

BSES RAJDHANI POWER LTD.

**BSES BHAWAN, NEHRU PLACE
NEW DELHI-110019**

COST AUDIT REPORT

FINANCIAL YEAR 2012-13



॥ श्री गणेशाय नमः ॥

CMA

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.



- i) 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

I	GENERAL INFORMATION :	
1	CIN or GLN of the Company :	U74899DL2001PLC111527
2	Name of the Company :	BSES Rajdhani Power Limited
3	Registered office address :	BSES Bhawan, Nehru Place, New Delhi-110019
4	Corporate office address :	BSES Bhawan, Nehru Place, New Delhi-110019
5	E-mail address of the Company :	Harish.dewan@relianceada.com
6	Company's financial year to which the Cost Audit Report relates :	2012-13
7	Details of Cost Auditor(s)	
(i)	Name	M/s S.Chander & Associates, Cost Accountants
(ii)	Address	212 (II nd Floor), Sarai Pipal Thala, G.T.Karnal Road, Adarsh Nagar, Delhi-110033
(iii)	Membership number	9455
(iv)	E-mail address	schander_55@yahoo.com
8	SRN Number and date of filing of FORM 23C with the Central Government	S08722928 Date 30/05/2012
9	Date on which Annexures to the Cost Audit Report were approved by Circular Resolution	16.09.2013
10	No. of Audit Committee meetings held by the company, and attended by the Cost Auditor during the year	4 meetings were held & none of these was attended.




