

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DNH POWER DISTRIBUTION CORPORATION LTD.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **M/S DNH POWER DISTRIBUTION CORPORATION LTD. ("the Company")** which comprises the Balance Sheet as at **March 31, 2016**, the Statement of Profit & Loss and Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

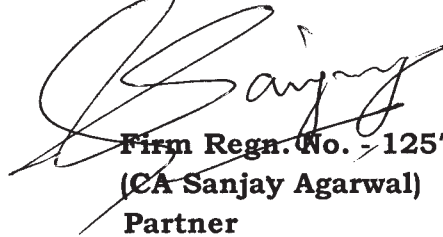
- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) In the case of the Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Company is governed by the provision of the Electricity Act 2003 read with rules and the regulation issued there under. The section 1(4)(d) of the Companies Act 2013 also provides that the provision of special acts like Electricity Act, will apply to the extent the provisions of the companies Act are inconsistent with the provisions of those Act.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
3. As required by Section 143(5) of the Act, we give in the annexure the directions issued by Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statement of the company.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the financial statements comply with the Accounting Standards notified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis written representations received from the directors as on 31st March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 B**".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 4 (xvii) & 10, 11 to the financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For, Agarwal & Dhandhania
Chartered Accountants**



Firm Regn. No. - 125756W

(CA Sanjay Agarwal)

Partner

M.No.- 078579

PLACE: Silvassa

DATE: 2 SEP 2016

"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT

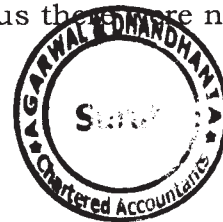
The Annexure referred under the heading 'Report on other Legal Regulatory Requirements' in our report to the members of DNH Power Distribution Corporation Limited on the financial Statements as of and for the year ended March 31, 2016. We report that:-

1. In respect to Fixed Assets:

- a) The Company has compiled the fixed assets register in respect of Assets purchased /constructed as well as Assets of distribution & allied division of Electricity Department of Dadra & Nagar Haveli transferred to Company under the Notification No 1-1(594)/Ele/2013/697 dated 7th March 2013 & no 1-1(656)/Ele/2013/700 dated 8th March 2013 issued by the Administration of D & N H showing full particulars, including Quantitative details and situation of fixed assets.
- b) Most of the assets of the Company were transferred from Electricity Department (DNH) on the basis of transferred scheme. These Fixed & other assets are carried in the Financial Statements of the Company at values notified by Administration of Dadra & Nagar Haveli vide Notification No. DNH/Ele/Trans/2014/108/278 Dtd. 4th June 2014.
- c) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.

2. Inventory:

- a) As explained to us, inventories have been frequently physically verified by the Management during the year. In our opinion, having regard to the size of the Company and the nature of its business the frequency of such verification is reasonable.
- b) In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) On the basis of our examination of records and in our opinion, the Company is maintaining proper records of inventory. As explained to us there are no material discrepancies noticed on physical verification of inventory.



3. In respect to Loan taken /granted by Company:

According to the information and explanation given to us, the Company has not granted any loans secured or un-secured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Since, the Company has not given any loan; no comments are required in respect of clauses (iii) (a) to (c) of CARO relating to the rate of Interest and other term and condition.

- 4.** In our opinion and according to the information and explanations given to us, the Company has complied with provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5. Deposits:

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

6. Cost Records:

As informed to us, the maintenance of Cost Records has been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7. Statutory Dues:

- a) According to the records of the Company, undisputed statutory dues including Provident Fund, Income Tax, Service Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities.
- b) 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, 2016 for a period of more than six months from the date of becoming payable.
- c) According to records of Company, the dues of income tax or service tax or cess which have not been deposited on account of any dispute is nil except the following dues of service tax.



Name of the Statute	Nature of dues	Amount	Forum where the dispute is pending
Service Tax	Demand of Service Tax of Rs. 1,44,41,914 for Consulting Engineering services rendered by DNHPDCL which has been paid by the Company. However the interest on the same has not been provided for as the appeal has been filed for the same..	Demand of Service Tax of Rs. 1,44,41,914*	Appeal pending in Appellate Tribunal, WZB, Ahmedabad against the order dated 12th March 2015 of the Commissioner, Central Excise, Customs & Service Tax, Silvassa Commissionerate for payment of service tax, penalty, interest.
	Penalty u/s 77 of the Finance Act, 1994 for non-filing / delay in filing ST-3 returns	Rs. 1,00,000	
	Penalty u/s 78 of the Finance Act, 1994	Rs. 1,44,41,914	

*Rs. 1,44,41,914 has been recovered from consumers and then the amount has been paid to Service Tax Department. Therefore it has not been disclosed as either liability to consumers or as asset as recoverable from Department back. In case in the decision of appeal, this amount of service tax is refunded back to DNHPDCL, the Company will return it back to the consumers.

8. Re-payment of financial dues and taken loan:

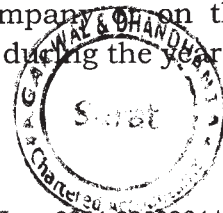
The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence, this clause is not applicable to the Company.

9. Public Offer:

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

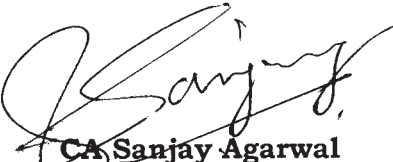
10. Frauds:

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



11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion & explanation given to us, there are no transactions with the related parties under section 177 and 188 of Companies Act, 2013.
14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For, Agarwal & Dhandhania
Chartered Accountants


CA Sanjay Agarwal
(Partner)



Firm Registration Number - 125756W

MN: 078579

Place: Silvassa

Date: 2 SEP 2016

"ANNEXURE B" TO THE INDEPEDENT AUDITOR`S REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

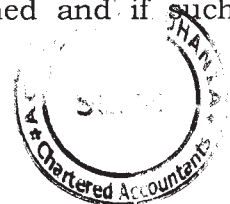
We have audited the internal financial controls over financial reporting of DNH Power Distribution Corporation Limited as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended March 31, 2016.

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.



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.

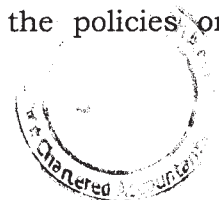
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

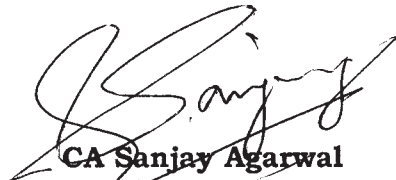
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, Agarwal & Dhandhania
Chartered Accountants


CA Sanjay Agarwal
(Partner)



Firm Registration Number - 125756W

MN: 078579

Place: Silvassa

Date: 2 SEP 2016

Annexure to the Independent Auditor's Report under Section 143(5) of the Act:

(Referred to in our report of even date to the members of DNH Power Distribution Corporation Ltd for the year ended 31st March 2016)

- 1. If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.**

To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not been selected for disinvestment in 2015-16.

- 2. Please report whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.**

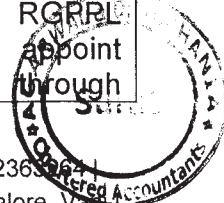
To the best of our knowledge and belief and according to the information and explanations given to us, during the year 2015-16 no cases of waiver/write off of debts/loans/interest etc were observed.

- 3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.**

Based on records examined and explanations given to us, during the year, there are no inventories are lying with third parties and the Company has not received any assets/gifts from Government or other authorities.

