

INDEPENDENT AUDITOR'S REPORT

To the Members of **Ranchi Power Distribution Company Limited**

Report on the Audit of the Ind AS Financial Statements**Opinion**

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 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information .

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 Companies Act, 2013, as amended ("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, 2020, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the



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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 the 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.

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

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

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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;



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- 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.

For **Batliboi, Purohit & Darbari**

Chartered Accountants

ICAI Firm Registration Number: 303086E

Hemal Mehta
CA Hemal Mehta

Partner

Membership Number: 063404

UDIN: 20063404AAAADN1542



Place of Signature: Kolkata

Date: 10th June, 2020

Chartered Accountants

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF RANCHI POWER DISTRIBUTION COMPANY LIMITED, FOR THE YEAR ENDED 31ST MARCH 2020
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (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. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- (ii) The Company does not have any inventory 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, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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 in respect of provident fund and income tax and other material statutory dues, as applicable, with the appropriate authorities;
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
- (viii) 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, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) According to 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 clause (ix) 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



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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 provided to us, managerial remuneration has not been paid or provided by the company during the year.

(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 clause 3(xiv) are not applicable to the company and, 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.

For **Batliboi, Purohit & Darbari**

Chartered Accountants

ICAI Firm Registration Number: 303086E


CA **Hemal Mehta**

Partner

Membership Number: 063404

UDIN: 20063404AAAADN1542



Place of Signature: Kolkata

Date: 10th June, 2020

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ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 2020 in conjunction with our audit of the 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. 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, 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 over financial reporting with reference to these financial statements.



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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements 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 with reference to these financial statements 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 With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, 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 with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements 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, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, 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.

For **Batliboi, Purohit & Darbari**

Chartered Accountants

ICAI Firm Registration Number: 303086E

CA Hemal Mehta

Partner

Membership Number: 063404

Place of Signature: Kolkata

Date: 10th June, 2020

Ranchi Power Distribution Company Limited

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

CIN: U40102WB2012PLC188244

Balance Sheet as at 31 March 2020

			Amt (Rs)	
		Note No	As at 31st March 2020	As at 31st March 2019
ASSETS				
Non-current assets				
a	Property, plant and equipment	2	35,87,804	54,89,456
b	Financial Assets			
	i. Loans	3	1,15,450	1,15,450
c	Other non-current assets	4	11,39,816	11,39,816
Total Non-current assets			48,43,070	67,44,722
Current assets				
a	Financial assets			
	i. Cash and cash equivalents	5	52,49,970	11,19,393
	ii. Bank Balance other than (i) above	6	4,82,089	3,87,697
	iii. Other financial assets	7	1,41,02,217	1,55,50,092
b	Current tax assets (net)	8	8,55,026	7,34,412
c	Other current assets	9	1,493	61,151
Total current assets			2,06,90,795	1,78,52,745
TOTAL ASSETS			2,55,33,865	2,45,97,467
EQUITY AND LIABILITIES				
Equity				
a	Equity share capital	10	28,70,00,000	27,70,00,000
b	Other equity	11	(32,11,05,932)	(31,29,09,135)
Total Equity			(3,41,05,932)	(3,59,09,135)
LIABILITIES				
Non-current liabilities				
a	Provisions	12	7,00,891	14,74,693
Total non-current liabilities			7,00,891	14,74,693
Current liabilities				
a	Financial liabilities			
	i. Other financial liabilities	13	5,79,70,796	5,86,10,172
b	Other current liabilities	14	1,06,002	4,07,846
c	Provisions	15	8,62,108	13,891
Total current liabilities			5,89,38,906	5,90,31,909
Total liabilities			5,96,39,797	6,05,06,602
TOTAL EQUITY AND LIABILITIES			2,55,33,865	2,45,97,467

Significant Accounting Policies

Note 1 to 28 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

CA Hemal Mehta

Partner

Membership No : 063404

Date : 10 June, 2020



1

For and on behalf of the Board of Directors

Khalid Ahmad Siddiqi
Khalid Ahmad Siddiqi
Director
DIN- 00390757

Biswajit Sarkar
Biswajit Sarkar
Company Secretary

Dilip Kumar Sen
Dilip Kumar Sen
Managing Director
DIN- 01286601

Sugata Ghosh
Sugata Ghosh
Chief Financial Officer

8

Ranchi Power Distribution Company Limited

Registered office : Barick Bhawan, 8 Chittaranjan Avenue, Kolkata - 7000072

CIN: U40102WB2012PLC188244

Statement of Profit and Loss for the year ended 31 March 2020

Amt (Rs)

