opening Gross Carrying Amount	242.32	242.32
Add- Additions during the year	-	-
Less- Deduction / Adjustments during the year	-	-
Closing Gross Carrying Amount	**242.32**	**242.32**
Accumulated Amortisation		
Opening Accumulated Amortisation	131.01	131.01
Add- Amortisation charge during the year	33.94	33.94
Less- Deduction / Adjustments during the year	-	-
Closing Accumulated Amortisation	164.95	164.95
Net Carrying Amount	**77.37**	**77.37**
Year ended 31st March 2023		
Gross carrying amount		
Opening Gross Carrying Amount	242.32	242.32
Add- Additions during the year	-	-
Less- Deduction / Adjustments during the year	-	-
Closing Gross Carrying Amount	**242.32**	**242.32**
Accumulated Amortisation		
Opening Accumulated Amortisation	164.95	164.95
Add- Amortisation charge during the year	35.55	35.55
Less- Deduction / Adjustments during the year	-	-
Closing Accumulated Amortisation	200.50	200.50
Net Carrying Amount	**41.82**	**41.82**

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

(Rupees in Lakh)

Particulars	FY 2022-23	FY 2021-22
Amortisation charged to Statement of Profit & Loss	35.55	33.94
Less : Deduction / Adjustments	-	-
Total	**35.55**	**33.94**



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II. Notes forming part of the Financial Statements as at 31st March 2023

4 :- Non Current Financial Assets - Others

(i) : Details of Non Current Financial Assets - Others are as under:-

(Rupees in Lakh)

Particulars		As at 31st March 2023	As at 31st March 2022
Security Deposits	See description Note (ii) & (iii)	1,200.50	1,206.58
Bank Deposits with more than 12 months	See description Note (iv)	1,193.00	1,193.00
Others -			
Interest accrued but no due on deposits	See description Note (v)	136.45	67.02
Total		**2,529.95**	**2,466.60**

(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 Rs. 1,200.00 Lakh (Previous Year - Rs. 1,200.00 Lakh) 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 Registrar for the other half [Refer Note No. 28(ii)(c)].

(iv) : Bank deposits with more than 12 months includes Fixed Deposits of Rs. 1,193.00 Lakh (Previous Year - Rs. 1,193.00 Lakh) 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. 28(ii)(c)]

(v) : The Interest accrued but not due pertains to deposit as described in Note 4 (iv) above.



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II. Notes forming part of the Financial Statements as at 31st March 2023

5 :- Inventories

(i) : Details of Inventories are as under:-

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Stores and Spares (O&M)	153.82	829.90
Less: Provision for obsolescence	-	-
See description Note (ii)		
Total	**153.82**	**829.90**

** For valuation method refer significant accounting policy No. 3 (vii).*

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

(iii) : The reduction of Inventories due to the carrying value of assets and liabilities transferred to the new company is as per the final opening balance sheet notified in official gazette dated 31/03/2023 [Refer note no. 45 and significant accounting policies (Point no. 1)].



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II. Notes forming part of the Financial Statements as at 31st March 2023

6 :- Current Financial Assets -Trade Receivables

(i) : Details of Current Financial Assets -Trade Receivables are as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Receivables - Secured & Considered Good	2,013.03	34,478.25
Trade Receivables - Un-Secured & Considered Good	189.68	477.03
Trade Receivables - Doubtful which have significant increase in credit risk	1,690.59	1,199.59
Trade Receivables - Credit impaired	-	-
Sub-Total	**3,893.29**	**36,154.87**
Less : Provision for Doubtful & Credit Impaired Trade Receivables See description Note (ii) & (iii)	1,690.59	1,199.59
Total	**2,202.70**	**34,955.28**

(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:

(Rupees in Lakh)

Particulars	FY 2022-23	FY 2021-22
Balance at beginning of the year	1,199.59	1,056.95
Movement in expected credit loss allowance - doubtful trade receivables	491.00	142.64
Balance at end of the year	**1,690.59**	**1,199.59**

(iv) : The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation. Further, the carrying value of assets (including Trade Receivables) and liabilities transferred to the new company is as per the final opening balance sheet notified in official gazette dated 31/03/2023 [Refer note no. 45 and significant accounting policies (Point no. 1)].



DNH and DD POWER CORPORATION LIMITED

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II. Notes forming part of the Financial Statements as at 31st March 2023

6 :- Current Financial Assets -Trade Receivables (Continued)

(v) : Trade Receivables ageing schedule are as under-

(Rupees in Lakh)

Particulars	Outstanding for following periods					Total
	Less than 6 Months	6 months - 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Current FY 2022-23						
(i) Undisputed Trade Receivable - Considered Good	979.32	45.61	1,177.78	-	-	2,202.70
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	937.06	753.53	1,690.59
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
Total	**979.32**	**45.61**	**1,177.78**	**937.06**	**753.53**	**3,893.29**

Previous FY 2021-22						
(i) Undisputed Trade Receivable - Considered Good	33,078.40	615.95	1,260.93	-	-	34,955.28
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	290.81	908.78	1,199.59
(iii) Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivable - Credit Impaired	-	-	-	-	-	-
Total	**33,078.40**	**615.95**	**1,260.93**	**290.81**	**908.78**	**36,154.87**

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DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

7 :-Cash & Cash Equivalents and Bank Balances other than Cash & Cash Equivalents

(i) : Details of Cash & Cash Equivalents are as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Balances with Bank		
Current Account Balance See description Note (iv) & (v)	26,971.81	17,300.81
Deposit Account Balance See description Note (vi)	25,594.00	10,222.00
Cash on hand	-	-
Others - including Imprest Balance	-	-
Total	**52,565.81**	**27,522.81**

(ii) : Details of Bank Balances other than Cash and Cash Equivalents are as under:-

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Bank Deposits - with maturity more than 3 to 12 months See description Note (iii)	-	31,881.58
Total	**-**	**31,881.58**

(iii) : Bank Deposits with maturity more than 3 months and more includes fixed deposits amounting to Rs. NIL (Previous Year Rs. 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.

(iv) : The Current Account balance included an amount of Rs. NIL (Previous Year – Rs. 4,365.00 Lakh) held on behalf of UT Administration, DNH & DD and the said amount is not available for use in the normal course of business (Refer Note - 18).

(v) : The Current Account balance included an amount of Rs. 258.95 Lakh (Previous Year Rs. 137.43 Lakh) related to unspent CSR balance of on-going projects and Current Year Rs. 258.86 Lakh is required to be transferred to a separate bank account. The said amount is not available for use in normal course of business (Refer Note - 19).

