

BSES KERELA POWER LIMITED
ANNUAL ACCOUNTS FOR
THE FY 2014-15

INDEPENDENT AUDITORS' REPORT

To the Members of BSES Kerala Power Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **BSES Kerala Power Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal

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financial controls system over financial reporting and the operating effectiveness of such controls. 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 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 financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 33 to the financial statements with regard to expiry of Company's Power Purchase Agreement (PPA) with Kerala State Electricity Board Limited (KSEBL) on October 31, 2015 which is renewable based on mutual consent. The Company has submitted its proposal for renewal of PPA for further period of 10 years which is under consideration by KSEBL. The Company is confident that the PPA will be renewed and accordingly, the accounts have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

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- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26 on Contingent Liabilities.
 - (ii) The Company did not have any long-term contracts including derivative contracts; hence, the question of any material foreseeable losses does not arise.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Bhavik. L. Shah
Partner
Membership No.122071

Mumbai: May 18, 2015

HARIBHAKTI & CO. LLP

Chartered Accountants

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of BSES KERALA POWER LIMITED on the financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, the fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. As informed, no material discrepancies were noticed on physical verification carried out during the year.
- (iii) As informed, 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. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct any major weaknesses in the aforesaid internal control system of the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.

Continuation Sheet

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(b) According to the information and explanation given to us, the dues outstanding with respect to, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty and cess, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Rs. In Lakhs	Period to which the amount relates	Forum where dispute is pending
Wealth Tax Act, 1957	Wealth Tax	2.55	AY 2006-07	Commissioner of Appeals - Wealth Tax

In respect of above demand, amount of Rs.2.42 lakhs has been paid under protest.

(c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- (viii) The Company does not have accumulated losses at the end of the financial year nor it has incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has not obtained any term loans.
- (xii) 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 on or by the Company, noticed or reported during the year, nor have we been informed of any such instance by the management.

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Registration No.103523W

Bhavik. L. Shah
Partner
Membership No. 122071

Mumbai: May 18, 2015

BSES KERALA POWER LIMITED
Balance Sheet As at 31 March 2015

Rs in Lakhs

Particulars	Note No.	As at 31 March 2015	As at 31 March 2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	12,776.00	12,776.00
(b) Reserves and surplus	4	40,405.59	37,042.17
Sub Total		53,181.59	49,818.17
2 Non-current liabilities			
(a) Long-term provisions	5	59.16	47.96
Sub Total		59.16	47.96
3 Current liabilities			
(a) Short-term borrowings	6	129.43	9,882.42
(b) Trade payables	7	183.58	2,661.28
(c) Other current liabilities	8	151.63	186.08
(d) Short-term provisions	9	787.44	39.15
Sub Total		1,252.08	12,768.93
TOTAL		54,492.83	62,635.06
II. ASSETS			
1 Non-current assets			
(a) Fixed assets	10		
(i) Tangible assets		35,105.44	38,728.14
(ii) Intangible assets		1.32	1.60
(iii) Capital work-in-progress		15.86	6.96
(b) Non-current investments	11	-	-
(c) Deferred tax assets (net)	32	255.04	19.23
(d) Other non-current assets	12	1.54	2.61
Sub Total		35,379.20	38,758.54
2 Current assets			
(a) Current investments	13	605.00	849.82
(b) Inventories	14	6,564.39	5,726.64
(c) Trade receivables	15	1,433.72	4,958.97
(d) Cash and Bank Balances	16	889.71	12,049.19
(e) Short-term loans and advances	17	9,479.30	207.29
(f) Other current assets	18	141.51	84.61
Sub Total		19,113.63	23,876.52
TOTAL		54,492.83	62,635.06
Notes forming part of accounts annexed		1 - 41	

As per our attached Report of even date

For and on behalf of the Board

For Haribhakti & Co. LLP
Chartered Accountants
ICAI ERN -103523W

Balasubramanian Natarajan Director

Robin Sebastian ~~Whole Time~~ Director

Bhavik L. Shah
Partner
Membership No.122071
Place: Mumbai
Date:18th May 2015

T.P.Sasidharan CFO & Company Secretary

Place: Mumbai
Date:18th May 2015

BSES KERALA POWER LIMITED
Statement of Profit and Loss for the year ended 31 March 2015

