BSES BHAWAN, NEHRU PLACE NEW DELHI-110019

COST AUDIT REPORT
FINANCIAL YEAR 2012-13



S. CHANDER & ASSOCIATES

COST ACCOUNTANTS

212, 2nd Floor, Sarai Pipal Thala, G.T. Karnal Road, Adarsh Nagar, Delhi - 110033 Ph.: 011-27835594, M.: +91-9891060620, +91-8750606671; Email : schander_55@yahoo.com

COST AUDIT REPORT

We, S. Chander & Associates, Cost Accountants, having been appointed as Cost Auditor(s) under Section 233B of the Companies Act, 1956 [1 of 1956] of BSES Rajdhani Power Limited having its registered office at BSES Bhawan, Nehru Place, New Delhi – 110 019 (hereinafter referred to as the Company) have audited the books of accounts prescribed under clause (d) of Sub-section (1) of Section 209 of the said Act, and other relevant records in respect of, distribution and retail supply of electricity of the Company in South and West areas of Delhi for the Financial Year ended on 31st March, 2013, maintained by the Company and report in addition to our observations and suggestions in Para 2 –

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of this audit.
- (ii) In our opinion, proper cost records, as per Companies (Cost Audit Report) Rules, 2011 prescribed under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, have been maintained by the Company so as to give a true and fair view of the cost of operation, cost of sales and margin of the activity under reference.
- (iii) In our opinion, proper returns/information adequate for the purpose of the Cost Audit have been received from the branches/divisions not visited by us.
- (iv) In our opinion and to the best of our information, the said books and records give the information required by the Companies Act, 1956, in the manner so required.
- (v) In our opinion, the said books and records are in conformity with the Cost Accounting Standards issued by The Institute of Cost Accountants of India, to the extent these are found relevant and applicable.
- (vi) In our opinion, Company has adequate system of internal audit of cost records, which to our opinion is commensurate to its nature and size of its business.
- (vii) Detailed Division-wise and Voltage-wise cost statements and schedules thereto in respect of the activity under reference of the Company duly audited and certified by us are kept by the Company.
- (viii) As required under the provisions of The Companies (Cost Audit Report) Rules, 2011, we have furnished Performance Appraisal Report, to the Company, in the prescribed form.



- 2 Observations and suggestions, if any, of the Cost Auditor, relevant to the cost audit.
 - a) The Company is continuously incurring losses (prior to accounting for regulatory assets) mainly due to the fact that bulk supply tariff is rising continuously on year to year basis, which the Company is unable to pass on to the consumers in the absence of cost reflective tariff. Further, the T&D losses of the Company have decreased from 19.31 % (previous year) to 16.76 % in the current year. The T&D losses vary from division to division.
 - b) Financial Statements have been prepared as per the revised Schedule VI of the Companies Act, 1956 & accordingly the previous year's figures have also been rearranged / regrouped wherever required in Cost Audit Report.
 - c) Due to implementation of the Cost Audit Report Rules, 2011 and Cost Accounting Standards issued by Institute of Cost Accountants of India, previous year's figures have been re-arranged/ re-grouped accordingly to make them comparable with the current year's figures.
 - d) Sale of Energy (net of electricity tax) includes unbilled revenues accrued upto the end of the accounting year.
 - e) Cost of power purchased for distribution to consumers is calculated after deduction of bulk sale (including barter exchange of power).

Cost of Power is bifurcated as under:

- i. Transmission & Wheeling charges (considered in distribution cost).
- ii. Cost of power purchased (considered in consumer servicing and billing cost).
- f) Depreciation on fixed assets has been provided on straight line method. Assets, for which specific depreciation rates have been mentioned in Schedule XIV of the Companies Act, 1956, have been depreciated accordingly. On assets for which specific rates of depreciation have not been prescribed in Schedule XIV of the Companies Act, 1956, depreciation has been provided in accordance with the permission obtained by the Company from the Ministry of Corporate affairs, at the rates calculated by taking the life of assets as mentioned in the CERC notification no. L-7/25(5)/2003-CERC, dated 26 March, 2004 or as per independent valuer's certificate whichever is lower.
- g) The Company has accounted for Regulatory Assets amounting to ₹ 1166.54 Crores, (after recovering ₹ 314.72 Crores during the year through surcharge) which is recoverable from future tariff and accordingly it has not been considered in Cost Statement but shown in the Statement of Reconciliation of Margin as per the Cost Records with Profit/Loss as per the Financial Records.
- h) Annexure 3, 8, 9, 10 & 11 of the Cost Audit Report Rules, 2011 which are required to be reported "for the Company as a whole" are based on Audited Financial Statements.

