

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RANCHI POWER DISTRIBUTION COMPANY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of RANCHI POWER DISTRIBUTION COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit & Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified u/S 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

We have taken into account the provisions of the Act, the accounting and Auditing Standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards of Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



OPINION

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) In the case of the Statement of Profit & Loss, of the loss for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the 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', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 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 appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/S 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the Directors as on March 31, 2015, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) The Company has adequate internal financial controls over financial reporting of the Company and the same are effectively in operation.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us :
 - I) The Company does not have any pending litigations as at 31st March 2015, which would have an impact on its financial position;
 - II) Since the Company has not yet commenced commercial operation, no provision for material foreseeable losses has been made.
 - III) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2015.

Place : Kolkata.

Date : 14th May 2015



for Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration No.303086E

A handwritten signature in blue ink, appearing to read "P.J. Bhide".

P.J. Bhide
Partner

Membership No.004714

Annexure to Independent Auditors' Report

Referred to in the Independent Auditors' Report of even date to the members of Ranchi Power Distribution Company Limited, the financial statements as of and for the year ended 31st March 2015.

- I. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- II. The company does not have any inventory and accordingly clause (ii)(a) to (ii)(c) of Paragraph 3 of the Companies (Auditors' Report) (Amendment) Order, 2015 is not applicable.
- III. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 1956. Consequently, the provisions of clauses-(a) and (b) of the order are not applicable to the Company.
- IV. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of fixed assets and payment for expenses. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
- V. The Company has not accepted any deposit from the public covered under section 73 to 76 of the Companies Act, 2013.
- VI. The Company had acquired distribution rights to distribute electricity in Ranchi circle, but has not yet start its commercial operation. Hence, maintenance of cost records under Sub-section (1) of Section 148 of the Act is not applicable for the current financial year.
- VII. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including income tax and professional tax as applicable, with the appropriate authorities
(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, wealth tax, service tax which have not been deposited on account of any dispute
(c) According to the information and explanations given to us and records of the company examined by us, the company has not transferred any amount to the investor Education & Protection Fund in accordance with relevant provisions of the Companies Act, 1956 and Rules made thereunder.
- VIII. This Clause is not applicable since the Company has not been registered for a period more than five years.



2.

- IX.** According to the records of the Company examined by us and the information and explanations given to us during the year the Company has not obtained any loan from any financial institution or bank or debenture holders.
- X.** According to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution.
- XI.** Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2015, we report that no fund raised on short-term basis have been used for long-term investment by the Company.
- XII.** During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by Company, noticed or reported during the year, not have been informed of any such case by the Management.

Place : Kolkata.

Date : 14th May 2015



for Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration No.303086E

A handwritten signature in blue ink, appearing to read "P. J. Bhide".

P.J. Bhide
Partner

Membership No.004714

Ranchi Power Distribution Company Limited

Registered Office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata-700072

Balance Sheet as at 31st March, 2015

Particulars	Note No.	As at 31st March,	As at 31st March,
		2015	2014
		Rs.	Rs.
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	1900,00,000	800,00,000
Reserves and Surplus	2.2	(1697,10,737)	(792,86,008)
		202,89,263	7,13,992
Non Current Liabilities			
Long-term provisions	2.3	16,33,839	7,98,581
		16,33,839	7,98,581
Current liabilities			
Other current liabilities	2.4	555,94,389	460,75,710
Short-term provisions	2.5	16,465	9,677
		556,10,854	460,85,387
TOTAL		775,33,956	475,97,960
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2.6	243,15,818	225,37,067
Intangible assets	2.7	3,53,670	1,34,038
Capital work-in-progress		315,50,209	50,21,958
		562,19,697	276,93,063
Deferred tax assets (net)	2.8	-	-
Long-term loans and advances	2.9	44,83,860	84,85,250
		44,83,860	84,85,250
Current assets			
Cash and bank balances	2.10	117,54,806	112,41,820
Short term Loans & advances	2.11	3,69,857	82,927
Other Current Assets	2.12	47,05,736	94,900
TOTAL		775,33,956	475,97,960

Significant Accounting Policies

1

Notes 1 - 2.22 form an integral part of the Accounts.