SI No.	Particulars	Note No	For Year ended 31st March 2020	For Year ended 31st March 2019
I	Revenue from operations		-	-
II	Other income	16	33,538	32,151
III	Total income (I)+(II)		33,538	32,151
IV	Expenses			
	Employee benefit expenses	17	50,68,928	62,50,778
	Depreciation and amortisation expenses	18	19,01,653	19,01,654
	Other expenses	19	13,54,788	68,18,998
	Total expenses		83,25,369	149,71,430
V	Profit/ (Loss) before tax		(82,91,831)	(149,39,279)
VI	Tax expense			
	- Current tax		-	-
	- Deferred tax		-	-
	Total tax expense		-	-
VII	Profit/ (Loss) after tax		(82,91,831)	(149,39,279)
VIII	Other Comprehensive income	20		
	A (i) Items that will not be reclassified to profit or loss		95,034	20,915
	(ii) Income tax effect		-	-
	Other comprehensive income for the year, net of tax		95,034	20,915
VIII	Total comprehensive income for the year		(81,96,797)	(149,18,364)
IX	Earning per equity share	21		
	Basic earnings per share		(0.29)	(0.55)
	Diluted earnings per share		(0.29)	(0.54)

Significant Accounting Policies

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Note 1 to 28 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

For and on behalf of the Board of Directors

CA Hemal Mehta
Partner

Membership No : 063404

Place : Kolkata

Date : 10th June , 2020



Khalil Ahmad Siddiqi
Director
DIN-00390757

Biswajit Sarkar
Company Secretary

Dilip Kumar Sen
Managing Director
DIN-01286601

Sugata Ghosh
Chief Financial Officer

8

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, 2020

Particulars	Amt (Rs)	
	For the Year ended 31st March, 2020	For the Year ended 31st March, 2019
Cash flow from Operating Activities		
Profit/(Loss) before Taxation	(82,91,831)	(149,39,279)
Adjustment for:		
Depreciation and Amortisation	19,01,653	19,01,654
Interest Income	(33,538)	(32,151)
Operating Profit before Working Capital changes	(64,23,716)	(130,69,776)
Adjustments for:		
(Increase)/Decrease in Non Current Financial Assets	-	-
(Increase)/Decrease in Current Financial Assets	13,87,021	(2,75,029)
(Increase)/Decrease in Other Current Assets	59,658	(7,214)
Increase/(Decrease) in Current Financial Liabilities	(6,39,376)	4,30,029
Increase/(Decrease) in Non current / Current Provision	1,69,449	2,59,679
Increase/(Decrease) in Other Current Liabilities	(3,01,844)	20,885
Net cash (used in)/ provided by operating activities before taxes	(57,48,808)	(126,41,456)
Income taxes paid	(1,20,614)	(8,215)
Net cash (used in)/ provided by operating activities	(58,69,422)	(126,49,671)
Cash flow from Investing Activities		
Sale / (Purchase) of Property, Plant & Equipment	-	-
Net cash flow from Investing Activities	-	-
Cash flows from Financing Activities		
Proceeds from issue of Equity Shares	100,00,000	100,00,000
Net cash flow from Financing Activities	100,00,000	100,00,000
Net increase/ (decrease) in cash and cash equivalents	41,30,578	(26,49,671)
Cash and Bank Balances - Opening Balance	11,19,393	37,69,064
Cash and cash equivalents - Closing Balance (Refer Note 5)	52,49,970	11,19,393

Significant Accounting Policies

Note 1 to 28 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 under development.