Rs in Lakhs

Particulars	Note No.	for the year ended 31 March 2015	for the year ended 31 March 2014
I Revenue from operations	19	30,462.11	49,170.18
II Other income	20	933.48	583.20
III Total Revenue (I + II)		31,395.59	49,753.38
IV Expenses:			
(a) Cost of Fuel consumed		18,862.90	42,032.81
(b) Cost of Stores & Spares and consumables consumed		228.38	197.69
(c) Employee benefits expense	22	549.58	584.80
(d) Finance costs	21	228.84	224.97
(e) Depreciation and amortization expense	10	3,627.44	3,665.83
Less: Transferred from Revaluation Reserve		-	3,005.53
		3,627.44	660.30
(f) Other expenses	23	3,118.84	1,202.09
Total expenses		26,615.98	44,902.66
V Profit before exceptional and extraordinary items and tax (III-IV)		4,779.61	4,850.72
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		4,779.61	4,850.72
VIII Extraordinary Items		-	-
IX Profit before tax (VII- VIII)		4,779.61	4,850.72
X Tax expense:			
(1) Current tax		1,652.00	1,020.00
(2) Deferred tax	32	(235.81)	1.12
XI Profit / (Loss) for the year (IX-X)		3,363.42	3,829.60
XII Earnings per equity share (Rs.) : (face value of Rs.10 per share)	24		
(1) Basic		2.63	3.00
(2) Diluted		2.63	3.00
Notes forming part of accounts annexed	1 - 41		

As per our attached Report of even date

For and on behalf of the Board

For Haribhakti & Co. LLP
Chartered Accountants
ICAI, FRN -103523W

Balasubramanian Natarajan Director

Robin Sebastian ~~Whole Time~~ Director

Bhavik L. Shah
Partner
Membership No.122071

T.P.Sasidharan CFO & Company secretary

Place: Mumbai
Date:18th May 2015

Place: Mumbai
Date:18th May 2015

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2015

1 Corporate Information

BSES Kerala Power Limited (BKPL) was incorporated on 4th April 1996 with registered office in Kochi, Kerala. The Company is engaged in Electricity Generation and has a Power Purchase Agreement (PPA) with Kerala State Electricity Board Limited (KSEBL). As per the agreement BKPL generates on the instructions of KSEBL and the entire power generated from the station is taken by KSEBL. The entire shares of BKPL is owned by Reliance Infrastructure Limited.

2 Significant accounting policies

2.1 Basis of accounting and preparation of financial statements

The financial statements are prepared on an accrual basis of accounting and in accordance with the generally accepted accounting principles in India (Indian GAAP), the GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (the Act) read with Rule-7 of the Companies (Accounts) Rules, 2014.

2.2 Revenue Recognition Policy

a) Sale of Electricity: Revenue from sale of power is accounted for on the basis of billing to Kerala State Electricity Board Limited (KSEBL) on the basis of recording of supply of energy by installed meters. Sale value includes both variable charges (fuel cost) and fixed charges. Fixed charges also include fixed charge on account of "deemed generation" as provided in the Power Purchase Agreement (PPA) with the bulk customer i.e. KSEBL.

b) Others: Insurance and other claims, including interest, are recognized as revenue on certainty of receipt on prudent basis.

2.3 Foreign Currency Transactions

Foreign currency transactions are accounted at the exchange rates prevailing on the date of the transaction. Gains and losses, if any, at the year-end in respect of monetary assets and monetary liabilities not covered by the forward contracts are recognized in the Statement of Profit and Loss. Exchange differences arising on repayment/restatement of liabilities incurred prior to 01.04.2004 for the purpose of acquiring fixed assets are adjusted with the carrying amount of the respective fixed assets.

2.4 Fixed Assets

The gross block of Fixed Assets is stated at cost of acquisition or construction, including any cost attributable to bringing the assets to their working condition for their intended use.

All pre-operative expenditure and trial run expenditure are (net of income) accumulated as capital work-in-progress and is allocated to the relevant fixed assets on a pro-rata basis depending on the prime cost of the assets.

2.5 Depreciation:

Fixed assets are depreciated under the 'Straight line method' at the rates and in the manner prescribed under Central Electricity Regulatory Commission (CERC) notification except where the management estimate of useful life of the asset is shorter than that envisaged under CERC. The list of such assets is as follows:

<u>Name of the Asset</u>	<u>Rate per annum (%)</u>
Building	Over the lease period (Refer Note 34)
Office Equipment	12.77
Air conditioners	33.40
Vehicles	33.40
Furniture & Fixtures	12.77

Depreciation on additions/delcotions of assets is provided on pro-rata basis. Depreciation on revalued assets is charged over the balance residual life of the assets.

Intangible assets comprising computer software are amortised over a period of 3 years

2.6 Investments:

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are recognized at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2015

Note 2 Significant accounting policies (contd.)

2.7 Inventories

Inventories are stated at lower of cost or net realizable value. In case of fuel, stores and spares "Cost" means weighted average cost. Unserviceable/damaged stores and spares are identified and written down based on technical evaluation. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.8 Employee Benefits

Contributions to defined contribution schemes such as Provident Fund, Superannuation etc. are charged to the Statement of Profit and Loss as incurred. The Company also provides for retirement/post-retirement benefits in the form of gratuity and leave encashment. Such defined benefits are charged to the Statement of Profit and Loss based on valuations, as at the balance sheet date, made by independent actuaries.

2.9 Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.10 Accounting for Taxes on Income

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future. However, in respect of unabsorbed depreciation or carry forward loss, the deferred tax asset is recognized and carried forward only to the extent that there is a virtual certainty that the assets will be realized in future.