- The sale of energy for the FY 2012-13 includes income on account of theft of power amounting to ₹ 30.22 Cr (excluding E. Tax) which is accounted on collection basis. The units on account of theft are derived by dividing the total theft amount collected by twice Average Billing Rate (ABR) which is based on the methodology adopted by DERC in their tariff orders. The ABR for current year excluding E. Tax and Surcharge is ₹ 6.25 per unit. Based on the methodology adopted by DERC, the theft units collected during the year comes to 24.18 MUs, which have been considered for Cost Accounts. The methodology adopted by Hon'ble DERC has been challenged by the Company before the Hon'ble ATE and hence subjudice.
- j) As explained to us by the Management, the Company has instituted its own system of internal check to ensure proper allocation of cost centres to the transactions to be recorded. Proper allocation of cost centres to the transaction facilitates proper collection of cost with respect to cost centers.
- k) Figures have been rounded off to the nearest lakhs.

Dated: 26.09.2013

Place: Delhi

For S.Chander & Associates

Cost Accountants

Firm Registration No. 100105

(Satish Chander)

Membership Number:-9455

BSES RAJDHANI POWER LIMITED ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13 **GENERAL INFORMATION:** CIN or GLN of the Company: U74899DL2001PLC111527 2 Name of the Company: BSES Rajdhani Power Limited BSES Bhawan. 3 Registered office address: Nehru Place. New Delhi-110019 BSES Bhawan, 4 Corporate office address: Nehru Place, New Delhi-110019 5 Harish.dewan@relianceada.com E-mail address of the Company: Company's financial year to which the Cost 6 2012-13 Audit Report relates: 7 **Details of Cost Auditor(s)** M/s S.Chander & Associates, Cost (i) Name Accountants 212 (II nd Floor), Sarai Pipal Thala, G.T.Karnal Road, Adarsh Nagar, (ii) Address Delhi-110033 (iii) Membership number 9455 (iv) E-mail address schander_55@yahoo.com SRN Number and date of filing of FORM 23C with S08722928 Date 30/05/2012 the Central Government Date on which Annexures to the Cost Audit



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No. of Audit Committee meetings held by the company, and attended by the Cost Auditor during the year

Report were approved by Circular Resolution

4 meetings were held & none of these was attended.

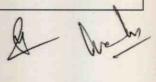
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经过的 BSES RAJDHANI POWER LIMITED ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13 2 Cost Accounting Policy: Briefly describe the cost accounting Policy adopted by the Company keeping in view the requirements of the Companies (Cost The Company's accounts are maintained in SAP - ERP. Accounting Records) Rules, 2011, the Companies (Cost Audit The cost centres are well designed & cost is collected under these cost Report) Rules, 2011, cost accounting standards and its adequacy centres. The basis of collection is identification of cost with respect to them and cost of ommon cost centres is further apportioned to cost centres on appropriate basis otherwise to determine correctly the cost of production/operation. The Company is controlling its operations through 19 Divisions based on their cost of sales, sales realization and margin of the product/activity erritorial locations. groups under reference separately for each product/activity group. The policy should cover, inter alia, the following areas: Cost centres have been created with reference to the Divisions and their functionality Identification of cost centres/cost objects and cost drivers a) domain. They have been identified properly & these are inbuilt within the system itself. 1. Cost of consumable stores, Repair & Maintenance, Employee Related Expenses Lease Rent, Meter Reading Expenses & Other expenses are directly booked to Cost Accounting for material cost including packing materials, stores b) and spares etc., employee cost, utilities and other relevant cost 2. Cost collected under common cost centres are further apportioned to operational cost centres i.e. Divisions on appropriate basis. 3. Insurance expenses are booked to common cost centres and are further apportioned to operational cost centres i.e. Divisions on the following basis **Description of Insurance Expenses Basis of Apportionment** (i) Fixed Assets Gross Block of assets (ii) Medical Total salary (iii) Stock Total consumable stores (iv) Other Sales of Units 1. Accounting of Overheads: Following expenses are treated as overheads, i.e. c) Accounting, allocation and absorption of overheads other,admin & selling Description of Overheads Expenses (i) Other overheads Inspection Fees (ii) Administration Overheads House Keeping Charges Legal Claims Licence Fees Lodging and Boarding Postage and Telegram Printing and Stationary Professional Charges Rent, Rates and Taxes Security Expenses Statutory Auditors' Expenses Vehicle & Equipment Hire Charges Vehicle Running Expenses Sundry Expenses Advertisement Expenses (iii) Selling overheads Sales Promotion Expenses Call centre Expenses 2(a). Most of the expenses are directly booked under cost centres & are collected as 2(b). Overheads collected under common cost centres are apportioned to operational cost centres i.e. Divisions on appropriate basis. 3. Total cost of Divisions are first apportioned to activities which are "(i) Distribution (ii) Consumer Servicing & Billing and are further apportioned to voltage levels of operational cost centres i.e. Divisions. 1. Cost of depreciation is directly booked to cost centres & cost collected under commor d) Accounting for Depreciation/Amortization cost centres is further apportioned to operational cost centres i.e. Divisions on appropriate basis. 2. Cost of Divisions relating to depreciation are first apportioned to activities which are (i) Distribution (ii) Consumer Servicing & Billing and are further apportioned to voltage levels of operational cost centres i.e. Divisions Description of **Basis of Apportionment** Depreciable Asset Distribution Consumer servicing & billing Transformers +100KVA 100% Transformers -100KVA 100% Switchgear 100% Lightning Arrestor Batteries 100% Underground Cables 100% Overhead Lines 100% 100% Temporary Structures Pucca Roads 100% Fault Locating Equipments 100% Misc. Equipments 100% **Energy Meters** 100% Depreciation cost of the following fixed assets collected under common cost centres is apportioned to the operational cost centres i.e. Divisions on the basis of their employee 1. Vehicles 2. Furniture & Fixtures 3. Office Equipment Motors/Pumps etc 5. Offices & Show rooms Computers 7. Communication Equipments