(vi) : The Deposit Account balance included an amount of Rs. 104.75 Lakh (Previous Year Rs. NIL) related to unspent CSR balance of on-going projects. The said amount is not available for use in normal course of business (Refer Note - 19).



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II. Notes forming part of the Financial Statements as at 31st March 2023

8 :- Current Financial Assets- Others

(i) : Details of Current Financial Assets- Others are as under :

(Rupees in Lakh)

Particulars		As at 31st March 2023	As at 31st March 2022
Interest receivable on Deposit / Advances		5.27	13.79
Unbilled FPPCA	See description Note (ii)	-	5,227.97
Others Receivable	See description Note (iii)	58.71	51.65
Total		**63.98**	**5,293.41**

(ii) : Unbilled FPPCA Rs. NIL (Previous Year Rs. 5,227.97 Lakh) represents the increased in power purchase cost of the last quarter (i.e. January-22 to March-22) 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). Further, the same is transferred to the new company as per the final opening balance sheet notified in official gazette dated 31/03/2023 [Refer note no. 45 and significant accounting policies (Point no. 1)].

(iii) : The Others Receivable amounting to Rs. 58.71 Lakh (Previous Year Rs. 51.65 Lakh) is mainly represents the amount recoverable from Rural Electrification Corporation (REC) under the Deen Dayal Upadhyaya Gram Jyoti Yojana Scheme.



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II. Notes forming part of the Financial Statements as at 31st March 2023

9 :- Other Current Assets

(i) : Details of Other Current Assets are as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Other advances		
Prepaid Expenses	13.68	14.63
Other Receivable	-	-
Total	**13.68**	**14.63**



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II. Notes forming part of the Financial Statements as at 31st March 2023

10 :- Non-Current Assets classified as held for sale

(i) : Details of Non-Current Assets classified as held for sale is as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Non Current Assets		
Property, Plant & Equipments See description Note (ii)	159.44	438.41
Total	**159.44**	**438.41**

(ii) : The Corporation has completed and commissioned underground cabling works in Silvassa Municipal Council area along with construction of new 66/11 KV GIS substation at Zanda Chowk, Silvassa. The said project has completed and commissioned in FY 2020-21. The completion of said project necessitated disposal of overhead lines, distribution transformers and other associated equipments being surplus infrastructure. As the said underground cabling project has been carried out with new technology in electricity distribution such as GIS substations and compact transformers, hence, the said surplus infrastructure as kept in use for some time to ensure the reliability and un-interrupted power supply with new infrastructure. During the previous financial year, the said surplus infrastructure is dismantled and classified as Non-current assets held for sale. The class/group of said non-current assets held for sale is as under –

(Rupees in Lakh)

Sr.No.	Particulars	Carrying Amount classified as held for sale at the beginning of period	Amount recovered from Disposal of Assets in Current Financial Year	Carrying Amount classified as held for sale at the end of period
1	Lines & Network	48.37	48.37	-
2	Transformer Centre	346.75	187.31	159.44
3	Other equipments	43.29	43.29	-
Total		**438.41**	**278.97**	**159.44**

The Corporation has decided to disposed off the above non-current assets after its dismantling. These assets are available for immediate sale in its present condition and the management is reasonably certain that disposal of the same is highly probable. The Corporation being the Government Entity has engaged MSTC Limited (Metal Scrap Trade Corporation Limited) for the disposal of these assets through e-auction mode.



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

11 :- Equity Share Capital

(i) : Details of Authorised Share Capital is as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
5,00,00,000 (As at 31st March 2022: 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 :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
3,89,74,445 (As at 31st March 2022: 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 2023	As at 31st March 2022
Equity Shares at the beginning of the year	3,89,74,445	3,89,74,445
Add : Equity Shares allotted during the year	-	-
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. During the Previous Financial Year 2019-20, the said net assets value of Rs. 30974.45 Lakh was settled by way of issuance of 309,74,445 fully paid up equity share to the owner (i.e. Government of India).

(vi) : The Equity Share Capital held by promoter-

The Corporation is a Government Company with 100% share holding by the President of India and its nominee. As such, 100% of the equity share capital is held by the promoters at the end of the reported financial year and also there is no change in the pattern of the shareholding.



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

12 :- Other Equity

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

(Rupees in Lakh)

Particulars		As at 31st March 2023	As at 31st March 2022
General Reserve	See description Note (ii) & (iii)	1,171.53	1,171.53
Retained Earnings / Surplus	See description Note (ii)& (iv) & (v)	27,966.24	47,596.83
Total		**29,137.77**	**48,768.36**

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

(Rupees in Lakh)

Particulars	FY 2022-23	FY 2021-22
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	47,596.83	37,012.44
(+) Net profit/(Net loss) for the Current Year	3,872.21	10,584.39
(-) Deductions / Adjustments for the Current Year	23,502.80	-
Closing Balance	**27,966.24**	**47,596.83**
Total	**29,137.77**	**48,768.36**

(iii) : 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.

(iv) : The Retained Earnings / Surplus represents amount remaining with the Corporation after considering appropriations.

(v) : Please refer Clause 4.5 of the notified transfer scheme regarding Final Opening Balance Sheet. The Final Opening Balance Sheet is notified by the UT Administration of DNH & DD separately on dated 31/03/2023 vide notification no. 1(FTS-157989)DNHPDCL/CS/02/2022/1061. Upon the notification of Opening Balance Sheet of the new company, there is restructuring of the business of DNHDDPCL i.e. reduction of assets and liabilities of electricity distribution business of DNHDDPCL at net carrying value and adjustment of equity by the residual value i.e. adjusted from the available free reserves of the Corporation. The net carrying value of the transferred assets and liabilities is Rs. 23,502.80 Lakh and the same is adjusted from the available free reserves with the Corporation (i.e. Retained Earnings / Surplus) [Refer Note no. 45 and Significant Accounting Policy Point no.1].



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

13 :- Non-Current Financial Liabilities - Others

(i) : Details of Non-Current Financial Liabilities - Others are as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Security Deposits (Consumers & Others)	74.81	8,468.34
Total	**74.81**	**8,468.34**

(ii) : Security Deposits represents mainly amount collected from consumers against power connections Rs. NIL (Previous Year Rs. 8,388.05 Lakh). These deposits are generally without any fixed period of maturity. Accordingly, the Corporation has classified these Security Deposits as Non-Current Financial Liabilities - Others. Further, the carrying value of assets and liabilities (including Security Deposits related to consumers Rs. 8,388.05 Lakh) transferred to the new company is as per the final opening balance sheet notified in official gazette dated 31/03/2023 [Refer note no. 45 and significant accounting policies (Point no. 1)].