2.11 Provisions

Provisions are recognised when the Company has a present obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.

2.12 Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. If the carrying amount of fixed assets / cash generating unit exceeds the recoverable amount on the reporting date, the carrying amount is reduced to the recoverable amount. The recoverable amount is measured as the higher of the net selling price and the value in use determined by the present value of estimated future cash flows.

2.13 Cash and bank balances

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.14 Contingent Liabilities:

A contingent liability is a possible obligation that arise from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognised because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

2.15 Figures for the previous year have been regrouped / reclassified wherever necessary to make them comparable to those for the current year. Figures in bracket indicate Previous Year's figures.

3 Share Capital

Particulars	As at 31 March 2015		As at 31 March 2014	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Authorised				
14,50,00,000 Equity Shares of Rs. 10 each	1450,00,000	14,500.00	1450,00,000	14,500.00
Issued				
12,77,60,000 Equity Shares of Rs. 10 each	1277,60,000	12,776.00	1277,60,000	12,776.00
Subscribed & Paid up				
12,77,60,000 Equity Shares of Rs.10 each fully paid	1277,60,000	12,776.00	1277,60,000	12,776.00
Total	1277,60,000	12,776.00	1277,60,000	12,776.00

3 (a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	Equity Shares		Equity Shares	
	Number	Rs in Lakhs	Number	Rs in Lakhs
Shares outstanding at the beginning of the year	1277,60,000	12,776.00	1277,60,000	12,776.00
Shares outstanding at the end of the year	1277,60,000	12,776.00	1277,60,000	12,776.00

3 (b) Shares held by Holding Company and shareholders holding more than 5 % shares in the Company

Name of Shareholder	As at 31 March 2015		As at 31 March 2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Reliance Infrastructure Limited - Holding Company	1277,60,000	100.00	1277,60,000	100.00

3(c) The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares 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 the 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.

3(d) The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2015, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (Rs. 3.70)

BSES KERALA POWER LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

4 Reserves and Surplus

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
a. Surplus		
Opening balance	3,291.29	4,992.18
(+) Net Profit/(Net Loss) for the current year	3,363.42	3,829.60
(-) Interim Dividend	-	4,727.12
(-) Tax on Dividend	-	803.37
Closing Balance	6,654.71	3,291.29
b. Revaluation reserve		
Opening Balance	33,750.88	-
(+) Addition during the year	-	36,756.41
(-) Credit to P&L account	-	3,005.53
(-) Credit to General Reserve	3,005.53	-
Closing Balance	30,745.35	33,750.88
c. General reserve		
Opening Balance	-	-
(+) Addition during the year (trfr. from Revaluation Reserve)	3,005.53	-
(-) Credit to P&L account	-	-
Closing Balance	3,005.53	-
Total	40,405.59	37,042.17

5 Long Term Provisions

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
(a) Provision for employee benefits		
Leave Encashment (unfunded)	59.16	47.96
Total	59.16	47.96

6 Short Term Borrowings

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Secured		
Loans repayable on demand		
(a) Working capital facility from banks	-	50.52
(b) Loan against fixed deposit receipts	129.43	9,831.90
Total	129.43	9,882.42

(a) Working capital facilities from Banks are Secured by Hypothecation of Stocks and by First Charge on Book Debt & collateral security on fixed assets and (b) Loan against Fixed Deposit Receipts is secured by Fixed Deposits.

BSES KERALA POWER LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

7 Trade Payables

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Trade Payables (Refer Note 41)	183.58	2,661.28
Total	183.58	2,661.28

8 Other Current Liabilities

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
a) Interest accrued but not due on borrowings	-	63.97
b) Other payables		
Outstanding Liability for Expenses	27.14	9.36
Employee Payments	98.48	92.84
Statutory Payments	15.07	7.31
Short Term Security Deposits of vendors	10.94	12.60
Total	151.63	186.08

9 Short Term Provisions

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
a) Provision for employee benefits		
Leave Encashment (unfunded)	8.50	8.63
Superannuation (funded)	0.57	0.62
b) Others		
Provision for Income Tax [Net of advance Tax of Rs.3,859.31 Lakhs (previous year Rs.2,907.79 lakhs)]	778.37	29.90
Total	787.44	39.15

NON-FINANCIAL PERFORMANCE STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

