

# GKSS & ASSOCIATES

## Chartered Accountants

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### INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**Bikaner Electricity Supply Limited**  
( Formerly Water Hyacinth Commosale Private Limited )

#### Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **Bikaner Electricity Supply Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, the Statement of Profit and Loss ( including other comprehensive income), Cash Flow Statement and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information ( hereinafter referred to as "Ind AS financial statements").

#### Management's Responsibility for the Financial Statements

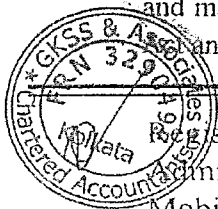
The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance ( including other comprehensive income ), cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards ( Ind AS ) specified under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate 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 misstatements, 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 there under.



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Administrative Office : 211A, Lake Gardens, Block - B, Kolkata - 700 045  
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We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's 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 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 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.

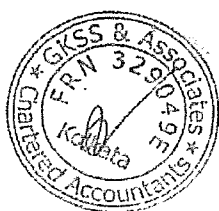
#### **Opinion**

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 including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Other Matters**

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April 2015 is prepared in accordance with the Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31<sup>st</sup> March 2016 and 31<sup>st</sup> March, 2015 dated 26<sup>th</sup> April, 2016 and 11<sup>th</sup> May, 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.



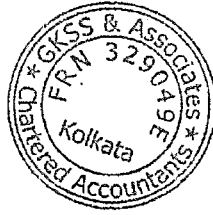
## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure – I, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which, to the best of our knowledge and belief, were necessary for the 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, Statement of Profit and Loss , Cash Flow Statement and the statement of changes in the 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 the relevant rules issued thereunder;
  - e. on the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2017 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a Director in terms of Section 164(2) of the Act;
  - f. we give in the Annexure II, our separate report with respect to the adequacy of internal financial controls over financial reporting of the company and operating effectiveness of such controls; and
  - g. in our opinion and to the best of our information and according to the explanations given to us :
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company does not have any long term contracts including derivative contracts for which there will be any material foreseeable losses.
    - iii) There is no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv) The Company has provided requisite disclosures in its Ind AS financial statements as to holding as well as dealings in Specified Bank Notes ( SBNs) during the period from 8<sup>th</sup>. November,2016 to 30<sup>th</sup>. December 2016 and these

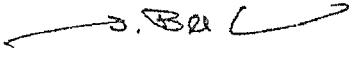


are in accordance with the books of accounts maintained by the Company.  
( Refer Note No.7 ) to the Ind AS financial statements.

Place: Kolkata,  
Date: 16 May, 2017



For GKSS & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 329049E



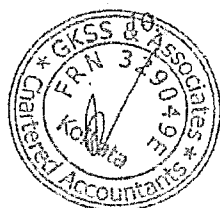
(Somnath Bhattacharya)  
Partner  
Membership No. 051455

## ANNEXURE - I TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading " Report on other legal and regulatory requirements" of our Report of even date to the members of **Bikaner Electricity Supply Limited** on the Ind AS financial statements as of and for the year ended 31<sup>st</sup> March, 2017)

1. The Company does not have any fixed assets. Hence paragraph 3(i) of the Order is not applicable.
2. The Company does not have any inventory. Hence paragraph 3(ii) of the Order is not applicable.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the company.
4. In respect of loans, investments, guarantees, and security provided by the Company, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. The Company has not accepted any deposit from public and, therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
6. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act to the Company.
7. (a) According to the records of the Company, the Company is generally regular in depositing the undisputed statutory dues like Provident Fund, Income Tax, Sales Tax, Service Tax and other statutory dues with the appropriate authorities during the year.  
(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income-tax, Sales Tax, Service Tax and other statutory dues which have not been deposited on account of any dispute.
8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing to the financial institution, bank, Government or dues to the debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable

During the course of our examination of the books and records of the Company, carried out in accordance with the 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 by



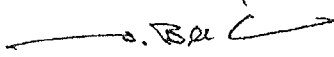
the Company nor any fraud on the Company by its officers or employees noticed or reported during the year, nor have we been informed of such a case by the management.

11. According to the information and explanations given to us and based on our examination of the records, the Company has not paid/ provided for any managerial remuneration. Therefore, the provisions of Clause 3(xi) of the Order is not applicable.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with the directors or persons connected with them.
16. According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. .

