



INDEPENDENT AUDITOR'S REPORT

**To the Members of DNH Power Distribution Corporation Limited
Report on the Audit of the Standalone Financial Statements**

Opinion

We have audited the accompanying the standalone financial statements of **M/s DNH POWER DISTRIBUTION CORPORATION LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), and 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, 2021, and Profit (including other Comprehensive Income), Changes in Equity and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with SAs, we exercise professional 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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

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- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- 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.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There was no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Date: 30/06/2021
Place: SILVASSA

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



[GIRIRAJ B LADDHA]
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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 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.

Date: 30/06/2021
Place: SILVASSA

For M/s. G.B.LADDHA & CO. LLP
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[GIRIRAJ B LADDHA]
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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 POWER DISTRIBUTION CORPORATION LIMITED

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

I. In respect to Fixed Assets:

- a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a program of verification to cover all the items of fixed assets in phased manner which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. As informed to us, no material discrepancy was noticed on such physical verification.
- c) According to the information and explanations given and on the basis of examination of records of the Company, the Legal Ownership (titles) of Immovable Properties transferred from Electricity Department of Dadra & Nagar Haveli (DNH) are still in the name of said ED-DNH. However, the procedure for registration and / or transfer in the name of the Company is in progress. Details of such free hold properties are mentioned as below:

Sr. No.	Circle No.	Name of Premises	Area of Land (in Hecter)	Nature (Freehold / Leasehold)	Gross & Net Block Value
1	Silvassa City	Power House – Zanda Chowk Land	0.25	Freehold	-
2	Silvassa City	Amli Sub-Station, Corporate Office, Store and Laboratory Office Land	6.53	Freehold	913.90
3	Dadra	Dadra Sub-Station Land	2.32	Freehold	80.00
4	Sili	Sili Sub-Station Land	1.8	Freehold	64.00
5	Masat	Masat Sub-Station Land	1.28	Freehold	100.00
6	Rakholi	Rakholi Sub-Station Land	1.44	Freehold	84.00
7	Khadoli	Khadoli Sub-Station Land	8.45	Freehold	-
8	Khanvel	Khanvel Sub-Station Land	0.22	Freehold	55.00
9	Kala	Kala Sub-Station Land	2.42	Freehold	-
10	Velugam	Velugam Sub-Station Land	5	Freehold	-
11	Silvassa City	Piparia Sub-Station Land	1.26	Freehold	-
12	Athal	Athal Sub-Station Land	0.8	Freehold	-
13	Waghdhara	Waghdhara Sub-Station Land	0.85	Freehold	67.76

- II. As explained to us, the physical verification of inventory (i.e. stores and spares) has been conducted at reasonable intervals by the management. The procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. As informed to us, no material discrepancy was noticed on such physical verification.
- III. According to the information and explanation given to us, the Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the clauses (iii) (a), (b) and (c) of the order are not applicable.
- IV. According to the information and explanations given to us, the Company has not granted any loans, investments, guarantees and security covered under the provisions of section - 185 and 186 of the Companies Act, 2013.

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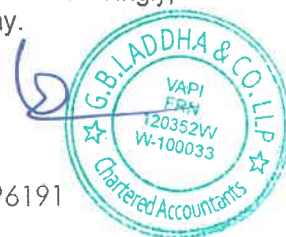
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- V. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- VI. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- VII. In respect of statutory dues: -
(a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2021 for a period of more than six months from the date of becoming payable.
(b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute as at March 31, 2021.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues (i.e. loans / borrowings) to Banks or Government. Further, the Company has not taken any loan from financial institutions and has not issued any debentures.
- IX. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- X. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- XI. Being Government Corporation pursuant to Notification No. - GSR 463 (E) dated 05/06/2015 issued by Ministry of Corporate Affairs, the provisions of Section - 197 of the Act are not applicable to the Company.
- XII. The Company is not a nidhi Company and accordingly provisions of clause (xii) of Para 3 of the order are not applicable to the Company.
- XIII. In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements in Note No. 29 as required by the applicable accounting standards.
- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.

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- XV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into 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.
- XVI. 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.

Date: 30/06/2021
Place: SILVASSA

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



[GIRIRAJ B LADDHA]
Partner
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Annexure 'C' to the Independent Auditor's Report

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

Report on 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 Power Distribution Corporation Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended March 31, 2021.

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.



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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.

Opinion

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

Date: 30/06/2021
Place: SILVASSA

For M/s. G.B.LADDHA & CO. LLP
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DNH POWER DISTRIBUTION CORPORATION LIMITED
Balance Sheet as at 31st March 2021

(Rupees in Lakh)

Particulars		Note No.	As at 31st March 2021	As at 31st March 2020
ASSETS				
1	Non-Current Assets			
(a)	Property, Plant and Equipment (PPE)	1	34,797.81	19,599.14
(b)	Capital Work-in-Progress	2	-	11,552.62
(c)	Investment Property		-	-
(d)	Goodwill		-	-
(e)	Intangible Assets	3	111.31	145.25
(f)	Intangible Assets under Development		-	-
(g)	Financial Assets		-	-
	i) Investments		-	-
	ii) Trade Receivables		-	-
	iii) Loans	4	1,205.58	55.58
	iv) Others	5	1,194.21	-
(h)	Deferred Tax Assets (Net)		-	-
(i)	Other Non-Current Assets	6	-	735.32
	Total Non-Current Assets		37,308.91	32,087.91
2	Current Assets			
(a)	Inventories	7	758.82	851.52
(b)	Financial Assets		-	-
	i) Investments		-	-
	ii) Trade Receivables	8	32,855.71	28,357.23
	iii) Cash and Cash Equivalents	9	30,258.85	22,532.49
	iv) Bank Balances other than (iii) above	9	26,006.03	1,006.03
	v) Loans		-	-
	vi) Others	10	254.39	9,965.15
(c)	Current Tax Assets (Net)		-	-
(d)	Other Current Assets	11	41.84	85.42
	Total Current Assets		90,175.64	62,797.84
	TOTAL ASSETS		1,27,484.55	94,885.75
EQUITY AND LIABILITIES				
1	Equity			
(a)	Equity Share Capital	12	38,974.45	38,974.45
(b)	Other Equity	13	38,183.97	15,193.41
	Total Equity		77,158.42	54,167.86
2	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
	i) Borrowings		-	-
	ii) Trade and Other Payables		-	-
	iii) Other Financial Liabilities	14	7,612.50	6,063.17
(b)	Provisions		-	-
(c)	Deferred Tax Liabilities (Net)	15	2,456.03	2,598.58
(d)	Other Non-Current Liabilities		-	-
	Total Non-Current Liabilities		10,068.53	8,661.75
3	Current liabilities			
(a)	Financial Liabilities			
	i) Borrowings	16	10.00	-
	ii) Trade and Other Payables	17		
	Total Amount due of Micro & Small Enterprises		281.13	192.54
	Total Amount due other than Micro & Small Enterprises		26,239.73	23,730.97
	iii) Others Financial Liabilities	18	11,657.38	4,822.96
(b)	Provisions	19	606.55	2,835.43
(c)	Current Tax Liabilities (Net)	20(a)	973.74	-
(d)	Other Current Liabilities	20(b)	489.07	474.24
	Total Current Liabilities		40,257.60	32,056.14
	Total Liabilities		50,326.13	40,717.89
	TOTAL EQUITY AND LIABILITIES		1,27,484.55	94,885.75