Particulars	2014		2013		2012		2011		2010		2009		2008	
	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs	Rs. in Lakhs
(a) Fixed Assets														
Land and Buildings	5,066.23	5,066.23	-	-	-	-	-	-	-	-	-	-	-	-
Plant and Machinery	82,016.60	82,016.60	7,271	7,271	-	-	-	-	-	-	-	-	-	-
Plant and Equipment	52.79	52.79	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Fixtures	29.35	29.35	7.24	7.24	-	-	-	-	-	-	-	-	-	-
Office equipment	-	-	7.45	7.45	-	-	-	-	-	-	-	-	-	-
Total	87,175.97	87,175.97	14,749	14,749	-	-	-	-	-	-	-	-	-	-
(b) Intangible Assets														
Computer software	28.41	28.41	-	-	-	-	-	-	-	-	-	-	-	-
Total	28.41	28.41	-	-	-	-	-	-	-	-	-	-	-	-
(c) Capital Work In Progress														
Capital work in progress	91,377.03	91,377.03	7.41	7.41	-	-	-	-	-	-	-	-	-	-
Total	178,573.41	178,573.41	22,500	22,500	-	-	-	-	-	-	-	-	-	-
(d) Other Assets														
Prepaid expenses	25,011.23	25,011.23	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	1,127.12	1,127.12	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	1,127.12	1,127.12	-	-	-	-	-	-	-	-	-	-	-	-
Total	27,265.47	27,265.47	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total	283,112.33	283,112.33	22,500	22,500	-	-	-	-	-	-	-	-	-	-
(e) Liabilities														
Current liabilities														
Trade payables	1,419.44	1,419.44	340.53	340.53	741.79	741.79	4,713.59	4,713.59	3,205.12	3,205.12	2,708.82	2,708.82	2,708.82	
Other payables	51,319.49	51,319.49	95.42	95.42	2,283.24	2,283.24	52,376.61	52,376.61	37,641	37,641	15,146	15,146		
Other liabilities	17.48	17.48	7.41	7.41	-	-	17.86	17.86	15.16	15.16	18.88	18.88		
Total	54,756.41	54,756.41	443.36	443.36	2,025.03	2,025.03	57,108.06	57,108.06	37,861.89	37,861.89	17,873.66	17,873.66		
(f) Provisions														
Provisions	24.81	24.81	0.18	0.18	-	-	31.00	31.00	1.31	1.31	1.02	1.02		
Total	24.81	24.81	0.18	0.18	-	-	31.00	31.00	1.31	1.31	1.02	1.02		
(g) Equity														
Equity														
Share capital	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44	1,419.44		
Reserves	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49	51,319.49		
Total	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93	52,738.93		
Grand Total	283,112.33	283,112.33	22,500	22,500	-	-	-	-	-	-	-	-		

1. Plant and Machinery and Buildings are encumbered and held under special order of the Government of Karnataka. The amount of Rs. 5,066.23 Lakhs (Rs. 5,066.23 Lakhs) in full amount and transfer to Government Reserve Account. 2. According to the requirements of Companies Act, 2013, company has adopted the depreciation method as per the rate of Rs. 3,000/- per annum.

11 Non current Investments (Non-Trade)

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Investment in equity shares - Unquoted	0.03	0.03
Total	0.03	0.03
Less : Provision for diminution in the value of Investments	0.03	0.03
Total	-	-

Details of Non Current Investments					
Name of the Body Corporate	No. of Shares / Units		Rs in Lakhs		Basis of Valuation
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	
Investments in Equity shares					
(i) North Eastern Electricity Supply Company of Odisha Limited 100 (100) Equity Shares of Rs.10 each fully paid up	100.00	100.00	0.01	0.01	Provision for diminution in value created for full amount
ii) Western Electricity Supply Company of Odisha Limited 100 (100) Equity Shares of Rs. 10 each fully paid up	100.00	100.00	0.01	0.01	
iii) Southern Electricity Supply Company of Odisha Limited 100 (100) Equity Shares of Rs. 10 each fully paid up	100.00	100.00	0.01	0.01	
Total			0.03	0.03	

12 Other Non current assets

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Deposits	1.54	2.61
Total	1.54	2.61

13 Current Investments (Non-Trade)

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Investments in Mutual Funds - Quoted	605.00	849.82
Total	605.00	849.82

Details of Current Investments					
Name of the Body Corporate	No. of Shares / Units		Rs in Lakhs		Basis of Valuation
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014	
Reliance Mutual Fund Schemes					
Reliance Floating Short Term Fund-Growth option (NAV as on 31.03.2015 is Rs.610.41 Lakhs and 31.03.2014 is Nil)	23,29,255.47		605.00		Cost or market value whichever is lower
Liquid Fund-Cash Plan-Growth Option (NAV as on 31.03.2015 is Nil and 31.03.2014 is Rs. 864.89 Lakhs)		42,102.95		849.82	

	Market Value		Book Value	
	Rs in Lakhs		Rs in Lakhs	
	As at 31 March 2015	As at 31 March 2014	As at 31 March 2015	As at 31 March 2014
Aggregate Value of Quoted Investment	610.41	864.89	605.00	849.82

BSES KERALA POWER LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

14 Inventories

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
(a) Raw Materials and components (Valued at Cost)				
Fuel		5,582.27		4,736.97
(b) Stores and spares (Valued at Cost)		982.12		989.67
Total		6,564.39		5,726.64

15 Trade Receivables

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Trade receivables outstanding for a period less than six months from the date they are due for payment				
Secured, considered good		1,433.72		4,958.97
Total		1,433.72		4,958.97

Receivables are secured by Government of Kerala Guarantee.