- 4. The details on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence/ effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) are as under:**

Sr. No.	Particulars of case	Date (Age of case as at 31/03/2016)	Present status	Reasons of Pendency
1	Ratnagiri Gas & Power Private Ltd., (RGPPL) for capacity charges. (No.7/2014) May 2014	2 years	To finalise the arbitrator through High Court	RGPPL is not agreeing to finalise the arbitration mutually. RGPPL wants to appoint arbitrator through

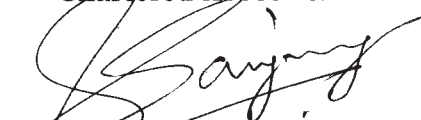


				CERC.
2	M/s EMCO Energy Ltd has filed petition before APTEL which is under the process of hearing. (CERC has dismissed the petition filed by EMCO Energy Ltd. on the ground of jurisdiction).	6 Months	In Appeal	Pending before APTEL
3	Appeal pending in Appellate Tribunal, WZB, Ahmedabad against the order dt. 12.03.2015 of the Commissioner, Central Excise, Customs and Service Tax, Silvassa, Commissionerate for payment of service tax, penalty, interest.	1 Year 5 months	In appeal	Appeal filed before Appellate Tribunal, Ahmedabad
4	Appeal pending against M/s Anurita Enterprises Pvt. Ltd, in Bombay High court against the order dt. 21.11.2013 of the Consumer Grievance Redressal Forum, UT of DNH for payment of excess energy charges. (WP/2088/2014) Nov.2014	2 year	In Appeal	Appeal before Bombay High court

All legal cases and expenditure on above are monitored and reviewed by the Managing Director. As informed to the Auditors and in our opinion, the Corporation has in existence an effective monitoring mechanism for expenditure on all legal cases.

For, Agarwal & Dhandhania

Chartered Accountants


CA Sanjay Agarwal
(Partner)



Firm Registration Number - 125756W

MN: 078579

Place: Silvassa

Date: 2 SEP 2015

**DNH Power Distribution Corporation Limited**First Floor, Vidhyut Bhavan,
Opp. Secreteriat,
Silvassa.

CIN U40100DN2012GOI000405

Balance Sheet as at 31-Mar-2016

	Particulars	Note No.	As at 31-Mar-2016	As at 31-Mar-2015
			Amount in ₹.	Amount in ₹.
I.	EQUITY AND LIABILITIES			
1	Shareholders' Funds			
	(a) Share Capital	5	80,00,00,000	80,00,00,000
	(b) Reserves and Surplus	6	5,20,44,63,220	4,79,42,75,853
	(c) Money Received Against Share Warrants		-	-
	Total		6,00,44,63,220	5,59,42,75,853
2	Share Application money pending allotment		-	-
3	Non-Current Liabilities			
	(a) Long-Term Borrowings		-	-
	(b) Deferred Tax Liabilities (Net)	7	9,15,03,487	6,41,05,230
	(c) Other Long-Term Liabilities	8	36,34,56,319	44,12,42,267
	(d) Long-Term Provisions		38,12,959	70,99,746
	Total		45,87,72,764	51,24,47,242
4	Current Liabilities			
	(a) Short-Term Borrowings	9	-	-
	(b) Trade Payables	10	1,86,54,64,712	1,82,14,57,113
	(c) Other Current Liabilities	11	18,99,13,550	15,09,65,672
	(d) Short-Term Provisions		1,59,30,17,770	1,83,93,27,038
	Total		3,64,83,96,032	3,81,17,49,823
	Grand Total		10,11,16,32,016	9,91,84,72,919
II.	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	12		
	i) Tangible Assets		1,51,41,23,233	1,61,09,19,436
	ii) Intangible Assets		8,10,031	10,51,028
	iii) Capital work-in-progress		36,50,20,705	11,52,02,969
	(b) Non-Current Investments		-	-
	(c) Deferred Tax Assets (Net)		-	-
	(d) Long-Term Loans and Advances	13	2,26,74,643	2,26,74,643
	(e) Other Non-Current Assets		-	-
	Total		1,90,26,28,612	1,74,98,48,076
2	Current Assets			
	(a) Current Investments	14	-	-
	(b) Inventories	15	8,48,59,607	5,40,03,781
	(c) Trade receivables	16	2,01,27,78,804	2,24,38,09,803
	(d) Cash and Cash Equivalents	17	5,67,65,01,212	5,45,56,89,578
	(e) Short-Term Loans and Advances	18	31,59,81,091	30,40,23,698
	(f) Other Current Assets		11,88,82,691	11,10,97,983
	Total		8,20,90,03,405	8,16,86,24,844
	Grand Total		10,11,16,32,016	9,91,84,72,919
	Significant Accounting Policies & Notes to Financial Statements	1-33		

As per our report of even date
For, Agarwal & Dhandhanja
Chartered AccountantsCA. Sanjay Agarwal
(Partner)Firm Registration Number - 0125756W
M.N.078579

Place: Silvassa

Date:

E2 SEP 2016

Vikram Dev Dutt
DIN- 02055541
ChairmanK.J. Bamanla
CFOFor and On behalf of the Board
For, DNH Power Distribution Corporation Ltd.Jitendra B. Singh
DIN- 01982459
Managing DirectorVithal Chavan
Company Secretary

**DNH Power Distribution Corporation Limited**First Floor, Vidhyut Bhavan,
Opp. Secreteriat,
Silvassa.

CIN U40100DN2012GOI000405

Statement of Profit and Loss for the year ending on 31-Mar-2016

	Particulars	Note No.	In (₹)	In (₹)
			For year ending on 31-Mar-2016	For year ending on 31-Mar-2015
I	Revenue from Operations	19	20,83,07,57,260	22,97,42,66,052
II	Other Income	20	1,13,70,15,174	90,41,88,544
III	TOTAL REVENUE (I + II)		21,96,77,72,434	23,87,84,54,596
IV	EXPENSES			
	Direct Expenses (Purchase of Power)	21	20,84,02,91,924	22,75,81,05,302
	Changes in Inventories	22	(3,08,55,827)	84,78,426
	Employee Benefit Expenses	23	10,22,20,491	9,09,94,601
	Finance Cost	24	6,08,82,892	4,67,46,249
	Depreciation and Amortization Expenses		13,41,44,475	13,61,27,190
	Other Expenses	25	8,27,35,284	16,94,29,396
	TOTAL EXPENSES		21,18,94,19,239	23,20,98,81,164
V	Profit before Exceptional and Extraordinary Items and Tax (III-IV)		77,83,53,196	66,85,73,432
VI	Exceptional Items		-	-
VII	Profit before Extraordinary Items and Tax		77,83,53,196	66,85,73,432
VIII	Extraordinary Items			
	Government Grant		-	-
IX	Profit Before Tax		77,83,53,196	66,85,73,432
X	Tax Expense			
	Current Tax		23,43,24,259	21,26,12,485
	Deferred Tax		2,73,98,257	2,75,24,764
	Income Tax of last years(short provision)		2,35,37,728	-
XI	Profit/(Loss) for the period from Continuing Operations(IX-X)		49,30,92,952	42,84,36,183
XII	Profit/(Loss) from Discontinuing Operations		-	-
XIII	Tax Expense of Discontinuing Operations		-	-
XIV	Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)		-	-
XV	Profit/(Loss) for the Period(XI+XIV)		49,30,92,952	42,84,36,183
XVI	Earnings per Equity Share			
	-Basic	26	61.64	53.55
	-Diluted		-	-
	Significant Accounting Policies & Notes to Financial Statements	1--33		

As per our report of even date
For, Agarwal & Dhandhanja
Chartered AccountantsCA Sanjay Agarwal
(Partner)