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BSES RAJDHANI POWER LIMITED

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

2 Cost Accounting Policy :

1	<p>Briefly describe the cost accounting Policy adopted by the Company keeping in view the requirements of the Companies (Cost Accounting Records) Rules, 2011, the Companies (Cost Audit Report) Rules, 2011, cost accounting standards and its adequacy otherwise to determine correctly the cost of production/operation, cost of sales, sales realization and margin of the product/activity groups under reference separately for each product/activity group. The policy should cover, inter alia, the following areas :</p>	<ul style="list-style-type: none">- The Company's accounts are maintained in SAP - ERP.- The cost centres are well designed & cost is collected under these cost centres. The basis of collection is identification of cost with respect to them and cost of common cost centres is further apportioned to cost centres on appropriate basis.- The Company is controlling its operations through 19 Divisions based on their territorial locations.																																									
a)	Identification of cost centres/cost objects and cost drivers.	Cost centres have been created with reference to the Divisions and their functionality domain. They have been identified properly & these are inbuilt within the system itself.																																									
b)	Accounting for material cost including packing materials, stores and spares etc., employee cost, utilities and other relevant cost components.	<p>1. Cost of consumable stores, Repair & Maintenance, Employee Related Expenses, Lease Rent, Meter Reading Expenses & Other expenses are directly booked to Cost centre.</p> <p>2. Cost collected under common cost centres are further apportioned to operational cost centres i.e. Divisions on appropriate basis.</p> <p>3. Insurance expenses are booked to common cost centres and are further apportioned to operational cost centres i.e. Divisions on the following basis :</p> <table><thead><tr><th>Description of Insurance Expenses</th><th>Basis of Apportionment</th></tr></thead><tbody><tr><td>(i) Fixed Assets</td><td>Gross Block of assets</td></tr><tr><td>(ii) Medical</td><td>Total salary</td></tr><tr><td>(iii) Stock</td><td>Total consumable stores</td></tr><tr><td>(iv) Other</td><td>Sales of Units</td></tr></tbody></table>	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																															
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c)	Accounting, allocation and absorption of overheads	<p>1. Accounting of Overheads : Following expenses are treated as overheads, i.e. other, admin & selling.</p> <table><thead><tr><th>Description of Overheads</th><th>Expenses</th></tr></thead><tbody><tr><td>(i) Other overheads</td><td>Inspection Fees</td></tr><tr><td rowspan="14">(ii) Administration Overheads</td><td>House Keeping Charges</td></tr><tr><td>Legal Claims</td></tr><tr><td>Licence Fees</td></tr><tr><td>Lodging and Boarding</td></tr><tr><td>Postage and Telegram</td></tr><tr><td>Printing and Stationary</td></tr><tr><td>Professional Charges</td></tr><tr><td>Rent, Rates and Taxes</td></tr><tr><td>Security Expenses</td></tr><tr><td>Statutory Auditors' Expenses</td></tr><tr><td>Vehicle & Equipment Hire Charges</td></tr><tr><td>Vehicle Running Expenses</td></tr><tr><td>Sundry Expenses</td></tr><tr><td>Advertisement Expenses</td></tr><tr><td rowspan="2">(iii) Selling overheads</td><td>Sales Promotion Expenses</td></tr><tr><td>Call centre Expenses</td></tr></tbody></table> <p>2(a). Most of the expenses are directly booked under cost centres & are collected as overheads.</p> <p>2(b). Overheads collected under common cost centres are apportioned to operational cost centres i.e. Divisions on appropriate basis.</p> <p>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.</p>	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																			
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d)	Accounting for Depreciation/Amortization	<p>1. Cost of depreciation is directly booked to cost centres & cost collected under common cost centres is further apportioned to operational cost centres i.e. Divisions on appropriate basis.</p> <p>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.</p> <table><thead><tr><th rowspan="2">Description of Depreciable Asset</th><th colspan="2">Basis of Apportionment</th></tr><tr><th>Distribution</th><th>Consumer servicing & billing</th></tr></thead><tbody><tr><td>Transformers +100KVA</td><td>100%</td><td>-</td></tr><tr><td>Transformers -100KVA</td><td>100%</td><td>-</td></tr><tr><td>Switchgear</td><td>100%</td><td>-</td></tr><tr><td>Lightning Arrestor</td><td>100%</td><td>-</td></tr><tr><td>Batteries</td><td>100%</td><td>-</td></tr><tr><td>Underground Cables</td><td>100%</td><td>-</td></tr><tr><td>Overhead Lines</td><td>100%</td><td>-</td></tr><tr><td>Temporary Structures</td><td>100%</td><td>-</td></tr><tr><td>Pucca Roads</td><td>100%</td><td>-</td></tr><tr><td>Fault Locating Equipments</td><td>100%</td><td>-</td></tr><tr><td>Misc. Equipments</td><td>100%</td><td>-</td></tr><tr><td>Energy Meters</td><td>-</td><td>100%</td></tr></tbody></table> <p>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 cost.</p> <ol style="list-style-type: none">1. Vehicles2. Furniture & Fixtures3. Office Equipments4. Motors/Pumps etc5. Offices & Show rooms6. Computers7. Communication Equipments	Description of Depreciable Asset	Basis of Apportionment		Distribution	Consumer servicing & billing	Transformers +100KVA	100%	-	Transformers -100KVA	100%	-	Switchgear	100%	-	Lightning Arrestor	100%	-	Batteries	100%	-	Underground Cables	100%	-	Overhead Lines	100%	-	Temporary Structures	100%	-	Pucca Roads	100%	-	Fault Locating Equipments	100%	-	Misc. Equipments	100%	-	Energy Meters	-	100%
Description of Depreciable Asset	Basis of Apportionment																																										
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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 2. Recoveries from employees 3. Penalty received from contractors etc.
f)	Accounting for Interest and Finance Charges, etc.	Interest and Finance Charges are directly allocated to activities.
g)	Accounting for Sale of Power.	2. Income from operation consists of : 1. Income from Sale of Energy 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 Party 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 (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.
l)	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.



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BSES RAJDHANI POWER LIMITED

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

Activity Group Code 5406

3. ACTIVITY GROUP DETAILS (for the company as a whole)

S No.	Name of each Activity Group	Names of Activities included in the Activity Group	Net Sales (net of taxes) (₹) in Lakhs		Covered under Cost Audit (Yes/No)
			2012-13	2011-12	
A	Manufactured Product Groups				
1		NA	NA	NA	NA
2		NA	NA	NA	NA
3		NA	NA	NA	NA
4		NA	NA	NA	NA
	Sub-Total (A)	NA	NA	NA	NA
B	Service Groups				
1		NA	NA	NA	NA
2		NA	NA	NA	NA
3		NA	NA	NA	NA
4		NA	NA	NA	NA
	Sub-Total (B)	NA	NA	NA	NA
C	Trading Activities (Activity Group-wise)				
C(i)	Income from Operations (Energy)				
1	Sale of Energy (Net of Taxes)	Distribution of Electricity	6,17,906.70	4,50,523.52	Yes
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)				
1	Service Line Deposits & Development Charges	Distribution of Electricity	3,741.24	3,400.81	Yes
2	Delayed payment charges (LPSC)	Distribution of Electricity	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
5	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))		18,376.73	15,964.80	
C	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	551.92	26.12	NA
5	Income on Sale of Material	Miscellaneous	-	26.22	NA
6	Excess Provisions written back	Miscellaneous	254.52	803.50	NA
7	Profit on sale of Fixed Assets	Miscellaneous	33.98	0.45	NA
8	Other Miscellaneous Income	Miscellaneous	819.10	5,943.85	NA
9	Income Recoverable through Future Tariff	Miscellaneous	1,16,654.00	2,49,849.00	NA
	Sub-Total (D)		1,19,183.74	2,57,383.69	
E	Total Income as per Audited Annual Report (A+B+C+D)		8,17,210.14	8,01,189.56	