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 : 10th June , 2020



Khāilil Ahmad Siddiqi
Director
DIN-00390757

Biswajit Sarkar
Company Secretary

For and on behalf of the Board of Directors

Dilip Kumar Sen
Managing Director
DIN- 01286601

Sugata Ghosh
Chief Financial Officer

Notes forming part of Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

a Equity Share Capital

Particulars	Amt (Rs)		
	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	2770,00,000	100,00,000	2870,00,000

b Other Equity

Particulars	Amt (Rs)		
	Share application money pending allotment	Reserves and Surplus	Total
Balance at the beginning of the reporting period	-	(3129,09,135)	(3129,09,135)
Profit/ (Loss) after tax for the year	-	(82,91,831)	(82,91,831)
Other Comprehensive Income for the year	-	95,034	95,034
Share Application amount received during the year	100,00,000	-	100,00,000
Allotment of Equity Shares	(100,00,000)	-	(100,00,000)
Balance at the end of the reporting period	-	(3211,05,932)	(3211,05,932)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

a Equity Share Capital

Particulars	Amt (Rs)		
	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	2670,00,000	100,00,000	2770,00,000

b Other Equity

Particulars	Amt (Rs)		
	Share application money pending allotment	Reserves and Surplus	Total
Balance at the beginning of the reporting period	-	(2979,90,771)	(2979,90,771)
Profit/ (Loss) after tax for the year	-	(149,39,279)	(149,39,279)
Other Comprehensive Income for the year	-	20,915	20,915
Share Application amount received during the year	100,00,000	-	100,00,000
Allotment of Equity Shares	(100,00,000)	-	(100,00,000)
Balance at the end of the reporting period	-	(3129,09,135)	(3129,09,135)

Significant Accounting Policies

Note 1 to 28 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 10th June, 2020



For and on behalf of the Board of Directors

Khalil Ahmad Siddiqi
Director
DIN-00390757

Biswajit Sarkar
Company Secretary

Dilip Kumar Sen
Managing Director
DIN- 01286601

Sugata Ghosh
Chief Financial Officer

Ranchi Power Distribution Company Limited

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

CIN: U40102WB2012PLC188244

Significant accounting policies and notes to the accounts for financial year ended 31 March 2020

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 (as amended from time to time) 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) Items of property, plant and equipment are measured at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any. 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.

ii) 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



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Significant accounting policies and notes to the accounts for financial year ended 31 March 2020

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) 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.

iii.a) 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

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.

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.



Significant accounting policies and notes to the accounts for financial year ended 31 March 2020

iii. 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

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.

iii 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.

iv) 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 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.

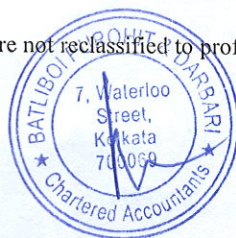
v) Employee benefits

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 or Profit and Loss as the case may be.

Remeasurements comprising actuarial gains or losses are not reclassified to profit or loss in subsequent periods.



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Significant accounting policies and notes to the accounts for financial year ended 31 March 2020

vi) 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.

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.

vii) 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.

viii) 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.

ix) 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.

x) Ind AS 116 Leases -

The Company has assessed and concluded that there is no impact of Ind AS 116 regarding leases effective from 1st April, 2019.



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Notes forming part of Financial Statements

2 Property, plant and equipment

Particulars	Amt (Rs)					
	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total	
Gross carrying value -						
As at March 31, 2019	1,41,232	62,97,838	8,91,702	75,10,314	148,41,086	
As at March 31, 2020	1,41,232	62,97,838	8,91,702	75,10,314	148,41,086	
Accumulated depreciation -						
As at March 31, 2019	44,643	24,71,730	7,01,686	61,33,570	93,51,629	
Depreciation expense	8,950	5,57,723	1,67,448	11,67,532	19,01,653	
As at March 31, 2020	53,593	30,29,453	8,69,134	73,01,102	112,53,282	
Net carrying value - March 31, 2020	87,639	32,68,385	22,568	2,09,212	35,87,804	
Net carrying value - March 31, 2019	96,589	38,26,108	1,90,016	13,76,744	54,89,456	



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Notes forming part of Financial Statements

NON CURRENT ASSET

3 Loans	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Security deposits	1,15,450	1,15,450
Total	1,15,450	1,15,450

4 Other non current assets	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Capital advances	11,39,816	11,39,816
Total	11,39,816	11,39,816

CURRENT ASSET

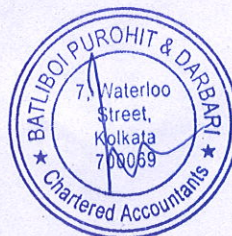
5 Cash and cash equivalents	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Balances with banks		
- In current accounts	39,56,734	11,01,180
Cheques-in-hand	12,66,407	-
Cash in hand	26,829	18,213
Total	52,49,970	11,19,393

