

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF Ranchi Power Distribution Company Limited****Report on the Ind AS Financial Statements**

We have audited the accompanying Ind AS financial statements of **Ranchi Power Distribution Company Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of Standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as 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 auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. 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 Ind AS financial



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 March 31, 2018, and its loss including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the 'Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure- A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in Annexure - B to this report.
 - (g) With respect to the other matters to be included in the Auditors' 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 explanations given to us:



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To the Members of Ranchi Power Distribution Company Limited

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- 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Kolkata
Dated: May 18, 2018

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


(CA Hemal Mehta)
Partner

Membership Number 063404

Annexure - A to Independent Auditors' Report referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report on even date

To the members of Ranchi PowerDistribution Company Limited

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not issued loans, guarantee or securities to which provisions of section 185 and 186 of the Companies Act 2013 apply and hence not commented upon. Therefore, the provisions of section 186 of the Companies Act, 2013 in respect of investments made by the company, are not applicable.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- 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 provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
(c) 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, duty of customs, value added tax or cess which have not been deposited on account of any dispute.



- viii. According information and explanation given to us, the Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under this clause is not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud / material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under this clause are not applicable to the company and, therefore, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

Kolkata
Dated: May 18, 2018



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


(CA Hemal Mehta)
Partner
Membership Number 063404

Chartered Accountants

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF RANCHI POWER DISTRIBUTION COMPANY LIMITED**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Ranchi Power Distribution Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the period ended on that date.

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 the 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A



Chartered Accountants

company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion


In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

Kolkata

Dated: May 18, 2018



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


(CA Hemal Mehta)
Partner

Membership Number 063404

Ranchi Power Distribution Company Limited

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

CIN: U40102WB2012PLC188244

Balance Sheet as at 31 March 2018

Rs

	Note No	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
a Property, plant and equipment	2	73,91,110	1,03,59,214
b Intangible Asset	2a	-	-
c Other Financial assets	3	1,15,450	7,00,291
d Other non-current assets	4	11,39,816	10,99,616
Total Non-current assets		86,46,376	1,21,59,121
Current assets			
a Financial assets			
i. Cash and cash equivalents	5	37,69,064	26,53,271
ii. Bank Balance other than (i) above	6	3,87,697	3,00,000
iii. Other financial assets	7	1,52,42,912	2,91,37,610
b Current tax assets (net)	8	7,26,197	7,13,953
c Other current assets	9	53,937	2,62,053
Total current assets		2,01,79,807	3,30,66,887
TOTAL ASSETS		2,88,26,183	4,52,26,008
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	10	26,70,00,000	23,50,00,000
b Other equity	11	(29,79,90,771)	(25,02,88,777)
Total Equity		(3,09,90,771)	(1,52,88,777)
LIABILITIES			
Non-current liabilities			
a Provisions	12	12,38,396	14,01,130
Total non-current liabilities		12,38,396	14,01,130
Current liabilities			
a Financial liabilities			
i. Other financial liabilities	13	5,81,80,143	5,86,99,405
b Other current liabilities	14	3,86,991	4,01,878
c Provisions	15	11,424	12,372
Total current liabilities		5,85,78,558	5,91,13,655
Total liabilities		5,98,16,954	6,05,14,785
TOTAL EQUITY AND LIABILITIES		2,88,26,183	4,52,26,008

Significant Accounting Policies

1

Note 1 to 29 form an integral part of the financial statements

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

For Batliboi , Purohit & Darbari

Firm Registration Number : 303086E

Chartered Accountants

For and on behalf of the Board of Directors

CA Hemal Mehta
Partner

Membership No : 063404

Date : 18th May, 2018

Khalid Ahmed Siddiqi
Director,
(Khalid Ahmed Siddiqi)

Dilip K. Sam
Managing Director
(Dilip K. Sam)

Aloke Mukherjee
Company Secretary
(Aloke Mukherjee)

Sugata Ghosh
Chief Financial Officer
(Sugata Ghosh)