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

14 :- Non-Current Liabilities- Provisions

(i) : Details of Non-Current Liabilities - Provisions are as under :

(Rupees in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for NSPCL Power Purchase See description Note (ii)	536.95	536.95
Total	**536.95**	**536.95**

(ii) : Provision for NSPCL power purchase represents the amount payable on account of delayed payment of Capacity Charges for two months (January-2014 and February-2014) 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 only. Accordingly, there is no delayed payment surcharge on the delayed payment of said surcharge amount. The said matter is further subject matter of mutual conclusion before the settlement, hence, the same is shown as a part of provision.



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

15 :- Deferred Tax Liabilities (Net)

(i) : Details of Deferred Tax Liabilities (Net) are as under :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Tax Liabilities	1,596.66	920.48
Less: Deferred Tax Recoverable (Assets)	-	-
Net Deferred Tax (Assets) / Liabilities	**1,596.66**	**920.48**

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

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Deferred Income Tax Liabilities		
Depreciation and Amortization	1,596.66	920.48
Deferred Income Tax Assets		
Provisions not currently deductible for tax purposes	-	-
Total	**1,596.66**	**920.48**

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DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

16 :- Other Non-Current Liabilities

(i) : Details of Other Non-Current Liabilities are as under :

(Rupees in lakh)

Particulars		As at 31st March 2023	As at 31st March 2022
State Energy Conservation Fund	See description Note (ii)	200.00	200.00
Total		**200.00**	**200.00**

(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).



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

17 :- Current Financial Liabilities - Trade and Other Payables

(i) : Details of Current Financial Liabilities - Trade and Other Payables are as under :

(Rupees in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Trade Payables		
i) Amount due to Micro & Small Enterprise See description Note (ii) & (iii)	25.17	188.87
ii) Payable to Others See description Note (iii)	774.53	29,515.37
Sub Total (i & ii)	**799.70**	**29,704.24**
Other Payables		
iii) Accrued Expenses See description Note (iii)	33.29	318.96
iv) Accrued Payroll See description Note (iii)	36.87	58.08
Total Amount due other than Micro & Small Enterprises	**844.69**	**29,892.41**
Total (i + ii + iii + iv)	**869.86**	**30,081.28**

(ii) : The Details of liabilities to Micro & Small Enterprises, to the extent information available with the Corporation are given under. These liabilities are not due for payment as per the contractual term of payment.

(Rupees in lakh)

Due to MSME Enterprise	As at 31st March 2023	As at 31st March 2022
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 Rs. Nil).	25.17	188.87
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	**25.17**	**188.87**

(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.



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

17 :- Current Financial Liabilities - Trade and Other Payables (Continued)

(iv) : Trade Payables ageing schedule are as under-

(Rupees in lakh)

Particulars	Outstanding for following periods				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Current Year 2022-23					
(i) MSME	0.78	-	24.39	-	**25.17**
(ii) Payable to Others	646.08	34.82	18.64	74.99	**774.53**
(iii) Disputed Dues - MSME	-	-	-	-	**-**
(iv) Disputed Dues - Payable to Others	-	-	-	-	**-**
Total	**646.86**	**34.82**	**43.03**	**74.99**	**799.70**

Previous Year 2021-22					
(i) MSME	0.08	150.28	2.04	36.46	**188.87**
(ii) Payable to others	29,360.48	64.06	37.72	53.11	**29,515.37**
(iii) Disputed Dues - MSME	-	-	-	-	**-**
(iv) Disputed Dues - Payable to Others	-	-	-	-	**-**
Total	**29,360.56**	**214.35**	**39.76**	**89.57**	**29,704.24**

(v) : The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation. Further, the carrying value of assets and liabilities (including Trade Payables mainly related to Power Purchase) transferred to the new company is as per the final opening balance sheet notified in official gazette dated 31/03/2023 [Refer note no. 45 and significant accounting policies (Point no. 1)]



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

18 :- Current Financial Liability- Others

(i) : Details of Current Financial Liability- Others are as under :

(Rupees in lakh)

Particulars		As at 31st March 2023	As at 31st March 2022
Payable towards Deposit Works	See description Note (ii)	797.37	700.08
Other Payable	See description Note (iii)	806.04	3,338.52
Contract Liability towards consumers	See description Note (iv)	-	-
Payable towards UT Administration	See description Note (v)	-	4,365.00
Total		**1,603.41**	**8,403.60**

(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 mainly 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 Rs. 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 Previous FY 2020-21, the Corporation had realised excess revenue of Rs. 5,090.00 Lakh through sales billing / approved tariff rate (i.e. price of electricity) and accordingly, the same was shown as ' Contract Liability towards consumer'. This has been reversed and adjusted during the Previous FY 2021-22 (Refer Note No. 21 'Revenue from Operations').

(v) : Payable towards UT Administration represents the amount held on behalf of UT Administration and to be paid to the trusts to be incorporated for employees (i.e. Dadra and Nagar Haveli and Daman and Diu) transferred in pursuance to the Transfer Scheme – 2022 (Refer Note – 45).



DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

19 :- Current Liabilities - Provision

(i) : Details of Current Liabilities - Provisions are as under :

(Rupees in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Leave salary	15.96	21.49
Pension	25.48	33.33
Provision for on-going CSR projects See description Note (ii)	363.32	137.43
Total	**404.76**	**192.25**

(ii) : The movement in provision for CSR on-going projects are as under-

(Rupees in lakh)

Particulars	FY 2022-23	FY 2021-22
Opening Balance	137.43	-
Add - Provision Creates during the year	258.86	137.43
Less - Actual Expenses Incurred during the year	32.97	-
Closing Balance	**363.32**	**137.43**



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II. Notes forming part of the Financial Statements as at 31st March 2023

20 (a) :- Current Tax Liabilities (Net)

(i) : Details of Current Tax Liabilities are as under :

(Rupees in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Provision for taxation (Net of tax paid) See description Note (a) (ii)	212.89	139.31
Total	**212.89**	**139.31**

(ii) Details of Provision for taxation is as under:

(Rupees in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Gross amount of provision	1,697.75	2,561.97
Less : Advance Tax paid	-	-
Including TDS & TCS Recoverable of Rs. 142.85 Lakh (PY Rs. 189.30 Lakh)	1,484.86	2,422.66
Total	**212.89**	**139.31**