M.N. 078379

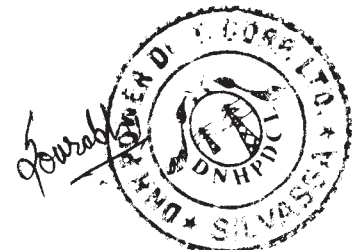
Firm Registration Number - 125756 W

Place: Silvassa

Date:

For and On behalf of the Board
For, DNH Power Distribution Corporation Ltd.Vikram Dev Dutt
DIN- 02055541
ChairmanK.J. Bamanja
CFOJitesh B. Singh
DIN- 01982459
Managing DirectorVithal Chavan
Company Secretary

2 SEP 2016





DNH Power Distribution Corporation Limited
First Floor, Vidhyut Bhavan,
Opp. Secreteriat,
Silvassa.
Cash Flow Statement for the year ended 31 March, 2016
CIN U40100DN2012GOI000405

Particulars	For the year ended 31 March, 2016		For the year ended 31 March, 2015	
	Amount in ₹	Amount in ₹	Amount in ₹	Amount in ₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items / Prior Period item and tax	77,83,53,196		66,85,73,432	
Adjustments for:				
Prior Period	(9,73,337)		1,72,24,165	
Depreciation and amortisation	13,41,44,475		13,61,27,190	
Interest Cost & Bank charges	6,08,82,892		4,67,46,249	
Interest income	(44,25,21,181)		(33,20,06,348)	
Miscellaneous Expenses W/off	-		-	
Provision for Leave Salary, Pension & Gratuity	(32,86,787)		35,61,840	
Provision for bad and doubtful debts	-		6,87,60,276	
Operating profit / (loss) before working capital changes		52,65,99,258		60,89,86,805
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(3,08,55,827)		84,78,426	
Trade receivables	23,10,31,000		(10,51,74,054)	
Short-term loans and advances	21,05,12,893		47,04,29,165	
Other current assets	16,73,741		(6,05,03,980)	
		41,23,61,807		31,32,29,557
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	4,40,07,599		20,45,27,260	
Other current liabilities	3,89,47,878		6,54,25,327	
Short-term provision	(48,06,33,527)		19,97,70,899	
		(39,76,78,050)		46,97,23,486
Cash flow before extraordinary items & Prior Period items		54,12,83,015		1,39,19,39,848
Government Grant		-		2,00,00,000
Prior Period Items		9,73,337		(1,72,24,165)
		54,22,56,352		1,39,47,15,683
Net income tax (paid) / refunds		(23,55,96,177)		(43,74,00,487)
Net cash flow from / (used in) operating activities (A)		30,66,60,175		95,73,15,196
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(36,37,24,553)		(21,88,91,424)	
Fund Utilised for CSR Activities	(1,86,89,946)		(42,89,000)	
Interest received	44,25,21,181		33,20,06,348	
Net cash flow from / (used in) investing activities (B)		6,01,06,683		10,88,25,923
C. Cash flow from financing activities				
Issue of Equity Shares	-		5,78,99,196	
Increase in Corpus fund during the year	-		16,60,09,224	
Increase in loans and advances	-		(12,21,85,566)	
Increase in long term deposits	(7,77,85,948)		-	
Interest on deposits acquired	-		2,80,82,988	
Interest on f.d. attributable to capital grant	23,42,256		(80,00,000)	
Dividend Proposed	(80,00,000)		(15,99,520)	
Dividend Distribution Tax	(16,28,640)		(4,67,46,249)	
Interest Cost & Bank charges	(6,08,82,892)		-	
Net cash flow from / (used in) financing activities (C)		(14,59,55,224)		7,34,60,072
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		22,08,11,634		1,13,96,01,191
Cash and cash equivalents at the beginning of the year	5,45,56,89,578	5,45,56,89,578	4,31,60,88,387	4,31,60,88,387
Effect of exchange differences on restatement of foreign currency Cash and		5,67,65,01,212		5,45,56,89,578
Cash and cash equivalents at the end of the year				
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand				
(b) Balances with banks				
Current Accounts:				
Dena Bank C/A 24051		7,94,665		(56,14,507)
Dena Bank C/A 24081		77,07,197		5,59,05,610
Dena Bank C/A 24093		(77,127)		1,90,518
Dena Bank C/A 24221		2,20,355		
State Bank of India C/A 31830		1,10,845		76,78,727
Saving Account:				
Dena Bank S/B 34935		-		2,24,21,839
(c) Fixed Deposits				
Auto FD at Dena Bank (24051)		11,83,10,957		39,33,85,071
Auto FD at Dena Bank (24081)		4,79,34,70,565		4,22,66,84,717
Auto FD at Dena Bank (24093)		73,07,63,755		75,50,37,604
Auto FD at Dena Bank (24221)		2,52,00,000		
		5,67,65,01,212		5,45,56,89,578

In terms of our report attached.

For, Agarwal & Dhandhania
Chartered Accountants

CA Sanjay Agarwal
(Partner)

M.N. 075379

Firm Registration Number - 125756W

Place: Silvassa

Date:

For and on behalf of the Board

For, DNH Power Distribution Corporation Ltd.

Vikram Dev Dutt
DIN- 02055541
Chairman

K.J. Bamania
CFO

Jitendra B. Singh
DIN- 01982459
Managing Director

Vitthal Chavan
Company Secretary

2 SEP 2016





SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

FINANCIAL YEAR: 2015-16

1. Background:

The Corporation is limited Company and a government undertaking of which 100% share holding is with President of India & his nominees and has been incorporated under Companies Act 1956 (no 1 of 1956) vide dated 13/07/2012 and has also obtained certificate to commence business from the concerned Registrar of Companies.

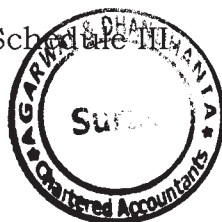
The Administration of Dadra and Nagar Haveli has notified "DNH Electricity Transfer Scheme 2013" vide notification no.1-1(594)/ELE/2013/697 dated 7th March 2013 for the purpose of transfer of distribution and associated division of Electricity Department of Dadra and Nagar Haveli to newly incorporated Corporation "**DNH Power Distribution Corporation Limited**" and further notified effective date as 1st April 2013 for transfer of all assets, liabilities etc vide its notification no. 1-1(656)/ELE/2013/700 dated 8th March 2013. The entire assets & liabilities of distribution & allied division of Electricity Department of Dadra and Nagar Haveli have been transferred on such effective date to DNH Power Distribution Corporation Ltd.

2. Business Activities:

The Company is engaged in business of Distribution of Power in the area of UT of Dadra & Nagar Haveli. There is no change in the business activity during this year.

3. Presentation and Disclosure of Financial Statements:

As notified by the Ministry of Corporate Affairs, Schedule III under the Companies Act, 2013 is applicable to the Financial Statements for the financial year commencing on or after 1st April 2014. Accordingly, the Financial Statements for the year ended 31st March 2016 are prepared in accordance with the Schedule III.





The Company was incorporated with transfer of assets and liabilities of the erstwhile Electricity Department as per the transfer scheme notified by Notification dated 8th March 2013 and Balance Sheet notified by notification dated 4th June 2014. As per the notification the Company had to take over all assets and all external liabilities. However, there was an excess of ₹ 35,160.45 lakhs assets over liabilities on such transfer. The notification was not clearly mentioning about the treatment of excess value of assets over liabilities. The Company has shown such excess amount of ₹ 35,160.45 lakhs as Corpus Fund under the heading of Reserve & Surplus in the Balance Sheet.