e)	Accounting for by-products/joint-products, scrap, wastage etc.	1. The following items of income are considered as other income:
		1. Sale of traded goods
11417		2. Recoveries from employees
	BOOK OF THE PARTY	Penalty received from contractors etc.
ŋ	Accounting for Interest and Finance Charges, etc.	Interest and Finance Charges are directly allocated to activities.
		2. Income from operation consists of :
g)	Accounting for Sale of Power.	1. Income from Sale of Energy
	TO SECURITION AND DESCRIPTION OF THE PERSON	2. Other Operating Revenues
h)	Basis for Inventory Valuation	Inventories of stores and spares and loose tools are valued at lower of cost and net realizable value. Cost is determined on the "Weighted Average" basis. Unserviceable / damaged stores and spares are identified and written down, based on technical evaluation.
i)	Methodology for valuation of Inter-Unit/Inter Company and Related Party transactions.	Methodology adopted for valuation of Inter Unit/Inter Company and Related Part Transactions are mentioned in Para 10.
j)	Treatment of abnormal and non-recurring costs including classification of other non-cost items.	The following items are considered as Non cost items :
		(a)Provision for doubtful debts
		(b)Provision for Doubtful advances
		(c)Provision for write off of Non Moving Inventory
		(d)Loss on foreign exchange
		(e)Loss in discarding assets
		(f)Provision for retirement of Fixed Asset
	TENSOLE AND SERVICE STREET, SE	(g)Wealth Tax
k)	in case the Company has adopted IFRS, variations (if any) in treatment of cost accounting arising out of adoption of IFRS in	IFRS is not applicable to the Company.
1)	Other relevant cost accounting policy adopted by the Company	Cost of power purchase for supply to consumers is calculated after deducting value of Bulk Sale.
2	Briefly specify the changes, if any, made in the cost accounting policy for the product/activity group(s) under audit during the current financial year as compared to the previous financial year.	No.
3	Observations of the Cost Auditor regarding adequacy or otherwise of the Budgetary Control System, if any, followed by the company.	Budgetary control system seems to be adequate.





3. ACTIVITY GROUP DETAILS (for the company as a whole) Net Sales (net of taxes) Covered under Cost Names of Activities S (₹) in Lakhs Name of each Activity Group included in the Activity Audit (Yes/No) Group 2012-13 2011-12 A Manufactured Product Groups NA NA NA NA NA NA NA NA 3 NA NA NA NA NA NA NA NA Sub-Total (A) NA NA NA NA B Service Groups NA Sub-Total (B) NA NA NA NA **Trading Activities** (Activity Group-wise) C(i) Income from Operations (Energy) Sale of Energy (Net of Taxes) 1 Distribution of Electricity 6,17,906.70 4,50,523.52 2 Sale of Power Bulk Sale 61,742.97 77,317.56 No Sub-Total (C(i)) 6,79,649.67 5,27,841.08 C(ii) Income from Operations (Non-Energy) Service Line Deposits & Development Charges Distribution of Electricity 3,741.24 3.400.81 Yes Distribution of Electricity Delayed payment charges (LPSC) 3,097.99 3,539.63 Yes 3 Power Purchase Rebate Distribution of Electricity 4,188.35 2,425.84 Yes 4 Income on Collection charges - Electricity Tax Distribution of Electricity 786.26 583.89 Yes Consumer Contribution for Capital Works Distribution of Electricity 1,216.09 720.50 Yes 6 Sale of Scrap Distribution of Electricity 1,140.82 947.38 Yes 7 Misc operating income Distribution of Electricity 4,205.98 4,346.75 Yes Sub-Total (C(ii)) 15,964.80 18,376.73 Total Income from Operations :- C [C(i) +C(ii)] 6,98,026.41 5.43.805.87 D Other Income 1 Interest on fixed deposits Financial 664.17 409.90 NA 2 Interest on loans Financial 3.89 1.45 NA 3 Interest on Govt. Securities & others Financial 202.17 323.21 NA 4 Consultancy Income Miscellaneous

Notes:

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5 Income on Sale of Material

Excess Provisions written back

Income Recoverable through Future Tariff

Total Income as per Audited Annual Report

Profit on sale of Fixed Assets

8 Other Miscellaneous Income

Sub-Total (D)

(A+B+C+D)

1 Total income as reported above includes Income Recoverable through Future Tariff which is included in Other Income stated above.