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

In terms of our Audit Report of even date attached

For, M/s. G.B. Laddha & Co. LLP

Chartered Accountants

FRN. 120352W/100033

VAPI

FRN 120352W

WL100033

(Giriraj B. Laddha)
Partner

M.N. 108558

Place: SILVASSA

Date: 30/06/2021

UDIN: 21108558AAAAAJ5749

For and On behalf of
DNH Power Distribution Corporation Limited

(Pawan Kumar Mishra)
Chief Financial Officer

(Anju Chaudhary)
Company Secretary

(Tapasya Raghav)
Managing Director

[DIN-0858276]

(A. Muthamma)
Director

[DIN-07340534]

DNH POWER DISTRIBUTION CORPORATION LIMITED
Statement of Profit and Loss for the year ended 31st March 2021

(Rupees in Lakh)

Particulars	Note No.	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
INCOME / REVENUE			
I Revenue from Operations	21	2,88,016.11	3,38,889.12
II Other Income	22	4,182.37	4,265.21
III Total Income (I + II)		2,92,198.48	3,43,154.33
IV EXPENSES			
Purchase of Power	23	2,59,326.37	3,35,607.77
Operation and Maintenance Expenses	24	2,182.40	1,949.71
Employee Benefit Expenses	25	1,406.90	1,295.22
Finance Costs	26	488.00	482.24
Depreciation and Amortization Expenses	1&3	1,226.77	1,238.07
Administration and Other Expenses	27	549.06	731.09
Total Expenses (IV)		2,65,179.50	3,41,304.10
V Profit/(loss) before exceptional items and tax (III - IV)		27,018.98	1,850.23
VI Exceptional Items		-	-
VII Profit before Tax (V - VI)		27,018.98	1,850.23
VIII Tax Expenses:			
Current Tax		4,170.97	262.69
Deferred Tax		(142.55)	447.26
Total Tax Expenses		4,028.42	709.95
IX Profit/ (Loss) for the year from continuing operation (VII-VIII)		22,990.56	1,140.28
X Profit / (Loss) from discontinued operations			
XI Tax Expenses of discontinued operations			
XII Profit/ (Loss) from discontinued operations (XI - X)			
XIII Profit/ (Loss) for the year (IX + XII)		22,990.56	1,140.28
XIV Other Comprehensive Income			
A- Items that will not be reclassified subsequently to profit or loss			
B- Items that will be reclassified subsequently to profit or loss			
Other Comprehensive Income for the year (net of tax)			
XV Total Comprehensive Income for the year (XIII + XIV)		22,990.56	1,140.28
XVI Earnings per Equity Share (Face Value of Rs. 100/- each)			
For continuing operations before Rate Regulated Activities			
i) Basic (in Rs.)		58.99	11.09
ii) Diluted (in Rs.)		58.99	11.09
For continuing operations			
i) Basic (in Rs.)		58.99	11.09
ii) Diluted (in Rs.)		58.99	11.09
For discontinued operations			
i) Basic (in Rs.)		-	-
ii) Diluted (in Rs.)		-	-
For continuing operations and discontinued operations			
i) Basic (in Rs.)		58.99	11.09
ii) Diluted (in Rs.)		58.99	11.09

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

In terms of our Audit Report of even date attached

For, M/s. G.B. Laddha & Co.LLP

Chartered Accountants

FRN. 120352W/W-100033



(Giriraj B. Laddha)

Partner

M.N. 108558

Place: SILVASSA

Date: 30/06/2021

UDIN:21108558AAAARJ5749

For and on behalf of

DNH Power Distribution Corporation Limited

(Pawan Kumar Mishra)
Chief Financial Officer

(Anju Chaudhary)
Company Secretary

(Tapasya Raghav)
Managing Director
[DIN-08582761]

(A. Muthamma)
Director
[DIN-07340534]

DNH POWER DISTRIBUTION CORPORATION LIMITED
Statement of Changes in Equity for the year ended 31st March 2021

A. Equity Share Capital (Rupees in Lakh)

Particulars	Amount
Balance as at 31st March 2019	8,000.00
Changes in equity share capital during the year	30,974.45
Balance as at 31st March 2020	38,974.45
Changes in equity share capital during the year	-
Balance as at 31st March 2021	38,974.45

B. Other Equity (Rupees in Lakh)

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

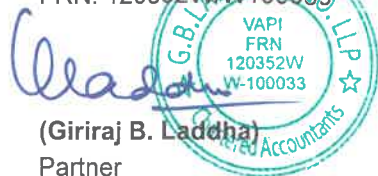
The Significant Accounting Policies (I) and Notes (II) are integral part of these Financial Statements.

In terms of our Audit Report of even date attached

For, M/s. G.B. Laddha & Co.LLP

Chartered Accountants

FRN. 120352WAW100033



(Giriraj B. Laddha)

Partner

M.N. 108558

Place: SILYASSA

Date: 30/06/2021

UDIN: 21108558AAAAARJ5749

For and On behalf of

DNH Power Distribution Corporation Limited


(Pawan Kumar Mishra)
Chief Financial Officer


(Anju Chaudhary)
Company Secretary


(Tapasya Raghav)
Managing Director
[IN-08582761]


(A. Muthamma)
Director
[IN-07340534]

DNH POWER DISTRIBUTION CORPORATION LIMITED
Cash Flow Statement for the year ended 31 March, 2021

(Rupees in Lakh)