Ranchi Power Distribution Company Limited

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

CIN: U40102WB2012PLC188244

Statement of profit and loss for the year ended 31 March 2018

Rs

SI No.	Particulars	Note No	For Year ended 31st March 2018	For Year ended 31st March 2017
I	Revenue from operations		-	-
II	Other income	16	60,646	-
III	Total income (I)+(II)		60,646	-
IV	Expenses			
	Employee benefit expenses	17	1,29,74,235	1,61,30,463
	Depreciation and amortisation expenses	18	19,01,653	38,45,726
	Other expenses	19	20,76,535	2,82,48,312
	Total expenses		1,69,52,423	4,82,24,501
V	Profit before tax		(1,68,91,777)	(4,82,24,501)
VI	Tax expense			
	- Current tax		-	-
	- Deferred tax		-	-
	Total tax expense		-	-
VII	Profit after tax		(1,68,91,777)	(4,82,24,501)
VIII	Other Comprehensive income	20		
	A (i) Items that will not be reclassified to profit or loss		1,89,783	8,78,739
	(ii) Income tax effect		-	-
	Other comprehensive income for the year, net of tax		1,89,783	8,78,739
VIII	Total comprehensive income for the year		(1,67,01,994)	(4,73,45,762)
IX	Earning per equity share	21		
	Basic earnings per share		(0.67)	(2.05)
	Diluted earnings per share		(0.63)	(2.00)

Significant Accounting Policies

1

Note 1 to 29 form an integral part of the financial statements

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

CA Hemal Mehta

Partner

Membership No : 063404

Place : Kolkata

Date : 18th May, 2018

For and on behalf of the Board of Directors

Khalid Ahmed Siddiqi
Director
(Khalid Ahmed Siddiqi)

Dilip K. Sen
Managing Director
(Dilip K. Sen)

Aloke Mukherjee
Company Secretary
(Aloke Mukherjee)

Sugata Ghosh
Chief Financial Officer
(Sugata Ghosh)

Ranchi Power Distribution Company Limited

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

CIN: U40102WB2012PLC188244

Statement of Cash Flow for the year ended 31st March, 2018

Particulars	Rs	
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Cash flow from Operating Activities		
Profit/(Loss) before Taxation	(1,68,91,777)	(4,82,24,501)
Adjustment for:		
Depreciation and Amortisation	19,01,653	38,45,726
Loss on disposal of assets	-	1,56,12,446
Debt written off	5,41,616	-
Operating Profit before Working Capital changes	(1,44,48,508)	(2,87,66,329)
Adjustments for:		
(Increase)/Decrease in Non Current Financial Assets	5,84,841	7,58,099
(Increase)/Decrease in Other Non Current Assets	-	-
(Increase)/Decrease in Current Financial Assets	(91,72,814)	(8,69,285)
(Increase)/Decrease in Other Current Assets	2,08,116	43,701
Increase/(Decrease) in Current Financial Liabilities	(5,19,262)	(11,07,661)
Increase/(Decrease) in Non current / Current Provision	26,101	(2,33,638)
Increase/(Decrease) in Other Current Liabilities	(14,887)	5,13,572
Net cash (used in)/ provided by operating activities before taxes	(2,33,36,413)	(2,96,61,541)
Income taxes paid	(12,244)	(25,600)
Net cash (used in)/ provided by operating activities	(2,33,48,657)	(2,96,87,141)
Cash flow from Investing Activities		
Sale / (Purchase) of Fixed Assets / Capital Work in Progress	2,34,64,450	(20,67,707)
Net cash flow from Investing Activities	2,34,64,450	(20,67,707)
Cash flows from Financing Activities		
Proceeds from issue of Equity Shares	10,00,000	-
Proceeds from advance against equity shares received	-	3,10,00,000
Net cash flow from Financing Activities	10,00,000	3,10,00,000
Net increase/ (decrease) in cash and cash equivalents	11,15,793	(7,54,848)
Cash and Bank Balances - Opening Balance	26,53,271	37,08,119
Cash and cash equivalents - Closing Balance	37,69,064	26,53,271

Significant Accounting Policies

Note 1 to 29 form an integral part of the financial statements

Notes :

(a) The Cash Flow Statement has been prepared under the indirect method as given in the Indian Accounting Standard (IND AS 7) on Cash Flow Statement.

(b) Additions to property, plant and equipment and intangible assets include movements of capital work-in-progress and intangible assets.

(c) Previous year's figures have been regrouped / rearranged wherever necessary.

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

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


CA Hemal Mehta
Partner
Membership No : 063404
Place : Kolkata
Date : 18th May, 2018



For and on behalf of the Board of Directors



Director
(Khaleel Ahmed Siddiqi)



Managing Director
(Dilip K. Sen)



Company Secretary
(Alok Mukherjee)



Chief Financial Officer
(Sugata Ghosh)

Notes forming part of Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING MARCH 31, 2018

a Equity Share Capital (Rs.)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Share	23,50,00,000	3,20,00,000	26,70,00,000

b Other Equity (Rs.)