Place: Kolkata,  
Date: 11 May, 2017



For GKSS & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 329049E

  
( Somnath Bhattacharya )  
Partner  
Membership No. 051455

## ANNEXURE – II TO THE AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Bikaner Electricity Supply Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

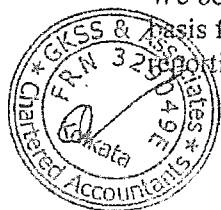
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

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



### **Meaning of Internal Financial Controls over Financial Reporting**

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

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

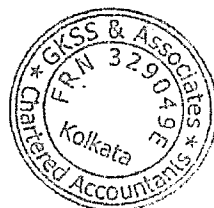
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, 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.

Place: Kolkata,  
Date: 16 May, 2017



For GKSS & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 329049E

*S. Bha*

Somnath Bhattacharya)  
Partner  
Membership No. 051455



**BIKANER ELECTRICITY SUPPLY LIMITED**

Balance Sheet as at 31st March, 2017

₹ in Lakh

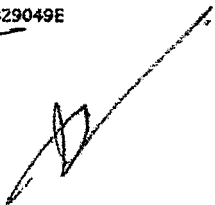
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
<b>ASSETS</b>				
<b>Non-current Assets</b>	(A)	-	-	-
<b>Current Assets</b>				
Financial Assets				
Cash and cash equivalents	5	84.52	2.92	2.44
Bank balances other than above	6	9,500.00	-	-
Others	8	131.44	-	-
	(B)	<u>9,715.96</u>	<u>2.92</u>	<u>2.44</u>
<b>TOTAL ASSETS</b>	(A+B)	<u>9,715.96</u>	<u>2.92</u>	<u>2.44</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	9	5.00	1.00	1.00
Other Equity	10	180.74	-7.65	-7.24
	(C)	<u>185.74</u>	<u>-6.65</u>	<u>-6.24</u>
<b>Liabilities</b>				
<b>Non-current Liabilities :</b>	(D)	-	-	-
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	11	9,529.98	0.80	-
Other current liabilities	12	0.24	8.77	8.68
	(E)	<u>9,530.22</u>	<u>9.57</u>	<u>8.68</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	(C+D+E)	<u>9,715.96</u>	<u>2.92</u>	<u>2.44</u>

Notes forming part of Financial Statements

1-22

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

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E

  
Somnath Bhattacharya  
Partner  
Membership No.: 051455  
Kolkata, 16 May, 2017

For and on behalf of Board of Directors

Director

  
Director



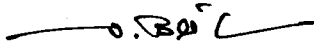
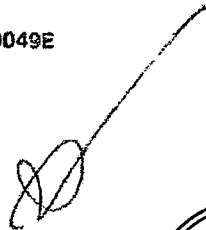
**BIKANER ELECTRICITY SUPPLY LIMITED**

Statement of Profit and Loss for the year ended 31st March, 2017

₹ in Lakh

Particulars	Note No.	2016-17	2015-16
Other Income	14	19.05	-
<b>Total Income</b>		<b>19.05</b>	<b>-</b>
<b>Expenses</b>			
Finance costs		30.05	0.03
Other expenses	15	0.62	0.38
<b>Total expenses</b>		<b>30.65</b>	<b>0.42</b>
<b>Profit before tax</b>		<b>-11.61</b>	<b>-0.42</b>
<b>Tax expense</b>			
<b>Profit after tax</b>		<b>-11.61</b>	<b>-0.42</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		-	-
Income tax on above		-	-
<b>Total comprehensive income for the year</b>		<b>-11.61</b>	<b>-0.42</b>
<b>Earnings per equity share</b>			
Basic & Diluted ( Face value of ₹ 10 per share)	17	-72.96	-4.16
<b>Notes forming part of Financial Statements</b>	<b>1-22</b>		

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

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049ESomnath Bhattacharya  
Partner  
Membership No.: 051455  
Kolkata, May, 2017