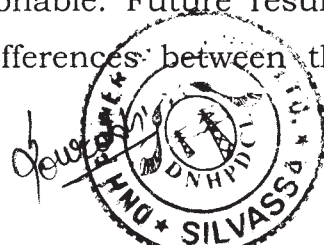
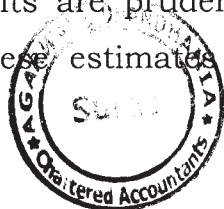
4. Significant Accounting Policies:

i. Basis for Preparation of Accounts:

The Financial Statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The Financial Statements have been prepared on accrual basis under the historical cost convention as a going concern, unless otherwise stated and the same comply with the relevant Accounting Standards issued under section 133 of the Companies Act 2013 unless otherwise stated.

ii. Use of Estimates:

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the





actual results and the estimates are recognized in the periods in which the results are known/materialize.

iii. System of Accounting:

The Company generally follows Mercantile System of Accounting and recognizes Income and Expenditure on accrual basis except wherever specified.

iv. Revenue Recognition:

a) Revenue from Sale of Power:

Revenue from Sale of Power is recognized on accrual basis for energy supplied in accordance with the tariff order awarded by Joint Electricity Regulatory Commission (JERC) as applicable to consumers.

b) Misc. Revenue from Consumers:

Other Misc. Charges/Revenue from consumers are recognized on cash basis except ultimate realization of such income is certain.

c) Other Income:

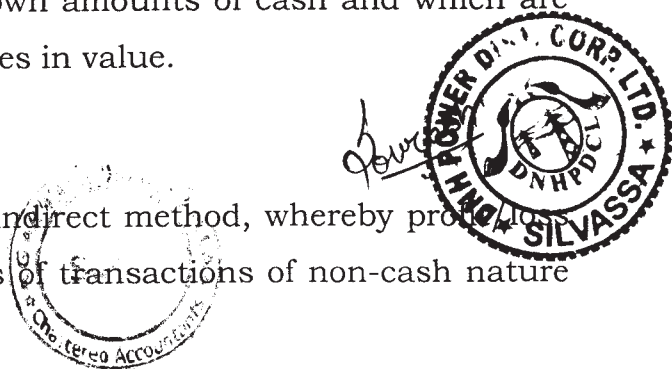
1. Amount in respect of delayed payment charges (except for cases where suit is filed in the court) is accounted on the basis of actual realization of late payment against outstanding energy bills.
2. Other Income except mentioned above is recognized on accrual basis except when ultimate realization of such income is un-certain.

v. Cash and Cash Equivalents (for purposes of Cash Flow Statement):

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

vi. Cash Flow Statement:

Cash Flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of non-cash nature





DNH POWER DISTRIBUTION CORPORATION LIMITED

CIN-U40100DN2012GOI000405

Annual Report 2015-16

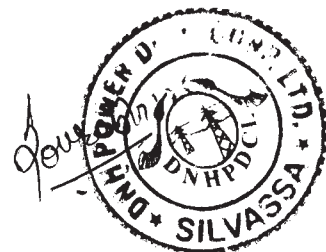
and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

vii. Fixed Assets:

- a) Most of the assets of the Company were transferred from Electricity Department (DNH) on the basis of transferred scheme. These Fixed & other assets are carried in the Financial Statements of the Company at values notified by Administration of Dadra & Nagar Haveli vide Notification No. DNH/Elc/Trans/2014/108/278 Dtd. 4th June 2014.
- b) Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all expenses incurred to bring the asset to its present location and condition.
- c) The assets created out of Capital Grant received are valued at Nominal Value of ₹1000/- in accordance with the AS-12 Accounting of Government Grants.
- d) As the frequency and movement of the replacement of failed transformers is high and the same being regular ongoing process in distribution network, the cost of replaced transformer is not being capitalized and simultaneously the cost of failed transformer is not withdrawn from the asset account considering the transformer is one of the component of the distribution lines and cable network. Such transactions are being recorded as movement in pool of service component (Transformers) under the head Inventories in Current Assets.

viii. Capital Work-in-Progress:

Projects under which tangible Fixed Assets are not yet ready for their intended use and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs.





ix. Depreciation:

- a) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on Fixed Assets in respect of Electricity Business is provided at the rate as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009/14 which have been notified under the powers given under Electricity Act 2003 and generally in accordance with the provision of Schedule II of the Companies Act, 2013.
- b) Depreciation on addition/deletion of fixed assets is provided on pro rata basis from the date on which the asset is put to use.

x. Inventories:

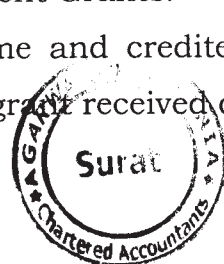
The Inventories of the Company have been valued on the basis of Inventories of stores, spare parts and loose tools are valued at lower of cost and net realizable value. Cost includes cost of material, labour and other appropriate overheads.

xi. Cost & Benefits:

Costs are charged to revenue in the year in which the benefits accrue to the Company and / or in the year in which the resultant assets are created or put to effective use.

xii. Accounting for Grant Received:

- a) Capital grant received has been treated as a Capital receipt and shown under the head of "Reserves & Surplus" (Sub-head: Capital Reserve) in Balance Sheet. Fixed Assets created out of such Capital Grant received (Capital Reserve), are valued at Nominal Value of ₹1000/- in accordance with the AS-12 Accounting of Government Grants.
- b) Revenue grant is treated as an Income and credited to Profit & Loss Account. However there is no revenue grant received during the year.





xiii. Taxation:

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provision of the Income-Tax Act, 1961. Current Tax is the amount of tax payable on the taxable income for the year.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future Income Tax Liability, is considered as an asset if there is convincing evidence that the Company will pay normal Income Tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

xiv. Deferred Tax Liability/Assets:

The Company is required to create Deferred Tax Liability/Assets in accordance with the principles laid down by the Accounting Standard-22 issued by the ICAI. Deferred Tax is recognized, subject to the consideration of prudence, on timing differences, being the differences between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The Deferred Tax Assets is recognized and carried forward only to the extent that there is a reasonable certainty except for carried forward losses and un-absorbed depreciation in which is recognized on virtual certainty that the asset will be realized in future.

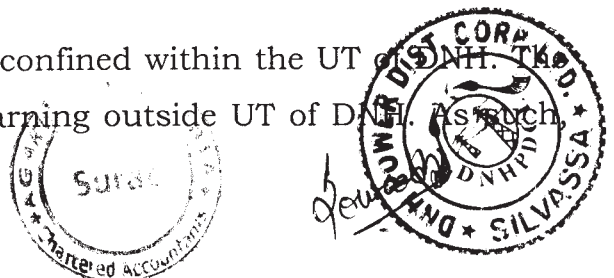
xv. Segment Reporting:

a) Business Segment:

The Company has only one activity namely Distribution of Electricity, accordingly the AS-17-segment reporting issued by ICAI has been considered as not applicable.

b) Geographical Segments:

The Company's operation is mainly confined within the UT of DNH. The Company does not have material earning outside UT of DNH. As such, there are no reportable segments.





xvi. Preliminary & Pre-Operative Expenses:

There is no balance of Preliminary & Pre-Operative Expenses in the books of accounts to be written off during the financial year 2015-16.

xvii. Provisions and Contingent Liabilities:

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present values and are determined based on the best estimate required to settle the obligations at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognized in the Financial Statements and are disclosed in the Notes. A Contingent Asset is neither recognized nor disclosed in the Financial Statements. All known liabilities are provided for in the accounts, except liabilities which are contingent in nature. However, in respect of such contingent liabilities, suitable disclosure is made by way of a note to the accounts.