20 (b) :- Other Current Liabilities

(i) : Details of Other Current Liabilities are as under :

(Rupees in lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Payable to Statutory Authorities	62.51	325.02
Payable to EPF & GPF Trust	1.01	5.27
Total	**63.52**	**330.29**

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II. Notes forming part of the Financial Statements as at 31st March 2023

21 : Revenue from Operations

(i) : Details of Revenue from Operations are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
(I) Revenue from Transmission of Power See description Note (ii)	6,396.00	-
(II) Revenue from Sale of Power		
a) Sale of Renewable Power (Solar Power) See description Note (ii)	365.11	-
b) Sale to High Tension Consumers	-	3,29,728.50
c) Sale to Low Tension Consumers		
Domestic	-	3,913.29
Commercial	-	1,550.68
Low Tension (Industries)	-	12,109.73
Public Lighting	-	106.25
Public Water Works	-	292.09
Agriculture & Others See description Note (iii)	-	380.85
d) Sale of Power Through Exchange	-	833.06
e) Deviation Settlement Mechanism Receipts	-	311.14
f) Security Constrained Economic Dispatch (SCED-NLDC)	-	350.05
Total (I+II)	**6,761.11**	**3,49,575.64**
Less: Rebate Allowed to Consumers	94.43	276.59
Less: Contract Liability towards consumers [Refer description note - 18 (iv)]	-	(5,090.00)
Revenue from Transmission and Sale of Power	**6,666.68**	**3,54,389.05**
(III) Other Operating Income		
Reactive Income	-	33.63
STOA Application Fees	-	250.59
Supervision Charges	41.00	124.18
Other Charges from Consumers See description Note (iv)	-	115.19
Other Operating Income	**41.00**	**523.59**
Total Revenue from Operation (I+II+III)	**6,707.68**	**3,54,912.64**

(ii) : The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme, Bulk Power Transmission Agreement and Power Purchase Agreement) after the privatisation [Refer note no. 45 and significant accounting policies (Point no. 1)].

(iii) : The Details of Sales to LT Consumers- Agriculture & Others are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Agriculture	-	54.57
LIG Power Sale	-	58.57
Temporary Connections	-	267.71
Total	**-**	**380.85**

(iv) : The Details of Other Charges from Consumers are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Meter Testing Charges	-	18.39
Reconnection Charges & Name Change	-	1.66
Registration Fees	-	57.43
Test Report Charges	-	6.69
Service Connection Charges	-	31.02
Total	**-**	**115.19**

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II. Notes forming part of the Financial Statements as at 31st March 2023

22 : Other Income

(i) : Details of Other Income are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Interest Income	2,685.79	1,983.20
Delayed Payment Charges from Consumers	-	1,395.76
Tender Fees	0.52	1.68
Provision Written Back See description Note (iv)	146.56	328.15
Sale of Scrap	124.24	-
Miscellaneous Income See description Note (ii) & (iii)	554.01	210.52
Lease Income See description Note (v)	6.46	-
Total	**3,517.58**	**3,919.31**

(ii) : The Details of Miscellaneous Income are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Assessment Charges	-	181.05
Other Miscellaneous Income	554.01	29.47
Total	**554.01**	**210.52**

(iii) : The Corporation entered into an Agreement for Bulk Power Transmission with MSETCL for transmission of allocated power to be generated by RGPPL to the Corporation. However, the RGPPL was unable to generate the power as explained in the Note No. 28 (ii) (a). 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 DNHDDPCL and 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 and Petition No. 67/2008".
Further, the WRPC vide its letter WRPC/Comml-I/2021/4011 dated 18.01.2022 has determined the said transmission charges as directed by CERC for the period from FY 2012-13 to FY 2020-21. On the said determination, an amount of Rs. 405.21 lakh has been calculated and recovered from MSETCL in the current financial year on actual drawal basis as per the CERC order and WRPC methodology.

(iv) : Provision Written Back for previous FY 2021-22 included an amount of the interest on Security Deposit Rs. 484.21 Lakh. The said amount of interest is related to such consumers who were permanently disconnected and not claimed or the Service Connection Number of the Consumers were unidentifiable and untraceable. Therefore, the provision for interest on such Security Deposit were written back.

(v) : As per clause of Schedule (B) (Part 1) 1 (c) of the Transfer Scheme, the Corporation has provided to use of buildings and offices for initial 11 months i.e. up to Feb-2023 and the extend permission for use of buildings and offices of the Corporation after the completion of 11 months is as per lease rate determined by the Public Works Department (PWD), DNH & DD. Accordingly, the PWD has determined the lease charges rate and the Corporation has extended the permission for use of buildings and offices of the Corporation for the period of Mar-2023 to Feb-2026 i.e. 3 years.

(vi) : The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation [Refer note no. 45 and significant accounting policies (Point no. 1)].

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DNH and DD POWER CORPORATION LIMITED
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II. Notes forming part of the Financial Statements as at 31st March 2023

23 : Purchase of Power

(i) : Details of Purchase of Power are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Power Purchase	-	2,90,565.55
Renewable Power Obligation (RE Certificate)	-	2,407.20
Point of Connection Charges (Transmission & Wheeling Charges)	-	49,170.59
Deviation Settlement Mechanism Charges	-	2,870.39
Reactive Charges	-	23.94
Total Purchase of Power	**-**	**3,45,037.67**
Less: Rebate on Power Purchase	-	4,120.67
Total	**-**	**3,40,917.00**

(ii) : The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation [Refer note no. 45 and significant accounting policies (Point no. 1)].



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24: Operation & Maintenance Expenses

(i) : Details of Operation & Maintenance Expenses are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Stores & Spares Consumed	24.33	223.12
Repairs & Maintenance		
(i) Plant & Machinery	640.08	765.62
(ii) Repair & Maintenance Office	63.36	42.21
(iii) Other Operational Expenses	206.06	364.51
JERC Licence Fees & Filing Fees	20.00	626.54
Total	**953.83**	**2,022.00**



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II. Notes forming part of the Financial Statements as at 31st March 2023

25 : Employee Benefit Expenses

(i) : Details of Employee Benefit Expenses are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Salary & Wages	463.82	1,278.60
Provident Fund Contribution	12.09	56.19
Leave Salary, Pension and Gratuity	71.64	64.04
Staff Welfare Expenses	14.97	1.33
Total	**562.52**	**1,400.16**

(ii) : As per Schedule D (Part 2) of the list of employees notified under transfer scheme dated 09/03/2022 is transferred to the new company i.e. DNHDDPDCL [Refer note. no. 45 and point no. 1 of significant accounting policy].