PARTICULARS		FY 2020-21		FY 2019-20	
A	CASH FLOW FROM OPERATING ACTIVITIES:-				
	Profit before tax from continuing operations		27,018.98		1,850.23
	Adjustments for :				
	Add: (a) Depreciation and Amortization	1,226.77		1,238.07	
	(b) Provision for Trade Receivables	125.39		63.21	
	(c) Provisions for RPO and Others	0.00		2,229.70	
	(d) Provision for Leave Salary, Pension & Gratuity	69.60		68.78	
	(e) Finance cost recognised in Statement of Profit & Loss	488.00	1,909.76	419.69	4,019.45
			28,928.74		5,869.68
	Less: (a) Interest paid for Security Deposit	392.60		284.23	
	(b) Interest income recognised in Statement of Profit & Loss	1,173.66	1,566.26	1,711.35	1,995.58
	Operating Profit before working capital changes		27,362.47		3,874.10
	Adjustments for :				
	Decrease/(Increase) in Trade Receivables	(4,623.87)		132.30	
	Decrease/(Increase) in Inventories	92.70		53.83	
	Decrease/(Increase) in financial assets - others	8,561.76		(3,200.51)	
	Decrease/(Increase) in financial assets - loans	(1,150.00)		-	
	Decrease/(Increase) in Other Assets	43.58		(17.09)	
	Increase/(Decrease) in trade and other payables	2,670.11		12,014.46	
	Increase/(Decrease) in provision	(2,298.48)		(14,570.24)	
	Increase/(Decrease) in other financial liabilities	6,892.98		(1,845.03)	
	Increase/(Decrease) in other Current liabilities	14.83	10,203.61	37.61	-7,394.67
	CASH GENERATED / (USED) IN OPERATION		37,566.09		-3,520.57
	less : Taxes Paid (Net of Refund)		(2,630.06)		(3.10)
	NET CASH GENERATED BY OPERATING ACTIVITIES		34,936.02		-3,523.67
B	CASH FLOW FROM INVESTING ACTIVITIES				
	Addition to Property Plant & Equipments	(14,900.73)		(1,613.70)	
	Addition to Intangible Assets	-		-	
	Investment (Fixed Deposit)	(25,000.00)		27,423.44	
	Interest received on Investments and Loans	1,128.45		1,777.46	
	Addition to Capital Work in Progress	11,552.62		(4,848.60)	
	Addition to Capital Advances	-		513.16	
	NET CASH (USED IN) / FROM INVESTING ACTIVITIES		(27,219.66)		23,251.76
C	CASH FLOW FROM FINANCING ACTIVITIES				
	Proceeds from issue of Equity Share Capital / Share Application	-		-	
	Finance Costs	-		-	
	Proceeds from Banks	10.00		-	
	Interim Dividend for Current Year (including tax thereon)	-		-	
	Final Dividend for Previous Year (including tax thereon)	-		-	
	NET CASH (USED IN) / FROM FINANCING ACTIVITIES		10.00		-
	Net (Decrease)/Increase in Cash and Cash Equivalents (A+B+C)		7,726.36		19,728.09
	Cash & Cash Equivalents as at the Commencement of the Year		22,532.49		2,804.40
	Cash & Cash Equivalents as at the Close of the Year		30,258.85		22,532.49

In terms of our Audit Report of even date attached

For and On behalf of

DNH Power Distribution Corporation Limited

For, M/s. G.B. Laddha & Co. LLP

Chartered Accountants

FRN. 120352W/100033

(Giriraj B. Laddha)

Partner

M.N. 108558

Place: SILYASSA

Date: 30/06/2021

UDIN: 21108558AAAARJ5749

(Pawan Kumar Mishra)
Chief Financial Officer

(Anju Chaudhary)
Company Secretary

(Tapasya Raghav)
Managing Director

(A. Muthamma)
Director

[DIN-08582761]

[DIN-07340534]

DNH POWER DISTRIBUTION CORPORATION LIMITED

Significant Accounting Policies forming part of financial statements for the year ended 31/03/2021.

1. Corporate Information

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

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

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 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.

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

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

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

(ii) Intangible Assets

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

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Software (not being an integral part of the related hardware) acquired for internal use are treated as intangible assets.

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

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

At the end of each reporting period, the Corporation reviews the carrying amounts of its PPE and other intangible assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-



generating unit ('CGU') to which the asset belongs. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit & Loss.

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

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

(iv) Capital Work in Progress

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

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

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

(v) Investment properties

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



(vi) Foreign Currency Transactions

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

(vii) Inventories

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

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

(viii) Fair value measurement

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

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



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

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

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

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

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

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

(ix) Financial Instruments

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

a) Financial Assets

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

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

Initial recognition and measurement

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



Subsequent measurement

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

- Financial assets measured at amortized cost
- Financial assets at fair value through OCI
- Financial assets at fair value through profit or loss

Financial assets measured at amortized cost

Financial assets are measured at amortized cost if the financial 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 financial 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.

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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit & Loss.

Offsetting of financial instruments

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

(x) Share capital and share premium

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

(xi) Dividend Distribution to equity shareholders

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

(xii) Government Grants

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



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

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

(xiii) Leases

The Company as a lessee

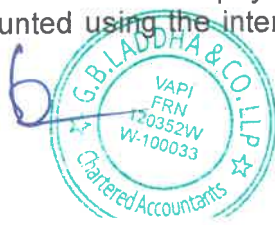
The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control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

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

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

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

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that



rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

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

The Company as a lessor

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

(xiv) Provisions, Contingent Liabilities and Contingent Assets

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

Contingent liabilities are disclosed on the basis of judgment of management / independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

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

(xv) Revenue Recognition

The Corporation earns revenue primarily from retail distribution of power (i.e. electricity) in the area of Dadra & Nagar Haveli. The tariff for the sale of power to retain consumers is determined by Joint Electricity Regulatory Commission (JERC) i.e. regulatory authority. Revenue is recognised upon transfer of control of promised



products or services to customers in an amount that reflects the consideration which the Corporation expects to receive in exchange for those products or services.

Revenue from Sale of Power

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

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

Other Miscellaneous Charges / Revenue from Consumers:

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

Interest Income

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

Other Income

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

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

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

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

(xvi) Depreciation & Amortization:

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



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

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

(xvii) Borrowing costs

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

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

(xviii) Employee Benefits

a) Short-term Employees Benefits

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

UT / GOI Employees (Employees on Deputation)

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

b) Post-employment benefits

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



Provident Fund

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

Gratuity

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

(xix) Income Taxes

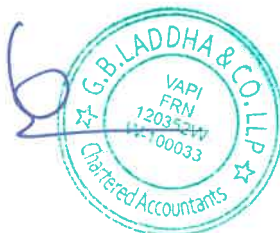
Income tax expense represents the sum of tax currently payable and deferred tax. Tax is recognised in the Statement of Profit & Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or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