16 Cash and Bank balances

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Cash and Cash equivalents				
(a) Balances with banks				
In current account		5.61		7.78
In Deposit account		883.62		12,041.00
(b) Cash on hand		0.48		0.41
Total		889.71		12,049.19

17 Short-term loans and advances

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Secured, considered good				
Advance to Employees		0.16		0.27
Unsecured, considered good				
Inter Corporate Deposits given	9,100.00		-	
Advance to Vendors	28.36		21.07	
Prepaid Expenses	350.78		185.95	
		9,479.14		207.02
Total		9,479.30		207.29

18 Other current assets

Particulars	As at 31 March 2015		As at 31 March 2014	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Interest Accrued but not due		141.51		84.61
Total		141.51		84.61

BSES KERALA POWER LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

19 Revenue from operations

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Rs in Lakhs	Rs in Lakhs
a. Sale of Electricity	26,620.27	49,170.18
b. Other Operating Income		
MAT reimbursement (Refer Note No.38)	3,841.84	-
Total	30,462.11	49,170.18

20 Other non-operating income

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Interest Income	605.81	493.32
Net gain/loss on sale of investments	311.50	61.19
Unclaimed liabilities written back	14.07	10.25
Exchange Fluctuation Income	-	2.30
Profit on sale of assets	-	0.23
Other non-operating income	2.10	15.91
Total	933.48	583.20

21 Finance Cost

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Interest expense on working capital and other borrowings	199.18	198.21
Other borrowing costs	29.66	26.76
Total	228.84	224.97

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

22 Employee Benefits Expense

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Rs in Lakhs	Rs in Lakhs
(a) Salaries and incentives	413.21	445.23
(b) Contributions to Provident Fund and other funds	31.78	40.83
(c) Staff welfare expenses	104.59	98.74
Total	549.58	584.80

23 Other Expenses

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Rs in Lakhs	Rs in Lakhs
Electricity charges	230.90	163.92
Prompt Payment Rebate (net)	255.95	314.93
Rent (Refer Note 34)	1,595.20	1.74
Repairs to buildings	-	4.88
Repairs to machinery	268.79	215.40
Insurance	140.44	179.34
Rates and taxes, excluding, taxes on income	147.91	2.22
Miscellaneous expenses including payments to auditor	478.96	319.66
Exchange Fluctuation Expenses	0.69	-
Total	3,118.84	1,202.09

24 Earnings Per Equity Share

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Net Profit / (Loss) after taxation (Rs in Lakhs)	3,363.42
Nominal Value of equity shares (in Rs.)	10.00	10.00
No. of Equity Shares for Basic and Diluted EPS	1277,60,000	1277,60,000
Basic earnings per share (Net Profit or (Loss) / No of equity shares (Rs.))	2.63	3.00
Diluted earnings per share (Rs.)	2.63	3.00

25 Details of payments to the auditor (including Service tax)

Particulars	for the year ended 31 March 2015	for the year ended 31 March 2014
	Rs in Lakhs	Rs in Lakhs
(a) auditor	8.43	8.43
(b) for tax audit *	-	0.28
(c) for other services	-	1.18
(d) for reimbursement of expenses	0.02	0.05
Total	8.45	9.94

* Including Rs.Nil (Rs.0.28 lakhs) towards tax audit fees pertaining to previous years.

26 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs in Lakhs	Rs in Lakhs
(I) Contingent Liabilities		
(a) Guarantees / Counter guarantees	428.00	428.00
(b) Wealth tax claim	2.55	2.55
(II) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
Total *	430.55	430.55

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

27 C.I.F Value of Imports Rs in Lakhs

Particulars	2014-15	2013-14
(i) Components and Spare parts	108.93	28.51
(ii) Capital Goods	-	-
Total	108.93	28.51

28 Expenditure in Foreign Currency: Rs in Lakhs

Particulars	2014-15	2013-14
(i) Interest	-	-
(ii) Repair & Maintenance	78.42	21.85
(iii) Foreign Travel & Training fee	-	-
Total	78.42	21.85

Earnings in Foreign Currency

Particulars	2014-15	2013-14
	Nil	Nil

29

(a) Details of fuel Consumption

Particulars	2014-15	2013-14
	Rs in Lakhs	Rs in Lakhs
Naphtha	18,818.61	41,988.52
HSD	44.30	44.30
Total	18,862.90	42,032.81

(b) Value of components, stores and spare parts consumed: (including fuel consumed)

Particulars	2014-15		2013-14	
	Rs in Lakhs	% to Total Consumption	Rs in Lakhs	% to Total Consumption
Imported	79.85	0.42%	25.49	0.06%
Indigenous	19,011.44	99.58%	42,205.01	99.94%
Total	19,091.28	100.00%	42,230.50	100.00%

30 Particulars of derivative instruments:

- a) No derivative instruments are acquired for hedging purposes
- b) No derivative instruments are acquired for speculation purposes
- c) Foreign currency exposures that are not hedged by derivative instrument or otherwise
Rs. NIL (P.Y. Nil)

31 Expenditure related to Corporate Social Responsibility as per Section 135 of the Act, read with Schedule VII thereof is Rs. 22.39 lakhs.