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26 : Finance Costs

(i) : Details of Finance Costs are as under:-

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Interest Expenses		
Interest on Short Term Borrowing See description note (ii)	-	0.02
Interest on Security Deposit	-	345.52
Interest on Others	-	64.24
Total	**-**	**409.78**

(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 had 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 Rs. 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 was repaid on 12/04/2021.



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27 : Administrative & Other Expenses

(i) : Details of Administrative & Other Expenses are as under:-

(Rupees in Lakh)

Particulars		For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
Fees to Auditors	See description Note (ii)	9.23	8.94
Printing and Stationery Expenses		7.71	12.95
Travelling and Accommodation Expenses		6.11	3.36
Advertisement Expenses		0.33	0.82
Corporate Social Responsibility Expenses	See description Note (iv) & (v)		
- Actual CSR Expenses		12.57	65.57
- Provision for on-going CSR project		258.86	137.43
Telephone Expenses		11.28	46.34
Legal and Professional Charges		123.61	90.54
Bank Charges		(0.56)	98.46
Fees and Subscription Expenses		11.52	8.12
Incentive Expenses	See description Note (iii)	157.29	-
Other Expenses		134.33	86.95
Provision for Bad & Doubtful Debts		491.00	142.64
Total		**1,223.28**	**702.12**

(ii) : Fees to Auditors includes the amount paid to Statutory Auditors:

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023	For the year ended on 31st March, 2022
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) : The past arrear (i.e. arrear related to energy sale) of the Corporation is recovered by the new company i.e. DNHDDPDCL. Further, as per the policy directions & Schedule C (3c) of the notified transfer scheme dated 09/03/2022, an incentive on the said recovery by the new company shall be returned after keeping an incentive.



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II. Notes forming part of the Financial Statements as at 31st March 2023

27 : Administrative & Other Expenses (Continued)

(iv) : In terms of stipulation of Section – 135 of the Companies Act 2013, the Corporation is required to spend Rs. 271.43 Lakh during FY 2022-23 on Corporate Social Responsibility (i.e. CSR) activities (Previous Year Rs. 203.00 Lakh). During the said FY, the Corporation has incurred expenses / liability for an amount of Rs. 271.43 Lakh (Previous Year Rs. 203.00 Lakh) on the following CSR activities;

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2023			For the year ended on 31st March, 2022		
	Amount Paid	Yet to be paid	Total	Amount Paid	Yet to be paid	Total
(i) construction / acquisition of any asset	-	-	-	-	-	-
(ii) On purposes other than (i) above						
- Malnutrition and promoting health i.e. Bal Shakti & Matru Shakti to pregnant woman and lactating woman (on-going project)	12.57	-	12.57	-	137.43	137.43
- Empowering women and measures of reducing equalities faced by socially and economically backward groups	-	-	-	65.57	-	65.57
- Eradicating hunger faced by Industrial Labour (on-going project)	-	258.86	258.86	-	-	-
Total	**12.57**	**258.86**	**271.43**	**65.57**	**137.43**	**203.00**

Further, in terms of Section -135(5) and (6) of the CA 2013, the Corporation has an obligation of Rs. NIL (Previous Year Rs. NIL) to transfer the fund specified in schedule-VII of CA 2013 as on 31/03/2023 and further, an amount of Rs. 363.32 Lakh (Previous Year Rs. 137.43 Lakh) is required to be spent ongoing project, which has been transferred to special bank account.

(v) : The other information related to CSR activities are as follows –

(Rupees in Lakh)

Particular	FY 2022-23	FY 2021-22
i) Amount required to be spent during the year	271.43	203.00
ii) Amount of expenditure incurred (Actual)	12.57	65.57
iii) Shortfall at the end of the year.	258.86	137.43
iv) Total of previous years shortfall	104.46	NIL
v) Reason for shortfall	As pertains to ongoing project i.e. Malnutrition and promoting health and Eradicating hunger.	***As pertains to ongoing project.
vi) Nature of CSR activities	Malnutrition and promoting health i.e. Bal Shakti & Matru Shakti to pregnant woman and lactating mothers and Eradicating hunger.	Animal welfare, Empowering women and measures of reducing equalities faced by socially and economically backward groups.
vii) Details of related parties transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard.	NIL	NIL
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movement of the provisions.	YES (Refer Note - 19)	YES (Refer Note - 19)

*** In 40th Board Meeting of the Corporation, the ongoing project of creation / setting up Gaushala is interchanged with the other ongoing project of Malnutrition and promoting health i.e. Bal Shakti & Matru Shakti to pregnant woman and lactating mothers.



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28 : Contingent Liabilities & Commitments :

(i) Contingent Liabilities not provided for includes :

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
(A) Claims against the Corporation not acknowledged as debts	36,861.14	35,127.62
(B) Letter of Credit issued by Bank of Baroda to Power Generating Companies. (LC are secured by creation of charge on book-debts and movable assets of the Corporation)	-	22,797.02
(C) Unexpired value of Bank Guarantee on behalf of the Corporation	1,193.00	1,193.00

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

a) Claim of Rs. 7,754.43 Lakh (Previous Year Rs. 6,020.91 Lakh) made by M/s Ratnagiri Gas & Power Private Limited (RGPPL) for the period October-2013 to March-2023. The RGPPL had stopped the generation and supply of power since October-2013 on account of minimum technical requirement load as the principle beneficiary (95% beneficiary of installed capacity) of the said 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 also not initiated / taken any litigation in the said matter before any authority as per the agreed terms of the PPA. If, the said contingent liability on the claim settlement is eventually arisen in the future, the same would be recovered from the consumers.

b) Claim of Rs. 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 the 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 further 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. DNHDDPCL), 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.

Further, CERC vide its order in petition no. 259/MP/2020 dated 20/01/2022 has decided the matter in favour of GWEL. In the said order, the CERC recorded its decision on the ground of recoverability of fixed charges from consumers, applying force majeure for other generators, protection of cost recoverability under applicable regulation and other such factors rather than the executed contract terms of the agreed PPA. In view of above, an appeal is preferred and filed before APTEL (Appellate Tribunal for Electricity) against the order of CERC. If, the said contingent liability on the claim settlement is eventually arisen in the future, the same would be recovered from the consumers.