Miscellaneous

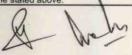
Miscellaneous

Miscellaneous

Miscellaneous

Miscellaneous





26.12

26.22

803.50

5,943.85

2,49,849.00

2,57,383.69

8,01,189.56

0.45

NA

NA

NA

NA

NA

NA

551.92

254.52

33.98

819.10

1,16,654.00

1,19,183.74

8,17,210.14

Activity Group Code 5406

ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

4. QUANTITATIVE INFORMATION

Activity - Distribution of Electricity

Name of the Company: BSES RAJDHANI POWER LIMITED
Name of the Activity Group: Distribution of Electricity

Name of the Products covered in the Activity Group: Distribution of Electricity

		2-13

S. No.	Particulars	2012-13 Units (In MU)	2011-12 Units (In MU)
1	Available Capacity		
(a)	Installed Capacity	NA	NA NA
(b)	Capacity enhanced during the year, if any	NA	NA
(c)	Capacity available through leasing arrangements, if	NA	NA
(d)	Capacity available through loan license / third parties	NA	NA
(e)	Total Available Capacity(a+b+c+d)	NA	NA
2	Actual Production		
(a)	Self manufactured	NA	NA
(b)	Produced under leasing arrangements	NA	NA
(c)	Produced on loan license / by third parties on job work	NA	NA
(d)	Total Production(a+b+c)	NA	NA
3	Production as per Excise Records		
4	Capacity Utilization (in-house)		
5	Electricity purchased for supply		-
(a)	Domestic Purchase for supply	11,754.33	11,457.46
(b)	Imports		-
(c)	Total Purchases(a+b)	11,754.33	11,457.46
6	Stock & Other Adjustments		
(a)	Change in Stock of Finished Goods	-	
(b)	Self / Captive Consumption (incl. samples etc.)	*	*
(c)	Other Quantitative Adjustments (Transmission Losses)	521.59	555.27
(d)	Total Adjustments(a+b+c)	521.59	555.27
7	Total Available Quantity for Supply [2(d) + 5(c) - 6(d)]	11,232.75	10,902.19
8	Actual Sales		
(a)	Domestic Sales (manufacturing)		
(b)	Domestic Sales (trading)	9,256.17	8,893.08
(c)	Export Sale (manufacturing)		
(d)	Export Sale (trading)		
	Total Quantity Sold(a+b+c+d)	9,256.17	8,893.08

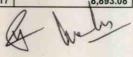
Notes:

The difference between "Total Available Quantity for Supply " (on S. No.7) and "Total Quantity Sold " is due to distribution losses of 1976.58 MUs and 2009.12 MUs for FY 2012-13 & 2011-12 respectively. 1

2	Particulars	2012-13	2011-12 Units (In MU)	
~	Faiticulais	Units (In MU)		
	Total purchases of energy	13,621.65	13,850.84	
	Less : Bulk sale to out side parties	1,867.31	2,393.3	
	Net purchases of energy for supply	11,754.33	11,457.46	
	Less : Transmission Losses	521.59	555.27	
	Energy available for supply	11,232.75	10,902.19	
	Less : Distribution losses	1,976.58	2,009.1	
	Energy supplied to consumers	9,256.17	8,893.08	

		2012-13	2011-12	
3	Particulars	Units (In MUs)	Units (In MUs)	
	Power Supplied			
	Billed Units	9,349.96	8,796.88	
	Add: Unbilled in Current Year	500.92	594.71	
	Less: Unbilled in Previous Year	594.71	498.52	
	Energy supplied to consumers	9,256.17	\8,893.08	





ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

5. ABRIDGED COST STATEMENT - Activity - Distribution of Electricity

S.	Particulars	Units(MU)	Rate (₹)	Amount (₹	() in lakhs	Rate p	er unit in (₹)
No.	a di	Omes(mo)	Nuc (V)	2012-13	2011-12	2012-13	2011-12
1	Total cost of power purchase for supply	11,232.75	5.38	6,04,080.77	5,79,521.24	6.53	6.52
(a)	Power purchase cost	11,232.75	4.71	5,28,994.81	4,92,520.64	5.72	5.54
(b)	Transmission & Wheeling charges	11,232.75	0.67	75,085.96	87,000.60	0.81	0.98
2	Direct Employees cost (O &M)	-		19,815.73	21,079.04	0.21	0.24
3	Employees cost on Administration			10,616.62	7,908.21	0.11	0.09
4	Lease Rent			5.95	134.66	0.00	0.00
5	Consumable Stores & Spares	-		5,575.85	6,079.67	0.06	0.07
6	Repairs & Maintenance	100		8,542.77	6,221.97	0.09	0.07
(a)	Land and building		-	92.13	108.47	0.00	0.00
(b)	Plant and machinery	-		7,687.18	5,447.69	0.08	0.06
(c)	Others-Vehicles and others		-	763.46	665.81	0.01	0.01
7	Insurance			166.83	165.76	0.00	0.00
8	Depreciation/Amortization		*	16,551.50	15,717.35	0.18	0.18
9	Other Overheads		-	51.59	54.17	0.00	0.00
10	Administrative Overheads			7,437.33	6,710.50	0.08	0.08
11	Total (1 to 10)		*	6,72,844.94	6,43,592.57	7.27	7.24
12	Less: Credits, if any			818.35	6,917.21	0.01	0.08
13	Meter Reading and Bill Distribution cost			1,268.21	1,057.58	0.01	0.01
14	Interest & Financing cost		- 1 - 3	70,075.96	57,541.26	0.76	0.65
15	Selling expenses		-	374.32	318.24	0.00	0.00
16	Total Cost of POWER SUPPLY (excluding electricity duty & other statutory levies, if any) {11-12+13+14+15}	-		7,43,745.08	6,95,592.44	8.04	7.82
17	Total Sales Realization from energy (Excluding Taxes and Duties)			6,35,748.57	4,64,899.26	6.87	5.23
a)	(1) Energy Income	9,256.17	6.68	6,17,906.70	4,50,523.52	6.68	5.07
b)	(2) Non-Energy Income	Marine Street		17,841.88	14,375.74	0.19	0.16
18	Margin [Profit/(Loss) as per Cost Accounts]	-		(1,07,996.50)	(2,30,693.18)	(1.17)	(2.59)

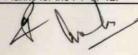
NOTES:

1 The Proforma has been suitably modified to meet the requirement of the industry.

Statement showing "total units and cost of purchase of energy" & "net units and cost of energy" available for supply:

2		2012	2-13	2011-12	
	Particulars	Units (In MU)	Amount (₹ in Lakhs)	Units (In MU)	Amount (₹ in Lakhs)
	Total Purchases of Energy	13,621.65	5,90,737.79	13,850.84	5,69,838.20
	Less : Bulk Sale to Outside Parties	1,867.31	61,742.97	2,393.38	77,317.56
	Less : Transmission Losses	521.59		555.27	-
	Total cost of power purchase for supply	11,232.75	5,28,994.81	10,902.20	4,92,520.64
	Less : Distribution Losses	1,976.58		2,009.12	(**
	Energy Supplied to Consumers	9,256.17		8,893.08	

3 Power Purchase Cost includes LPSC of Rs. 15634 77 takes for the FY 12-13 and Rs. 5093.71 lakes for the FY 11-12.



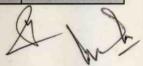
BSES RAJDHANI POWER LIMITED ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

6. OPERATING RATIO ANALYSIS **Activity - Distribution of Electricity**

S. No.	Particulars	Unit	2012-13	2011-12
R	atio of Operating Expenses to Cost	of Sales		
1	Power Purchase Cost	%	81.22	83.31
2	Direct Employees Cost (O &M)	%	2.66	3.03
3	Employee costs on Administration	%	1.43	1.14
4	Lease Rent	%	0.00	0.02
5	Consumable Stores & Spares	%	0.75	0.87
6	Repairs & Maintenance Cost	%	1.15	0.89
7	Insurance Cost	%	0.02	0.02
8	Depreciation / Amortization Cost	%	2.23	2.26
9	Other Overheads	%	0.01	0.01
10	Administrative Overheads	%	1.00	0.96
11	Interest & Financing Charges	%	9.42	8.27
12	Meter Reading & Bill Distribution	%	0.17	0.15
13	Selling & Distribution Overheads	%	0.05	0.05
14	Less : Credits	%	0.11	0.99
15	Total	%	100.00	100.00





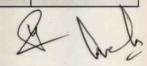
ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