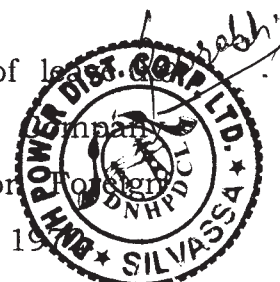
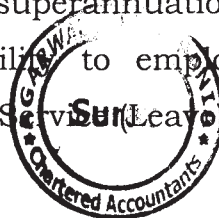
xviii. Employee Benefits:

a) Post-Employment Benefits:

1. **Pension:** Liability towards Pension payable to employees on Foreign Service (Deputation) is covered by making provision for Pension Contribution as per Central Civil Service (Pension) Rules, 1972.

For the regular employees of the Company, pension payable is recognized as per Employee's Provident Fund and Miscellaneous Provision Act-1952.

2. **Leave Salary Contribution:** The benefit of encashment of leave is provided to employees on retirement/superannuation. The Company maintains Accounts for Leave Encashment Liability to employees on Foreign Service (Deputation) as per Central Civil Service (Leave) Rules, 1972.





D N H POWER DISTRIBUTION CORPORATION LIMITED

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Annual Report 2015-16

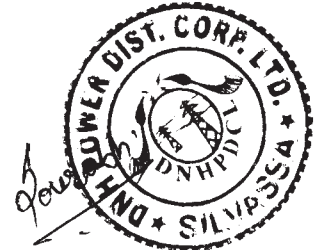
3. **Provident Fund:** Contribution to Provident Fund for employees on Foreign Service (Deputation) is made to recognized as required by the General Provident Fund (Civil Service) Rules, 1960.

For the employees of the Company is as per Employee's Provident Fund and Miscellaneous Provision Act- 1952.

4. **Gratuity:** Liability towards Gratuity payable to employees is covered by making provision as per Central Government Gratuity Rules and the contribution payable is as per actuarial valuation.

b) Short-Term Benefits:

1. **Bonus:** Provision for Bonus is made for employees on Foreign Service (Deputation) is recognized as required by the relevant statutes and the rules of Central Government. For the employees of the Company, it is recognized as per the Payment of Bonus Act, 1965.
2. **Leave Travel Concession:** Expenditure on Leave Travel Concession to eligible employees is recognized on the basis of actual claim for reimbursement as per Central Civil Service (LTC) Rules, 1988.



Notes to and forming part of Balance Sheet as at 31-Mar-2016

5 . Share Capital

5 . 1 Authorized, Issued, Subscribed and Paidup Share Capital

In (₹)

Particulars	as at 31-Mar-2016		as at 31-Mar-2015	
	Number of Shares	Amount	Number of Shares	Amount
Authorised Share Capital	1,00,00,000	1,00,00,00,000	1,00,00,000	1,00,00,00,000
Equity Shares of ₹. 100.00 each				
Total	1,00,00,000	1,00,00,00,000	1,00,00,000	1,00,00,00,000
Issued Share Capital	80,00,000	80,00,00,000	80,00,000	80,00,00,000
Equity Shares of ₹. 100.00 each				
Total	80,00,000	80,00,00,000	80,00,000	80,00,00,000
Subscribed and fully paid	80,00,000	80,00,00,000	80,00,000	80,00,00,000
Equity Shares of ₹. 100.00 each				
Total	80,00,000	80,00,00,000	80,00,000	80,00,00,000

5 . 2 Reconciliation of Share Capital

Particulars	as at 31-Mar-2016		as at 31-Mar-2015	
	Number of Shares	Amount	Number of Shares	Amount
Equity Shares (Face Value ₹. 100)				
Shares outstanding at the beginning of the year	80,00,000	80,00,00,000	80,00,000	80,00,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	80,00,000	80,00,00,000	80,00,000	80,00,00,000

5 . 3 Shareholding Pattern:

Name of Shareholder	as at 31-Mar-2016		as at 31-Mar-2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
The President of India and his nominees	80,00,000	100.00%	80,00,000	100.00%



6 . Reserves and Surplus

	In (₹)	
Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Corpus Fund (Contribution from Government)		
Opening Balance	3,51,60,44,503	3,45,81,45,307
(+) Addition during the year	-	5,78,99,196
(-) Transfer during the year	-	-
Closing Balance	3,51,60,44,503	3,51,60,44,503
Grants & Subsidies		
Opening Balance	-	50,00,00,000
(+) Addition during the year	-	2,00,00,000
(-) Transfer during the year	-	52,00,00,000
Closing Balance	-	-
General Reserve		
Opening Balance	10,91,52,733	10,11,52,733
(+) Addition during the year	80,00,000	80,00,000
(-) Transfer during the year	-	-
Closing Balance	11,71,52,733	10,91,52,733
Corporate Social Responsibility		
Opening Balance	1,16,30,000	-
(+) Addition during the year	1,50,70,000	1,59,19,000
(-) Transfer during the year	1,86,89,946	42,89,000
Closing Balance	80,10,054	1,16,30,000
Capital Reserve		
Opening Balance	5,45,86,999	-
(+) Addition during the year	23,42,256	54,80,82,988
(-) Transfer during the year	5,69,29,256	49,34,95,988
Closing Balance	-	5,45,86,999
Surplus		
Opening Balance	1,10,28,61,618	69,20,24,955
(+) Net profit/(Net loss) for the Current Year	47,80,22,952	42,84,36,183
Less: Transferred to Proposed Dividend	80,00,000	80,00,000
Less: Provision for Dividend Distribution Tax	16,28,640	15,99,520
Less: Amount Transferred to General Reserve	80,00,000	80,00,000
Closing Balance	1,56,32,55,930	1,10,28,61,618
Total	5,20,44,63,220	4,79,42,75,853



7 .Other Long Term Liabilities

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Security Deposits (Consumers)	35,08,35,548	42,86,21,496
Security Deposit (Suppliers)	1,26,20,771	1,26,20,771
Total	36,34,56,319	44,12,42,267

8 . Long Term Provisions

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Provision for Leave Salary	14,09,738	31,06,175
Provision for Pension	20,61,203	39,93,571
Provision for Gratuity	3,42,018	-
Total	38,12,959	70,99,746

9 . Trade Payables

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Creditors for Power Purchase		
Electricity Department (Transmission Division)	1,43,21,143	-
GMR Warora Energy Limited	61,77,10,856	57,28,80,119
Indian Energy Exchange	3,888	-
Mittal Processors Pvt. Ltd.	41,45,400	4,42,13,178
NPCIL (KAPS)	37,75,130	1,90,40,844
NPCIL (TAPS)	8,65,48,998	6,94,35,404
NTPC LTD.	89,78,61,574	72,01,42,625
NTPC SAIL (NSPCL)	16,28,12,939	27,67,66,627
POSOCO	14,55,509	7,30,001
Power Grid Corporation of India Limited	7,92,82,748	11,84,38,860
Western Regional Power Committee	(24,53,473)	(1,90,545)
Total	1,86,54,64,712	1,82,14,57,113