32 Deferred Tax

As per the requirement of the Accounting Standard 22 "Accounting for Taxes on Income" prescribed by Companies (Accounting Standard) Rules, 2006, the net deferred tax asset of Rs. 255.04 lakhs as on 31.03.2015 have been recognized in the accounts. The details thereof are as under;

Particulars	As on 31 March 2014	For the year 2014-15	As on 31 March 2015
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
Deferred tax assets			
Provision for leave encashment	19.23	4.19	23.42
Difference between depreciation on block of assets	-	231.62	231.62
Total	19.23	235.81	255.04
Deferred tax Liabilities			
Total	-	-	-
Net deferred tax (liability) / asset	19.23	235.81	255.04

33 The Company's Power Purchase Agreement (PPA) agreement with KSEBL is expiring on October 31, 2015 and which is renewable based on mutual consent for a period of 10 more years. On January 29, 2015, the Company has submitted its proposal for renewal of PPA with fuel modification for a period of 10 more years which as per letter dated May 14, 2015 of KSEBL is under active consideration. The Company is confident that PPA will be renewed for further period of 10 years and accordingly, has prepared the accounts on going concern basis.

34 Land Lease Agreement

The plant Building has been constructed on plot of land which has been leased to the Company for a period of 15 years and which had expired on 31st March 2012. Government of Kerala (GoK) vide its order dated 20th September, 2014 granted permission to renew the land lease agreement from 1st April, 2012 to 31st October, 2015 (till the end of the validity period of the existing PPA) and also determined the rent to be paid to TCCL(the lessor) based on valuation report from the District Collector of Eranakulam. Accordingly, rent for the period April 1, 2012 to March 31, 2014 amounting to Rs.1,060.68 lakhs has been debited in the Statement of Profit and Loss and has been charged to KSEB by way of tariff. GoK vide its order dated 4th October, 2014 granted further permission to extend the lease agreement period upto 31st october,2030 for the purpose of generation and supply of power to KSEBL. However, as explained in Note 33 referred above, pending confirmation for renewal of PPA from KSEBL, the Company continues to depreciate building at higher rate within the validity of existing PPA upto October 31, 2015.

35 Revaluation of fixed assets

Based on the valuation made by approved valuer, the Company revalued its freehold land, building and plant & machinery with effect from April 01, 2013 as per the replacement cost method and incremental value on revaluation amounting to Rs.36,756.41 lakhs has been added to Gross Block of Fixed assets and credited to Revaluation Reserve. Consequent to revaluation, the additional charge of depreciation on revalued portion of assets amounts to Rs.3,005.53 lakhs. Last year, the depreciation provided on revalued portion of fixed assets was debited to Statement of Profit and Loss and corresponding amount was withdrawn from Revaluation Reserve and credited to the Statement of Profit and Loss. However, from current year, pursuant to Application guide on the provisions of Schedule II to the Companies Act, 2013, the corresponding amount is withdrawn from Revaluation Reserve and credited to General Reserve and not into Statement of Profit and Loss. As a result of above, the profit for the year is lower by Rs.3,005.53 lakhs.

36 Hot Section Replacement (HSIR)

As per technical specifications, each of the three Gas Turbines needs Hot Section Inspection and Replacement (HSIR), after completion of every 12500 fired hours on liquid fuel. Such hours for each Gas Turbine depend on the plant load factor. This is based on KSEBL demand, which is highly unpredictable. Further, such technical specifications could also undergo major changes after the proposed changeover of fuel from liquid fuel to gas. In view of such uncertainties, the expenses on each HSIR are accounted for as and when incurred in FY 2014-15 Nil and FY 2013-14 Rs.NIL.

37 Segment Reporting: Basis of Preparation

The Company has only one business segment and one geographical segment viz. Generation and Sale of Energy in Kerala State. In view of this, no further disclosures are required to be given in accordance with Accounting Standard - 17 "Segment Reporting".

38 MAT Reimbursement from KSEB

During the year, the Company has received Rs.769.96 lakhs from KSEBL towards reimbursement of Minimum Alternate Tax(MAT) liability of the Company for the period FY 2005-06 to FY 2009-10 and accordingly has accounted for it. Considering the above development, the Company is certain of receiving its claim for MAT reimbursement for the period FY 2010-11 to FY 2014-15 amounting to Rs.3,071.88 lakhs as per provisions of PPA and has accordingly accounted as income for the year.