7.	PR	OF	IT RE	CON	ICILIA	MOIT

(for the company as a whole) 2011-12 2012-13 S no. **Particulars** (₹) in lakhs (₹) in lakhs Profit or Loss as per Cost Accounting Records (1,07,996.50)(2,30,693.18)For the audited product groups (1,07,996.50)(2,30,693.18)(a) For the un-audited product groups (b) Add: Incomes not considered in cost accounts 1,18,029.42 2,51,320.73 Excess provision written back 254.52 803.50 (a) Profit on sale of Fixed Asset 33.98 0.45 (b) (c) Consultancy Income 551.92 667.79 (d) Bad debts recovered 535.01 2,49,849.00 Income recoverable from future tariff 1,16,654.00 (e) 3 Less: Expenses not considered in cost accounts 6,424.51 8,150.27 Provision for doubtful debts 5,572.34 6,595.33 (a) 356.25 (b) Provision for doubtful advances 1.44 (c) Loss on foreign exchange 18.79 229.36 (d) Loss in discarding assets 257.62 (e) Provision for write off of non moving inventory 101.96 1,318.23 (f) Provision for retirement of Fixed Assets 107.60 (g) Wealth Tax 6.15 5.91 (h) Amount written off 3.79 Add: Overvaluation of closing stock in financial accounts 5 Add: Undervaluation of opening stock in financial accounts Less: Undervaluation of closing stock in financial accounts Less: Overvaluation of opening stock in financial accounts Adjustments for others, if any (specify) 8 9 Profit or Loss as per Financial Accounts (PBT) 3,608.41 12,477.28





ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

8. VALUE ADDITION AND DISTRIBUTION OF EARNINGS (for the company as a whole)

S. No.	Particulars	2012-13	2011-12
	Value Addition :	(₹) in Lakhs	(₹) in Lakhs
25	Revenue from operation(Including E Tax)	6,44,675.27	4,69,545.09
(i)	Less: E Tax	26,768.57	19,021.57
	Sale of Energy	6,17,906.70	4,50,523.52
(ii)	Bulk Sale of Power	61,742.97	77,317.56
(iii)	Other operating Revenues	18,376.73	15,964.80
1	Total Revenue	6,98,026.41	5,43,805.87
2	Add: Export Incentives		
3	Add/Less: Adjustment in Finished Stocks		
4	Less: Cost of bought out inputs		
(a)	Cost of Power Purchased	6,65,823.74	6,56,838.80
(b)	Repair & Maintenance	8,748.10	6,465.09
(c)	Consumption of Stores & Spares	5,575.85	4,875.67
(d)	Lease Rentals	5.95	134.66
(e)	Administration Expenses	8,804.85	7,724.45
(f)	Other Expenses	251.13	1,478.80
	Total Cost of bought out inputs	6,89,209.62	6,77,517.47
7	Value Added	8,816.79	(1,33,711.60)
8	Add: Income from any other sources		
(a)	Other Income	2,529.74	7,534.69
(b)	Income Recoverable through Future Tariff	1,16,654.00	2,49,849.00
9	Earnings available for distribution	1,28,000.52	1,23,672.09
	Distribution of Earnings to:		
1	Employees as salaries & wages, retirement benefits, etc.	29,585.71	28,219.64
2	Shareholders as dividend	*	
3	Government Taxes	2,267.63	1,120.58
4	Interest Charges	70,946.94	58,276.05
5	Depreciation & Amortisation	16,551.50	15,717.35
6	Retained funds	2,099.78	12,134.41
7	Provisions and Written Offs	6,418.36	8,144.36
8	Others	130.60	59.70
9	Total distribution of earnings	1,28,000.52	1,23,672.09

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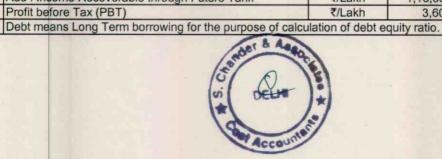
1 Figures are taken from Audited Profit & Loss Account.