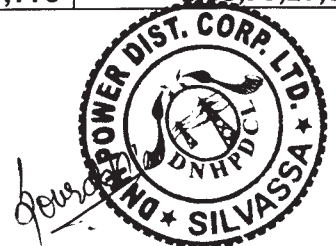


10 . Other Current Liabilities

	In (₹)	
Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Cost Audit Fees Payable	1,09,233	1,07,191
Internal Audit Fees Payable	18,034	48,539
Statutory Audit Fees Payable	4,12,200	2,02,248
Tax Audit Fees Payable	45,342	60,750
Secretariat Audit Fees Payable	36,000	36,000
Forest Department Construction A/c	1,65,140	4,46,278
IT Department Construction A/c	17,42,862	51,62,862
Silvassa Municipal Council A/c	29,49,643	29,74,284
PWD Construction A/c	2,24,21,403	2,02,97,141
Service Tax Payable	74,024	3,32,220
TDS Payable	93,64,757	1,53,62,027
Telephone Expenses Payable	94,913	27,673
Vehicle Hire Charges Payable	65,366	4,21,238
Interest on Security Deposit Payable	2,87,21,046	3,69,00,908
Service Tax (on Reverse Charge Mechanism)	87,477	-
Salary Payable to CGRF & Chairperson	1,04,450	89,793
Salary Payable to Staff on Contract Basis	5,13,777	4,88,756
Salary Payable to WC Staff	37,10,313	35,96,211
Salary Payable to Payroll Staff	23,710	59,982
Insurance Fund	538	686
Electricity Charges Payable	35,745	32,100
Meter Reading Charges Payable	5,82,899	9,54,480
Other Admin Expenses Payable	-	1,225
Reactive Charges Payable	-	14,92,656
Interest on HBA	2,000	2,000
New Pension Scheme Contribution	5,673	3,502
Providend Fund	5,72,500	5,47,000
Saving Fund	1,307	1,609
Professional & Technical Charges Payable	-	10,00,974
Sundry Creditors for Expenses	10,79,42,822	6,03,15,339
Licence Fees	1,819	-
Power Grid Corporation (Deposit Work)	96,56,848	-
EPF (Employee's Contribution)	4,51,709	-
Total	18,99,13,550	15,09,65,672

1 . Short Term Provisions

	In (₹)	
Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Provision for Employees Benefits		
Bonus Payable	22,55,138	13,02,158
New Pension Contribution	-	20,508
Provision for Tax		
Provision for Income Tax	23,43,24,259	21,26,12,485
Provision for Dividend Distribution Tax	16,28,640	15,99,520
Other Provisions		
Provision for Non Solar Power Purchase	11,09,88,958	1,90,00,694
Provision for RGPPL Power Purchase	37,18,68,164	32,93,91,673
Provision for Excess Recovery of FPPCA	1,09,88,238	41,86,00,000
Provision for Solar Power Purchase	76,36,76,000	75,98,00,000
Provision for Power Purchase	8,90,00,000	8,90,00,000
Provision for Proposed Dividend	80,00,000	80,00,000
Provision for Misc. Expenses	2,88,373	-
Total	1,59,30,17,770	1,83,93,27,038





DNH Power Distribution Corporation Limited

CIN U40100DN2012GOI000405

12. Gross Fixed Assets As at 31-03-2016

Particulars		Gross Block			Depreciation			Net Block		
Description of Assets	Opening Balance as on 01/04/2015	Addition During the Year	Deduction	Closing Balance as at 31/03/2016	Opening Balance as on 01/04/2015	Current Year Depreciation	Adjustment	Closing Balance as at 31/03/2016	WDV As at 31/03/2016	Previous Years WDV as on 31/03/2015
Tangible Assets-										
Land	13,64,65,876.00	-	-	13,64,65,876.00	-	-	-	-	13,64,65,876.00	13,64,65,876.00
Buildings	11,95,80,548.00	-	5,00,772.00	11,90,79,776.00	3,54,07,089.95	33,18,651.16	7,423.69	3,87,18,317.43	8,03,61,458.57	8,41,73,458.05
Lines & Networks	2,22,85,31,309.41	6,53,122.64	-	2,22,91,84,432.05	1,37,54,29,352.62	7,84,24,060.66	-	1,45,38,53,413.27	77,53,31,018.78	85,31,01,956.79
Other Equipments	48,38,63,244.15	3,54,12,393.32	-	51,92,75,637.47	30,03,31,493.24	1,58,47,713.16	-	31,61,79,206.40	20,30,96,431.07	18,35,31,750.91
Transformer Centres	91,48,63,022.06	9,000.00	-	91,48,72,022.06	56,92,52,015.03	3,50,60,737.55	-	60,43,12,752.58	31,05,59,269.48	34,56,11,007.03
IT & Lab IT Equipments	52,78,928.00	14,24,881.00	-	67,03,809.00	17,27,822.67	8,43,559.00	-	25,71,381.67	41,32,427.33	35,51,105.33
Office Equipments	16,72,115.00	1,08,650.00	-	17,80,765.00	3,89,398.30	1,04,042.00	-	4,93,440.30	12,87,324.70	12,82,716.70
Vehicles	57,88,393.00	-	-	57,88,393.00	25,86,828.00	3,12,138.00	-	28,98,966.00	28,89,427.00	32,01,565.00
Intangible Assets-										
Software	16,06,649.00	-	-	16,06,649.00	5,55,621.00	2,40,997.00	-	7,96,618.00	8,10,031.00	10,51,028.00
Grand Total Before WIP	3,89,76,50,084.62	3,76,08,046.96	5,00,772.00	3,93,47,57,359.58	2,28,56,79,620.81	13,41,51,898.53	7,423.69	2,41,98,24,095.65	1,51,49,33,263.93	1,61,19,70,463.81
CAPITAL WIP	11,52,02,968.85	24,98,17,736.00	-	36,50,20,704.85	-	-	-	-	36,50,20,704.85	11,52,02,968.85
Grand Total	4,01,28,53,053.47	28,74,25,782.96	5,00,772.00	4,29,97,78,064.43	2,28,56,79,620.81	13,41,51,898.53	7,423.69	2,41,98,24,095.65	1,87,99,53,968.78	1,72,71,73,432.66



13 . Long Term Loans & Advances

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Security Deposits		
Fixed Deposit (VAT)	45,000	45,000
Treasury Account with Govt. of India	1,76,29,643	1,76,29,643
PFC Consulting Limited	50,00,000	50,00,000
Total	2,26,74,643	2,26,74,643

14 . Inventories

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Stores & Spares	8,48,59,607	5,40,03,781
Total	8,48,59,607	5,40,03,781

15 . Trade Receivables

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Sundry Debtors (Power Sale)		
1) Debts Outstanding for Period Exceeding 6 months	11,67,25,478	17,37,22,209
2) Other	1,97,69,09,725	2,17,67,87,594
Total	2,09,36,35,203	2,35,05,09,803
Less- Reserve for Doubtful Debts	(8,08,56,399)	(10,67,00,000)
Grand Total	2,01,27,78,804	2,24,38,09,803



16 . Cash & Cash Equivalents

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Cash-in-hand		
Cash	-	-
Bank Accounts		
Current Accounts:		
Dena Bank C/A 24051	7,94,665	(56,14,507)
Dena Bank C/A 24081	77,07,197	5,59,05,610
Dena Bank C/A 24093	(77,127)	1,90,518
Dena Bank C/A 24193	-	-
Dena Bank C/A 24221	2,20,355	-
State Bank of India C/A 31830	1,10,845	76,78,727
Saving Account:		
Dena Bank S/B 34935	-	2,24,21,839
Auto FDRS		
Auto FD at Dena Bank (24051)	11,83,10,957	39,33,85,071
Auto FD at Dena Bank (24081)	4,79,34,70,565	4,22,66,84,717
Auto FD at Dena Bank (24093)	73,07,63,755	75,50,37,604
Auto FD at Dena Bank (24221)	2,52,00,000	-
Total	5,67,65,01,212	5,45,56,89,578