For and on behalf of Board of Directors

Director

  
Director

**BIKANER ELECTRICITY SUPPLY LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017**

Particulars	₹ in Lakh	
	2016-17	2015-16
<b>A. Cash flow from Operating Activities</b>		
Profit before Taxation	-11.61	-0.42
Adjustments for :		
Depreciation and amortisation expenses	-	-
Diminution in Value of Investment	-	-
Loss/(Profit) on sale / disposal of assets (net)	-	-
Gain on sale of current investments (net)	-	-
Gain on sale of long term investments	-	-
Dividend Income	-	-
Amortisation of Miscellaneous expenditure	-	-
Allowances for doubtful debts / Advances written back	-	-
Bad debts / Advances made	-	-
Finance costs	30.05	0.03
Interest Income	-	-
Advance against depreciation	-	-
Share Issue Expenses	-	-
<b>Operating Profit before Working Capital changes</b>	<b>18.43</b>	<b>-0.38</b>
Adjustments for :		
Trade & other receivables	-131.44	-
Inventories	-	-
Trade and other payables	-8.53	0.06
<b>Cash Generated from Operations</b>	<b>-121.54</b>	<b>-0.32</b>
Income Tax paid	-	-
<b>Net cash flow from Operating Activities</b>	<b>-121.54</b>	<b>-0.32</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	-	-
Proceeds from Sale of Property, Plant and Equipment	-	-
Investment in Subsidiaries and Joint Ventures	-	-
Sale/(purchase) of Current Investments (net)	-	-
Redemption of Long Term Investments	-	-
Dividend received	-	-
Interest received	-	-
Advance to bodies Corporate for share subscription	-	-
Advance to subsidiaries, joint Venture for share subscription	-	-
<b>Net cash used in Investing Activities</b>	<b>-</b>	<b>-</b>
<b>C. Cash flow from Financing Activities</b>		
Share application money received	200.00	-
Share Issue Expenses	-	-
Proceeds from issue of Share Capital	4.00	-
Proceeds from Long Term Borrowings ( net of refinance loan )	-	-
Repayment of Long Term Borrowings	-	-
Repayment of Public Deposits	-	-
<b>Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings</b>	<b>9,529.18</b>	<b>0.80</b>
Advance received from Consumers	-	-
Finance Costs paid	-30.05	-
Dividend paid	-	-
Dividend tax paid	-	-
<b>Net Cash flow from Financing Activities</b>	<b>9,763.14</b>	<b>0.80</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>9,541.60</b>	<b>0.48</b>
Cash and Cash equivalents - Opening Balance	2.92	2.44
Cash and Cash equivalents - Closing Balance	9,584.52	2.92

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

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E

Somnath Bhattacharya  
Partner  
Membership No.: 051455  
Kolkata, May, 2017



For and on behalf of Board of Directors

Director

Director

Statement of changes in equity for the year ended 31st March, 2017

A) Equity Share Capital

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
As at 31 Mar 2016	1	-	1
As at 31 Mar 2017	1	4	5

B) Other Equity

Particulars	Share application money pending allotment	₹ in Lakh	
		Reserves and Surplus	Total
Balance as at 1 April, 2015		Retained Earnings	
Profit for the year		-7.24	
Other Comprehensive Income/(expense) for the year		-0.42	
<b>Total Comprehensive Income for the year</b>		<b>-7.65</b>	<b>-7.65</b>
<b>Adjustments</b>			
Share Application money received			
Dividends paid (incl taxes there on)			
Transfer to/from retained earnings			
Withdrawal during the year			
<b>Balance as at 31 March, 2016</b>		<b>-7.65</b>	<b>-7.65</b>

Particulars	Share application money pending allotment	₹ in Lakh	
		Reserves and Surplus	Total
Balance as at 1 April, 2016		Retained Earnings	
Profit for the year		-7.65	-7.65
Other Comprehensive Income/(expense) for the year		-11.61	-11.61
<b>Total Comprehensive Income for the year</b>		<b>-19.26</b>	<b>-19.26</b>
<b>Adjustments</b>			
Share Application money received	200.00		200.00
Dividends paid (Incl taxes there on)			
Transfer to/from retained earnings			
Withdrawal during the year			
<b>Balance as at 31 March, 2017</b>	<b>200.00</b>	<b>-19.26</b>	<b>180.74</b>

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

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E  
Somnath Bhattacharya  
Partner  
Membership No.: 051455  
Kolkata, May, 2017



For and on behalf of Board of Directors

Director

Director

**NOTE-1** The Company, earlier known as Water Hyacinth Commosale Private Limited, changed its name with effect from 24 February 2017. The Company has entered into a Distribution Franchise Agreement (DFA) on 14 March, 2017 with Jaipur Vidyut Vitran Nigam Limited (JVNL) and CESC Limited for distribution of electricity in Bikaner City, situated in the state of Rajasthan.

**NOTE-2** The operations of the Company, which is scheduled to start with effect from mid May 2017, are governed by the Electricity Act, 2003 and various Regulations and / or Policies framed thereunder by the appropriate authorities read with the aforesaid DFA.