2 Retained funds means profit after tax.

3 Previous year's figures have been regrouped/rearranged, wherever considered necessary.



	BSES RAJDHANI PO			
	ANNEXURE TO THE COST AUDIT REPORT I	OR THE FINAN	CIAL YEAR 2012-13	
				up Code 5406
	9. FINANCIAL POSITION AND RATIO ANAL	YSIS (For the		
S. No.	Particulars Particulars	Unit	2012-13	2011-12
A.	Financial Position			
1	Paid-up Capital	₹/Lakh	1,04,000.00	1,04,000.0
2	Reserves & Surplus	₹/Lakh	24,698.78	22,599.0
3	Loans (secured & unsecured)	₹/Lakh	2,44,480.92	2,03,779.4
4	(a) Gross Fixed Assets	₹/Lakh	4,50,861.64	4,33,422.8
	(b) Net Fixed Assets	₹/Lakh	2,80,232.79	2,74,804.1
5	(a) Total Current Assets	₹/Lakh	1,32,401.56	1,43,771.7
	(b) Less: Current Liabilities & Provisions	₹/Lakh	4,81,772.82	4,03,517.8
	(c) Net Current Assets	₹/Lakh	(3,49,371.26)	(2,59,746.06
6	Capital Employed	₹/Lakh	(24,325.87)	86,462.0
7	Net Worth	₹/Lakh	1,63,794.76	1,56,637.5
В.	Financial Performance			
1	Cost of Production	₹/Lakh	NA	N
2	Cost of Sales	₹/Lakh	8,11,071.99	7,81,177.5
3	Net Sales	₹/Lakh	6,98,026.41	5,43,805.8
4	Value Added	₹/Lakh	8,816.79	(1,33,711.60
5	*Profit before Tax (PBT)	₹/Lakh	3,608.41	12,477.2
C.	Profitability Ratios			
1	PBT to Capital Employed (B5/A6)	%	(14.83)	14.4
2	PBT to Net Worth (B5/A7)	%	2.20	7.9
3	PBT to Net Sales (B5/B3)	%	0.52	2.2
4	PBT to Value Added (B5/B4)	%	40.93	(9.33
D.	Other Financial Ratios			
1	Debt-Equity Ratio	%	148.21	130.0
2	Current Assets to Current Liabilities	%	27.48	35.6
3	Valued Added to Net Sales	%	1.26	(24.5)
E.	Working Capital Ratios			
1	Net Working Capital to Cost of Sales excl. depreciation	Months	(5.28)	(4.0)
2	Raw Materials Stock to Consumption	Months	NA NA	(4.0 N
3	Stores & Spares to Consumption	Months	24.88	31.2
4	Work-in-Progress Stock to Cost of Production	Months	NA NA	N N
5	Finished Goods Stock to Cost of Sales	Months	NA	N
3	IT IT IT IS THE GOODS STOCK TO COST OF SAIRS	I WOTHIS	INA	19
lotes:				
2000				
1	Figures are taken from Audited Balance Sheet and Profit			
2	Gross Fixed Assets are taken as average Gross Block of the year.	the Tangible As	sets at the beginning	and at the end of
3	Net Fixed Assets are taken as average Net Block of the T year.	angible Assets	at the beginning and	at the end of the
4	Current Assets excludes current investments.			
5	Current Liabilities excludes short term borrowings.			
	Capital employed is average of net fixed assets (excluding	g intangible ass	ets and capital work-	in-progress) plus
6	net current assets existing at the beginning and close of the			p. 23. 223) p. 23
	Net Worth means share capital plus reserves and surplus			orks service line
7	deposits, grant-in-aid less intangible assets.	, consumer con	unbation for capital w	orks, service inte
8		como		-
9	Cost of Sales is calculated as total expenses less other in	come.		
9	* Profit before Tax (PBT) is calculated as under :	₹ // -1-b	0.00.000.44	F 40 00F 0
	Net Sales	₹/Lakh	6,98,026.41	5,43,805.87



₹/Lakh

₹/Lakh

8,11,071.99

1,16,654.00

3,608.41

7,81,177.59

2,49,849.00

12,477.28

Less: Cost of Sales

10

Add : Income Recoverable through Future Tariff

ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

							Activity G		
			10. RELATED	PARTY TRANSACTIONS					
	AND THE PROPERTY OF THE PARTY O		(for the c	ompany as a whole)					
s lo.	Name & Address* of the Related Party	CIN Number	Name of the Product / Service Group	Nature of Transaction	Quantity (In MU's)	Transfer Price/ Unit	Total Value (Rs. in Lakhs)	Normal Value /Unit	Method*
1	Reliance Energy Trading Limited	U40109MH2003PLC141376	Power Related	Sale of Power - Banking	20.22	3.75	757.52	3.75	C.U.P. Meth
2				Purchase of Power- Banking	8.52	4.04	344.21	4.04	
	Reliance Energy Trading Limited	U40109MH2003PLC141376	Day of Delated	Trading Margin - IEX Purchase	53.94	0.02	10.52	0.02	
			Power Related	Trading Margin - IEX Sale	627.23	0.02	119.17	0.02	
				Open access & other charges	-		48.22	- 4	
3	BSES Yamuna Power Limited	U74899DL2001PLC111525	Power Related	Sale of power	0.07	4.33	3.17	4.33	C.U.P. Meth
4	BSES Yamuna Power Limited	U74899DL2001PLC111525	Power Related	Purchase of power	36.91	4.22	1,556.07	4.22	C.U.P. Meti
5	BSES Yamuna Power Limited	U74899DL2001PLC111525	Capital Goods Related	Purchase of other capital goods			29.80		C.U.P. Meth
6	BSES Yamuna Power Limited	U74899DL2001PLC111525	Capital Goods Related	Sale of Capital Goods			113.29		C.U.P. Met
7	BSES Yamuna Power Limited	U74899DL2001PLC111525	Services Related	Services given	-		255.96		C.U.P. Met
8	Reliance Infrastructure Limited	L99999MH1929PLC001530	Services Related	Services received	-		44.62		C.U.P. Met
9	Reliance Communications Infrastructure Limited	U64203MH1997PLC166329	Services Related	Services received		-	352.98		C.U.P. Met
10	Company Limited	U66603MH2000PLC128300	Services Related	Services received		-	332.67	+	C.U.P. Met
11	Reliance Life Insurance Company Limited	U66010MH2001PLC167089	Services Related	Services received			61.52	141	C.U.P. Meti
ppi	licable rate provided by DERC. When	ever applicable facilitation fee is lin	ked to trading margin	levels specified by CERC.					
2									
	gin charged on IEX transactions done	through RETL is as per terms and	conditions at which F	RETL charges to other customers.					
3									
pe									
egi	n access payments are reimburseme ulations.	int of the transmission charges pai	d by traders to transmi	ssion agencies (Central Transmissi	ion Utility (CTU)	& State Tran	smission Utility (STL	l)) as per C	ERC/DERC
4	ulations.			ssion agencies (Central Transmissi	ion Utility (CTU)	& State Tran	smission Utility (STL	l)) as per C	ERC/DERC
4	ulations.			ssion agencies (Central Transmissi	ion Utility (CTU)	& State Tran	smission Utility (STU	J)) as per C	ERC/DERC
4	ulations.			ssion agencies (Central Transmissi	ion Utility (CTU)	& State Tran	smission Utility (STU	J)) as per C	ERC/DERC
4	ulations. Transactions relating to relatin			ssion agencies (Central Transmissi	ion Utility (CTU)	& State Tran	smission Utility (STU	l)) as per C	ERC/DERC
4	ulations. Transactions relating to relatin	ated parties have been provided by		ssion agencies (Central Transmission agencies (Central Trans	Reliance Ger Insurance Co	neral	smission Utility (STU		