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

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants

P.J Bhide
Partner
Membership.No. 004714

Kolkata
Date: 14th May 2015



For and on behalf of the Board of Directors

Managing Director

Director

Ranchi Power Distribution Company Limited

Registered Office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata-700072

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

Particulars	Note No.	2014-15 Rs.	2013-14 Rs.
Other Income	2.13	13,70,511	6,93,167.00
Total Revenue		13,70,511	6,93,167
Expenses			
Employee benefit expense	2.14	419,90,675	363,66,651
Depreciation and amortisation expenses	2.15	46,51,537	3,60,862
Other expenses	2.16	451,53,028	275,58,166
Total expenses		917,95,240	642,85,679
Profit / (Loss) before tax		(904,24,729)	(635,92,512)
Tax expense			
Current			
Deferred			
Profit / (Loss) for the year		(904,24,729)	(635,92,512)
Earnings per equity share (Face value of Rs.10 per share)			
Basic	2.19	(11.26)	(62.40)
Diluted	2.19	(11.26)	(62.40)

Significant Accounting Policies

1

Notes 1 - 2.22 form an integral part of the Accounts.

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

For Batliboi, Purohit & Darbari

Firm Registration Number:303086E

Chartered Accountants

P.J Bhide

Partner

Membership.No. 004714

Kolkata

Date: 14th May 2015



For and on behalf of the Board of Directors

Managing Director

Director

Ranchi Power Distribution Company Limited

Registered Office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata-700072

Cash Flow Statement for the year ended 31st March, 2014

Particulars	2014-15	2013-14
	Rs.	Rs.
Cash flow from Operating Activities		
Profit/(Loss) before Taxation	(904,24,729)	(635,92,512)
Adjustments for:		
Depreciation/Amortisation	46,51,537	3,60,862
Provision for Gratuity	6,788	9,569
Provision for Leave Encashment	8,35,258	7,84,976
Operating Profit before Working Capital changes	(849,31,146)	(624,37,105)
Adjustments for:		
Receivables	(55,54,701)	(82,44,727)
Payables	95,25,467	297,49,665
Net cash flow from Operating Activities	(809,60,380)	(409,32,167)
Cash flow from Investing Activities		
Purchase of Fixed Assets / Capital Work in Progress	(285,26,634)	(213,15,326)
Net cash flow used in Investing Activities	(285,26,634)	(213,15,326)
Cash flows from Financing Activities		
Proceeds from issue of Equity Shares	1100,00,000	700,00,000
Net cash flow from Financing Activities	1100,00,000	700,00,000
Net Increase/(Decrease) in cash and cash equivalents	5,12,986	77,52,506
Cash and Cash equivalents - Opening Balance	112,41,820	34,89,313
Cash and Cash equivalents - Closing Balance	117,54,806	112,41,820

Notes:

1. The Cash Flow Statement has been prepared under the 'Indirect Method' as given in the Accounting Standard on Cash Flow Statement (AS- 3) as per Companies Accounting Standard Rules, 2006 .

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

For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants

P.J Bhilde
Partner
Membership.No. 004714

Kolkata
Date: 14th May 2015



For and on behalf of the Board of Directors

Managing Director

Director

Note 2.1 Share Capital

Particulars	As at	As at
	31st March, 2015 Rs.	31st March, 2014 Rs.
Authorised share capital 200,00,000 (31.03.14 : 100,00,000) Equity shares of Rs. 10 each, fully paid up.	2000,00,000	1000,00,000
Issued, subscribed and paid - up capital 190,00,000 (31.03.14 : 80,00,000) Equity shares of Rs. 10 each, fully paid up.	1900,00,000	800,00,000
	1900,00,000	800,00,000

a) Terms/rights attached to equity shares:

The company has only one class of equity shares having a par value of Rs 10 per share. 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	% of holding	No. of shares	% of holding
CESC Limited	190,00,000	100	80,00,000	100

CESC Limited is also the holding Company of Ranchi Power Distribution Company Limited and percentage of shares held is stated above.

