

**INDIA POWER CORPORATION LIMITED**

CIN: L40105WB1919PLC003263

[formerly DPSC Limited]

Registered Office: Plot No. X 1, 2&3, Block-EP, Sector –V, Salt Lake City, Kolkata – 700 091

Tel.: + 91 33 6609 4308/09/10, Fax: + 91 33 2357 2452

E: corporate@indiapower.com | W: www.indiapower.com

## Notice of 94th Annual General Meeting

NOTICE is hereby given that the **Ninety Fourth Annual General Meeting** of the Members of India Power Corporation Limited (Formerly known as DPSC Limited) will be held at its Registered Office, Plot X 1, 2 & 3, Block EP, Sector – V, Salt Lake City, Kolkata –700 091 on **Saturday, the 13th Day of September, 2014 at 11.00 a.m.** to transact the following business: -

### Ordinary Business

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the financial year ended 31st March, 2014, the Balance Sheet as on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the Equity shares of the Company for the year ended 31st March, 2014.
3. To appoint a Director in place of Shri Hemant Kanoria (holding DIN 00193015) who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Lodha & Co., Chartered Accountants, having Registration no. 301051E allotted by the Institute of Chartered Accountants of India, the retiring auditors of the Company, be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till

the conclusion of the Ninety Ninth AGM of the Company to be held in the year 2019 (subject to ratification of appointment at every AGM), on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors plus reimbursement of service tax, travelling and out-of-pocket expenses.”

### Special Business

5. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of Listing Agreement with the Stock Exchange(s), Shri Amit Kiran Deb (holding DIN 02107792), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending on 31st March, 2019.”

6. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of Listing Agreement with the Stock Exchange(s), Shri Debi Prasad Patra (holding DIN 00067269), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending on 31st March, 2019.”

7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of Listing Agreement with the Stock Exchange(s), Shri Jyoti Kumar Poddar (holding DIN 00690650), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending on 31st March, 2019.”

8. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of Listing Agreement with the Stock Exchange(s), Shri Sunirmal Talukdar (holding DIN 00920608), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending on 31st March, 2019.”

9. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of Listing Agreement with the Stock Exchange(s), Shri Tantra Narayan Thakur (holding DIN 00024322), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending on 31st March, 2019.”

10. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and the applicable provisions of Listing Agreement with the Stock Exchange(s), Shri Nand Gopal Khaitan (holding DIN 00020588), Director of the Company whose period of office is liable to determination by retirement of Directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years ending on 31st March, 2019.”

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and provisions of amended Listing Agreement with Stock Exchange(s), and

subject to any approvals, permissions or sanctions, as may be required, approval of the Company, be and is hereby accorded for payment of commission not exceeding 1 (one) percent per annum of the net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, to be distributed amongst the directors other than the managing director or whole-time director(s) in such proportion / manner as may be determined by the Board of Directors from time to time provided that the total of such commission shall not exceed 1% of the net profits of the Company in any financial year.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to fee payable to the director(s) for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings.

12. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the Resolution passed by the Members of the Company at the Annual General Meeting of the Company held on 26th September, 2007 and pursuant to Section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 (corresponding to Section 293(1)(d) of the Companies Act 1956) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to borrow any sum or sums of money from time to time, for the purpose of the Company on such terms and conditions and with or without security as the Board of Directors may in its discretion think fit, notwithstanding that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's Banker in the ordinary course of Business) may exceed the aggregate paid up share capital of the Company and its free reserves provided however that the total borrowings outstanding at any one time including the

monies already borrowed shall not exceed a sum of Rs. 3,000 Crore (Rupees Three Thousand Crore Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or requisite."

13. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** in supersession of the Resolution passed by the Members of the Company at the Annual General Meeting of the Company held on 26th September, 2007 and pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 (corresponding to Section 293(1)(a) of the Companies Act 1956) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee thereof) to create mortgage/hypothecation and/or charge in addition to the existing mortgages/charges/hypothecations created/to be created by the Company in such form and manner and with such ranking and on such terms as the Board may determine on all or any of the movable and/or immovable properties, both present and future or substantially the whole of the undertaking(s) or the undertaking(s) of the Company for securing any loan / credit facility obtained or as may be obtained from any lender, financial institution or person or persons from time to time together with interest, costs, charges, expenses and any other money payable by the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to finalise, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may, in its absolute discretion deem necessary, proper or requisite."

14. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a **Ordinary Resolution**:

**"RESOLVED THAT** subject to such guidelines and approval as may be required from the Central Government, the reappointment of M/s. Mani & Co., Cost Accountants, having Registration No. 000004 as Cost Auditors to audit the cost records maintained by the Company in respect

of Electricity Industry for the Financial Year 2014-15 at a remuneration of Rs.75,000/- (Rupees Seventy Five Thousand only) plus Service Tax as applicable, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and is hereby authorised to take such actions as may be necessary for implementing the above resolution."

**Registered Office:**

Plot X1, 2 & 3, Block – EP, Sector – V,  
Salt Lake City, Kolkata –700 091.

Dated: 24th May, 2014

By Order of the Board  
**India Power Corporation Ltd**  
**Saikat Bardhan**  
*Secretary*

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A person can act as Proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten (10) percent of the total share capital of the Company carrying voting rights. However, a Member holding more than ten (10) per cent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member.

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

2. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.

3. The Statement pursuant to Section 102 of the Companies Act, 2013 and Clause 49 of the Listing Agreement is annexed hereto and forms part of this Notice.

4. Electronic copy of the Notice of the Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the Members whose email addresses are registered with the Company's Registrar and Share Transfer Agents/Depository Participants for communication purposes, unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, hard copies of the Notice of the Meeting of the Company, inter alia indicating the process and manner of e-voting along with the Attendance Slip and Proxy Form is being sent.

5. If any resolution at the meeting is put to vote on a poll, each equity shareholder shall be entitled to one vote for every equity share held.

6. The Register of Members and Share Transfer Books of the Company will remain closed from **10th September, 2014 to 13th September, 2014 (both days inclusive)**.

7. If the dividend on the equity shares as recommended by the Board of Directors be approved at the meeting, payment of such dividend will be made on and after 17th September, 2014 to those members whose names will appear on the Company's Register of Members as on 10th September, 2014 and/or the Register of beneficial owners maintained by the Depositories as on the close of the aforesaid date.

8. The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends through Electronic Clearing Service (ECS) to the investors wherever ECS and Bank details are available. In the absence of ECS facility, the Company is required to print the Bank account details, if available, on payment instruments for distribution of dividend and /or cash benefits etc. to the shareholders. The Company is complying with SEBI's directive in this regard. If you are holding shares in physical form, such details along with a cancelled cheque should be sent to our Registrars to enable us to credit the dividend amount directly to your Bank account.

In case of non availability of MICR No. and IFSC Code, Dividend Warrant will be sent after printing your Bank particulars on it.

9. Members are requested to notify change of address / bank mandate, if any, to the Company or its Registrar and Share Transfer Agents and Members holding shares in Demat mode are also requested to notify change of address, bank details, etc., to their respective Depository Participants (DP). Any such changes effected by the DPs will automatically reflect in the Company's subsequent records.

10. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification for attendance at the Meeting.

11. Members who have not yet encashed their dividend warrants so far for the financial year ended 31st March, 2007 or any subsequent financial years are requested to make their claim to the Registrar and Share Transfer Agents of the Company.

12. Members are informed that pursuant to the Circular issued

by Depositories & Custodian Division, SEBI for appointment of common agency for share registry work, the Company has appointed M/s. C B Management Services (P) Ltd., as Registrar & Share Transfer Agents for both Physical and Demat modes of securities of the Company.

13. Members desirous of obtaining any relevant information as regards the accounts of the Company are requested to write to the Company at least 7 (seven) days prior to the date of the Meeting so as to enable the Company to keep the information ready.