Notes :

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



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BSES RAJDHANI POWER LIMITED

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

Financial Year : 2012-13

S. No.	Particulars	2012-13 Units (In MU)	2011-12 Units (In MU)
1	Available Capacity		
(a)	Installed Capacity	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 :

- 1 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.

2	Particulars	2012-13 Units (In MU)	2011-12 Units (In MU)
	Total purchases of energy	13,621.65	13,850.84
	Less : Bulk sale to out side parties	1,867.31	2,393.38
	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	2,009.12
	Energy supplied to consumers	9,256.17	8,893.08

3	Particulars	2012-13 Units (In MUs)	2011-12 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



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BSES RAJDHANI POWER LIMITED

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. No.	Particulars	Units(MU)	Rate (₹)	Amount (₹) in lakhs		Rate per unit Sold in (₹)	
				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	-	-	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	-	-	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	-	-	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.

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

2	Particulars	2012-13		2011-12	
		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 lakhs for the FY 12-13 and Rs. 5093.71 lakhs for the FY 11-12.



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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
Ratio 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



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BSES RAJDHANI POWER LIMITED			
ANNEXURE TO THE COST AUDIT REPORT FOR THE FINANCIAL YEAR 2012-13			
		Activity Group Code 5406	
7. PROFIT RECONCILIATION			
(for the company as a whole)			
S no.	Particulars	2012-13	2011-12
		(₹) in lakhs	(₹) in lakhs
1	Profit or Loss as per Cost Accounting Records	(1,07,996.50)	(2,30,693.18)
(a)	For the audited product groups	(1,07,996.50)	(2,30,693.18)
(b)	For the un-audited product groups	-	-
2	Add: Incomes not considered in cost accounts	1,18,029.42	2,51,320.73
(a)	Excess provision written back	254.52	803.50
(b)	Profit on sale of Fixed Asset	33.98	0.45
(c)	Consultancy Income	551.92	-
(d)	Bad debts recovered	535.01	667.79
(e)	Income recoverable from future tariff	1,16,654.00	2,49,849.00
3	Less: Expenses not considered in cost accounts	6,424.51	8,150.27
(a)	Provision for doubtful debts	5,572.34	6,595.33
(b)	Provision for doubtful advances	356.25	-
(c)	Loss on foreign exchange	18.79	1.44
(d)	Loss in discarding assets	257.62	229.36
(e)	Provision for write off of non moving inventory	101.96	-
(f)	Provision for retirement of Fixed Assets	107.60	1,318.23
(g)	Wealth Tax	6.15	5.91
(h)	Amount written off	3.79	-
4	Add: Overvaluation of closing stock in financial accounts	-	-
5	Add: Undervaluation of opening stock in financial accounts	-	-
6	Less: Undervaluation of closing stock in financial accounts	-	-
7	Less: Overvaluation of opening stock in financial accounts	-	-
8	Adjustments for others, if any (specify)	-	-
9	Profit or Loss as per Financial Accounts (PBT)	3,608.41	12,477.28



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BSES RAJDHANI POWER LIMITED

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
	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

Notes :

- Figures are taken from Audited Profit & Loss Account.
- Retained funds means profit after tax.
- Previous year's figures have been regrouped/rearranged, wherever considered necessary.



