

**Independent Auditor's Report
To the Members of Nalanda Power Company Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statement of Nalanda Power Company Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 inter financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 purpose 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 balances sheet, the statement of profit and loss and the cash flow statement dealt with by the Report are in agreement with the books of account
- (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) Rule, 2014.
- (e) on the basis of the written representation received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- (f) 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) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

For P.K.Das & Associates

Chartered Accountants

FRN: 308082E



Pradyot Das

Partner

Membership No. 13861



Kolkata

19th May, 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Nalanda Power Company Ltd ("the Company") on the Standalone Financial Statements for the year ended 31st March 2015, we report that :

- i. (a) The Company is maintaining proper records to show full particulars including quantitative details and situation of its fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no discrepancies between the book records and the physical inventory, have been noticed on such verification. In our opinion the frequency of physical verification is reasonable.
- ii. The Company has no Inventory and thus paragraph 3(ii) of the Order is not applicable.
- iii. The Company has not granted any loans to the bodies corporate covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of paragraph (iii) of the Order are not required for disclosure.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for acquisition of Fixed assets including Capital Work-in-Progress and no purchases of inventory and no sale of energy /services have been made during the year under review. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system during the course of our audit.
- v. The Company has not accepted any deposits from the public.
- vi. As the Company has not yet commenced operation, provision under section 148(1) of the Act in regard to the maintenance of the cost the records, in our opinion, is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records, the Company did not have any undisputed statutory dues in the books of account including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs value added tax, cess and other material statutory dues were in arrears as at 31st March 2015 for a period of more than six months from the date they become payable.



Annexure to the Independent Auditors' Report


The Annexure referred to in our Independent Auditors' Report to the members of Nalanda Power Company Ltd (" the Company") on the Standalone Financial Statements for the year ended 31st March 2015, we report that :

- (b) According to the information and explanations given to us, there are no dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there are no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules framed there under.
- viii. The accumulated losses of the Company are more than fifty percent of its net worth at the end of the financial year. The Company has incurred cash loss during the year. In the immediately preceding financial year also, the Company had incurred cash loss.
- ix. The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year
- x. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. The Company did not have any term loans outstanding during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Kolkata
19th May, 2015



For P.K.Das & Associates
Chartered Accountants
FRN: 308082 E


Pradyot Das
Partner
(Membership Number 13861)

NALANDA POWER COMPANY LIMITED

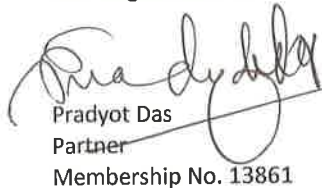
Registered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No	As at 31 March, 2015 Rupees	As at 31 March, 2014 Rupees
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	2	1,35,00,000	1,35,00,000
Reserves and Surplus	3	(85,44,456)	(84,79,294)
Current Liabilities			
Other Current Liabilities	4	28,090	73,110
TOTAL		49,83,634	50,93,816
II. ASSETS			
Non-current assets			
Fixed assets- Capital work-in-progress	5	45,96,680	45,96,680
Current assets			
Cash and bank balances	6	3,86,954	4,97,136
TOTAL		49,83,634	50,93,816
Significant accounting policies	1		
Other additional information	8-12		

This is the Balance Sheet referred to in our Report of even date.

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E


Pradyot Das
Partner
Membership No. 13861



For and on behalf of the Board of Directors


Director


Director

Kolkata
19th May, 2015

NALANDA POWER COMPANY LIMITED

Registered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001

Statement of Profit and Loss for the year ended 31st March, 2015

	Note No	2014-15 Rupees	2013-14 Rupees
Revenue		-	-
Expenses			
Other expenses	7	65,162	6,06,115
Total expenses		65,162	6,06,115
Profit / (Loss) before tax		(65,162)	(6,06,115)
Tax expense			
Current		-	-
Deferred		-	-
Profit / (Loss) for the year		(65,162)	(6,06,115)
Earnings per equity share (Face value of Rs.10 per share)			
Basic		(0.05)	(0.67)
Significant accounting policies	1		
Other additional information	8-12		

This is the Statement of Profit and Loss referred to in our Report of even date.

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E


Pradyot Das
Partner

Membership No. 13861



For and on behalf of the Board of Directors



Director



Director

Kolkata
19th May, 2015

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211 (3C) {Companies (Accounting Standard) Rules ,2006, as amended } and other relevant provisions of the Companies Act,2013.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non-current classification of assets and liabilities

(a) Expenditure during Construction

The Company is in the process of setting up a 2000 MW Thermal Power Plant at Pirpainti Anchal near Bhagalpur in the State of Bihar. The Company is yet to commence commercial production.