Current tax

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

Deferred Tax

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



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

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

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

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

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

(xxi) Current versus non-current classification

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

a) An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

1 :- Property, Plant and Equipment

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

Description of Assets	(Rupees in Lakh)									
	Land (Freehold)	Buildings (Freehold)	Lines & Networks	Transformer Centre	Furniture and Fixture	Vehicles	Office Equipment	IT Equipments	Other Equipments	Total
Year ended 31st March 2020										
Gross Carrying amount										
Opening Gross Carrying Amount	1,364.66	2,996.27	23,796.87	10,685.96	156.89	199.39	25.69	235.46	8,407.79	47,868.98
Additions during the year	-	-	747.48	490.84	0.30	-	0.34	33.68	351.18	1,623.82
Deduction / Adjustments during the year	-	-	10.12	-	-	-	-	-	-	10.12
Closing Gross Carrying Amount	1,364.66	2,996.27	24,534.23	11,176.80	157.19	199.39	26.03	269.14	8,758.97	49,482.68
Accumulated Depreciation										
Opening Accumulated Depreciation	-	644.77	16,730.68	7,079.02	26.84	60.50	8.55	96.13	4,033.04	28,679.53
Depreciation charge during the year	-	49.96	555.03	240.67	9.42	31.39	1.49	30.73	285.32	1,204.01
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	694.73	17,285.71	7,319.69	36.26	91.89	10.04	126.86	4,318.36	29,883.54
Net Carrying Amount	1,364.66	2,301.54	7,248.52	3,857.11	120.93	107.50	15.99	142.28	4,440.61	19,599.14
Year ended 31st March 2021										
Gross carrying amount										
Opening Gross Carrying Amount	1,364.66	2,996.27	24,534.23	11,176.80	157.19	199.39	26.03	269.14	8,758.97	49,482.68
Additions during the year	-	-	15,963.97	382.49	-	-	1.61	0.64	42.79	16,391.50
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount	1,364.66	2,996.27	40,498.20	11,559.29	157.19	199.39	27.64	269.78	8,801.76	65,874.18
Accumulated Depreciation										
Opening Accumulated Depreciation	-	694.73	17,285.71	7,319.69	36.26	91.89	10.04	126.86	4,318.36	29,883.54
Depreciation charge during the year	-	49.96	553.20	220.87	9.43	31.39	1.56	32.47	293.95	1,192.83
Deduction / Adjustments during the year	-	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	744.69	17,838.91	7,540.56	45.69	123.28	11.60	159.33	4,612.31	31,076.37
Net Carrying Amount	1,364.66	2,251.58	22,659.29	4,018.73	111.50	76.11	16.04	110.45	4,189.45	34,797.81

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

Particulars	(Rupees in Lakh)	
	FY 2020-21	FY 2019-20
Depreciation charged to Statement of Profit & Loss		
Add : Depreciation included under expenditure during construction pending allocation.	1,192.83	1,204.01
Less : Deduction / Adjustments	-	-
Total	1,192.83	1,204.01

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****2 :- Capital Work in Progress**

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

(Rupees in Lakh)

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

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

3 :- Intangible Assets

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****4 :- Non Current Financial Assets - Loans**

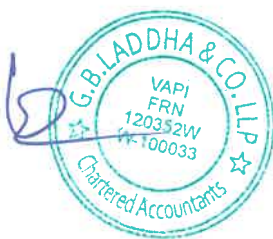
(i) : Details of Non Current Financial Assets - Loans (at amortised cost) are as under:-

(Rupees in Lakh)

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

(ii) : Security Deposits includes the amount deposited with different bodies / authorities (a) for availing facilities during regular business operation or (b) as per the directions issued by the authorities. These deposits are generally without any fixed period of maturity.

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****5 :- Non Current Financial Assets - Others**

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

(Rupees in Lakh)

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

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

6 :- Other Non Current Assets

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

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

(ii) Details of Advance Income Tax/Tax Recoverable (Net of provision):

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

7 :- Inventories

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

(Rupees in Lakh)

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

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

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

8 :- Current Financial Assets -Trade Receivables

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

(Rupees in Lakh)

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

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

(iii) The movement in provision for doubtful trade receivables is as under:

(Rupees in Lakh)

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****9 :-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 2021	As at 31st March 2020
Balances with Bank		
Current Accounts' Balance	7,667.10	632.99
Deposit Accounts' Balance	22,591.75	21,899.50
Cash on hand	-	-
Others - including Imprest Balance	-	-
Total	30,258.85	22,532.49

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

(Rupees in Lakh)

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

(iii) : Bank Deposits with maturity more than 3 months and more includes fixed deposits amounting to Rs. 1,006.03 Lakh (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.



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****10 :- Current Financial Assets- Others**

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

(Rupees in Lakh)

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

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

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

11 :- Other Current Assets

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

(Rupees in Lakh)

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****12 :- Equity Share Capital**

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

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

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

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

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

(v) : The Dadra & Nagar Haveli (DNH) Electricity Reforms Transfer Scheme, 2013 was notified vide notification no.1-1(594)/ELE/2013/697 dated 07/03/2013 and in pursuant to the said reform scheme, the functions of distribution and its associated division (i.e. meter testing and laboratory division) of Electricity Department of DNH was corporatized and stand transferred to the Corporation. The net assets value (i.e. total assets less total liabilities) resulting from the said transfer scheme was stated to be contribution from the Government and the same is presented in the Financial Statements of the Corporation as 'DNHPDCL Capex, Replacement & Development Fund'. During the Previous Financial Year 2019-20, the said net assets value of 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) [Also refer descriptive note 13 (iii)].



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

13 :- Other Equity

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

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

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

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

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****14 :- Non-Current Financial Liabilities - Others**

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

(Rupees in Lakh)

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

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****15 :- Deferred Tax Liabilities (Net)**

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****16 :- Current Financial Liability- Borrowings**

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

(Rupees in Lakh)

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

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

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

(ii) : The Details of liabilities to Micro & Small Enterprises, to the extent information available with the Corporation are given under.

(Rupees in Lakh)

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

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

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

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

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



DNH Power Distribution Corporation Limited**II. Notes forming part of the Financial Statements as at 31st March 2021****18 :- Current Financial Liability- Others**

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

(Rupees in Lakh)

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

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

(iii) : Other Payable represents amount payable on account of on going capital activities and amount withheld from M/s GMR Warora Energy Limited on account of non compliance to the terms of agreed PPA. The above amount includes a sum of 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 current Financial Year 2020-21, the Corporation has realised excess revenue of Rs. 5,090.00 Lakh through sales billing / approved tariff rate (i.e. price of electricity) and accordingly, the same has been shown as 'Contract Liability towards consumer'.