14. All the documents referred to in the accompanying notice and the explanatory statement shall be open for inspection, during normal business hours on any working day, at the Registered Office of the Company upto and including the date of Annual General Meeting.

15. Members, who are still holding shares in physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory Demat mode as per the regulation of SEBI and also to prevent any loss of physical share certificate.

16. Annual Report of the Company has been uploaded on website of the Company : [www.indiapower.com](http://www.indiapower.com)

**17. Voting through electronic means**

In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and the amended Listing Agreement with Stock Exchange(s), the Company is pleased to provide its members facility to exercise their right to vote at the 94th Annual General Meeting (AGM) by electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).

**The e-voting shall be open from 07.09.2014 (10 AM) To 09.09.2014 (6 PM) (both days inclusive).**

S. Sarkar & Associates (Mr. Sandip Sarkar), Company Secretary, holding C. P. No. 9483 has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.

The instructions for e-voting are annexed separately and forms part of this Notice.

The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.indiapower.com](http://www.indiapower.com)

and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

**18. Kindly bring your copy of the Annual Report at the Meeting.**

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**Registered Office:**

Plot X1, 2 & 3, Block – EP, Sector – V,  
Salt Lake City, Kolkata –700 091.

Dated: 24th May, 2014

By Order of the Board  
**India Power Corporation Ltd**  
**Saikat Bardhan**  
Secretary

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 5

Shri Amit Kiran Deb is a Non-Executive Independent Director of the Company. He was inducted on the Board of Company as Non-Executive Independent Director of the Company on 05-02-2010.

Shri Deb is the Chairman of the Audit Committee and member of the Corporate Social Responsibility Committee of the Board of Directors of the Company.

Shri Amit Kiran Deb is a Masters Degree holder in Political Science from Allahabad University, joined the Indian Administrative Service (IAS) in year 1971 and assigned to the West Bengal Cadre. Thereafter, he had served the Government in various crucial departments and handled several portfolios, including assignments like the District Magistrate in Darjeeling and Midnapore, Commissioner-cum-Secretary, Education and Social Welfare Dept., Govt. of Tripura, Joint Secretary, Cabinet Secretariat and Joint Secretary, Department of Electronics and had also represented Government of India in GATT negotiations in services in Geneva. Thereafter, he held several key positions in Government of West Bengal like Special Secretary, Power Department, Principal Secretary, Information and Cultural Affairs Department, Principal Secretary to Chief Minister, West

Bengal, Home Secretary, Government of West Bengal before retiring as Chief Secretary, Government of West Bengal – a post he held for three and a half years. He is a non-executive director of Skipper Limited and Emami Limited.

His area of specialization includes Power business consultancy, business valuation and corporate management. He was involved in administrative job in various fields in the Government of West Bengal.

Shri Deb does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Deb is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, if any, Shri Deb being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Deb fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of

the Company and is independent of the management. Copy of the draft letter for appointment of Shri Deb as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Deb as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Deb as an Independent Director, for the approval by the Members of the Company.

Except Shri Deb, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange(s).

#### **Item No. 6**

Shri Debi Prasad Patra is a Non-Executive Independent Director of the Company. He was inducted on the Board of Company as Non-Executive Independent Director of the Company on 29-01-2010.

Shri Patra is the member of the Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee and the Committee of Directors of the Board of Directors of the Company.

Shri Debi Prasad Patra, IAS (Retd.) holds a Master Degree in Political Science from Delhi University. Shri Patra joined the Indian Administrative Service in 1979 and was assigned to the West Bengal Cadre and thereafter had a distinguished period spanning 24 years in Government wherein he had held several key portfolios including the post of Under Secretary, Home Department, District Magistrate of Darjeeling and South 24 Parganas, Director of Industries, Managing Director, West Bengal Industrial Development Corporation and Secretary, Information Technology. Shri Patra took voluntary retirement from Government services in year 2003 and from then has continued to enrich the Boards of various reputed companies. Shri Patra currently is the Executive Chairman of MCC PTA India Corp. Pvt. Ltd. (MCPI), the leading Japanese FDI in India. He

is also a Non Executive Director of Asia Pacific Infrastructure Enterprises Private Limited, Ascent Infocon Private Limited, Xenolith Technologies Private Limited, SPD Constructions Limited and Industrial Promotion And Investment Corporation of Odisha Limited.