6 Bank Balances other than Cash and cash equivalents	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Other Bank balances		
- Bank Deposits with original maturity more than 3 months	4,82,089	3,87,697
Total	4,82,089	3,87,697

7 Other financial assets	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Interest accrued on Bank Deposits	12,065	76,273
Receivable towards claims and services rendered (Refer Note 24)	9,03,019	22,86,686
Receivable towards sale of assets (Refer Note 24)	1,31,87,133	1,31,87,133
Total	1,41,02,217	1,55,50,092

8 Current Tax Assets (Net)	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Income tax paid	8,55,026	7,34,412
Total	8,55,026	7,34,412

9 Other current assets	Amt (Rs)	
	As at 31st March 2020	As at 31st March 2019
Others		
Prepaid Insurance	1,493	61,151
Total	1,493	61,151



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Notes forming part of Financial Statements

		Amt (Rs)	
10	Equity share capital	As at	As at
a)	Particulars	March 31, 2020	March 31, 2019
	Authorised		
	30,000,000 (March 31, 2019: 300,00,000) shares of Rs 10 each	3000,00,000	3000,00,000
	Issued, subscribed and paid-up capital		
	287,00,000 (March 31, 2019 : 277,00,000) shares of Rs 10 each	2870,00,000	2770,00,000
	Total	2870,00,000	2770,00,000

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, 2020		As at March 31, 2019	
	No of shares	Rs	No of shares	Rs
Number of shares outstanding at the beginning of the period	277,00,000	2770,00,000	267,00,000	2670,00,000
Add: Shares issued during the year	10,00,000	100,00,000	10,00,000	100,00,000
Less:				
Number of shares outstanding at the end of the period	287,00,000	2870,00,000	277,00,000	2770,00,000

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. 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, 2020		As at March 31, 2019	
	Number of shares	%	Number of shares	%
CESC Limited - Holding Company	287,00,000	100.0%	277,00,000	100.0%

e) In the period of five years immediately preceding 31 March 2020, 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

11	Other equity	Amt (Rs)	
		As at 31st March 2020	As at 31st March 2019
	Retained earnings		
	Balance at beginning of year	(3129,09,135)	(2979,90,771)
	Net Profit/ (Loss) for the period	(82,91,831)	(149,39,279)
	Items of other comprehensive income that will not be reclassified to profit and loss		
	- Remeasurements of post employment benefit obligation, net of tax	95,034	20,915
	Balance at end of year	(3211,05,932)	(3129,09,135)

Note: Retained earnings represents Net Profit/ (Loss) earned/ incurred by the Company and adjustments done on transition to Ind AS.

NON CURRENT LIABILITIES

12	Provisions	Amt (Rs)	
		As at 31st March 2020	As at 31st March 2019
	Provision for employee benefits	7,00,891	14,74,693
	Total	7,00,891	14,74,693

CURRENT LIABILITIES

13	Other Financial Liabilities	Amt (Rs)	
		As at 31st March 2020	As at 31st March 2019
	Other Payables		
	(i) Payable to Holding Company	575,84,520	575,84,520
	(iii) Other Payable	3,86,276	10,25,652
	Total	579,70,796	586,10,172

14	Other Current liabilities	Amt (Rs)	
		As at 31st March 2020	As at 31st March 2019
	Statutory Dues payable	1,06,002	4,07,846
	Total	1,06,002	4,07,846

15	Provisions	Amt (Rs)	
		As at 31st March 2020	As at 31st March 2019
	Provision for employee benefits	8,62,108	13,891
	Total	8,62,108	13,891