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

19 :- Current Liabilities - Provision

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

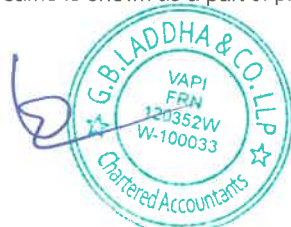
Particulars	As at 31st March 2021	As at 31st March 2020
Non-Solar RPO	-	6,617.88
Solar RPO	-	7,878.05
Opening Balance (A)	-	14,495.93
Adjustment (Previous Year - Provision) - Non-Solar	-	6,661.67
Adjustment (Previous Year - Provision) - Solar	-	(4,906.24)
Total Adjustment (B)	-	1,755.43
Purchase - Non-Solar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

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

(b): During Previous Year 2019-20, the Corporation has purchased Solar REC of Rs. 2,971.81 Lakh in compliance to JERC-RPO. The said purchase has been carried out by utilising opening provision of Rs. 7,878.05 Lakh and remaining excess balance of Rs. 4,906.24 Lakh is reversed / adjusted during that year.

(c): Till FY 2018-19, the provision on account of RPO is provided on the basis of floor price notified by Central Electricity Regulatory Commission (CERC). CERC in Petition No. 5/SM/2020 dated 31/03/2020 has proposed to notify the floor price at zero for Solar REC and Non-Solar REC on account of drastic reduction in the tariff of renewable resources as compare to average power purchase cost. Moreover, in the true up tariff determination carried out by the JERC, the cost of purchase of REC is allowed on the actual incurrence of expenditure (i.e. total cost paid for purchase of REC). Hence, the provision for purchase of solar / non-solar REC is not warranted in the books of accounts and accordingly discontinued in FY 2019-20.

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



DNH Power Distribution Corporation Limited

II. Notes forming part of the Financial Statements as at 31st March 2021

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

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Gross amount of provision	4 339	-
Less : Advance Tax paid	-	-
Including TDS & TCS Recoverable of Rs. 83.63 Lakh	3,365	-
Total	973.73	-

20 (b) :- Other Current Liabilities

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

(Rupees in Lakh)

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

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



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

21 : Revenue from Operations

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

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
(I) Revenue from Sale of Power		
a) Sale to High Tension Consumers	274,077.32	319,555.32
Total HT Supply	274,077.32	319,555.32
b) Sale to Low Tension Consumers		
Domestic	4,008.42	3,762.62
Commercial	1,408.62	1,563.73
Low Tension (Industries)	10,222.19	11,436.93
Public Lighting	108.05	133.25
Public Water Works	293.19	264.80
Agriculture & Others See description Note (ii)	382.37	391.14
Total LT Supply	16,422.84	17,552.47
c) Sale of Power Through Exchange	1,942.86	572.56
d) Deviation Settlement Mechanism Receipts	27.22	373.74
e) Security Constrained Economic Dispatch (SCED-NLDC)	425.92	403.93
Total (a+b+c+d+e)	292,896.16	338,458.02
Less: Rebate Allowed to Consumers	233.84	125.91
Less: Contract Liability towards consumers [Refer description note - 18 (iv)]	5,090.00	-
Revenue from Sale of Power	287,572.32	338,332.11
(II) Other Operating Income		
Reactive Income	5.02	3.12
STOA Application Fees	56.86	96.59
Supervision Charges	281.45	208.35
Other Charges from Consumers See description Note (iii)	100.46	248.95
Other Operating Income	443.79	557.01
Total Revenue from Operation (I+II)	288,016.11	338,889.12

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

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Agriculture	84.63	129.67
LIG Power Sale	58.60	39.23
Temporary Connections	239.14	222.24
Total	382.37	391.14

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

(Rupees in Lakh)

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



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****22 : Other Income**

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

(Rupees in Lakh)

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

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

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

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Assessment Charges	82.58	226.18
License Fees	0.27	0.31
Other Miscellaneous Income	58.84	3.66
Total	141.69	230.15



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****23 : Purchase of Power**

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

(Rupees in Lakh)

Particulars	For the year ended on 31st March, 2021	For the year ended on 31st March, 2020
Power Purchase	223,175.95	290,830.80
Renewable Power Obligation (RE Certificate)	-	1,755.42
Point of Connection Charges (Transmission & Wheeling Charges)	42,365.13	47,449.60
Deviation Settlement Mechanism Charges	1,184.16	899.92
Reactive Charges	123.02	22.35
Total Purchase of Power	266,848.26	340,958.09
Less: Rebate on Power Purchase See description Note (ii)	7,521.89	5,350.32
Total	259,326.37	335,607.77

(ii) "Rebate on Power Purchase" includes an amount of Rs. 4139.92 Lakh offered by Central Generating & Transmission Companies in terms of Ministry of Power Office Memorandum (OM) No. 11/16/2020-TH-II dated 15/05/2020 for the lockdown period on account of COVID-19 pandemic relief.



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****24 : Operation & Maintenance Expenses**

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

(Rupees in Lakh)

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

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



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****25 : Employee Benefit Expenses**

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

(Rupees in Lakh)

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

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



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****26 : Finance Costs**

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

(Rupees in Lakh)

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



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

27 : Administrative & Other Expenses

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

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

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

(Rupees in Lakh)

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

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



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****28 : Contingent Liabilities & Commitments :**

(i) Contingent Liabilities not provided for includes :

(Rupees in Lakh)

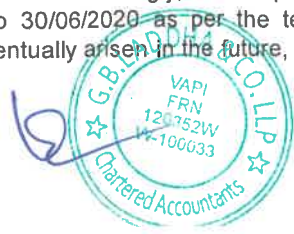
Particulars	As at 31st March 2021	As at 31st March 2020
(a) Claims against the Corporation not acknowledged as debts	36,418.05	24,663.75
(b) Letter of Credit issued by Dena Bank to Power Generating Companies. (LC are secured by creation of charge on book-debts and movable assets of the Corporation)	20,429.82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

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

a) Claim of Rs. 5,511.34 Lakh (Previous Year Rs. 5,511.34 Lakh) made by M/s Ratnagiri Gas & Power Private Limited (RGPPL) for the period October-2013 to March-2020. The RGPPL had stopped the generation & supply of power since October-2013 on account of 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 being power purchase cost.