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	Value (Rs)	No of Shares	Value (Rs)
Shares outstanding at the beginning of the year	80,00,000	800,00,000	10,00,000	100,00,000
Add: Equity Shares issued during the year	110,00,000	1100,00,000	70,00,000	700,00,000
Shares outstanding at the end of the year	190,00,000	1900,00,000	80,00,000	800,00,000

Note 2.2 Reserves and Surplus

Particulars	As at	As at
	31st March, 2015 Rs.	31st March, 2014 Rs.
Surplus in the statement of Profit and Loss		
Debit Balance at the beginning of the year	(792,86,008)	(156,93,496)
Add: Profit / (Loss) for the year	(904,24,729)	(635,92,512)
Debit Balance at the end of the year	(1697,10,737)	(792,86,008)



Ranchi Power Distribution Company LimitedRegistered Office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata-700072**Note 2.3 Long-term provisions**

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Provision for employee benefits	16,33,839	7,98,581
	16,33,839	7,98,581

Note 2.4 Other current liabilities

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Payable to Holding Company	508,84,692	332,28,374
Audit fees payable	27,106	28,090
Statutory dues payable	8,63,328	7,29,326
Liabilities on capital account	25,10,694	38,91,092
Others payables	13,08,569	81,98,828
	555,94,389	460,75,710

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.

Note 2.5 Short-term provisions

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Provision for employee benefits	16,465	9,677
	16,465	9,677



Ranchi Power Distribution Company Limited
 Registered Office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata - 700072

Note: 2.6 Tangible assets

PARTICULARS	GROSS BLOCK AT COST OR VALUATION			DEPRECIATION/AMORTISATION			NET BLOCK	
	As at 1st April, 2014 Rs.	Additions / Adjustments Rs.	Withdrawal/ Adjustments Rs.	As at 1st April, 2014 Rs.	Additions / Adjustments Rs.	Withdrawal/ Adjustments Rs.	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Plant & Equipment	14,09,562	10,45,491	-	44,025	1,45,065	-	22,65,963	13,65,537
Furniture & Fixtures	74,60,589	28,63,726	-	1,03,178	8,88,735	-	93,32,402	73,57,411
Office equipment	14,59,320	80,532	-	54,618	3,19,243	-	11,65,991	14,04,702
Computers	125,20,995	23,24,701	-	1,11,578	31,82,656	-	115,51,462	124,09,417
Previous Year	228,50,466	63,14,450	-	3,13,399	45,35,699	-	243,15,818	225,37,067
	28,67,062	199,83,404	0	19,556	2,93,843	0	225,37,067	

Note: 2.7 Intangible assets

PARTICULARS	GROSS BLOCK AT COST			AMORTISATION			NET BLOCK	
	As at 1st April, 2014 Rs.	Additions / Adjustments Rs.	Withdrawal/ Adjustments Rs.	As at 1st April, 2014 Rs.	Additions / Adjustments Rs.	Withdrawal/ Adjustments Rs.	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Computer software	2,01,057.00	3,35,470	-	67,019.00	1,15,838	-	3,53,670	1,34,038.00
	2,01,057.00	3,35,470	-	67,019	1,15,838	0	3,53,670	1,34,038.00
Previous Year	2,01,057.00	-	-	67,019.00	-	-	1,34,038.00	-



Note 2.8 Deferred Taxes

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Deferred Tax Liability		
Depreciation difference	34,83,249	14,29,287
Deferred Tax Asset		
Unabsorbed Business Loss/ Depreciation	(34,83,249)	(14,29,287)
	-	-

As a matter of prudence, deferred tax assets have been recognised only to the extent of deferred tax liability.