Notes forming part of Financial Statements

16 Other income		Amt (Rs)	
	For Year ended 31st March 2020	For Year ended 31st March 2019	
Interest Income			
From Bank	33,538	32,151	
Total	33,538	32,151	
17 Employee Benefit expense		Amt (Rs)	
	For Year ended 31st March 2020	For Year ended 31st March 2019	
Salary and bonus	46,64,345	58,49,011	
Contribution to provident and other funds	2,69,028	2,91,812	
Staff Welfare expense	1,35,555	1,09,955	
Total	50,68,928	62,50,778	
Refer note no.23 for details of employee benefit expenses.			
18 Depreciation and amortization expense		Amt (Rs)	
	For Year ended 31st March 2020	For Year ended 31st March 2019	
Depreciation of property, plant and equipment	19,01,653	19,01,653	
Total	19,01,653	19,01,653	
19 Other expenses		Amt (Rs)	
	For Year ended 31st March 2020	For Year ended 31st March 2019	
Rent	63,000	65,500	
Rates & Taxes	3,500	0	
Travelling and conveyance expenses	1,90,509	9,41,358	
Communication expenses	0	3,522	
Legal and professional charges	9,98,039	55,76,043	
Filing fee and other charges	19,200	54,000	
Audit Fee			
- Statutory Audit	35,400	35,400	
- Other Services	17,700	0	
Vehicle Expense	8,107	64,675	
General Expenses	19,333	78,500	
Total	13,54,788	68,18,998	



20 Other comprehensive income

Amt (Rs)

Particulars	For Year ended 31st March 2020	For Year ended 31st March 2019
A(i) Items that will not be reclassified to profit or loss		
Remeasurements of the defined benefit plans	95,034	20,915
Total Other Comprehensive Income	95,034	20,915

21 Earnings per share (EPS)

Computation of earning per share

Particulars	For Year ended 31st March 2020	For Year ended 31st March 2019
Face value of equity shares	Rs 10	Rs 10
Weighted average number of equity shares outstanding	286,12,329	273,91,781
Profit/ (loss) for the year	(82,91,831)	(149,39,279)
Weighted average earnings per share (Basic)	(0.29)	(0.55)
No. of equity shares used to compute diluted earnings per share	287,00,000	277,00,000
Profit/ (loss) for the year	(82,91,831)	(149,39,279)
Weighted average earnings per share (Diluted)	(0.29)	(0.54)



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- 22 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 of Jharkhand 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 of Jharkhand at Ranchi, which had inherent defects, stood dismissed as withdrawn with liberty to file a fresh one. A fresh appeal has since been filed jointly by JUVNL and JBVNL whose delay has been condoned after prolonged hearing and now pending before the Division Bench of the High Court of Jharkhand at Ranchi.



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Notes forming part of Financial Statements

Note 23 : EMPLOYEE BENEFITS

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

	As at 31st March 2020	As at 31st March 2019
Principal actuarial assumptions		
Discount rate	5.28%	6.95%
Range of compensation increase	5%	5%
<i>Attrition rate per thousand:</i>		
upto 40 years	4.2	4.2
40 years and above	Nil	Nil
Weighted average duration of the defined benefit plan (in years)		
Gratuity	2.37	4.24
Leave Benefit	2.96	4.57
Components of statement of income statement charge		
Current service cost	65,992	1,68,692
Interest cost	1,03,457	90,987
Recognition of past service cost	-	-
Settlement/curtailment/termination loss	-	-
Total charged to consolidated statement of profit or loss	1,69,449	2,59,679
Movements in net liability/(asset)		
Net liability at the beginning of the year	14,88,584	12,49,820
Employer contributions	-	-
Total expense recognised in the statement of profit or loss	1,69,449	2,59,679
Total amount recognised in OCI	(95,034)	(20,915)
Net liability at the end of the year	15,62,999	14,88,584
Reconciliation of benefit obligations		
Obligation at start of the year	14,88,584	12,49,820
Current service cost	65,992	1,68,692
Interest cost	1,03,457	90,987
Benefits paid directly by the Company	-	-
Extra payments or expenses/(income)	-	-
Obligation of past service cost	-	-
Actuarial loss/ (gain)	(95,034)	(20,915)
Defined benefits obligations at the end of the year	15,62,999	14,88,584
Re-measurements of defined benefit plans		
Actuarial gain/(loss) due to changes in financial assumptions	(19,798)	(7,062)
Actuarial (gains)/losses from demographic assumptions	2	-
Actuarial gain/(loss) on account of experience adjustments	1,14,830	27,977
Total actuarial gain/(loss) recognised in OCI	95,034	20,915



Note 23 : 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, 2020	As on March 31, 2019
Discount rate		
+1.00% discount rate	15,30,098	14,36,675
- 1.00% discount rate	15,97,496	15,44,082
Salary escalation		
+ 1.00% salary escalation	15,97,255	15,44,596
- 1.00% salary escalation	15,29,703	14,35,252
Withdrawal rate		
+ 50% withdrawal rate	15,63,016	14,88,720
- 50% withdrawal rate	15,62,981	14,88,447
Mortality rate		
+ 10.0% mortality rate	15,63,011	14,88,786
- 10.0% mortality rate	15,62,985	14,88,382

c) Risk exposure

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.20,00,000, 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 23 : EMPLOYEE BENEFITS (Contd ..)