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c) 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 (DNHDDPCL 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 DNHDDPCL 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 DNHDDPCL and MSEDCL (Maharashtra) both. Whereas, the case of MSEDCL was altogether different from the case of DNHDDPCL 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 Rs. 12,406 Lakh (i.e. Coal Shortage claim Rs. 8,148 Lakh and carrying cost thereon Rs. 4,258 Lakh). Whereas, the said claim as per the computation of the Corporation is Rs. 2,393 Lakh (i.e. Coal Shortage claim Rs. 1,341 Lakh and carrying cost thereon Rs. 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. 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 Rs. 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. Rs. 1,200 Lakh has been deposited to SC by way of pay order / demand draft and further another half of the amount i.e. Rs. 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.

d) 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 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 Rs. 16,478 Lakh (Previous Year Rs. 16,478 Lakh), whereas the actual claim paid by DNHPDCL is Rs. 12,933 Lakh (Previous Year Rs. 12,933 Lakh). The claim is less settled by an amount of Rs. 3,545 Lakh (Previous Year Rs. 3,545 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 (Rs. 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 (Rs. 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 (Rs. 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 (Rs. 1,297 Lakh).

(iii) The Corporation has contractually committed (net of advances) Rs. NIL and Rs. NIL as at March 31, 2023 and 2022 respectively for purchase / construction of Property, Plant & Equipment and Intangible Assets.



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29 : (i) Related Parties - Key Management Personnel who exercise control :

Name	Designation
a) Shri Praful Patel	Chairman
b) Shri Arun T.	Managing Director***

*** Shri Mekala Chaitanya Prasad was Managing Director of the Corporation up to 09th March, 2023 and from 10th March, 2023 Shri Arun T. is appointed as Managing Director of the Corporation.

(ii) Transaction with related parties mentioned in (i) above;
Remuneration for the FY 2022-23 Rs. NIL (Previous Year Rs. NIL)
Dues outstanding to the Corporation as at 31st March 2023 Rs. NIL (As at 31st March 2022: Rs. 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 (Rupees in Lakh)	Denominator – Weighted Average number of equity shares outstanding (Face Value of Rs. 100/- each)	Earnings Per Share
Basic EPS for continuing operation before Rate Regulated Activities :			
2022-23	3,872.20	3,89,74,445	9.94
2021-22	10,584.39	3,89,74,445	27.16
Diluted EPS for continuing operation before Rate Regulated Activities :			
2022-23	3,872.20	3,89,74,445	9.94
2021-22	10,584.39	3,89,74,445	27.16
Basic EPS for continuing and discontinuing operation :			
2022-23	3,872.20	3,89,74,445	9.94
2021-22	10,584.39	3,89,74,445	27.16
Diluted EPS for continuing and discontinuing operation :			
2022-23	3,872.20	3,89,74,445	9.94
2021-22	10,584.39	3,89,74,445	27.16

(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 2023	As at 31st March 2022
Weighted average no. of Equity Share used for calculation of Basic Earnings per Share	3,89,74,445	3,89,74,445
Adjustments for calculating Diluted Earnings per Share:	-	-
Share Application Money	-	-
Weighted average no. of Equity Share used for calculation of Diluted Earnings per Share	3,89,74,445	3,89,74,445

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	FY 2022-23	FY 2021-22
(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	FY 2022-23	FY 2021-22
-	NIL	NIL

34 : Foreign Currency Exposures not hedged are as under :

Particulars	Currencies	FY 2022-23	FY 2021-22
Sundry Creditors / Deposits / Loans / Retention Money	-	NIL	NIL
	-	NIL	NIL
	-	NIL	NIL
	-	NIL	NIL

35 : Value of imports :

Particulars	FY 2022-23	FY 2021-22
Value of imports calculated on CIF basis	NIL	NIL

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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 Dadra and 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. 5000 Lakh or more either in current year or previous year (Top Three) :

(Rupees in Lakh)

Particulars	FY 2022-23	FY 2021-22
Consumer- A	6,761.11	42,274.39
Consumer- B	-	24,457.15
Consumer- C	-	24,055.16
Total	**6,761.11**	**90,786.70**

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

Particulars	FY 2022-23	FY 2021-22
1. Net Power Purchased*	-	6,846.33
2. Unit Sold*	-	6,648.49
3. Unit Loss 3=1-2	-	197.84
4. Distribution Losses** (%) 4=(3/1)*100	-	2.89%

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

** The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation [Refer note no. 45 and significant accounting policies (Point no. 1)].

37(b) : Quantitative information in respect of generation of Solar Energy:

Electricity	Financial Year	Solar Energy
Generation (In Millions Kwh)	2022-23	5.36
	2021-22	5.91
Sales (In Millions Kwh)	2022-23	5.36
	2021-22	5.91

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

	Particulars	FY 2022-23	FY 2021-22
A	**Net Export of Units***	**-**	**6,648.49**
B	Opening Backlog- RPO		
(I)	Non-Solar	-	809.14
(II)	Solar	-	530.06
B (I+II)	**Total Opening Backlog**	**-**	**1,339.20**
C	RPO Obligation for the year		
(I)	Non-Solar (PY 9.00%)	-	598.36
(II)	Solar (PY 8.00%)	-	531.88
C (I+II)	**Total RPO Obligation**	**-**	**1,130.24**
D	RPO Met during the year ended		
a(i)	Non- Solar Power Purchase	-	338.46
a(ii)	Non- Solar REC	-	200.00
Total of a	**Total Non-Solar**	**-**	**538.46**
b(i)	Solar Self Generation	-	4.81
b(ii)	Solar Consumer Generation	-	48.76
b(iii)	Solar REC	-	-
b(iv)	Solar Power Purchase	-	189.01
Total of b	Total Solar	**-**	**242.58**
(Total of a + Total of b)	**Total RPO Met**	**-**	**781.04**
E	Closing Backlog		
(i)	Non-Solar	-	869.04
(ii)	Solar	-	819.36
(i+ii)	**Total Closing Backlog**	**-**	**1,688.40**

* As per the clause 4.5 (c) of the policy directions issued under transfer scheme, the new distribution company i.e. DNHDDPDCL has undertaken existing & pending Renewable Purchase Obligation of the Corporation [Refer note no. 45 and significant accounting policies (Point no. 1)].