Note 2.9 Long term loans and advances

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
(Unsecured, considered good)		
Capital Advance	6,28,736	46,52,126
Security Deposits	37,22,124	38,12,124
Other Loans and Advances		
Advance to Employee	1,33,000	21,000
	44,83,860	84,85,250

Note 2.10 Cash & bank balances

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Cash and cash equivalents		
Balance with banks in current account	113,88,840	108,99,548
Cash on hand	65,966	42,272
(b) Other bank balances		
Bank deposit with original maturity more than 3 months (Bank deposit is in the form of lien marked Fixed Deposit)	3,00,000	3,00,000
	117,54,806	112,41,820

Note 2.11 Short term loans and advances

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
(Unsecured, considered good)		
Advance Tax (Income Tax) (Net of Provision for taxation -Rs Nil, Previous year -Rs Nil)	3,62,457	67,327
Other Advances		
Advance to Employee	7,400	15,600
	3,69,857	82,927



Ranchi Power Distribution Company Limited

Registered Office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata-700072

Note 2.12 Other Current Assets

Particulars	As at 31st March, 2015 Rs.	As at 31st March, 2014 Rs.
Interest Accrued on Bank Deposit	48,823	19,900
Receivable towards claim and services rendered - considered good	46,56,913	75,000
	47,05,736	94,900



Ranchi Power Distribution Company Ltd

Registered Office: Barick Bhawa, 8, Chittaranjan Avenue, Kolkata- 700 072

Note 2.13 Other Income

Particulars	2014-15	2013-14
	Rs.	Rs.
Interest on Deposit with bank	13,70,511	6,93,167
	13,70,511	6,93,167



Ranchi Power Distribution Company Ltd

Registered Office: Barick Bhawa, 8, Chittaranjan Avenue, Kolkata- 700 072

Note 2.14 Employee benefit expenses

Particulars	2014-15	2013-14
	Rs.	Rs.
Salaries, Wages and bonus	389,31,953	347,56,858
Contribution to provident and other funds	19,81,913	13,69,551
Staff welfare expenses	10,76,809	2,40,242
	419,90,675	363,66,651

a) Employee Benefits

Defined Contribution Plan

The Company maintains a Provident Fund with the Regional Provident Fund authorities where contribution are made by the Company as well as by the employees. An amount of Rs 3,08,740 (31 March, 2014- Rs 4,45,518) has been charged off to Profit and Loss Statement during the year.

Defined Benefit Plan

Liabilities at the year end for gratuity and leave encashment are determined on the basis of actuarial valuation carried out by an independent actuary based on the method prescribed in Accounting Standard 15-“Employee Benefits” as per Companies (Accounting Standard) Rules, 2006.

Net Liability/(Asset) recognised in the Balance Sheet are as follows:

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of funded obligation	-	-	1,05,447	-
Fair Value of Plan Assets	-	-	-	-
Present value of un-funded obligation	4,14,187	12,36,117	-	7,02,811
Net Liability /(Asset)	4,14,187	12,36,117	(1,05,447)	7,02,811
Experience (Gain)/ Loss adjustment on plan liabilities	33,962	2,14,504	86,380	9,19,396
Experience Gain/(Loss) adjustment on plan assets	-	-	-	-
Experience (Gain)/Loss adjustment on plan liabilities due to change in assumptions	57,552	1,94,978	(12,826)	(99,107)

Amount recognized in Profit and Loss Statement and charged to Salary and bonus are as follows:

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	2,07,525	59,165	26,104	8,270
Interest Cost	9,701	64,659	439.00	(4,623.00)
Expected Return on Plan Assets	-	-	-	-
Actuarial Loss/(Gain)	91,514	4,09,482	73,554.00	8,20,289.00
Past service cost	-	-	-	-
Total	3,08,740	5,33,306	1,00,097	8,23,936



Reconciliation of opening and closing balances of the present value of obligations:

Rs.