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BSES RAJDHANI POWER LIMITED

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

Activity Group Code 5406

9. FINANCIAL POSITION AND RATIO ANALYSIS (For the Company as a whole)

S. No.	Particulars	Unit	2012-13	2011-12
A.	Financial Position			
1	Paid-up Capital	₹/Lakh	1,04,000.00	1,04,000.00
2	Reserves & Surplus	₹/Lakh	24,698.78	22,599.00
3	Loans (secured & unsecured)	₹/Lakh	2,44,480.92	2,03,779.48
4	(a) Gross Fixed Assets	₹/Lakh	4,50,861.64	4,33,422.82
	(b) Net Fixed Assets	₹/Lakh	2,80,232.79	2,74,804.16
5	(a) Total Current Assets	₹/Lakh	1,32,401.56	1,43,771.78
	(b) Less: Current Liabilities & Provisions	₹/Lakh	4,81,772.82	4,03,517.84
	(c) Net Current Assets	₹/Lakh	(3,49,371.26)	(2,59,746.06)
6	Capital Employed	₹/Lakh	(24,325.87)	86,462.05
7	Net Worth	₹/Lakh	1,63,794.76	1,56,637.53
B.	Financial Performance			
1	Cost of Production	₹/Lakh	NA	NA
2	Cost of Sales	₹/Lakh	8,11,071.99	7,81,177.59
3	Net Sales	₹/Lakh	6,98,026.41	5,43,805.87
4	Value Added	₹/Lakh	8,816.79	(1,33,711.60)
5	*Profit before Tax (PBT)	₹/Lakh	3,608.41	12,477.28
C.	Profitability Ratios			
1	PBT to Capital Employed (B5/A6)	%	(14.83)	14.43
2	PBT to Net Worth (B5/A7)	%	2.20	7.97
3	PBT to Net Sales (B5/B3)	%	0.52	2.29
4	PBT to Value Added (B5/B4)	%	40.93	(9.33)
D.	Other Financial Ratios			
1	Debt-Equity Ratio	%	148.21	130.02
2	Current Assets to Current Liabilities	%	27.48	35.63
3	Value Added to Net Sales	%	1.26	(24.59)
E.	Working Capital Ratios			
1	Net Working Capital to Cost of Sales excl. depreciation	Months	(5.28)	(4.07)
2	Raw Materials Stock to Consumption	Months	NA	NA
3	Stores & Spares to Consumption	Months	24.88	31.22
4	Work-in-Progress Stock to Cost of Production	Months	NA	NA
5	Finished Goods Stock to Cost of Sales	Months	NA	NA

Notes:

1	Figures are taken from Audited Balance Sheet and Profit & Loss Account.			
2	Gross Fixed Assets are taken as average Gross Block of the Tangible Assets at the beginning and at the end of the year.			
3	Net Fixed Assets are taken as average Net Block of the Tangible Assets at the beginning and at the end of the year.			
4	Current Assets excludes current investments.			
5	Current Liabilities excludes short term borrowings.			
6	Capital employed is average of net fixed assets (excluding intangible assets and capital work-in-progress) plus net current assets existing at the beginning and close of the financial year.			
7	Net Worth means share capital plus reserves and surplus, consumer contribution for capital works, service line deposits, grant-in-aid less intangible assets.			
8	Cost of Sales is calculated as total expenses less other income.			
9	* Profit before Tax (PBT) is calculated as under :			
	Net Sales	₹/Lakh	6,98,026.41	5,43,805.87
	Less : Cost of Sales	₹/Lakh	8,11,071.99	7,81,177.59
	Add : Income Recoverable through Future Tariff	₹/Lakh	1,16,654.00	2,49,849.00
	Profit before Tax (PBT)	₹/Lakh	3,608.41	12,477.28
10	Debt means Long Term borrowing for the purpose of calculation of debt equity ratio.			