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II. Notes forming part of the Financial Statements as at 31st March 2023

39: Income and deferred taxes

(i) Movement in deferred tax assets/liabilities

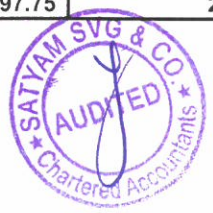
(Rupees in Lakh)

Particulars	Depreciation and Amortization	Provisions	Total
As at 31st March 2021	**(2,459.81)**	**3.78**	**(2,456.03)**
(Charged)/ Credited:			
To profit or loss	1,539.33	(3.78)	1,535.55
To other comprehensive income	-	-	-
Recognised directly in Equity	-	-	-
Reclassified from equity to profit and loss	-	-	-
Deferred Tax on basis adjustment	-	-	-
As at 31st March 2022	**(920.48)**	**-**	**(920.48)**
(Charged)/ Credited:			
To profit or loss	(676.18)	-	(676.18)
To other comprehensive income	-	-	-
Recognised directly in Equity	-	-	-
Reclassified from equity to profit and loss	-	-	-
Deferred Tax on basis adjustment	-	-	-
As at 31st March 2023	**(1,596.66)**	**-**	**(1,596.66)**

(ii) Reconciliation of tax expenses and accounting profit multiplied by country's tax rate:

(Rupees in Lakh)

Particulars	As at 31st March 2023	As at 31st March 2022
Profit from continuing operations before income tax expenses	**6,246.13**	**11,844.86**
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 (taxable) in calculating taxable income:	-	-
Tax provided at lower tax rate under 115BAA / 115JB	1,697.75	2,796.02
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	**1,697.75**	**2,796.02**



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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 :

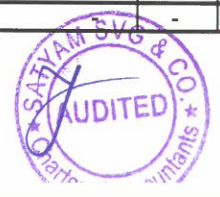
(Rupees in Lakh)

As at 31st March 2023	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 unobservable inputs)	Total	
Financial Assets measured at Fair value					-	-	-	-	-
Financial Assets not measured at Fair value					-	-	-	-	-
Receivables & Others*	4,6,7,8,9	57,376.12	-	57,376.12	-	-	-	-	-
Total		**57,376.12**	**-**	**57,376.12**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities not measured at fair value		-	-	-	-	-	-	-	-
Payables & Others*	13,14,18,19	-	2,619.93	2,619.93					
Total		**-**	**2,619.93**	**2,619.93**	**-**	**-**	**-**	**-**	**-**

(Rupees in Lakh)

As at 31st March 2022	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 unobservable inputs)	Total	
Financial Assets measured at Fair value					-	-	-	-	-
Financial Assets not measured at Fair value					-	-	-	-	-
Receivables & Others*	4,6,7,8,9	1,02,134.31	-	1,02,134.31	-	-	-	-	-
Total		**1,02,134.31**	**-**	**1,02,134.31**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities not measured at fair value		-	-	-	-	-	-	-	-
Payables & Others*	13,14,18,19	-	17,601.14	17,601.14					
Total		**-**	**17,601.14**	**17,601.14**	**-**	**-**		-	**-**

* The Corporation has not disclosed the fair values for financial instruments as their carrying amounts are a reasonable approximation of fair value.



40: 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 counterparty 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. 6.

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.



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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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023 and amended Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015, as below.

- Ind AS 1– Presentation of Financial Statements -

The amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The Corporation does not expect this amendment to have any significant impact on the standalone financial statements of the Corporation.

- Ind AS 8– Accounting Policies, Changes in Accounting Estimates and Errors -

The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The Corporation has evaluated the amendment to Ind AS 8 and the said amendment would not have any impact on the standalone financial statements of the Corporation.

- Ind AS 12- Income Taxes -

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The Corporation has evaluated the amendment to Ind AS 12 and the said amendment would not have any impact on the standalone financial statements of the Corporation.



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44 : Other Disclosers in view of additional regulation information contained in Schedule-III of Division –II of the Companies Act, 2013.

(i) Any proceedings under Prohibition of Benami Property Transaction Act,1988 or rules made thereunder has not been initiated / pending against the Corporation and accordingly, the related disclosures as prescribed in the respective Schedule-III would not be applicable.

(ii) The Corporation has not availed any fund based or non fund based credit facilities from any bank or financial institution on the basis of security of current assets in current year. As such, the relevant disclosure on these matters would not be applicable.

(iii) As the Corporation has not availed any sort of funding from Bank / financial institution. The declaration of the Corporation as willful defaulter would not be applicable.

(iv) The Corporation has registered the registration / satisfaction of charge, whenever required with register of companies within the statutory period.

(v) The Corporation is a transmission utility and the Corporation has not made any investment in any struck off company. Further, being 100% Government Corporation, any shares of the Corporation is not held by any struck off company. Moreover, the Corporation transmit power to any other company as in the normal course of business and these consumers are required to provide security deposit before transmit of power. As such, it has been noticed that no material amount has been outstanding from any other company. In view of above, there would be some transactions in form of receivables (i.e. past arrear) with the struck off company by the Registrar of Companies, Gujarat. However, as no material amount is outstanding from past arrear consumers, hence, the receivables outstanding from struck off company is not disclosed being immaterial, tedious work and also absence of the requisite information in the present system.

(vi) The Corporation has not advanced/loaned/invested funds to any other person/entity with the understanding to have the disposal of said fund in identified manner. Further, the Corporation has not received any fund from any other person/ entity with the understanding to utilize the said fund with the instructions of the funding party. As such, the relevant disclosure on these matters would not be applicable.

(vii) The Corporation has no unrecorded transactions including undisclosed income which has been additionally disclosed under the Income Tax Act, 1961.

(viii) The Corporation has not traded / invested in crypto currencies / virtual currencies during the prescribed financial year.



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44 : Other Disclosers in view of additional regulation information contained in Schedule-III of Division –II of the Companies Act, 2013. (Continued)

(ix) Analytical Ratios for the year ended March 31,2023 and March 31, 2022

Particulars	Numerator	Denominator	31st March 2023	31st March 2022	Variance	Reason
Current Ratio	Current Assets	Current Liabilities	17.44	2.57	578.60%	Refer (6)
Debt- Equity Ratio (1)	Total Debt	Shareholder's Equity	-	-	0.00%	Not Applicable
Debt Service Coverage Ratio (2)	Earnings available for debt service (3)	Debt services	-	-	0.00%	Not Applicable
Return on Equity Ratio	Net profit after tax	Average Shareholder's Equity	4.97%	12.84%	-61.29%	Refer (6)
Inventory Turnover Ratio	Cost of Goods Sold / Total Expenses	Average Inventory	809.00	43681.37	-98.15%	Refer (6)
Trade Receivables Turnover Ratio	Revenue from Operation	Average Trade Receivables	0.36	10.47	-96.56%	Refer (6)
Trade Payables Turnover Ratio	Purchase of Power	Average Trade Payables	-	12.22	-100.00%	Refer (6)
Net Capital Turnover Ratio	Revenue from operation (i.e. Net Sales)	Working Capital - (i.e. Current Assets - Current Liabilities)	0.13	5.86	-97.78%	Refer (6)
Net profit Ratio	Net profit after tax	Revenue from operation (i.e. Net Sales)	57.73%	2.98%	1837.25%	Refer (6)
Revenue on Capital Employed Ratio	Earning before interest and taxes	Capital Employed (4)	8.97%	13.83%	-35.14%	Refer (6)
Return on Investment Ratio (5)	Earning before taxes	Total Equity	9.17%	13.50%	-32.07%	Refer (6)

(1) There is no long term debt, hence, the said ratio is not calculated.