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening defined benefit obligation	1,05,447	7,02,811	5,350	8,363
Current Service Cost	2,07,525	59,165	26,104	8,270
Interest Cost	9,701	64,659	439	(4,623)
Actuarial Loss/(Gain)	91,514	4,09,482	73,554	8,20,289
Benefits paid	-	-	-	(1,29,488)
Closing Defined Benefit Obligation	4,14,187	12,36,117	1,05,447	7,02,811

Reconciliation of opening and closing balances of fair value of plan assets :

Rs.

	2014-15		2013-14	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening fair value of Plan Assets	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Actual Company Contributions	-	-	-	1,29,488
Actuarial (Loss)/Gain	-	-	-	-
Benefits paid	-	-	-	(1,29,488)
Closing Fair Value on Plan Assets	-	-	-	-

Actual Return on Plan Assets (Rs.)

Principal Actuarial Assumption Used:

	2014-15	2013-14
Discount Rates	7.84%	9.20%
Expected Return on Plan Assets	7.84%	9.20%
Mortality Rates	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

The contribution expected to be made by the Company for the year ending 31st March, 2016 cannot be readily ascertainable and therefore not disclosed.



Note 2.15 Depreciation and Amortisation Expenses

Particulars	2014-15	2013-14
	Rs.	Rs.
Depreciation on tangible assets	45,35,699	2,93,843
Amortisation on intangible assets	1,15,838	67,019
	46,51,537	3,60,862

Note 2.16 Other expenses

Particulars	2014-15	2013-14
	Rs.	Rs.
Rent	144,12,980	79,21,910
Repairs and Maintenance -Dist Network	124,38,600	55,01,006
Electricity Charges	6,05,288	1,81,673
Travelling and Conveyance	18,80,456	33,81,632
Communication Charges	11,83,316	2,86,759
Professional Fee	66,20,605	20,48,641
Filling fees and other charges	7,60,280	6,75,000
Promotions/Advertisements	0	2,00,762
Audit fees	28,090	28,090
Printing and Stationery	32,993	79,181
Guest House expenses	22,11,425	25,84,125
Security expenses	12,31,642	3,40,081
Vehicle Expenses	14,98,695	18,53,757
Survey Work Expense	5,39,297	20,55,709
General Expenses	17,09,361	4,19,840
	451,53,028	275,58,166

Note: 2.17

Contingent Liabilities and commitments (to the extent not provided for) :-

- a) Estimated amount of contracts remaining to be executed on Capital Account and not provided for : Rs 1,72,656/- (F Y 2013-14 : Rs 689,75,863/-)



Note 1 : Significant Accounting Policies

i) 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.

ii) Tangible Assets

Tangible Assets are stated at cost of acquisition together with any incidental expenditure for acquisition/installation. 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.

Intangible Assets

Software cost is capitalised as intangible asset, where it is expected to provide future enduring economic benefit. Software cost is amortised over a period of three years on a straight line basis.

Depreciation / Amortisation

Depreciation on Tangible Assets is provided on straight line method based on useful lives and residual values as prescribed in Part C of Schedule II of the Companies Act, 2013.

Effective from April 1, 2014 the Company has charged depreciation based on revised useful life of assets as per the requirement of Schedule II of Companies Act, 2013. Due to the above, depreciation charge for the year ended March 31, 2015 is higher by Rs 18,51,145/- and amortisation is higher by Rs 54,544/-.



RANCHIPOWER DISTRIBUTION COMPANY LIMITED

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(iii) Taxation

Provision for current tax is made on the basis of estimated taxable income for the year

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 realised. 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.

(iv) Employee Benefits

Contribution to Provident Fund is accounted for on accrual basis and contribution to the fund is maintained with the Regional Provident Fund Commissioner, West Bengal. Provision for Gratuity liability and Leave Encashment liability are made on the basis of actuarial valuation done at the end of the year by an independent actuary.