**NOTE-3 SIGNIFICANT ACCOUNTING POLICIES**

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 and the regulations under the Electricity Act, 2003 to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

The financial statements upto the year ended 31 March 2016 were prepared in accordance with accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provision of the Act ("pervious GAAP").

**(a) Basis of Accounting**

The financial statements have been prepared on the historical cost convention except for certain financial assets and liabilities and contingent consideration, which are measured at fair value.

**(b) 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) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash, cheques and draft on hand, balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value and bank overdraft. Bank overdraft are shown within borrowing in current liabilities in the balance sheet.

**(d) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

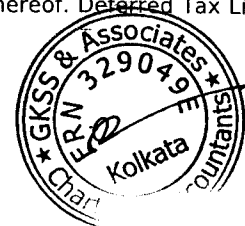
**(e) Finance Costs**

Finance Costs comprise interest expenses and other borrowing costs. Such Finance Costs is charged off to revenue. Interest expense arising from financial liabilities is accounted for in effective interest rate method.

**(f) Taxes**

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

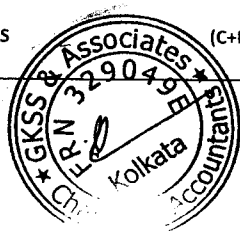


**NOTE-4 First Time Adaptation of Ind AS**

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, with April 1, 2015 as the transition date. A reconciliation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, statement of profit and loss and cash flows is set out below.

Reconciliation of equity as previously reported under IGAAP to Ind AS ₹ in Lakh

	Note	Balance Sheet as at 31st March 2016			Balance Sheet as at 31st March 2015		
		IGAAP	Effect of transition to Ind AS	Ind AS	IGAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-current Assets</b>							
Property, Plant and Equipment		-	-	-	-	-	-
Capital work-in-progress		-	-	-	-	-	-
Financial Assets		-	-	-	-	-	-
Others		-	-	-	-	-	-
Deferred Tax Assets (Net)		-	-	-	-	-	-
Other Non current Assets		-	-	-	-	-	-
	(A)	-	-	-	-	-	-
<b>Current Assets</b>							
Inventories		-	-	-	-	-	-
Financial Assets		-	-	-	-	-	-
Investments		-	-	-	-	-	-
Trade receivables		-	-	-	-	-	-
Cash and cash equivalents		2.92	-	2.92	2.44	-	2.44
Bank balances other than above		-	-	-	-	-	-
Others		-	-	-	-	-	-
Current Tax Assets (Net)		-	-	-	-	-	-
Other current Assets		-	-	-	-	-	-
	(B)	2.92	-	2.92	2.44	-	2.44
<b>TOTAL ASSETS</b>	(A+B)	2.92	-	2.92	2.44	-	2.44
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity Share capital		1.00	-	1.00	1.00	-	1.00
Other Equity		-7.65	-	-7.65	-7.24	-	-7.24
	(C)	-6.65	-	-6.65	-6.24	-	-6.24
<b>Liabilities</b>							
<b>Non-current Liabilities :</b>							
Financial Liabilities		-	-	-	-	-	-
Other financial liabilities		-	-	-	-	-	-
Provisions		-	-	-	-	-	-
Deferred tax liabilities (Net)		-	-	-	-	-	-
Other non current liabilities		-	-	-	-	-	-
	(D)	-	-	-	-	-	-
<b>Current Liabilities</b>							
Financial Liabilities		-	-	-	-	-	-
Borrowings		0.80	-	0.80	-	-	-
Trade Payables		-	-	-	-	-	-
Other financial liabilities		-	-	-	-	-	-
Other current liabilities		8.77	-	8.77	8.68	-	8.68
Provisions		-	-	-	-	-	-
Current Tax Liabilities (net)		-	-	-	-	-	-
	(E)	9.57	-	9.57	8.68	-	8.68
<b>TOTAL EQUITY &amp; LIABILITIES</b>	(C+D+E)	2.92	-	2.92	2.44	-	2.44



## Reconciliation of statement of profit and loss as previously reported under IGAAP to Ind AS

₹ in Lakh

	IGAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	-	-	-
Other income	-	-	-
<b>Total Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>			
Cost of electrical energy purchased	-	-	-
Employee benefit expenses	-	-	-
Finance costs	0.03	-	0.03
Depreciation and amortisation expenses	-	-	-
Other expenses	0.38	-	0.38
<b>Total expenses</b>	<b>0.42</b>	<b>-</b>	<b>0.42</b>
<b>Profit / (Loss) before tax</b>	<b>-0.42</b>	<b>-</b>	<b>-0.42</b>
<b>Tax expense</b>			
Current tax	-	-	-
Deferred tax	-	-	-
<b>Profit / (Loss) after tax</b>	<b>-0.42</b>	<b>-</b>	<b>-0.42</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan	-	-	-
Income tax on above	-	-	-
<b>Total comprehensive income for the year</b>	<b>-0.42</b>	<b>-</b>	<b>-0.42</b>