His area of specialization includes Corporate Governance, Power Business Consultancy, Business Valuation and Corporate Management. He was involved in administrative job in various fields in the Government of West Bengal.

Shri Patra does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Patra is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Patra being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Patra fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Patra as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Patra as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Patra as an Independent Director, for the approval by the Members of the Company.

Except Shri Patra, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### Item No. 7

Shri Jyoti Kumar Poddar is a Non-Executive Independent Director of the Company. He was inducted on the Board of Company as Non-Executive Independent Director of the Company on 29-01-2010.

Shri Poddar is the member of Audit Committee, Nomination & Remuneration Committee, Shareholders'/ Investors' Grievance and Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors of the Board of the Company.

Shri Jyoti Poddar is a commerce graduate having rich experience of more than 25 years as an industrialist with interests in multifarious sectors like tea gardens, real estate and power. Shri Poddar has handled the entire Indian & Sri Lankan operations in solar business for Shell Solar Ltd., Netherlands and is actively involved towards contributing to the green energy mission of the country by way of setting up solar photovoltaic cell manufacturing unit and other power projects in India. He is Non Executive Director of India Power Corporation (Haldia) Limited, Bhaskar Silicon Private Limited, East Kolkata Infrastructure Development Private Limited, Environ Solar Private Limited and India Power Corporation (Bodhgaya) Limited.

His area of specialization includes power sector, financial service Industry and corporate management.

Shri Poddar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Poddar is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Poddar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Poddar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Poddar as an Independent Director would be available for inspection without any fee by

the members at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Poddar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Poddar as an Independent Director, for the approval by the Members of the Company.

Except Shri Poddar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### Item No. 8

Shri Sunirmal Talukdar is a Non-Executive Independent Director of the Company. He was inducted on the Board of Company as Non-Executive Independent Director of the Company on 07-05-2012. Shri Talukdar is not holding any committee position in the Company.

Shri Sunirmal Talukdar, B.Sc and Chartered Accountant by qualification, has more than 36 years of rich experience in corporate strategy, finance, mergers and acquisitions, risk management, public reporting and corporate governance.

Over the years, Shri Talukdar has spearheaded mergers and acquisitions both at national and international level, undertaken several corporate restructurings, fund mobilisation, public reporting under Indian, US and IFRS GAAP and also possesses consistent track record of revenue achievement, team building and exemplary leadership qualities. Shri Talukdar in his earlier assignment was heading the entire gamut of financial and information technology functions of a Fortune 500 Company being a Global Aluminium and Copper conglomerate major having an annual turnover of USD 14 Billion. He is Non-Executive Director of PFH Capital Advisors India Private Limited and Titagarh Wagons Limited.

His area of specialization includes corporate finance, risk management, mergers and acquisitions, public reporting and corporate governance.

Shri Talukdar does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Talukdar is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Talukdar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Talukdar fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Talukdar as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Talukdar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Talukdar as an Independent Director, for the approval by the Members of the Company.

Except Shri Talukdar, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item No. 9**

Shri Tantra Narayan Thakur is a Non-Executive Independent Director of the Company. He was inducted on the Board of Company as Non-Executive Independent Director of the Company on 27-05-2013. He is not holding any committee position in the Company.

Shri Tantra Narayan Thakur a Bachelor of Science in Engineering from BIT, Sindri is an eminent visionary in the power sector who has led the introduction of power trading in India including

development of a power market, the first of its kind in the South Asian region.