Indirect Expenses related to the project and incidental thereto are disclosed as "Miscellaneous Project Expenses" under Capital Work in Progress and to be capitalized subsequently.

Indirect expenses, which are not directly related to the Project, have been charged off to the Statement of Profit and Loss.

(b) Fixed Assets:

Fixed Assets are valued at cost of acquisition less depreciation.

(c) Depreciation:

Depreciation on all Fixed Assets is provided based on useful life as prescribed under Schedule II of the Companies Act, 2013.

(d) Impairment

An impairment loss is recognized where applicable, when the carrying value of assets of cash generating unit exceeds its market value or value in use, whichever is higher.

(e) Taxation :

Current Tax is determined as the amount of tax payable in respect of Taxable Income for the year in accordance with the provisions of Income Tax Act, 1961.

Deferred Tax is recognized, for all the timing differences subject to consideration of prudence, in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the company reassesses unrecognised deferred tax assets, if any.



NALANDA POWER COMPANY LIMITEDRegistered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001**NOTE 2 - SHARE CAPITAL**

Particulars	As at	As at
	31 st March, 2015 Rupees	31 st March, 2014 Rupees
Authorised Share Capital 5,000,000 (Previous Year: 5,000,000) Equity Shares of Rs. 10 each	50,000,000	50,000,000
Issued, subscribed and fully paid - up Capital 1,350,000 (Previous Year : 1,350,000) Equity Shares of Rs.10 each fully paid up	13,500,000	13,500,000
Total	13,500,000	13,500,000

a) Terms/rights attached to equity shares:

The Company has only one class of share having a par value of Rs 10 . Each holder of equity is entitled to one vote per share. The Company has not declared any dividend to its shareholders since inception. In the event of liquidation of the Company the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	%	No. of shares	%
CESC Limited	1,350,000	100	1,350,000	100

Entire Share Capital of the company is held by CESC Limited the Holding Company

c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Shares outstanding at the beginning of the year	1,350,000	13,500,000	900,000	9,000,000
Add: Equity shares issued during the year	-	-	450,000	4,500,000
Shares outstanding at the end of the year	1,350,000	13,500,000	1,350,000	13,500,000



NALANDA POWER COMPANY LIMITEDRegistered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001**NOTE 3 - RESERVES AND SURPLUS**

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Deficit as per Statement of Profit and Loss		
Debit balance in Statement of Profit and Loss at the beginning of the year	(8,479,294)	(7,873,179)
Add: Loss for the year	(65,162)	(606,115)
Debit balance in Statement of Profit and Loss at the end of the year	(8,544,456)	(8,479,294)

NOTE 4 - OTHER CURRENT LIABILITIES

Particulars	As at 31st March, 2015 Rupees	As at 31st March, 2014 Rupees
Audit fees	25,281	28,090
Statutory dues	2,809	4,000
Others	-	41,020
	28,090	73,110

There is no amount due to Micro and Small Enterprises as referred in the Micro, Small and Medium Enterprise Development Act, 2006 based on the information available with the Company.



NALANDA POWER COMPANY LIMITEDRegistered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001**NOTE 5 - CAPITAL WORK IN PROGRESS**

Particulars	As at 31 st March, 2015 Rupees	As at 31st March, 2014 Rupees
Miscellaneous Project Expenses		
Coal Movement Study	3,35,020	3,35,020
Land Acquisition Study	10,31,442	10,31,442
Pre-feasibility Report	8,90,640	8,90,640
Environment Impact Assessment Study	16,89,578	16,89,578
Statutory Payments	6,50,000	6,50,000
	45,96,680	45,96,680

NOTE 6 - CASH AND BANK BALANCES

Particulars	As at 31 st March, 2015 Rupees	As at 31st March, 2014 Rupees
Cash and Cash Equivalents		
Balances with Banks in current accounts	3,86,954	4,97,136
	3,86,954	4,97,136



NALANDA POWER COMPANY LIMITED

Registered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001

NOTE 7 - OTHER EXPENSES

Particulars	2014-15 Rupees	2013-14 Rupees
Consultancy and Professional Fees	3,200	5,29,020
Travelling Expenses	-	19,400
Auditors' Remuneration		
- Audit Fee	28,090	28,090
- Fees for Other Services	25,281	
Rates and Taxes	1,900	-
Printing and Stationary	-	1,050
Miscellaneous Expenses	6,691	28,555
	65,162	6,06,115