(2) There is no long term debt, hence, the said ratio is not calculated.

(3) Earnings available for debt service = Net profit after tax + non-cash operating expenses + interest + other adjustments like loss sale of fixed assets.

(4) Capital Employed = Tangible Net worth (i.e. Total Equity - Intangible Assets) + Total Long Term Debt + Deferred Tax Liability.

(5) There is one investor in business i.e. equity shareholders and the equity share capital is also not traded in the market. Accordingly, the said ratio is computed considering the net worth / total equity.

(6) The Corporation (DNHDDPCL) currently remains associated with functions related to generation of electricity (solar) and transmission of electricity (as per the Schedule C of the transfer scheme) after the privatisation. For the privatisation of distribution business, the Final Opening Balance Sheet is notified by the UT Administration of DNH & DD separately on dated 31/03/2023. Upon the notification of Opening Balance Sheet of the new company, there is restructuring of the business of DNHDDPCL i.e. reduction of assets and liabilities of electricity distribution business of DNHDDPCL. In the said scenario, the ratios are invariably high or less in comparison of previous year [Refer note no. 45 and significant accounting policies (point no. 1)].



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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 DNHDDPCL (Formerly known as 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 DNHDDPCL 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.

UT Administration of DNH & DD (Dadra and Nagar Haveli and Daman & Diu) vide notification no. 1(FTS-118044)/Electricity Distribution/Privatisation/2022/411 dated 09/03/2022 has notified "THE DADRA AND NAGAR HAVELI AND DAMAN AND DIU ELECTRICITY (REORGANISATION AND REFORMS) TRANSFER SCHEME, 2022" and mandated the transfer of electricity distribution business of Corporation to a new Company named as Dadra and Nagar Haveli and Daman and Diu power Distribution Corporation Limited (a holding of Torrent Power Limited) w.e.f. 01/04/2022.

(Rupees in Lakh)

ASSETS	To be Privatise	DNHDDPCL	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
iii) 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**

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The Final Opening Balance Sheet as on 01/04/2022 is prepared and notified by the UT Administration of DNH & DD (Dadra and Nagar Haveli and Daman & Diu) vide notification no. 1(FTS-157989)DNHPDCL/CS/02/2022/1061 dated 31/03/2023. As per the notification, the carrying values of assets and liabilities as published vide official gazette notification is as per the audited Financial Statement as on 31/03/2022 is presented in table below and the said carrying values are actual transfer to the new entity i.e. DNHDDPDCL.

(Rupees in Lakh)

ASSETS	Transferred	DNHDDPCL	TOTAL
Non-Current Assets			
Property, Plant and Equipment (PPE)	17,433.99	16,101.33	33,535.32
Capital Work-in-Progress	-	-	-
Intangible Assets	-	77.37	77.37
Financial Assets - Others	-	2466.60	2466.60
Other Non-Current Assets	-	-	-
Total Non-Current Assets (A)	**17,433.99**	**18,645.30**	**36,079.29**
Current Assets			
Inventories	753.39	76.51	829.9
Financial Assets			
i) Trade Receivables	31,416.06	3,539.22	34,955.28
ii) Cash and Cash Equivalents	5,973.01	53,431.38	59,404.39
iii) Others	5,227.97	65.44	5,293.41
Other Current Assets	-	14.63	14.63
Total Current Assets (B)	**43,370.43**	**57,127.18**	**1,00,497.61**
Non-Current Assets classified as held for sale (C)	-	**438.41**	**438.41**
TOTAL ASSETS D=(A+B+C)	**60,804.42**	**76,210.89**	**1,37,015.31**
LIABILITIES			
Non-Current Liabilities			
i) Other Financial Liabilities	8,388.05	80.29	8,468.34
ii) Deferred Tax Liabilities (Net)	-	920.48	920.48
Total Non-Current Liabilities (E)	**8,388.05**	**1,000.77**	**9,388.82**
Current liabilities			
Financial Liabilities -			
a) Trade Payables	28,913.57	1,167.71	30,081.28
b) Other Financial Liabilities	-	8,403.60	8,403.60
Provisions	-	729.20	729.20
Other Current Liabilities	-	669.60	669.60
Total Current Liabilities (F)	**28,913.57**	**10,970.11**	**39,883.68**
Total Liabilities G = E+F	**37,301.62**	**11,970.88**	**49,272.50**
Net Carrying Value / Equity (D-G)	**23,502.80**	**64,240.01**	**87,742.81**

Upon the said transfer, there is restructuring of the business of DNHDDPCL i.e. reduction of assets and liabilities of electricity distribution business of DNHDDPCL at net carrying value and adjustment of equity by the residual value i.e. adjusted from the available free reserves with the Corporation. The business of electricity transmission (i.e. 66KV and above lines and associated infrastructure) and solar power plants will remain with DNHDDPCL post the said restructuring. In this connection, the said transferred net assets value i.e. Rs. 23,502.80 Lakh arose in the event of privatisation of distribution business, the same may be utilised in future events of any merger of other transmission utility of DNH & DD with the Corporation or any assets received from the UT Administration of DNH & DD.

SAIYAM VG & CO. AUDITED Chartered Accountants

DNH and DD POWER CORPORATION LIMITED
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!I. Notes forming part of the Financial Statements as at 31st March 2023

46 : The standalone financial statements are approved for issue by the Board of Directors on 29/06/2023.

In terms of our Audit Report of even date attached
For, M/s. Satyam SVG & Co.
Chartered Accountants
FRN. 011714C

(Yogesh Chandra Pokharna)
Partner
M.N. 071503
Place: Silvassa
Date: 29-06-2023
UDIN: 23071503BGVUXW9315

For and On behalf of
DNH and DD Power Corporation Limited
(Formerly DNH Power Distribution Corporation Limited)

(Anju Chaudhary)
Company Secretary

(Arun T.)
Managing Director
[DIN-09584076]

(Bhanu Prabha)
Director
[DIN-09682294]