## Impact of IND AS on the Cash Flow Statement for the year ended 31 March 2016

₹ in Lakh

	IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from Operating Activities	-0.32	-	-0.32
Net cash used in Investing Activities	-	-	-
Net Cash flow from Financing Activities	0.80	-	0.80
Net Increase / (decrease) in cash and cash equivalents	0.48	-	0.48
<b>Cash and Cash equivalents - Opening Balance</b>	<b>2.44</b>	<b>-</b>	<b>2.44</b>
<b>Cash and Cash equivalents - Closing Balance</b>	<b>2.92</b>	<b>-</b>	<b>2.92</b>



**NOTE- 5 CASH AND CASH EQUIVALENTS**

		₹ in Lakh		
Particulars	As at 31st March,2017	As at 31st March,2016	As at 1st April,2015	
a) Balances with banks - In current accounts	84.52	2.92	2.44	
b) Cheques , drafts on hand	-	-	-	
c) Cash on hand	-	-	-	
	<b>84.52</b>	<b>2.92</b>	<b>2.44</b>	

**NOTE- 6 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

		₹ in Lakh		
Particulars	As at 31st March,2017	As at 31st March,2016	As at 1st April,2015	
Fixed Deposit with ICICI Bank	9,500.00	-	-	
	<b>9,500.00</b>	<b>-</b>	<b>-</b>	

**NOTE- 7 SPECIFIED BANK NOTES**

		₹ in Lakh		
Particulars	SBN	Other denomination notes	Total	
Closing Cash in hand as on 08.11.2016	-	-	-	
Add: Permitted Receipts (Net of payment)	-	-	-	
Less: Amount Deposited	-	-	-	
Closing cash in hand as on 30.12.16	-	-	-	

Since the operations have started post 30th December 2016, the relevant notification is not applicable

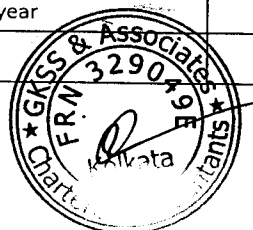
**NOTE -8 OTHERS**

		₹ in Lakh		
Particulars	As at 31st March,2017	As at 31st March,2016	As at 1st April,2015	
Other current assets include Bank Guarantee & Letter of Credit charges attributable to FY 2017-18 and accrued interest on FD				
Bank Guarantee	45.59	-	-	
Letter of Credit	66.80	-	-	
Interest on FD	19.05	-	-	
	<b>131.44</b>	<b>-</b>	<b>-</b>	

**NOTE - 9 EQUITY**

		₹ in Lakh		
Particulars	As at 31st March, 2017	As at 31st March,2016	As at 1st April,2015	
a) Authorised Share Capital 100000000 Equity Shares of ₹10 each	10000	1	1	
b) Issued ,Subscribed and paid up Capital 50,000 ( 31.03.2016 : 10,000 01.04.2015 : 10,000) Equity Shares of ₹ 10/- each	5	1	1	
c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Amount (₹ lakh)	No. of shares	Amount (₹ lakh)
Balance at the beginning of the year	10000	1	10000	1
Add : Share issued and allotted during the year	40000	4	-	-
Closing Balance	50000	5	10000	1





d) Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹10 per share fully paid up. Holders of equity shares are entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sale proceeds from 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.

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

Name of shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	% of holding	No. of shares	% of holding
CESC Limited	50000	100	10000	100

**NOTE - 10 OTHER EQUITY**

Particulars	₹ in Lakh		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Retained Earnings			
Surplus at the beginning of the year	-7.65	-7.24	-
Add : Profit for the year	<u>-11.61</u>	-0.42	-7.24
	-19.26		
Share application money pending allotment	200.00	-	-
	<b>180.74</b>	<b>-7.65</b>	<b>-7.24</b>

**NOTE - 11 CURRENT - BORROWINGS**

Particulars	₹ in Lakh		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Secured			
Overdraft from banks	9,529.98	-	-
Loan from body Corporate	-	0.80	-
	<b>9,529.98</b>	<b>0.80</b>	<b>-</b>