Particulars	Share application money pending allotment	Reserves and Surplus	Total
Balance at the beginning of the reporting period	3,10,00,000	(28,12,88,777)	(25,02,88,777)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the reporting period	3,10,00,000	(28,12,88,777)	(25,02,88,777)
Total Comprehensive Income for the year	-	(1,67,01,994)	(1,67,01,994)
Dividends	-	-	-
Transfer to SHARE CAPITAL	(3,20,00,000)	-	(3,20,00,000)
Remeasurements of the defined benefit plans (net of taxes)	-	1,89,783	1,89,783
Any other changes: Other Comprehensive Income	-	(1,89,783)	(1,89,783)
Share Application Money received	10,00,000	-	10,00,000
Balance at the end of the reporting period	-	(29,79,90,771)	(29,79,90,771)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING MARCH 31, 2017

a Equity Share Capital (Rs.)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Share	23,50,00,000	-	23,50,00,000

b Other Equity (Rs.)

Particulars	Share application money pending allotment	Reserves and Surplus	Total
Balance at the beginning of the reporting period	-	(23,39,43,015)	(23,39,43,015)
Changes in accounting policy/prior period errors	-	-	-
Restated balance at the beginning of the reporting period	-	(23,39,43,015)	(23,39,43,015)
Total Comprehensive Income for the year	-	(4,73,45,762)	(4,73,45,762)
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Remeasurements of the defined benefit plans (net of taxes)	-	8,78,739	8,78,739
Any other changes: Other Comprehensive Income	-	(8,78,739)	(8,78,739)
Share Application Money received	3,10,00,000	-	3,10,00,000
Balance at the end of the reporting period	3,10,00,000	(28,12,88,777)	(25,02,88,777)

Significant Accounting Policies

Note 1 to 29 form an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our Report of even date.

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

CA Hemal Mehta
Partner
Membership No : 063404
Date : 18th May, 2018



For and on behalf of the Board of Directors

(Signature)
Director
(Khalid Ahmed Siddiqui)
(Signature)
Company Secretary
(Aloke Mukherjee)

(Signature)
Managing Director
(Dilip K. San)
(Signature)
Chief Financial Officer
(Sugata Ghosh)

Significant accounting policies and notes to the accounts For financial year ended 31 March 2018

NOTE 1

A Corporate information

Ranchi Power Distribution Company Ltd is a company limited by shares, incorporated and domiciled in India, having its Registered office at Barick Bhawan, 8 Chittaranjan Avenue, Kolkata - 700072. The company had acquired distribution franchisee rights to distribute electricity in Ranchi Circle .

B Significant accounting policies, judgements and estimates

Basis of preparation of financial statements

i) Statement of compliance

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 to the extent applicable.

ii) Basis of Accounting

The financial statements have been prepared on the historical cost convention and on accrual basis except for certain financial assets and liabilities that are measured at fair value

iii) Use of estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

C Summary of significant accounting policies

i) Property, plant and equipment

i) The Company has elected to utilize the option under Ind AS 101 of using the previous GAAP carrying amount for all its plant, property, equipment as its deemed cost on the date of transition to Ind AS.

ii) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation / amortisation and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses.

The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively.

iii) Depreciation

Depreciation on items of plant, property and equipment is provided on straight line method based on the useful life as prescribed under Schedule II of the Companies Act, 2013. In case of Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis with reference to the month of addition / deletion.

The Company has used the following useful life to provide depreciation on its tangible assets :

Plant & Equipment	- 15 years ,
Furniture & Fittings	- 10 years ,
Office Equipment	- 5 years,
Computer (Server)	- 6 years,
Computer (Desktop/Laptop)	- 3 years

iv) Subsequent costs

Subsequent expenditure including cost of major overhaul and inspection is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of any component recognised as a separated component is derecognised when replaced. All other repairs and maintenance are recognised in profit or loss as incurred.



Significant accounting policies and notes to the accounts For financial year ended 31 March 2018

ii) Intangible assets

Intangible assets comprising of computer software expected to provide future economic benefits are stated at cost of acquisition/ implementation/ development less accumulated amortization.

Amortization

Cost of intangibles including related expenditures are amortised in three years based on useful life assessed by independent valuer.

iii) Capital work in progress

Capital work in progress is stated at cost net of accumulated depreciation and accumulated impairment losses, if any.

iv) Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

iva) Financial asset

i) Initial measurement

All financial assets are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. Financials assets of the Company include security deposit, loans and advances, trade and other receivables, cash and cash equivalents etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets of the Company are classified in the following categories:

- 1) financial assets measured at amortised cost
- 2) financial assets measured at fair value through other comprehensive income
- 3) financial assets measured at fair value through profit and loss and

The classification of financial assets depends on the objective of the business model. Management determines the classification of its financial assets at initial recognition.