NALANDA POWER COMPANY LIMITED

Registered Office : 6 Church Lane, 1st Floor, Kolkata - 700001

Note 8 Disclosures as required under Accounting Standard AS-18 under the Companies Accounting Standards Rules 2006 on "Related Party Disclosures" :

(a) Related party and their relationship :

Name of related party

CESC Limited

Nature of relationship

Holding Company

Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Pvt. Ltd., Music World Retail Limited, Au Bon Pain Café India Limited, CESC Projects Limited, Dhariwal Infrastructure Ltd, Haldia Energy Ltd, CESC Infrastructure Ltd, Surya Vidyut Limited, Bantal Singapore Pte.Ltd , Papu Hydropower Projects Limited, Pachi Hydropower Projects Limited, Spenliq Private Limited, Firstsource Solutions Limited, Firstsource Group USA, Inc., Firstsource BPO Ireland Ltd. ,Firstsource Solutions UK Ltd., Anunta Tech Infrastructure Services Ltd., Firstsource-Dialog Solutions Pvt. Ltd., MedAssist Holding, LLC., Firstsource Business Process Services, LLC, Firstsource Solutions USA, LLC, Firstsource Advantage, LLC ,Firstsource Transaction Services, LLC, Firstsource Solutions SA (Argentina),Twin Lakes Property, Ranchi Power Distribution Company Limited, One Advantage LLC, USA, , Sheesham Commercial Private Limited, Water Hyacinth Commosale Private Limited, Wigeon Commotrade Private Limited, Crescent Power Limited

However there are no transactions with the related parties during the year

Note 9 Disclosures as required under Accounting Standard AS-20 under the Companies Accounting Standards Rules 2006 on "Earnings Per Share" :

	<u>Current Year</u>	<u>Previous Year</u>
Loss after tax	(Rs.65,162)	(Rs.6,06,115)
Weighted average number of Equity Shares for EPS	1,350,000	901,233
Nominal Value Per Equity Shares	Rs.10	Rs.10
Earning per Equity Share - Basic	(Rs.0.05)	(Rs.0.67)



NALANDA POWER COMPANY LIMITED

Registered Office : 6 Church Lane, 1st Floor, Kolkata - 700001

Note 10 The Company is presently in the process of setting up of a power plant and yet to commence commercial production. The company does not operate in any other segment.

Note 11 Since the Company has not commenced commercial production, Deferred Tax has not been recognised.

Note 12 Previous year figures have been re-classified/regrouped wherever necessary.

For P.K.Das & Associates
Firm Registration Number: 308082 E
Chartered Accountants



Pradyot Das
(Partner)
Membership Number 13861
Kolkata,



19th May, 2015

For and on behalf of the Board of Directors



Director



Director

NALANDA POWER COMPANY LIMITED

Registered Office : 6, Church Lane, 1st Floor, Kolkata - 700 001

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

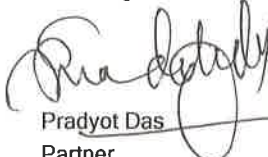
	2014-15 Rupees	2013-2014 Rupees
A. Cash flow from Operating Activities		
(Loss) before taxation	(65,162)	(6,06,115)
Adjustments for :-		
Depreciation	-	-
(Loss)/Profit on sale of assets	-	-
Operating profit / (loss) before working capital changes	(65,162)	(6,06,115)
Trade and Other Receivables	-	-
Increase/ Decrease in Current Liabilities	(45,020)	(2,43,474)
Net cash flow from Operating Activities	(1,10,182)	(8,49,589)
B. Cash flow from Investing Activities		
Sale of Fixed Assets	-	-
Decrease / (Increase) in Capital Work-in-Progress	-	-
Net cash flow from Investing Activities	-	-
C. Cash flow from Financing Activities		
Share Application money pending allotment	-	-
Net cash flow from Financing Activities	-	-
Net increase / (decrease) in cash and cash equivalents	(1,10,182)	(8,49,589)
Cash and cash equivalents - Opening Balance	4,97,136	13,46,725
Cash and cash equivalents - Closing Balance	3,86,954	4,97,136

Notes : (a) The Cash Flow Statement has been prepared under the indirect method as given in the Accounting Standard on Cash Flow Statement (AS-3) issued by The Institute of Chartered Accountants of India.

(b) Cash and cash equivalents represents bank balances only.

This is the Cash Flow Statement referred to in our Report of even date.

For P K Das & Associates
Chartered Accountants
Firm Registration No. 308082E


Pradyot Das
Partner
Membership No. 13861



For and on behalf of the Board of Directors


Director


Director

19th May, 2015