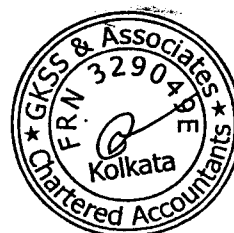
Secured by hypothecation over current and movable fixed assets of the Company (both present and future)

**NOTE - 12 OTHER CURRENT LIABILITIES**

Particulars	₹ in Lakh		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Interest accrued and due on borrowings	-	0.03	-
Liability for expenses	0.24	0.24	0.18
Advance	-	8.50	8.50
	<b>0.24</b>	<b>8.77</b>	<b>8.68</b>

**NOTE - 13 CONTINGENT LIABILITIES AND COMMITMENTS**

- a) Capital commitment ₹11461 lakh (Previous year ₹Nil)
- b) Other money for which the company is contingently liable :
- (i) Bank Guarantee : ₹3300 lakh (Previous year ₹Nil)
- (ii) Letter of Credit : ₹6134 lakh (Previous year ₹Nil)



## NOTE - 14 OTHER INCOME

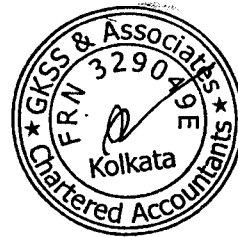
₹ in Lakh

Particulars	2016-17	2015-16
Interest Income	19.05	-
	<b>19.05</b>	<b>-</b>

## NOTE - 15 OTHER EXPENSES

₹ in Lakh

Particulars	As at 31st March, 2017	As at 31st March, 2016
a) Rates and taxes	-	0.04
b) Filing fees	-	0.14
c) Professional fees	-	0.03
d) Audit fees - As Statutory Auditor	0.23	0.17
e) Printing & stationery	-	0.00
f) Miscellaneous expenses	0.39	-
	<b>0.62</b>	<b>0.38</b>



**NOTE- 16 Deferred Tax**

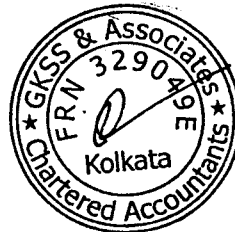
In accordance with Accounting Standard-22 dealing with "Accounting for Taxes on Income", there are no deferred tax assets and liabilities at the year end.

**NOTE- 17 Earnings per share:**

<b>Computation of Earnings per share</b>		₹ in Lakh	
Particulars		2016-17	2015-16
Profit After Tax (₹ in lakh)	(A)	-11.61	-0.42
Weighted Average no. of shares for Earnings per share	(B)	15,917	10,000
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		-72.96	-4.16

**NOTE- 18** The Company is engaged in distribution of electricity and does not operate in any other reportable segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is within India.

**NOTE- 19** As per Distribution Franchisee Agreement (DFA) the company shall make a minimum Investment of ₹151.52 crore spread over a period of 5 years



NOTE- 20 RELATED PARTY TRANSACTIONS - DISCLOSURE

A) PARENT ENTITIES

Name	Relationship	Place of Incorporation	Ownership Interest (%)		
			01-Apr-15	31-Mar-16	31-Mar-17
CEC Limited	Holding Company	India	100	100	100

B) RELATED PARTY TRANSACTIONS

Name	Relationship	Nature of Transaction	Amount of transaction (₹Lakh)		Outstanding Balance	
			2016-17	2015-16	31-Mar-16	31-Mar-17
CEC LIMITED	Holding Company	Share application money received	200.00	-	-	200.00
		Advance against issue of Equity Share	4.00	-	-	4.00
		Allotment of Equity share	-4.00	-	-	-4.00
HALDIA ENERGY LIMITED	Fellow Subsidiary	Advance	-8.50	8.50	-	-

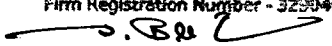
Terms and conditions

Transactions relating to dividends, subscriptions for new equity shares were on the same terms and conditions that applied to other shareholders. All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.



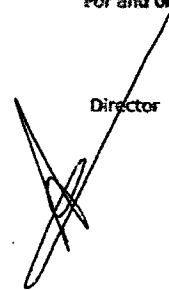
NOTE-21 The Company is engaged in distribution of electricity and does not operate in any other reportable segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is within India.

NOTE-22 The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E  
  
Somnath Bhattacharya  
Partner  
Membership No.: 051455  
Kolkata, May, 2017



For and on behalf of Board of Directors



  
Director