Financial instruments measured at amortised cost:

A financial instrument is measured at amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, bank deposits, security deposits, cash and cash equivalents and other advances.

Financial instruments measured at fair value through other comprehensive income

A financial instrument shall be measured at fair value through other comprehensive income if both of the following conditions are

- (a) the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets
- (b) the asset's contractual cash flow represent SPPI

Financial instruments included within FVTOCI category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recognised in other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit and loss. Interest earned is recognised under the expected interest rate (EIR) model.

Financial instruments measured at fair value through profit and loss

Fair value through profit and loss is the residual category. Any financial instrument which does not meet the criteria for categorization as at amortized cost or fair value through other comprehensive income is classified at FVTPL.

Financial instruments included within FVTPL category are measured initially as well as at each reporting period at fair value plus transaction costs. Fair value movements are recorded in statement of profit and loss.

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. Such election is made on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.



Significant accounting policies and notes to the accounts For financial year ended 31 March 2018

iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have been transferred, or
- The Company retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

When the Company has transferred an asset, it evaluates whether it has substantially transferred all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. When the Company has not transferred substantially all the risks and rewards of ownership of a financial asset, the financial asset is derecognised.

When the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the entity has not retained control of the financial asset. When the entity retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement of the asset.

iv b) Financial liability

i) Initial measurement

All financial liabilities are recognised initially at fair value net of directly attributable transaction costs. The Company's financial liabilities include loans and borrowings, trade and other payables etc.

ii) Classification and subsequent measurement

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories:

- 1) financial liabilities measured at amortised cost
- 2) financial liabilities measured at fair value through profit and loss and

Financial liabilities at amortised cost:

Financial liabilities at amortised cost represented by trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

iv c) Trade and other payables

These amount represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortized cost using the EIR model.

v) Taxes

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current income taxes are recognized under "income tax payable" net of payments on account, or under "tax receivables" where there is a credit balance.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.



Significant accounting policies and notes to the accounts For financial year ended 31 March 2018

vi) Employee benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial and investment risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company.

Contribution to Provident fund are accounted for on accrual basis and are made to the fund maintained with the Regional Provident Fund Commissioner, West Bengal. Provision for gratuity liability and leave encashment liability, which are unfunded, are made on the basis of actuarial valuation done at the end of the year by an independent actuary.

Actuarial gains or losses are recognized in other comprehensive income. Further, the profit or loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

vii) Provisions and contingent liabilities

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

viii) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

ix) Other income

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability.



Significant accounting policies and notes to the accounts For financial year ended 31 March 2018

x) Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

xi) Recent accounting pronouncement :

a) Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

b) Ind AS 115 - Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.



Notes forming part of Financial Statements

2 Property, plant and equipment

Particulars	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total	Rs	
						Capital work in progress	
Gross carrying value							
At April 1, 2016	24,55,053	1,03,24,315	15,39,852	1,48,45,696	2,91,64,916	3,29,39,379	
Additions	-	-	-	-	-	-	
Disposals / adjustments	23,13,821	25,87,083	6,48,150	73,35,382	1,28,84,436	3,29,39,379	
At March 31, 2017	1,41,232	77,37,232	8,91,702	75,10,314	1,62,80,480	-	
At April 1, 2017	1,41,232	77,37,232	8,91,702	75,10,314	1,62,80,480	-	
Additions	-	-	-	-	-	-	
Disposals / adjustments		14,39,394			14,39,394		
Gross carrying amount as at 31 March, 2018	1,41,232	62,97,838	8,91,702	75,10,314	1,48,41,086	-	
Accumulated depreciation							
At April 1, 2016	3,45,690	20,05,941	6,97,939	68,60,189	99,09,759	-	
Depreciation expense	1,02,427	9,09,139	80,012	25,62,920	36,54,498	-	
Disposals / adjustments	4,21,374	11,85,853	4,11,161	56,24,603	76,42,991	-	
At March 31, 2017	26,743	17,29,227	3,66,790	37,98,506	59,21,266	-	
At April 1, 2017	26,743	17,29,227	3,66,790	37,98,506	59,21,266	-	
Depreciation expense	8,950	5,57,723	1,67,448	11,67,532	19,01,653	-	
Disposals / adjustments		3,72,943			3,72,943	-	
At 31 March, 2018	35,693	19,14,007	5,34,238	49,66,038	74,49,976	-	
Net carrying value March 31, 2018	1,05,539	43,83,831	3,57,464	25,44,276	73,91,110	-	
Net carrying value March 31, 2017	1,14,489	60,08,005	5,24,912	37,11,808	1,03,59,214	-	