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BSES RAJDHANI POWER LIMITED

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

Activity Group Code 5406

**10. RELATED PARTY TRANSACTIONS
(for the company as a whole)**

S No.	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. Method
2	Reliance Energy Trading Limited	U40109MH2003PLC141376	Power Related	Purchase of Power- Banking	8.52	4.04	344.21	4.04	C.U.P. Method
				Trading Margin - IEX Purchase	53.94	0.02	10.52	0.02	
				Trading Margin - IEX Sale	627.23	0.02	119.17	0.02	
				Open access & other charges	-	-	48.22	-	
3	BSES Yamuna Power Limited	U74899DL2001PLC111525	Power Related	Sale of power	0.07	4.33	3.17	4.33	C.U.P. Method
4	BSES Yamuna Power Limited	U74899DL2001PLC111525	Power Related	Purchase of power	36.91	4.22	1,556.07	4.22	C.U.P. Method
5	BSES Yamuna Power Limited	U74899DL2001PLC111525	Capital Goods Related	Purchase of other capital goods	-	-	29.80	-	C.U.P. Method
6	BSES Yamuna Power Limited	U74899DL2001PLC111525	Capital Goods Related	Sale of Capital Goods	-	-	113.29	-	C.U.P. Method
7	BSES Yamuna Power Limited	U74899DL2001PLC111525	Services Related	Services given	-	-	255.96	-	C.U.P. Method
8	Reliance Infrastructure Limited	L99999MH1929PLC001530	Services Related	Services received	-	-	44.62	-	C.U.P. Method
9	Reliance Communications Infrastructure Limited	U64203MH1997PLC166329	Services Related	Services received	-	-	352.98	-	C.U.P. Method
10	Reliance General Insurance Company Limited	U66603MH2000PLC128300	Services Related	Services received	-	-	332.67	-	C.U.P. Method
11	Reliance Life Insurance Company Limited	U66010MH2001PLC167089	Services Related	Services received	-	-	61.52	-	C.U.P. Method

Notes :

- The company takes and returns back power under the banking arrangements and accounts for the same as power purchase and sales of power in the books of accounts at Rs. 4.00 per unit, being the applicable rate provided by DERC. Wherever applicable facilitation fee is linked to trading margin levels specified by CERC.
- Margin charged on IEX transactions done through RETL is as per terms and conditions at which RETL charges to other customers.
- Open access payments are reimbursement of the transmission charges paid by traders to transmission agencies (Central Transmission Utility (CTU) & State Transmission Utility (STU)) as per CERC/DERC Regulations.
- Information of transactions relating to related parties have been provided by the management.

*** Address of the Related Parties :**

Reliance Energy Trading Limited	BSES Yamuna Power Limited	Reliance Infrastructure Limited	Reliance Communications Infrastructure Limited	Reliance General Insurance Company Limited	Reliance Life Insurance Company Limited
H Block, 1st Floor, DHIRUBHAI AMBANI Knowledge City Navi Mumbai Maharashtra-400710 INDIA	Shakti Kiran Building Karkardooma Delhi 10092 INDIA	H Block 1st floor, DHIRUBHAI AMBANI Knowledge City Navi Mumbai Maharashtra-400710 INDIA	H Block 1st floor, DHIRUBHAI AMBANI Knowledge City Navi Mumbai Maharashtra-400710 INDIA	RELIANCE CENTRE 19, Walchan and Hirachand Marg, Ballard Estate Mumbai, Maharashtra-400001 INDIA	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Kopar Khaima Navi Mumbai Maharashtra-400710 INDIA

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



BSES RAJDHANI POWER LIMITED

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

Activity Group Code 5406

(₹) in Lakhs

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 (Net)	-	-	-	-
Others, if any**	5,125.91	-	614.95	18.45
Total	5,125.91	-	614.95	18.45
Duties/Taxes Payable	-	-	614.95	18.45
Duties/Taxes Paid	-	-	-	-
Cenvat/VAT Credit Utilised - Inputs	-	-	-	-
Cenvat/VAT Credit Utilised - Capital Goods	-	-	-	-
* Cenvat/VAT Credit 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
Total Duties/Taxes Paid	-	-	614.95	18.45
Duties/Taxes Recovered	-	-	-	-
Difference between Duties/Taxes Paid and Recovered	-	-	-	-
Interest/Penalty/Fines Paid	-	-	8.75	-

Notes :

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

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

** Particulars	(₹) in Lakhs	
	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.



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BSES RAJDHANI POWER LIMITED

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	-	-	-
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 :**

Reconciliation of VAT paid and payable :	Amount (₹) in lakhs
VAT paid through PLA	44.38
Add : VAT paid on 05.04.2013 of the month of March 2013	19.96
Less : VAT paid for the month of March 2012	7.78
Total VAT payable for the year	56.56

2. CST paid & payable :

Reconciliation 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
Cost Accountants
Firm Registration No. 100105

Satish Chander
Date : 26.09.2013
Place : Delhi

Shri Alok K Roy
(Director)
DIN Number : 01952393

Shri Harish Dewan
(Company Secretary)
Membership Number : 4846