17 . Short-Term Loans and Advances

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Advance Income Tax	20,26,00,000	21,01,00,000
High Court , Bombay (Deposit)	8,88,811	8,88,811
Advance for Capital Expenses OI DC	1,98,70,286	94,81,863
Income Tax Refund	9,26,21,994	8,35,53,024
Total	31,59,81,091	30,40,23,698

18 . Other Current Assets

In (₹)

Particulars	as at 31-Mar-2016	as at 31-Mar-2015
Interest Receivable on FDRs & others	7,16,92,079	6,80,88,644
Bank of India	-	59,760
Corporation Bank	-	10,52,379
Corporation Bank(Govt of India Enterprises)	-	3,30,752
GETCO (Receivables)	-	9,57,168
Reactive Charges Receivable	76,868	92,076
TDS Receivable	4,45,77,632	3,51,19,183
Shivaji B. Patel	6,000	-
State Bank of India (Receivable)	-	28,524
UI Charges Receivable	25,30,112	53,69,498
Total	11,88,82,691	11,10,97,983



Notes to and forming part of Statement of Profit and Loss

19 . Revenue from Operations

	In (₹)	In (₹)
Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
REVENUE FROM SALE OF POWER		
H.T. SUPPLY	19,62,19,43,707	21,93,71,82,617
L.T. SUPPLY	1,09,15,44,009	1,03,70,83,436
Unscheduled Interchange Income (UI/DSM)	11,72,69,544	7,08,67,945
Total	20,83,07,57,260	23,04,51,33,997

20 . Other Income

	In (₹)	In (₹)
Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
Delay Payment Charges Received from Consumers	10,89,69,772	4,74,77,977
Other Charges	-	1,207
Rebate on Power Purchase	39,07,99,877	41,82,37,958
Reactive Income	18,77,124	52,27,613
Capacitor Charges	3,65,374	5,11,562
Interest on Fixed Deposits & Others	44,25,21,181	33,20,06,348
Licence Fees Income	7,627	13,932
STOA Application Receivables	13,76,55,735	59,35,737
Meter Testing Charges	5,40,450	4,25,101
Name Change Charges	5,746	3,644
Other Charges (Indirect)	75,81,001	47,93,115
Reconnection Charges	83,000	1,93,642
Penalty Charges	2,44,463	3,36,051
Registration Fees	26,60,800	25,94,585
Service Connection Charges	19,88,894	26,33,350
Supervision Charges	1,56,69,090	1,27,75,441
Tender Fees	1,71,000	1,53,336
Discount Received	21	-
Incentive from IEX for RE Certificates	1,462	-
Creditors Write Off Account	28,956	-
Recovery of Doubtful Debts	2,58,43,601	-
Total	1,13,70,15,174	83,33,20,599



Notes to and forming part of Statement of Profit and Loss

21 . Direct Expenses (Purchase of Power)

In (₹)

In (₹)

Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
PURCHASE OF POWER		
PP POC Charges	1,26,32,59,080	1,64,14,41,175
PP Power Purchase	19,47,95,54,542	20,49,96,07,471
PP WRLDC Charges	41,03,402	83,61,770
Reactive Charges	91,98,547	2,27,06,317
UI Charges	2,37,80,521	15,88,69,422
Stores & Spares Purchased	5,60,81,063	85,19,147
FPPCA Charges	-	41,86,00,000
STOA Expenses(Transmission Charges)	43,14,768	-
Total	20,84,02,91,924	22,75,81,05,302

22 .Changes in Inventories of Stores & Spares

In (₹)

In (₹)

Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
Inventory at beginning of the year	5,40,03,781	6,24,82,207
	5,40,03,781	6,24,82,207
Inventory at the end of the year	8,48,59,607	5,40,03,781
	8,48,59,607	5,40,03,781
Net Changes	(3,08,55,827)	84,78,426

23 . Employee Benefit Expenses

In (₹)

In (₹)

Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
Salaries & Wages	9,61,69,321	8,61,10,095
Leave Salary	14,09,738	14,96,225
Gratuity	2,63,926	-
NPS Contribution	88,797	20,508
Bonus	22,27,506	13,02,158
Pension	20,61,203	20,65,615
Total	10,22,20,491	9,09,94,601

24 . Finance Cost

In (₹)

In (₹)

Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
Accrued Interest Write Off Account	32,598	24,791
Interest Expenses	2,82,09,113	34,38,566
Bank Charges	630	(24,215)
Interest on Security Deposit	3,26,40,551	4,33,07,107
Total	6,08,82,892	4,67,46,249



Notes to and forming part of Statement of Profit and Loss

25 . Other Expenses

	In (₹)	In (₹)
Particulars	For Year Ended on 31.03.2016	For Year Ended on 31.03.2015
Accounting Charges	-	1,73,528
Adarsh Gram Society Under Charity/donation	-	2,00,00,000
Advertisement Exp	17,97,159	20,68,300
Annual Membership Subscription Fees	6,71,038	-
Bad & Doubtful Debts	-	6,87,60,276
Books & Periodicals	24,644	12,485
Commission Expenses	-	10,798
Consultancy Fees	19,70,600	40,44,960
Audit Fees	7,58,440	5,11,997
Digital Signature Expenses	31,086	7,100
Director Sitting Fees	1,77,425	1,48,200
Discount Expenses	1	-
Electrical Expenses	1,35,268	20,128
Electricity Charges	3,71,297	3,95,582
E-Tendering Expenses	7,13,360	2,54,142
Fees and Charges of JERC for Filing of Application	60,46,090	9,35,000
Honorarium Under Recruitment	81,500	22,500
Fuel Expenses	3,22,267	3,48,024
Innauguration & Ceremony Expenses	-	3,48,996
Inspection Charges	76,132	2,63,931
Interest on Service Tax	5,588	28,026
Interest on TDS Payable	2,77,718	6,59,622
JERC Licence Fees	2,09,00,000	1,21,49,500
Legal Charges	18,57,355	11,54,950
Meeting Exp	63,448	2,81,512
Meter Reading Expenses	64,51,595	97,77,814
Medical Reimbursement	7,296	-
Other Admin Expenses	11,89,596	10,50,536
Penalty on TDS Payable	3,100	36,600
Postage & Courier Expenses	1,03,900	94,979
Prior Period Items	(9,73,337)	1,72,24,165
Professional & Technical Charges	78,21,119	75,11,068
Prompt Payment Rebate	58,46,849	69,94,818
Recruitment Expenses	50,057	10,000
Refreshment Expenses	4,502	-
Reimbursement of Expenses of WRPC Secretariat	9,72,000	6,94,300
Reimbursement of JERC Expenses	-	13,61,380
ROC Expenses	27,016	-
Reimbursement of Secretarial Exp.	-	33,470
Reimbursement to Directors(Meeting Expenses)	1,82,080	1,17,204
Repairs & Maintenance	11,08,392	12,88,632
Repairs & Maintenance (Operation)	1,18,77,785	17,62,872
Security Services	9,31,650	-
Stationery & Printing Expenses	17,29,111	10,99,646
Telephone Expenses	25,41,431	17,76,541
Training Expenses	1,33,576	-
Transportation (Crane/JCB) Hire Charges	-	37,157
Vehicle Hire Charges	62,60,573	59,58,657
Transaction Charges	1,86,576	-
Total	8,27,35,284	16,94,29,396





26. Earnings Per Share:

The basic Earnings Per Share are computed by dividing the profit after tax and adjustments by the number of equity shares outstanding at the year end.