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Notes forming part of Financial Statements

2a. Intangible Assets

Particulars	<i>Rs</i>
Gross carrying value	
At April 1, 2016	5,36,527
Additions	-
Disposals / adjustments	5,36,527
At March 31, 2016	-
At April 1, 2017	-
Additions	-
Disposals / adjustments	-
Gross carrying amount as at 31 March, 2018	-
Accumulated depreciation	
At April 1, 2016	3,45,299
Depreciation expense	1,91,228
Disposals / adjustments	5,36,527
At March 31, 2017	-
At April 1, 2017	-
Depreciation expense	-
Disposals / adjustments	-
At 31 March, 2018	-
Net carrying value March 31, 2018	-
Net carrying value March 31, 2017	-



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Notes forming part of Financial Statements

10	Equity share capital	Rs	
		As at March 31, 2018	As at March 31, 2017
a)	Particulars		
	Authorised		
	30,000,000 (March 31, 2017: 300,00,000) shares of Rs 10 each	30,00,00,000	30,00,00,000
	Issued, subscribed and paid-up capital		
	267,00,000 (March 31, 2017 : 235,00,000) shares of Rs 10 each	26,70,00,000	23,50,00,000
	Total	26,70,00,000	23,50,00,000

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the period	2,35,00,000	23,50,00,000	2,35,00,000	23,50,00,000
Add: Shares issued during the year	32,00,000	3,20,00,000		
Less:				
Number of shares outstanding at the end of the period	2,67,00,000	26,70,00,000	2,35,00,000	23,50,00,000

c) 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 share 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.

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	%	Number of shares	%
CESC Limited	2,67,00,000	100.0%	2,35,00,000	100.0%

e) In the period of five years immediately preceding 31 March 2018, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.

f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment



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Notes forming part of Financial Statements

3 Other financial assets	Rs	
	As at 31st March 2018	As at 31st March 2017
Security deposits	1,15,450	6,36,790
Advance to employees	-	63,501
Total	1,15,450	7,00,291

4 Other non current assets	Rs	
	As at 31st March 2018	As at 31st March 2017
Capital advances	11,39,816	10,99,616
Total	11,39,816	10,99,616

5 Cash and cash equivalents	Rs	
	As at 31st March 2018	As at 31st March 2017
Balances with banks		
- In current accounts	37,66,110	26,31,664
Cash on hand	2,954	21,607
Total	37,69,064	26,53,271

6 Bank Balances other than Cash and cash equivalents	Rs	
	As at 31st March 2018	As at 31st March 2017
Other Bank balances		
- Bank Deposits with original maturity more than 3 months	3,87,697	3,00,000
Total	3,87,697	3,00,000

7 Other financial assets	Rs	
	As at 31st March 2018	As at 31st March 2017
Interest accrued on Bank Deposits	47,337	80,452
Receivable towards claims and services rendered	1,39,75,470	48,57,238
Receivable towards sale of assets	12,20,105	2,41,99,920
Total	1,52,42,912	2,91,37,610

8 Current Tax Assets (Net)	Rs	
	As at 31st March 2018	As at 31st March 2017
Income tax paid	7,26,197	7,13,953
Total	7,26,197	7,13,953

9 Other current assets	Rs	
	As at 31st March 2018	As at 31st March 2017
Others		
Prepaid Insurance	53,937	1,64,955
Advance Sales Tax	-	97,098
Total	53,937	2,62,053



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Notes forming part of Financial Statements

		Rs	
11	Other equity	As at 31st March 2018	As at 31st March 2017
a)	Other Reserves		
	Reserves representing unrealised gains / losses		
	Remeasurement of the net defined benefit plan		
	At the beginning of the period	8,88,038	9,299
	Add: During the period	1,89,783	8,78,739
a)	Retained earnings	(29,90,68,592)	(28,21,76,815)
	Retained earnings comprise of the Company's prior years' undistributed		
c)	Share Application money pending Allotment	-	3,10,00,000
	Total	(29,79,90,771)	(25,02,88,777)

a) Retained earnings

Rs		
	As at 31st March 2018	As at 31st March 2017
Opening balance	(28,21,76,815)	(23,39,52,314)
Net profit for the period	(1,68,91,777)	(4,82,24,501)
Closing balance	(29,90,68,592)	(28,21,76,815)

NON CURRENT LIABILITIES

12 Provisions

Rs		
	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits	12,38,396	14,01,130
Total	12,38,396	14,01,130

13 Other Financial Liabilities

Rs		
	As at 31st March 2018	As at 31st March 2017
Other Payables		
(i) Payable to Holding Company	5,75,84,520	5,75,84,520
(iii) Other Payable	5,95,624	11,14,885
Total	5,81,80,143	5,86,99,405

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.