Shri Thakur has more than 40 years of extensive experience in the fields of treasury management, financial management including resource mobilisation, investment decisions and appraisal of project lending and during the past has lead the Board of several renowned companies including being the Chairman and Managing Director of PTC India Limited, Chairman and Managing Director of PTC India Financial Services Limited and also Chairman to the Board of PTC Energy Limited, Director (Finance and Financial Operations) Power Finance Corporation Limited and serving the Government of India in various leadership roles. During his long professional stint, Shri Thakur has been conferred several prestigious awards including "Udyog Rattan Award" by the Institute of Economic Studies (IES) in 2004. "Eminent Engineer" Award by the Institution of Engineering and Technology, UK (Delhi International Branch) in 2005 and also selected by International Who's Who of Professionals as an honoured member of the "Who's Who Historical Society" for the year 2009. He is Non Executive Director of Kristan Advisors Private Limited, Essar Power Limited, Arista Power Private Limited, Hindustan Power Projects Private Limited, Bhoruka Power Corporation Limited and Karaat Infrastructure Development Private Limited.

His area of specialization includes treasury management, financial management including resource mobilisation, investment decisions and appraisal of project lending.

Shri Thakur does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Thakur is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Thakur being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Thakur fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the

Company and is independent of the management. Copy of the draft letter for appointment of Shri Thakur as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Thakur as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Thakur as an Independent Director, for the approval by the Members of the Company.

Except Shri Thakur, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### Item No. 10

Shri Nand Gopal Khaitan is a Non-Executive Independent Director of the Company. He was inducted on the Board of Company as Non-Executive Independent Director of the Company on 29-01-2010.

Shri Khaitan is the Chairman of Nomination & Remuneration

Committee and a member of Audit Committee of the Board of the Company.

Shri Nand Gopal Khaitan is an Attorney-At-Law, Advocate and Notary Public, practicing in the Hon'ble Calcutta High Court and the Hon'ble Supreme Court of India. He is a Senior Partner of Khaitan & Co., a leading law firm in India. Shri Khaitan passed his Attorneyship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated Law Society, High Court, Calcutta. Shri Khaitan is the President of Indian Council of Arbitration, New Delhi. He is also an Executive Committee member of the Federation of Indian Chambers of Commerce and Industry, New Delhi; Vice President of Bharat Chamber of Commerce, Vice President of the Agri-Horticultural Society of India, Executive Committee member of two leading Schools in Kolkata and had been President of two leading Social Clubs in Kolkata. He is Non Executive Director of Reliance Chemotex Industries Ltd., Naga Dhunseri Group Ltd., Mangalam Timber Products Ltd., Xenix Servis Pvt. Ltd., Rowdon Business Pvt. Ltd., Chase Bright Steel Limited, JK Lakshmi Cement Limited, HSIL Limited, Mangalam Cement Ltd., Rasoi Ltd., Ushodaya Marketing Pvt. Ltd., Srijan Vinimay Private Limited and Warren Tea Limited and Committee Member of Bharat Chamber of Commerce. He holds the following committee positions in other companies :

As member	Share Transfer Committee Audit Committee Audit Committee Audit Committee Audit Committee Remuneration Committee Remuneration Committee Shareholder/Investor Grievance Committee	Mangalam Timber Products Ltd. JK Lakshmi Cement Limited Reliance Chemotex Industries Ltd. Mangalam Cement Ltd. HSIL Limited HSIL Limited Mangalam Cement Ltd. JK Lakshmi Cement Limited
As Chairman	Audit Committee Investment Committee Shareholder/Investor Grievance Committee	Mangalam Timber Products Ltd. Mangalam Cement Ltd. HSIL Limited

His area of specialization includes law including Company Law and all other laws, merger and amalgamation, resource mobilisation and investment decisions.

Shri Khaitan does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Khaitan is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri Khaitan being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019.

In the opinion of the Board, Shri Khaitan fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Shri Khaitan as an Independent Director would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day of the Company.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri Khaitan as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Shri Khaitan as an Independent Director, for the approval by the Members of the Company.