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

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



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

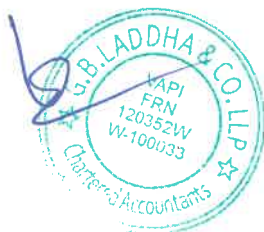
d) The letter of assurance regarding the supply of coal from Coal India Limited was issued in June-2010 to M/s GMR Warora Energy Limited (GWEL) for Unit-2 (DNHPDCL PPA). In the said assurance letter, the 100% supply of coal was assured to GWEL with the stipulation that the parameters of imported coal shall be as specified by Coal India Limited. Further, officials of GWEL in the discussion meeting with the officials of DNHPDCL and also in letter dated 27/07/2012 confirmed that the quoted rates for 200 MW power supply are very competitive keeping in view the shortfall of domestic coal (i.e. linkage coal), which is required to be met by power producer either by auction coal / imported coal. In spite of above, CERC vide its common order in petition no. 284/MP/2018 dated 16/05/2019 allowed shortfall in linkage coal due to change in NCDP (New Coal Distribution Policy issued by Ministry of Coal in the October -2007) as change in law compensation for DNHPDCL and MSEDCL (Maharashtra) both. Whereas, the case of MSEDCL was altogether different from the case of DNHPDCL as letter of assurance to GWEL for MSEDCL PPA by Coal India Limited was issued in November 2006 before to pronouncement of NCDP in October 2007. The total coal shortage compensation claim raised by GWEL is 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 and the case matter has been admitted by the Hon'ble SC on 02/03/2021. The Hon'ble SC has also granted interim stay against the order of APTEL 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 being power purchase cost.

e) During the period April-2013 to June-2020 (i.e. PPA Period – 7 years 3 months), GMR Warora Energy Limited (GWEL) has raised supplementary energy bill for various change in law compensation claim such as clean energy cess (GST compensation cess), service tax (GST on coal transportation), NEMT, DMF, CG - Prayawaran Tax & Vikas upkar Tax and Evacuation Facility etc. allowed by Central Regulatory Electricity Commission (CERC). On appeal to Appellate Tribunal of Electricity (APTEL), the said matter was also decided in the favour of GWEL. In the said period, GWEL has raised a total claim of Rs. 16,478 Lakh (Previous Year Rs. 16,442 Lakh), whereas the actual claim paid by DNHPDCL is Rs. 12,933 Lakh (Previous Year Rs. 12,909 Lakh). The claim is less settled by an amount of Rs. 3,545 Lakh (Previous Year Rs. 3,533 Lakh). The lesser compensation claim settlement is due to excessive claim on account of various reasons (a) raising of bills from the date of notification in place of actual date of implication as change in law compensation allowed on paid basis (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). If the said contingent liability on the claim settlement matter is eventually arisen in the future, the same would be recovered from the consumers being power purchase cost.

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



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

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

Name	Designation
a) Shri Praful Patel	Chairman
b) Ms. Tapashya Raghav	Managing Director

(ii) Transaction with related parties mentioned in (i) above;

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

Dues outstanding to the Corporation as at 31st March 2021 Rs. NIL (As at 31st March 2020: 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 :			
2020-21	22,990.56	38,974,445	58.99
2019-20	1,140.28	10,285,000	11.09
Diluted EPS for continuing operation before Rate Regulated Activities :			
2020-21	22,990.56	38,974,445	58.99
2019-20	1,140.28	10,285,000	11.09
Basic EPS for continuing and discontinuing operation :			
2020-21	22,990.56	38,974,445	58.99
2019-20	1,140.28	10,285,000	11.09
Diluted EPS for continuing and discontinuing operation :			
2020-21	22,990.56	38,974,445	58.99
2019-20	1,140.28	10,285,000	11.09

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

Particulars	As at 31st March 2021	As at 31st March 2020
Weighted average no. of Equity Share used for calculation of Basic Earnings per Share	38,974,445	10,285,000
Adjustments for calculating Diluted Earnings per Share:	-	-
Share Application Money	-	-
Weighted average no. of Equity Share used for calculation of Diluted Earnings per Share	38,974,445	10,285,000

* Current Year NIL and Previous Year 309,74,445 no. of equity shares have been allotted on 05/03/2020 and accordingly, the weighted average number of equity shares have been calculated.

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

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

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

33 : Receipts in foreign currency are as under :

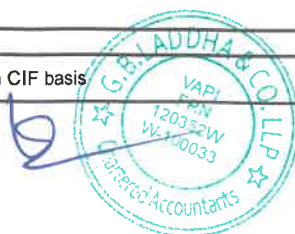
Particulars	FY 2020-21	FY 2019-20
-	NIL	NIL

34 : Foreign Currency Exposures not hedged are as under :

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

35 : Value of imports :

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



DNH POWER DISTRIBUTION CORPORATION LIMITED
II. Notes forming part of the Financial Statements as at 31st March 2021
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. 100 crore or more either in current year or previous year :

(Rupees in Lakh)

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

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

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

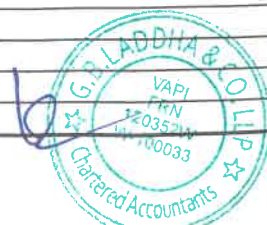
* Includes own generation and distribution of Solar Energy as detailed below.

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

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

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

	Particulars	FY 2020-21	FY 2019-20
A	Net Export of Units	5,297.50	6,288.00
B	Opening Backlog- RPO		
(I)	Non-Solar	411.62	695.73
(II)	Solar	261.76	83.95
B (I+II)	Total Opening Backlog	673.38	779.68
C	RPO Obligation for the year		
(I)	Non-Solar 8.00% (PY 6.80%)	423.80	427.58
(II)	Solar 6.10% (PY 4.70%)	323.15	295.54
C (I+II)	Total RPO Obligation	746.95	723.12
D	RPO Met during the year ended		
a(i)	Non- Solar Power Purchase	26.28	-
a(ii)	Non- Solar REC	-	711.69
Total of a	Total Non-Solar	26.28	711.69
b(i)	Solar Self Generation	5.91	6.18
b(ii)	Solar Consumer Generation	20.22	1.95
b(iii)	Solar REC	-	109.60
b(iv)	Solar Power Purchase	28.72	-
Total of b	Total Solar	54.85	117.73
(Total of a + Total of b)	Total RPO Met	81.13	829.42
E	Closing Backlog		
(i)	Non-Solar	809.14	411.62
(ii)	Solar	530.06	261.76
(i+ii)	Total Closing Backlog	1,339.20	673.38



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

39: Income and deferred taxes

(i) Movement in deferred tax assets/liabilities

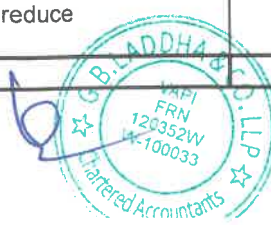
(Rupees in Lakh)

Particulars	Depreciation and Amortization	Provisions	Total
As at 1st April 2019	(2,191.28)	39.96	(2,151.32)
(Charged)/ Credited:			
To profit or loss	(446.15)	(1.11)	(447.26)
To other comprehensive income	-	-	-
Recognised directly in Equity	-	-	-
Reclassified from equity to profit and loss	-	-	-
Deferred Tax on basis adjustment	-	-	-
As at 31st March 2020	(2,637.43)	38.85	(2,598.58)
(Charged)/ Credited:			
To profit or loss	177.62	(35.07)	142.55
To other comprehensive income	-	-	-
Recognised directly in Equity	-	-	-
Reclassified from equity to profit and loss	-	-	-
Deferred Tax on basis adjustment	-	-	-
As at 31st March 2021	(2,459.81)	3.78	(2,456.03)