14 Other Current liabilities

Rs		
	As at 31st March 2018	As at 31st March 2017
Statutory Dues payable	3,86,991	4,01,878
Total	3,86,991	4,01,878

15 Provisions

Rs		
	As at 31st March 2018	As at 31st March 2017
Provision for employee benefits	11,424	12,372
Total	11,424	12,372



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Notes forming part of Financial Statements

16 Other income Rs

	For Year ended 31st March 2018	For Year ended 31st March 2017
Interest Income		
From Bank	60,646	
Total	60,646	-

17 Employee Benefit expense Rs

	For Year ended 31st March 2018	For Year ended 31st March 2017
Salary and bonus	1,24,35,078	1,51,00,005
Contribution to provident and other funds	3,32,837	7,70,991
Staff Welfare expense	2,06,320	2,59,467
Total	1,29,74,235	1,61,30,463

Refer note no.25 for details of employee benefit expenses.

18 Depreciation and amortization expense Rs

	For Year ended 31st March 2018	For Year ended 31st March 2017
Depreciation of property, plant and equipment	19,01,653	36,54,498
Amortization of intangible assets	-	1,91,228
Total	19,01,653	38,45,726

19 Other expenses Rs

	For Year ended 31st March 2018	For Year ended 31st March 2017
Rent	4,97,156	64,88,176
Repairs- Distribution Network	15,844	5,32,346
Power and fuel	-	1,06,005
Travelling and conveyance expenses	1,21,754	2,21,615
Communication expenses	49,114	1,28,343
Legal and professional charges	6,11,354	29,19,913
Filing fee and other charges	7,200	-
Debt Written Off	5,41,616	-
Advertisement Expense	-	15,000
Audit Fee	35,400	34,500
Printing & Stationery	-	9,315
Guest House expense	-	3,94,913
Security Expense	-	3,31,473
Vehicle Expense	7,214	2,81,579
Loss on disposal of assets	-	1,56,12,446
General Expenses	1,89,883	11,72,688
Total	20,76,535	2,82,48,312



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Notes forming part of Financial Statements

20 Other comprehensive income	Rs	
Particulars	For Year ended 31st March 2018	For Year ended 31st March 2017
A(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	1,89,783	8,78,737
Total Other Comprehensive Income	1,89,783	8,78,737

21 Earnings per share (EPS)

Computation of earning per share

Particulars	For Year ended 31st March 2018	For Year ended 31st March 2017
Face value of equity shares	Rs 10	Rs 10
	2,50,96,986	2,35,00,000
Weighted average number of equity shares outstanding		
Profit/ (loss) for the year	(1,68,91,777)	(4,82,24,501)
Weighted average earnings per share (Basic)	(0.67)	(2.05)
No. of equity shares used to compute diluted earnings per share	2,67,00,000	2,41,46,077
Profit/ (loss) for the year	(1,68,91,777)	(4,82,24,501)
Weighted average earnings per share (Diluted)	(0.63)	(2.00)



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Notes forming part of Financial Statements

22 Commitments

Estimated amount of contracts remaining to be executed on Property, Plant & Equipment account not provided for as at 31st March 2018 is Nil. [March 31, 2017 : Rs Nil]

- 23** The Company executed a Distribution Franchisee Agreement (DFA) on 5th December, 2012 with Jharkhand State Electricity Board (JSEB) for distribution franchisee operation in respect of Ranchi circle awarded to CESC Limited, its holding company.