Particulars	F.Y. 2015-16	F.Y. 2014-15
Net Profit/(Loss) After Tax	₹49,30,92,952	₹42,84,36,183
Weighted Average Number of Equity Shares of ₹100 each (in nos.)	80,00,000	80,00,000
EPS(₹)	₹61.64	₹53.55

27. Contingent Liabilities:

Sr. No	Particulars	Amount in ₹
1	M/s EMCO Energy Ltd has filed petition before APTEL which is under the process of hearing. (CERC has dismissed the petition filed by EMCO Energy Ltd. on the ground of jurisdiction).	₹ 55.52 crore.
2	Appeal pending in Appellate Tribunal, WZB, Ahmedabad against the order dated 12 th March 2015 of the Commissioner, Central Excise, Customs & Service Tax, Silvassa Commissionerate for payment of service tax, penalty, interest relating to period April 2008 to March 2013. Following are the Contingent Liability:-	
	a. There was a demand of Service Tax for *₹1,44,41,914 including education cess and secondary & higher education cess for Consulting Engineering services rendered by DNHPDCL which has been paid by the Company. However the interest on the same has not been provided for as the appeal has been filed for the same.	Interest at the applicable rate on delayed payment of service tax will be ascertained by the Department as and when the decision of appeal comes.
	b. Penalty u/s 77 of the Finance Act, 1994 for non-filing / delay in filing ST-3 returns..	₹ 1,00,000
	c. Penalty u/s 78 of the Finance Act, 1994	₹ 1,44,41,914
	*₹ 1,44,41,914 has been recovered from consumers and then the amount has been paid to Service Tax Department. It has not been disclosed as either liability to consumers or as recoverable from Department back. In case in the decision of appeal comes, the amount has been paid to Service Tax Department.	



**D N H POWER DISTRIBUTION CORPORATION LIMITED****CIN-U40100DN2012GOI000405**

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Sr. No	Particulars	Amount in ₹
	appeal, this amount of service tax is refunded back to DNHPDCL, the Company will return it back to the consumers.	
3	Letter of Credit issued by Dena Bank to Power Generating Companies. (LC are secured by creation of charge on book-debts and movable assets of the Company)	Sanctioned ₹230 crore. Utilized (Issued) ₹152.48 crore.
4	Appeal pending against M/s Anurita Enterprises Pvt. Ltd. in Bombay High Court against the order dated 21/11/2013 of the Consumer Grievance Redressal Forum, UT of D&NH, Silvassa for payment of excess energy charges.	₹ 8.88 lacs
5	DNHPDCL entered into an Agreement for Bulk Power Transmission with MSETCL for transmission of allocated 38.40 MW power to be generated by RGPPL to DNH. The RGPPL has been unable to generate the agreed power but kept on raising invoices to DNHPDCL for their fixed cost. Though these invoices are under litigation but DNHPDCL has provided for the same. For the said agreement, MSETCL has also raised invoices for transmission to DNHPDCL but the same has not been provided for as no power is transmitted by MSETCL to DNH.	₹ 9,81,03,849 (Amount of invoices raised by MSETCL to DNHPDCL but not acknowledged)

28. Statutory Auditor's Remuneration:

	<u>Current Year</u>	<u>Previous year</u>
a) For Audit Fees (Inclusive of Service Tax)	₹4,58,000/-	₹2,28,000/-
b) For other matters (Inclusive of Service Tax)	----	----
Total:	<u>₹4,58,000/-</u>	<u>₹2,28,000/-</u>

29. Micro, Small and Medium Scale Business Entities:

As the Company has neither provided for nor has paid any amount payable under the MSMED Act, 2006, no amount is inadmissible under the MSMED Act and the Company has identified whether the supplier is either Micro Enterprises or Small Enterprises or Medium Enterprises.



**D N H POWER DISTRIBUTION CORPORATION LIMITED****CIN-U40100DN2012GOI000405****Annual Report 2015-16****30. Impairment of Assets:**

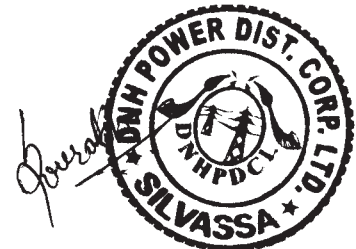
As per Assessment made by the Management, the Company has not suffered any impairment during the financial year.

31. Transmission and Distribution Losses:

Sr. No.	Particulars	F.Y.2015-16 (Units in Mus)	F.Y.2014-15 (Units in Mus)
1	Net Power Purchased(Units)	5024.55	5435.14
2	Unit Sold (Units)	4772.94	5166.37
3	Unit Loss (Units)	251.61	268.77
4	Distribution Losses (%)	5.01%	4.95%

32. Other Disclosures:

- i. Legal Owner Ships (titles) of Immovable Property transferred from Electricity Department of Dadra & Nagar Haveli are still in the name of said ED of DNH. However, the procedure for registration and/or transfer in the name of the Company is in progress.
- ii. The Company receives Security Deposits (SD) from its consumers and gives Interest on such Security Deposits (SD) as per the rate prescribed by JERC. As on Mar 31, 2016, the total Security Deposits (SD) is Rs.35,08,35,547/- and interest provided for on such deposits is Rs.3,26,40,551/-. Out of these figures, the Company does not have detail of Service Connection numbers of the various security deposit holders. This has the following implications.
 - a. Out of total interest provided for, Provision of Interest for Rs. 1,26,50,476/- does not have detail of the beneficiaries.
 - b. Out of total security deposits, Amount of Rs.14,88,29,129 does not have details of its security deposit holders. This amount is calculated based on Rate of interest prescribed by JERC applied on interest amount.



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- c. The Company deducts TDS on such interest and deposits it to Government Account as per the provisions of Income Tax Act, 1961. But as the Company does not have the details of such deposit holders (including their PAN), the TDS deduction is @20% (Rs.25,30,095 for year 2015-16) and as such, the same is available for claim for none of the deposit holder.
- iii. No Import done during the year.
- iv. Expenditure in Foreign Currency in current year is ₹ Nil.
- v. Earning in Foreign Currency in current year is ₹ Nil.
- vi. Remittance in Foreign Currency in Current year is ₹ Nil.
- vii. **Corporate Social Responsibility Activities:**

During the financial year 2015-16, the Company incurred the following expenditure on Corporate Social Responsibility Activities:

Sr. No.	Particular	Amount in ₹
1.	Transfer of funds to Red Cross Society, Silvassa for CSR activities viz. Donation of Mobile Blood Collection Van, Setting up of Automated Blood Component Separation Unit, Donation of School Bus for handicapped children, Setting up of Science & Computer Lab, Education Kits, etc for handicapped children, Setting up of District Disability Rehabilitation Centre, Donation of Mobile Dispensary Van.	₹ 1,62,66,546/-
2.	Distribution of two nos. of LED bulbs to each Low Income Group (LIG) consumers in DNH.	₹ 24,23,400/-
3.	Balance unspent amount to be transferred for next year.	₹ 80,10,054/-





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- 33.** Previous year's figure has been regrouped/reclassified, wherever necessary to correspond with current year's classification/disclosures.

SIGNATURES TO NOTES 1 TO 33

As per our attached report of even date:

**For, Agarwal & Dhadhania
Chartered Accountants**

**CA Sanjay Agarwal
(Partner)**

**Firm Reg. No. -0125756W
MN: 078579**



Place: Silvassa

Date: 2 SEP 2016

For and On behalf of the Board

For, DNH Power Distribution Corporation Ltd.

**Vikram Dev Dutt
DIN- 02055541
Chairman**

**K.J. Bamania
CFO**

**Jitendra B. Singh
DIN- 01982459
Managing Director**

**Vitthal Chavan
Company Secretary**