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

(Rupees in Lakh)

Particulars	As at 31st March 2021	As at 31st March 2020
Profit from continuing operations before income tax expenses	27,018.98	1,850.23
Profit from discontinuing operations before income tax expenses	-	-
Tax at the Indian tax rate of 34.608% (Previous Year 34.608%)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-
Tax provided at lower tax rate under 115BAA / 115JB	4,170.97	262.69
Difference in overseas tax rates	-	-
Adjustment for current tax of prior periods	-	-
Substantially enacted tax rate change	-	-
Tax losses for which no deferred income tax was recognised	-	-
Previously unrecognised tax losses now recouped to reduce current tax expenses	-	-
Previously unrecognised tax losses used to reduce deferred tax expenses	-	-
Income Tax Expense	4,170.97	262.69



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

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 :

As at 31st March 2021		Note No.	Fair Value				Valuation technique and key input		
			Other financial assets- Amortised cost	Other financial liabilities	Total Carrying Amount	Level 1 (Quoted Prices)	Level 2 (Significant observable inputs)	Level 3 (Significant unobservable inputs)	Total
Financial Assets measured at Fair value						-	-	-	-
Financial Assets not measured at Fair value						-	-	-	-
Receivables & Others*	4,5,8,9,10		91,774.77	-	91,774.77	-	-	-	-
Total			91,774.77	-	91,774.77	-	-	-	-
Financial Liabilities not measured at fair value			-	-	-	-	-	-	-
Payables & Others*	14,18,19		-	19,876.43	19,876.43				
Total			-	19,876.43	19,876.43	-	-	-	-

As at 31st March 2020	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)
Financial Assets measured at Fair value					-	-	-	-
Financial Assets not measured at Fair value					-	-	-	-
Receivables & Others*	4,5,8,9,10	61,916.48	-	61,916.48	-	-	-	-
Total		61,916.48	-	61,916.48	-	-	-	-
Financial Liabilities not measured at fair value		-	-	-	-	-	-	-
Payables & Others*	14,18,19	-	13,721.56	13,721.56				
Total			13,721.56	13,721.56	-	-	-	-

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



DNH POWER DISTRIBUTION CORPORATION LIMITED**II. Notes forming part of the Financial Statements as at 31st March 2021****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. 8.

Balances with Banks and other financial assets:

For banks and financial institutions, only high rated banks/institutions are accepted. The Corporation holds cash and cash equivalents with bank and financial institution counterparties, which are having highest safety ratings based on ratings published by various credit rating agencies. The Corporation considers that its cash and cash equivalents have low credit risk based on external credit ratings of the counterparties.

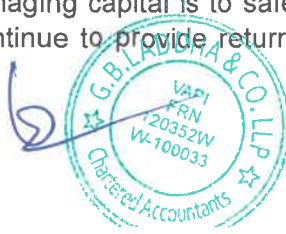
For other financial assets, the Corporation assesses and manages credit risk based on reasonable and supportive forward looking information. The Corporation does not have significant credit risk exposure for these items.

D. Liquidity risk management:

Liquidity risk is the risk that the Corporation will not be able to settle or meet its obligations on time or at a reasonable price. The Corporation's Finance Department is responsible for liquidity, funding as well settlement management. The Corporation manages liquidity risk by maintaining adequate surplus and banking facilities by continuously monitoring forecast.

41 : Capital Management:

The Corporation objective when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders of capital.



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

42 : Previous Year figures have been regrouped/reclassified to achieve the better presentation, requirement wherever found necessary.

43 : Recent Pronouncements or Amendments

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021. However, the MCA through a notification dated 24/03/2021 amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01/04/2021. Key amendments relating to Division II (applicable to the Corporation), which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 and mainly includes the following;

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances for the current and previous reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'Additional Regulatory Information' such as title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, information about wilful default, compliance with number of layers of companies, presentation of financial ratios with explanation and clarification, compliance with approved schemes of arrangements etc.

Statement of Profit and Loss:

- Additional disclosures relating to undisclosed income, which has been disclosed as income under the Income Tax.
- Additional disclosures relating to Corporate Social Responsibility (CSR).
- Specific disclose, if the Company has traded or invested in crypto or virtual currency

The amendments are extensive and the Corporation will evaluate the same to give effect to them as required by law.



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

44 : Impact of amendment or adoption of New Ind AS

The Ministry of Corporate Affairs (MCA) through a notification dated 24/07/2020 amended Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The impact of these amendments are summarized as under;

Amendment to Ind AS 103 – Business Combinations

The Ministry of Corporate Affairs issued amendments to Ind AS 103, 'Business Combinations' in connection with definition of business, elements of business, optional test to identify concentration of fair value and additional guidance for the assessment of a substantive acquired process. The amendment to Ind AS 103 did not have any impact on the standalone financial statements of the Corporation.

Amendment to Ind AS 107 – Financial Instruments: Disclosure

The Ministry of Corporate Affairs issued amendments to Ind AS 107, 'Financial Instruments: Disclosure' in connection with disclosures required to be made by an entity in respect of hedging relationships to which it applies. The amendment to Ind AS 107 did not have any impact on the standalone financial statements of the Corporation.

Amendment to Ind AS 109 – Financial Instruments

The Ministry of Corporate Affairs issued amendments to Ind AS 109, 'Financial Instruments' in connection with temporary exceptions from applying specific hedge accounting requirements, Highly probable requirement for cash flow hedges and Highly probable requirement for cash flow hedges. The amendment to Ind AS 107 did not have any impact on the standalone financial statements of the Corporation.

Amendment to Ind AS 116 – Leases

The Ministry of Corporate Affairs issued amendments to Ind AS 116, 'Lease' permitting as a practical expedient, not to assess whether a rent concessions that occur as a direct consequence of COVID-19 pandemic and meet specified conditions are lease modifications and instead to account for those rent concessions as if they were not lease modifications. These amendments does not affect lessors. The amendment to Ind AS 116 did not have any impact on the standalone financial statements of the Corporation.