Subsequently, the DFA was purportedly terminated by Jharkhand Bijli Vitaran Nigam Limited (JBVNL), the distribution company formed out of the unbundling of JSEB, which was challenged by the Company in the High Court at Ranchi and quashed by the single bench and matter remanded to JBVNL. Jharkhand Urja Vikas Nigam Limited (JUVNL), the holding company of JBVNL, preferred an appeal in the division bench of the High Court at Ranchi, which had inherent defects, stood dismissed as withdrawn with liberty to file a fresh one. No fresh appeal has been filed as yet either by JUVNL or by JBVNL



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Notes forming part of Financial Statements**Note 24 : EMPLOYEE BENEFITS**

- a) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below (Gratuity and Leave Encashment):

	As at 31st March 2018	As at 31st March 2017
Principal actuarial assumptions		
Discount rate	7.28%	6.77%
Range of compensation increase	5%	5%
<i>Attrition rate per thousand:</i>		
upto 40 years	4.2	4.2
40 years and above	1.80	Nil
Weighted average duration of the defined benefit plan (in years)		
Gratuity	5.11	5.22
Leave Benefit	5.22	5.13
Components of statement of income statement charge		
Current service cost	2,28,634	3,75,371
Interest cost	85,929	1,38,202
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	-	-
Total charged to consolidated statement of profit or loss	3,14,563	5,13,573
Movements in net liability/(asset)		
Net liability at the beginning of the year	14,13,503	17,78,669
Employer contributions	2,88,463	-
Total expense recognised in the consolidated statement of profit or loss	3,14,563	5,13,573
Total amount recognised in OCI	(1,89,783)	(8,78,739)
Net liability at the end of the year	18,26,746	14,13,503
Reconciliation of benefit obligations		
Obligation at start of the year	14,13,503	17,78,669
Current service cost	2,28,634	3,75,371
Interest cost	85,929	1,38,202
Benefits paid directly by the Company	2,88,463	-
Extra payments or expenses/(income)	-	-
Obligation of past service cost	-	-
Actuarial loss	(1,89,783)	(8,78,739)
Defined benefits obligations at the end of the year	18,26,746	14,13,503
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in financial assumptions	(27,683)	8,75,035
Actuarial gain/(loss) on account of experience adjustments	(1,62,100)	(17,53,774)
Total actuarial gain/(loss) recognised in OCI	(1,89,783)	(8,78,739)



Note 24 : EMPLOYEE BENEFITS (Contd ..)

b) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

	As on March 31, 2018	As on March 31, 2017
Discount rate		
+1.00% discount rate	11,98,307	13,51,458
- 1.00% discount rate	13,05,055	14,79,968
Salary escalation		
+ 1.00% salary escalation	13,05,747	14,80,467
- 1.00% salary escalation	11,96,739	13,49,863
Withdrawal rate		
+ 50% withdrawal rate	12,49,949	14,13,256
- 50% withdrawal rate	12,49,689	14,13,750
Mortality rate		
+ 10.0% mortality rate	12,50,064	14,13,729
- 10.0% mortality rate	12,49,574	14,13,277

c) Risk exposure

Credit Risk: If the scheme is insured and fully funded on PUC basis there is a credit risk to the extent the insurer(s)is/ are unable to discharge their obligations including failure to discharge in timely manner.

Pay-as-you-go Risk: For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.

Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Liquidity Risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (Or it could be due to insufficient assets/cash).

Future Salary Increase Risk: The Scheme cost is very sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated.

Demographic Risk: In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

Regulatory Risk: Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs.10,00,000, raising accrual rate from 15/26 etc.)

Future salary increase assumed has three basic components, namely, increase due to price inflation, increase due to increase in future living standard (periodic wage re-negotiation) and increase due to career progress by way of promotion as more skill is acquired.



Note 24 : EMPLOYEE BENEFITS (Contd ..)

d) The expected maturity analysis of undiscounted Defined Benefit obligation is as below:

	Gratuity	Leave Benefit	Total
As on 31 March 2018			
1st year	4,801	7,032	11,833
2 to 5 years	3,90,842	4,96,819	8,87,661
6 to 10 years	2,03,971	3,74,884	5,78,855
More than 10 years	1,33,037	1,53,176	2,86,213

	Gratuity	Leave Benefit	Total
As on 31 March 2017			
1st year	4,914	7,870	12,784
2 to 5 years	5,43,020	7,57,268	13,00,288
6 to 10 years	1,46,172	2,75,944	4,22,116
More than 10 years	1,19,209	1,21,281	2,40,490

e) **Details of plan assets**

The scheme is unfunded.

f) **Defined contribution plan**

Provident and Pension Fund

The State administered Provident and Pension Fund is a defined contribution scheme, whereby the Company deposits an amount determined as a fixed percentage of basic pay to the fund every month. The expenses recognised during the reporting period towards defined contribution plan is Rs. 3,32,837/- (Previous year - Rs. 6,82,207/-).