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

	Gratuity	Leave Benefit	Total
As on 31 March 2020			
1st year	438102	446472	884574
2 to 5 years	306532	574583	881115
6 to 10 years	0	0	0
More than 10 years	0	0	0
As on 31 March 2019			
1st year	5,974	8393	14,367
2 to 5 years	4,20,182	479602	8,99,784
6 to 10 years	2,55,730	473892	7,29,622
More than 10 years	1,44,999	181295	3,26,294

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. 2,69,028/- (Previous year - Rs. 2,70,897/-).



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Notes forming part of Financial Statements

Note 24 : Related party transaction

(a) Parent entities

Name	Type	Place of incorporation	Ownership Interest	
			March 31, 2020	March 31, 2019
CESC Limited	Holding Company	INDIA	100%	100%

(b) Key managerial personnel compensation

Rs

Particulars	March 31, 2020	March 31, 2019
Mr. D.K.Sen (Short Term Employee benefit)	-	18,87,000
Total	-	18,87,000

(c) Transactions with related parties

Rs.

Particulars	Holding Company		Fellow Subsidiary Company	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Advance received against Equity Shares : CESC Ltd.	100,00,000	100,00,000	-	-
Allotment of Equity Shares: CESC Ltd.	(100,00,000)	(100,00,000)	-	-
Sale of Assets : Bharatpur Electricity Services Ltd. Bikaner Electricity Supply Limited.	- -	- -	- -	- -
Recovery of Expenses- Salary Jharkhand Electric Company Ltd. (w.e.f 01.10.2018)			-	11,72,599
Balance Outstanding Dr Balance Cr Balance	 565,42,460	 565,42,460	 140,90,152	 144,31,759

Note: List of Fellow Subsidiary Companies (with whom transactions are there or balance outstanding) at the year end:

1. Kota Electricity Distribution Limited
2. Bharatpur Electricity Services Limited
3. Bikaner Electricity Supply Limited.



Ranchi Power Distribution Company Limited

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

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Notes forming part of Financial Statements

25 CAPITAL MANAGEMENT

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.



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26 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2020 and March 31, 2019 are as follows:

	As at 31st March 2020			As at 31st March 2019		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets						
Loans	1,15,450			1,15,450		
Cash & Cash equivalents	52,49,970			11,19,393		
Bank Balance other than above	4,82,089			3,87,697		
Interest Accrued on bank deposit	12,065			76,273		
Receivable towards claims & services	9,03,019			22,86,686		
Receivable against sale of assets	1,31,87,133			1,31,87,133		
	1,99,49,726	-	-	1,71,72,632	-	-
Financial liabilities						
Other Payable	5,79,70,796			5,86,10,172		
	5,79,70,796	-	-	5,86,10,172	-	-

Note : The carrying amount of Financial assets and Financial liabilities are considered to be same as their face values due to their short term nature.



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Notes forming part of Financial Statements

27 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-20	31-Mar-19
Cash and cash equivalents	52,49,970	11,19,393
Other Bank Balances	4,82,089	3,87,697
	57,32,059	15,07,090

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

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

As at 31 March 2020	Less than 1 year	1-5 years	Total
Other financial liabilities	579,70,796	-	579,70,796
	579,70,796	-	579,70,796

As at 31 March 2019	Less than 1 year	1-5 years	Total
Other financial liabilities	586,10,172	-	586,10,172
	586,10,172	-	586,10,172

28 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 : 10th June , 2020



For and on behalf of the Board of Directors




Khalil Ahmad Siddiqi
Director
DIN-00390757



Biswajit Sarkar
Company Secretary



Dilip Kumar Sen
Managing Director
DIN- 01286601



Sugata Ghosh
Chief Financial Officer