39 Related Party:

As per Accounting Standard-18 , the Company's related parties and transactions are disclosed below:

Holding Company : Reliance Infrastructure Limited
 Key Managerial Personnel: Mr.Robin Sebastian, Whole Time Director

Details of transactions during the year with related parties;

Description	For the year 2014-15	For the year 2013-14
A) Transactions during the year -Holding Company		
1) Interest received	-	113.32
2) Recoverable expenses incurred on our behalf by:	26.47	18.73
3) Intercompany Deposit paid back	-	4,700.00
4) Rent Income	0.90	0.90
5) Dividend	-	4,727.12
B) Closing Balance-Holding Company		
Equity Capital held	12,776.00	12,776.00
C) Remuneration to Key Managerial Personnel	22.71	22.71
D) Amount Payable to Key Managerial Personnel	1.34	1.34

BSES KERALA POWER LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

40 AS 15 "Employee benefits" disclosure

(i) Defined contribution plans

- a. Provident fund
- b. Superannuation fund
- c. State defined contribution plans
 - Employers' Contribution to Employees' State Insurance
 - Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner, the superannuation fund is administered by the Trustees of the BSES Kerala Power Limited Officers' Superannuation Scheme Trust and the Gratuity fund is administered by the Trustees of the BSES Kerala Power Limited Employees Group Gratuity Assurance Scheme Trust. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income tax authorities. The Company has recognised the following amounts in the Statement of Profit and Loss Account for the year ended:

Particulars	31.03.2015	31.03.2014
	Rs in Lakhs	Rs in Lakhs
Contribution to Provident Fund	15.22	18.70
Contribution to Employee's Superannuation Fund	7.60	8.36
Contribution to Employee's State Insurance Scheme	-	0.17
Contribution to Employee's Pension Scheme 1995	5.15	3.34

(ii) Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- i. Gratuity
- ii. Leave Encashment

The following table sets out the status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Rs in Lakhs			
	for the year ended 31 March 2015		for the year ended 31 March 2014	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
Components of employer expense				
Current service cost	6.52	1.68	5.86	5.07
Interest cost	6.72	5.23	6.26	4.94
Expected return on plan assets	-11.70	0.00	-11.00	0.00
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Past service cost	-	-	-	-
Actuarial losses/(gains)	-0.19	6.61	-10.83	-10.71
Benefits paid in respect of employees in service	-	0.00	-	2.45
Total expense recognised in the Statement of Profit and Loss	1.35	13.52	-9.70	1.75
Actual contribution and benefit payments for year				
Actual benefit payments	-9.29	-2.46	-4.63	-2.60
Actual contributions	0.00	-	0.00	-
Net (asset) / liability recognised in the Balance Sheet				
Present value of defined benefit obligation	76.36	67.66	72.60	56.59
Fair value of plan assets	-135.66	-	-133.25	-
Funded status [Surplus / (Deficit)]	-	-	-	-
Unrecognised past service costs	-	-	-	-
Net (asset) / liability recognised in the Balance Sheet	-59.30	67.66	-60.65	56.59

Contd..

BSES KERALA POWER LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

Change in Defined Benefit Obligations (DBO) during the year				
Present value of DBO at beginning of the year	72.60	56.59	75.93	59.89
Current service cost	6.52	1.68	5.86	5.07
Interest cost	6.73	5.23	6.27	4.94
Curtailement cost / (credit)	-	-	-	-
Settlement cost / (credit)	-	-	-	-
Plan amendments	-	-	-	-
Acquisitions	-	-	-	-
Actuarial (gains) / losses	-0.19	6.61	-10.83	-10.71
Past service cost	-	-	-	-
Benefits paid	-9.29	-2.46	-4.63	-2.60
Present value of DBO at the end of the year	76.36	67.66	72.60	56.59
Change in fair value of assets during the year				
Plan assets at beginning of the year	133.25	-	126.87	-
Acquisition adjustment	-	-	-	-
Expected return on plan assets	11.70	-	11.00	-
Actual company contributions	0.00	-	0.00	-
Actuarial gain / (loss)	-	-	-	-
Benefits paid	-9.29	-	-4.63	-
Plan assets at the end of the year	135.66	-	133.25	-
Actual return on plan assets	-	-	-	-
Composition of the plan assets is as follows:				
Government bonds	-	-	-	-
Administered by Life Insurance Corporation Of India	100%	-	100%	-
Equity mutual funds	-	-	-	-
Others	-	-	-	-
Actuarial assumptions				
Discount rate	7.75%	7.75%	9.25%	9.25%
Expected return on plan assets	9.00%	0.00%	8.75%	0.00%
Salary escalation	6.50%	6.50%	6.50%	6.50%
Attrition	1.00%	1.00%	1.00%	1.00%

Disclosure as required under para 120(n):