** C.U.P. Method means Comparable Uncontrolled Price Method.



ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

614.95

8.75

(₹) in Lakhs

18.45

11. RECONCILIATION OF INDIRECT TAXES - Service Tax for the company as a whole

	Particulars	Assessable Value	Excise Duty	Service Tax	Cess & Others
Total Clearances			-		-
Domestic					-
Export			-		-
Stock Transfers (N	let)				
Others, if any**		5,125.91		614.95	18.45
Total		5,125.91		614.95	18.45
Duties/Taxes Paya	ble		-	614.95	18.45
Duties/Taxes Paid			-		
Cenvat/VAT Credit	Utilised - Inputs			-	
Cenvat/VAT Credit	Utilised - Capital Goods		-		
* Cenvat/VAT Cred	dit Utilised - Input Services		-	87.50	2.62
Cenvat/VAT Credit	Utilised - Others		-	-	
Total				87.50	2.62
Paid through PLA/	Cash		-	527.46	15.82

Notes:

Total Duties/Taxes Paid Duties/Taxes Recovered

Interest/Penalty/Fines Paid

* Details of Cenvat/VAT Credit Utilised - Input Services :

Difference between Duties/Taxes Paid and Recovered

Particulars	(₹) in Lakhs
Input Services	
Opening Balance	0.48
Add : Availed during the year	0.48 89.71
Total Credit Available	90.19
Less : Utilised during the year	90.12
Closing Balance	0.06

	(₹) in Lakhs			
** Particulars	Assessable Value	Service Tax		
As Service Provider (A)	3,095.94	382.50		
As Service Receiver (B)	2,029.97	250.90		
Total(A)+(B)	5,125.91	633.40		

The Assessable Value is inclusive of value provided as Service Provider and our share of value of service received as Service Recipient for which Reverse Charge is paid by the Company.



ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13

Activity Group Code 5406

(₹) in Lakhs

11. RECONCILIATION OF INDIRECT TAXES

VAT & CST for the company as a whole

Particulars	Assessable Value	VAT & CST	Cess & Others
Total Clearances	*		
Domestic	-	-	
Export	-		
Stock Transfers (Net)			
Sale of Scrap	1,241.52	61.79	
Total	1,241.52	61.79	
Duties/Taxes Payable		61.79	
Duties/Taxes Paid :			
Cenvat/VAT Credit Utilised - Inputs			
Cenvat/VAT Credit Utilised - Capital Goods			
Cenvat/VAT Credit Utilised - Input Services	/ €	*	
Cenvat/VAT Credit Utilised - Others			
Total			No. of the second
Paid through PLA/Cash		61.79	
Total Duties/Taxes Paid		61.79	
Duties/Taxes Recovered		*	
Difference between Duties/Taxes Paid and Recovered			
Interest/Penalty/Fines Paid			

Notes:

1. VAT paid & payable :

Amount (₹) in lakhs
44.38
19.96
7.78
56.56

2. CST paid & payable :

Reconcilation of CST paid and payable :	Amount (₹) in lakhs
CST paid through PLA	4.77
Add: CST paid on 05.04.2013 of the month of March 2013	1.07
Less : CST paid for the month of March 2012	0.62
Total CST payable for the year	5.23

For S.Chander & Associates

legistration No. 100105

Satish Chander

Shri Alok K Roy (Director)

DIN Number: 01952393

Shri Harish Dewan (Company Secretary)

Membership Number: 4846