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Notes forming part of Financial Statements

Note 25 : Related party transaction**(a) Parent entities**

Name	Type	Place of incorporation	Ownership Interest	
			March 31, 2018	March 31, 2017
CESC Limited	Immediate and ultimate parent entity	INDIA	100%	100%

(b) Key managerial personnel compensation

Particulars	March 31, 2018	March 31, 2017
Mr. D.K.Sen (Short Term Employee benefit)	73,11,000	63,15,000
Total	73,11,000	63,15,000

(c) Transactions with related parties

Particulars	Holding Company		Fellow Subsidiary Company	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Advance received against Equity Shares :				
CESC Ltd.	10,00,000	3,10,00,000	-	-
Allotment of Equity Shares:				
CESC Ltd.	(3,20,00,000)	-	-	-
Sale of Assets :				
CESC Ltd.	-	1,39,041		
Kota Electricity Distribution Ltd.	-	-	-	1,99,08,780
Bharatpur Electricity Services Ltd.	-	-	5,84,416	41,52,099
Bikaner Electricity Services Ltd.	-	-	6,35,689	-
Expenses Incurred				
CESC Projects Limited	-	-	-	87,447
Recovery of Expenses				
CESC Ltd.	-	4,59,259	-	-
Haldia Energy Ltd.	-	-	-	1,47,228
Kota Electricity Distribution Ltd.	-	-	-	8,78,028
Bharatpur Electricity Services Ltd.	-	-	-	9,14,291
Balance Outstanding				
Dr Balance			1,30,48,092	2,59,12,979
Cr Balance	5,65,42,460	8,66,95,379		



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Notes forming part of Financial Statements

26 CAPITAL MANAGEMENT

a) The Company's main objectives when managing capital are to:

- ensure sufficient liquidity is available to meet the needs of the business;
- minimize operational costs while taking into consideration current business scenario and economic risks and conditions.
- safeguard its ability to continue as a going concern

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. Presently, the Company has not yet started commercial operations and is fully dependent on its Parent company for its funding requirement and management of capital.

b) The Company has not declared or paid any dividend during the year (March 31, 2017 : Nil).



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27 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2018 and March 31, 2017 are as follows:

	As at 31st March 2018			As at 31st March 2017		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Security Deposit	1,15,450			6,36,790		
Advance to Employee	-			63,501		
Cash & Cash equivalents	37,69,064			26,53,271		
Bank Balance other than above	3,87,697			3,00,000		
Interest Accrued on bank deposit	47,337			80,452		
Receivable towards claims & services	1,39,75,470			48,57,238		
Receivable against sale of assets	12,20,105			2,41,99,920		
	1,95,15,123	-	-	3,27,91,172	-	-
Financial liabilities						
Other Payable	5,81,80,143			5,86,99,405		
	5,81,80,143	-	-	5,86,99,405	-	-

Note : Considering nature and realisability of the assets, fair valuation was not considered necessary and are stated at book / realisable value.



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Notes forming part of Financial Statements

28 FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include security deposit, Cash & cash equivalents, other bank balances and other financial assets .

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Credit Risk

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to cash and cash equivalents, other bank balances and other financial assets. The Company monitors and limits its exposure to credit risk on a continuous basis. To manage this the Company periodically reviews its finance requirement.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	31-Mar-18	31-Mar-17
Cash and cash equivalents	37,69,064	26,53,271
Other Bank Balances	3,87,697	3,00,000
	<u>41,56,761</u>	<u>29,53,271</u>

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.



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Notes forming part of Financial Statements

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (cont.)

Financing arrangements

Maturities of financial liabilities

The contractual undiscounted cash flows of financial liabilities are as follows:

As at 31 March 2018	Less than 1 year	1-5 years	Total
Other financial liabilities	5,81,80,143	-	5,81,80,143
	5,81,80,143	-	5,81,80,143

As at 31 March 2017	Less than 1 year	1-5 years	Total
Other financial liabilities	5,86,99,405	-	5,86,99,405
	5,86,99,405	-	5,86,99,405

29 Previous years figure have been regrouped/ rearranged wherever necessary.

For Batliboi , Purohit & Darbari

Firm Registration Number : 303086E

Chartered Accountants

CA Hemal Mehta
Partner

Membership No : 063404

Date : 18th May, 2018



For and on behalf of the Board of Directors

Director
(Khalil Ahmed Siddiqi)

Company Secretary
(Aloke Mukherjee)

Managing Director
(Dilip K. Sen)

Chief Financial
Officer

(Sugata Ghosh)