Sr. No	Particulars	Gratuity				
		2014-15	2013-14	2012-13	2011-12	2010-11
(i)	Present Value of the Defined Benefit Obligation	76.36	72.60	75.93	63.02	57.13
(ii)	Fair Value of the Plan Assets	-135.66	-133.25	-126.87	-116.11	-99.50
(iii)	(Surplus)/Deficit in the plan	-59.30	-60.65	-50.94	-53.09	-42.36
(iv)	Experience adjustments on Plan Liabilities (Gain)/Loss	-12.00	-3.74	-3.32	-5.93	-2.06
(v)	Experience adjustments on Plan Assets (Gain)/Loss	0.00	0.00	0.00	0.00	0.00
Sr. No	Particulars	Leave Encashment				
		2014-15	2013-14	2012-13	2011-12	2010-11
(i)	Present Value of the Defined Benefit Obligation	67.66	56.59	59.89	48.90	43.59
(ii)	Fair Value of the Plan Assets	0	0	0	0	0
(iii)	(Surplus)/Deficit in the plan	67.66	56.59	59.89	48.90	43.59
(iv)	Experience adjustments on Plan Liabilities (Gain)/Loss	-3.94	-4.56	-0.96	-3.31	-1.17

The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

BSES KERALA POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

- 41 The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

Particulars	2014-15	2013-14
	Rs in Lakhs	Rs in Lakhs
Principal amount outstanding as at 31st March	-	-
Interest due on (1) above and unpaid as 31st March	-	-
Interest paid to the supplier	-	-
Payments made to the supplier beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid as at 31st March	-	-
Amount of further interest remaining due and payable in succeeding year	-	-

As per our attached Report of even date

For and on behalf of the Board

For Haribhakti & Co. LLP
Chartered Accountants
ICAI FRN -103523W

Balasubramanian Natarajan Director

Robin Sebastian / Whole Time Director

Bhavik L. Shah
Partner
Membership No.122071

T.P.Sasidharan CFO & Company Secretary

Place: Mumbai
Date:18th May 2015

Place: Mumbai
Date:18th May 2015

BSES KERALA POWER LIMITED
Cash Flow Statement for the year ended 31 March 2015

Particulars	for the year ended 31 March 2015		for the year ended 31 March 2014	
	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs	Rs in Lakhs
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		4,779.61		4,850.72
<u>Adjustments for:</u>				
Depreciation and amortisation	3,627.44		660.30	
(Profit) / loss on sale / write off of assets			-0.23	
Finance costs	228.84		224.97	
Interest income	-605.81		-493.32	
Net (gain) / loss on sale of Investments	-311.50		-61.19	
Liabilities / provisions no longer required written back	-14.07		-10.25	
Sub Total	2,924.90		320.28	
Operating profit / (loss) before working capital changes		7,704.51		5,171.00
<u>Changes in working capital:</u>				
<u>Adjustments for (Increase) / decrease in operating assets:</u>				
Inventories	-837.75		-2,126.90	
Trade receivables	3,525.25		-365.60	
Short-term loans and advances	-172.01		70.59	
Other non-current assets	1.07		14.94	
<u>Adjustments for Increase / (decrease) in operating liabilities:</u>				
Trade payables	-2,463.63		1,339.17	
Other current liabilities	29.52		-5.18	
Short-term provisions	-0.18		0.18	
Long-term provisions	11.20		-3.18	
Sub Total		93.47		-1,076.34
Cash generated from operations		7,797.98		4,094.66
Net income tax (paid) / refunds		-903.53		-956.46
Net cash flow from / (used in) operating activities (A)		6,894.45		3,138.20
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	-13.35		-20.58	
Proceeds from sale of fixed assets	-		0.44	
Inter-corporate deposits given	-9,100.00		-	
Inter-corporate deposits paid back	-		4,700.00	
Current Investments not considered as Cash and cash equivalents				
- Purchased	-8,782.40		-849.82	
- Proceeds from sale	9,338.71		849.82	
Interest received				
- Others	548.91		459.96	
Sub Total		-8,008.13		5,139.82
Net cash flow from / (used in) investing activities (B)		-8,008.13		5,139.82
C. Cash flow from financing activities				
Repayment of long-term borrowings	-		-504.03	
Net increase / (decrease) in short term borrowings	-9,752.99		5,019.02	
Finance cost	-292.81		-167.11	
Dividends paid	-		-4,727.12	
Tax on dividend	-		-803.37	
Sub Total	-10,045.80		-1,182.61	
Net cash flow from / (used in) financing activities (C)		-10,045.80		-1,182.61
Net increase / (decrease) In Cash and cash equivalents (A+B+C)		-11,159.48		7,095.41
Cash and cash equivalents at the beginning of the year		12,049.19		4,953.78
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year (Refer Note 16)		889.71		12,049.19
As per our attached Report of even date For Haribhakti & Co. LLP Chartered Accountants ICAI ERN -103523W			For and on behalf of the Board Balasubramanian Natarajan Director	
			Robin Sebastian Whole Time Director	
Bhavik L. Shah Partner Membership No.122071 Place: Mumbai Date:18th May 2015			T.P.Saidharan CFO & Company Secretary Place: Mumbai Date:18th May 2015	