(v) Leasing

Lease rentals in respect of operating leases have been charged off to the Statement of Profit and Loss.

(vi) Revenue Recognition

The Company follows mercantile system of accounting and recognizes revenue as per AS-9 on "Revenue Recognition" issued by The Institute of Chartered Accountants of India.

Other income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable.



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Note: 2.18

Related Party Disclosure

Related Parties and their relationships

Name of Related Parties	Nature of Relationship
CESC Limited	Holding Company
Spencer's Retail Limited, CESC Properties Limited, Metromark Green Commodities Pvt. Ltd., Music World Retail Limited, Au Bon Pain Café India Limited, Nalanda Power Company Limited, CESC Projects Ltd, 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 S.A. (Argentina), One Advantage LLC, USA, Water Hyacinth Commosale Pvt. Ltd, Sheesham Commercial Pvt. Ltd, Wigeon Commotrade Pvt. Ltd, Crescent Power Ltd, Mahugarhi Coal Company Pvt. Ltd	Fellow Subsidiary Company's
Mr Dilip Kumar Sen, Managing Director	Key Management Personnel



RANCHI POWER DISTRIBUTION COMPANY LIMITED**Registered office: Barick Bhawan, 8, Chittaranjan Avenue, Kolkata - 700072****Details of transaction between the Company and related parties and status of outstanding balances:**

Nature of Transaction	2014-15			2013-14		
	Holding Company	Fellow Subsidiary Company	Key Management Personnel	Holding Company	Fellow Subsidiary Company	Key Management Personnel
Advance received against equity shares	11,00,00,000	-	-	700,00,000		
Allotment of Equity Shares	11,00,00,000	-	-	700,00,000		
<u>Expenses Incurred</u> CESC Limited	176,56,318	-	-	212,19,790		
<u>Recovery of Expenses</u> CESC Limited Haldia Energy Limited	9,03,009	9,53,882				
Travel expense re- imbursement (CESC Infrastructure Ltd)	-	-	-	-	32,501	
Remuneration paid to Mr D.K Sen	-	-	49,98,000	-	-	25,20,000
Balance as at 31.03.2015						
Credit	499,81,683	-		332,28,374	32,501	
Debit Haldia Energy Limited	-	9,53,882		-		



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Note: 2.19

Computation of Earnings per share (EPS):

	F.Y 2014-15	F.Y 2013-14
(i) Weighted average number of Equity Shares outstanding for the year for Basic & Diluted EPS (A)	80,30,137	10,19,178
(ii) Face Value of each Equity Share (in Rs.)	10	10
(iii) Profit/ (Loss) attributable to Equity Shareholders (Rs.) (B)	(9,04,24,729)	(6,35,92,512)
Earnings/(Loss) per share – Basic & Diluted (B/A)	(11.26)	(62.40)

Note: 2.20

Pursuant to selection of CESC Limited through a process of competitive bidding to take up distribution franchising in Ranchi Circle of Jharkhand State Electricity Board (JSEB) when the Company was formed as a 100% subsidiary of CESC Limited to take up such franchising operations, a Distribution Franchisee Agreement (DFA) was executed by the Company with JSEB. The DFA has been purportedly terminated by Jharkhand Bijli Vitaran Nigam Limited, the distribution company formed out of the unbundling of JSEB and the matter has been challenged by the Company in the High Court at Ranchi and at present remains sub-judice.

Note: 2.21

The Company is in the process of appointing a whole-time Company Secretary within a short period of time.

Note: 2.22

Previous year's figure has been regrouped/ re-arranged, wherever necessary.

For Batliboi, Purohit & Darbari
Firm Registration Number: 303086E
Chartered Accountants

For and on behalf of the Board of Directors



P.J Bhide
Membership. No. 004714
Partner



Managing Director

Director

Place: Kolkata
Date: 14th May 2015