Amendment to Ind AS 1 – 'Presentation of Financial Statements', Ind AS 8 – 'Accounting Policies, Changes in Accounting Policies and Errors', Ind AS 10 'Events after the Reporting Period', Ind AS 34 – 'Interim Financial Reporting' and Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets'

The Ministry of Corporate Affairs issued amendments to Ind AS 1, 'Presentation of Financial Statements' in connection with refined definition of 'Material' and related clarifications. Prior to said amendment, 'Omissions or misstatements of items are material if they could, individually or collectively, influence the economic decisions that users make on the basis of the financial statements'. Whereas, the refined definition states that 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements'. Amendments have also been made to other Standards such as Ind AS – 8, Ind AS – 10, Ind AS – 34 and Ind AS – 37 consequent to the refined definition of material. Amendments to these Ind AS I did not have any impact on the standalone financial statements of the Corporation.



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

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 'Atmanirbhar Bharat Abhiyaan'. In the Joint Meeting of Secretary (Power), GOI with Advisors / Chief Secretaries of UTs, it was mandated to initiate the process of privatisation process for Electricity Distribution Business of Power Departments / Utilities in UTs. The Section 131 (4) of the Electricity Act, 2003 provides that the State Government (in case of UT, the Hon'ble Administration) by drawing up a transfer scheme may vest in a transferee the property, interest in property, rights and obligations of the Government Company.

In the 34th Meeting of Board of Directors of DNHPDCL held on 06/08/2020, the proposal for the privatisation of electricity distribution business was discussed and recommended and subsequently, approved by the members in the Extra-ordinary General Meeting of the Corporation held on 24/09/2020. In September 2020, the Ministry of Power issued Draft Standard Bidding Documents for Privatization of Distribution Licensees and suggested that existing distribution will be transferred to the new entity at regulatory approved net asset value and in case of distribution utility with lower AT&C (losses less than 15%), the bidding parameter would be upfront premium above net assets carrying value.

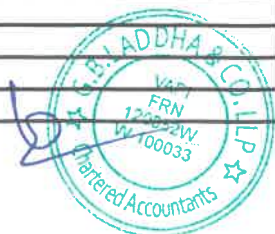
Notice Inviting Bids (NIT) to privatise electricity distribution business of DNHPDCL along with the electricity distribution business of Daman & Diu was commonly issued by UT Administration of DNH & DD (Dadra and Nagar Haveli and Daman & Diu) in December - 2020. The proposed transfer scheme issued with NIT outlined the transfer of the assets and liabilities as per their book value plus upfront premium. The carrying values of assets and liabilities as published with NIT as per the audited Financial Statement as on 31/03/2020 is presented in table below. The carrying value change on the actual transfer date to be notified later will be further subject matter of quoted consideration adjustment. The price bid is also opened in February - 2021, however, the highest bidder has not been notified.

A Public Interest Litigation (PIL) was filed before Bombay High Court against the NIT process alleging that there is no transfer scheme / company, hence, no sale of shares as per Section 131 of the Electricity Act, the increase in price of electricity post privatisation, no public consultation before privatisation. Hence, it is prayed to set aside the existing tender process. The Bombay High Court heard the said case matter on 03/03/2021 and it was observed that section -131 talks about "Reorganisation of Board" and the Board has been defined as 'State Electricity Board'. As there is no Board in UTs, hence, the statutory source of exercise of power, as of now, is non-existent. The Bombay High Court has stayed the tender process and till date, the case matter is sub-judice.

The said transfer, if happens result into restructuring of business of DNHPDCL i.e. reduction of assets and liabilities of electricity distribution business of DNHPDCL at net carrying value and adjustment of equity share capital by the residual value. The business of electricity transmission (i.e. 66KV and above lines and associated infrastructure) and solar power plants will remain with DNHPDCL.

(Rupees in Lakh)

ASSETS	To be Privatised	DNHPDCL	TOTAL
Non-Current Assets			
Property, Plant and Equipment (PPE)	5,467.02	14,132.12	19,599.14
Capital Work-in-Progress	11,309.48	243.14	11,552.62
Intangible Assets	-	145.25	145.25
Financial Assets - Loans	-	55.58	55.58
Other Non-Current Assets	-	732.32	732.32
Total Non-Current Assets (A)	16,776.50	15,308.41	32,084.91
Current Assets			
Inventories	825.05	26.47	851.52
Financial Assets			
i) Trade Receivables	25,187.75	3,169.48	28,357.23
ii) Cash and Cash Equivalents	5,973.01	17,565.51	23,538.52
iv) Others	9,860.72	189.85	10,050.57
Total Current Assets (B)	41,846.53	20,951.31	62,797.84
TOTAL ASSETS C=(A+B)	58,623.03	36,259.72	94,882.75
Non-Current Liabilities			
i) Other Financial Liabilities	5,973.01	90.16	6,063.17
ii) Deferred Tax Liabilities (Net)	-	2,598.58	2,598.58
Total Non-Current Liabilities (D)	5,973.01	2,688.74	8,661.75
Current liabilities			
Financial Liabilities -			
a) Trade Payables	20,978.00	2,945.51	23,923.51
b) Other Financial Liabilities	-	4,822.96	4,822.96
Provisions	2,229.70	605.73	2,835.43
Other Current Liabilities	-	474.24	474.24
Total Current Liabilities (E)	23,207.70	8,848.44	32,056.14
Total Liabilities F = D+E	29,180.71	11,537.18	40,717.89
Net Carrying Value / Equity (C-F)	29,442.32	24,722.54	54,164.86



DNH POWER DISTRIBUTION CORPORATION LIMITED

II. Notes forming part of the Financial Statements as at 31st March 2021

46 : Impact of COVID-19 (pandemic)

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

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

47 : Government of India through 'The Taxation Laws (Amendment) Act 2019' has inserted Section 115BAA of the Income Tax Act 1961, whereby, a domestic company has an irrevocable option of exercising for a lower Corporate Tax Rate along with consequent forego of certain tax deductions, incentives and set-off loss / depreciation to the extent of notified deductions / incentives including accumulated MAT credit eligible for set-off in subsequent years. The Corporation has exercised this option for a lower Corporate Tax Rate being beneficial to the Corporation. Accordingly, the provision of Income Tax for the current financial year and carrying amount of Deferred Tax Liability (net) has been recognised and adjusted considering the new lower Corporate Tax Rate.

48 : The standalone financial statements are approved for issue by the Board of Directors on 30/06/2021.

In terms of our Audit Report of even date attached

For, M/s. G.B. Laddha & Co. LLP

Chartered Accountants

FRN. 120352W/W-100033



(Giriraj B. Laddha)

Partner

M.N. 108558

Place: SILVASSA

Date: 30/06/2021

UDIN: 21108558AAAAARJ5749

For and on behalf of

DNH Power Distribution Corporation Limited

(Pawan Kumar Mishra)
Chief Financial Officer

(Anju Chaudhary)
Company Secretary

(Tapasya Raghav)

Managing Director

[UIN-08582761]

(A. Muthamma)

Director

[UIN-07340534]