Except Shri Khaitan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item No. 11**

The members of the Company at their Annual General Meeting held on 16th August, 2013 approved by way of a Special Resolution under Section 309 of the Companies Act, 1956, the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding

one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act 1956, for the financial year ended 31st March, 2013.

In view of Sections 149, 197 and any other relevant provisions of the Companies Act, 2013 coming into effect from 1st April, 2014 and taking into account the roles and responsibilities of the directors, it is proposed that the Directors other than Managing Director and the Whole-time Directors be paid remuneration not exceeding one percent per annum of the net profits of the Company computed in accordance with the provisions of the Companies Act, 2013.

This remuneration shall be in addition to fee payable to the Directors for attending the meetings of the Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board, and reimbursement of expenses for participation in the Board and other meetings.

Accordingly, a fresh approval of the Members is sought by way of an Ordinary Resolution under the applicable provisions of the Companies Act, 2013 for payment of remuneration by way of commission to the Directors of the Company other than Managing Director and Whole-time Directors, as set out in the Resolution at Item No. 11 of the Notice.

The Managing Director, Whole-time Directors and Key Managerial Personnel of the Company and their relatives are not concerned or interested, financial or otherwise, in the resolution set out at Item No. 11 of the Notice. Directors other than the Managing Director and the Whole-time Directors of the Company may be deemed to be concerned or interested in the resolution set out at Item No. 11 of the Notice to the extent of the remuneration that may be received by them.

#### **Item No. 12 & 13**

The Members of the Company at their Annual General meeting held on 26th September, 2007 have approved by way of Ordinary Resolution the borrowing of monies in excess of the Company's paid up capital and its free reserves in terms of the provisions of Section 293(1)(d) of the Companies Act, 1956 and creation for mortgaging/borrowing and /or charging the properties of the Company under section 293(1) (a) of the Companies Act, 1956 up to Rs. 1500 Crore.

Section 180(1)(c) of the Companies Act, 2013 effective from September 12, 2013 provides that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution.

Consequent to notification of Section 180(1)(a) of the Companies Act, 2013 consent of the Company is required by way of a Special Resolution to create mortgage and/or charge on the movable/ immovable properties of the Company.

Accordingly, the approval of the members of the Company by way of Special Resolution is sought to authorise the Board of Directors under Section 180(1)(c) and (a) of the Companies Act 2013.

Your Directors, therefore recommend passing such an enabling resolutions as set out in item nos. 12 & 13 of the Notice, authorizing the Board of Directors for mortgaging/borrowing and /or charging the properties of the Company for an amount not exceeding Rs. 3000 Crore (Rupees Three Thousand Crore).

None of the Directors and Key Managerial Personnel of the

Company and their relatives is concerned or interested in the resolution set out at Item No(s). 12 & 13.

#### **Item No. 14**

The Board of Directors at their meeting held on 24th May, 2014, upon recommendation of Audit Committee has re-appointed M/s. Mani & Co., Cost Accountants, Kolkata, as Cost Auditors for 2014-2015.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the appointment and remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Hence the Board of Directors recommends this resolution for your approval.

A Certificate dated 19.05.2014 issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the registered office of the Company during normal business hours on any working day, excluding Saturday and shall also available at the meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution set out at Item No. 14.

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#### **Registered Office:**

Plot X1, 2 & 3, Block – EP, Sector – V,  
Salt Lake City, Kolkata –700 091.

Dated: 24th May, 2014

By Order of the Board  
**India Power Corporation Ltd**  
**Saikat Bardhan**  
*Secretary*

## BRIEF RESUME' OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING.

[In pursuance to Clause 49 of the Listing Agreement]

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, for the purpose of determining the directors liable to retire by rotation, the Independent Directors shall not be included in the total number of directors of the Company. Shri Hemant Kanoria shall accordingly retire at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

**Shri Hemant Kanoria**, B. COM (Hons), Non-executive Chairman of the Company since 29-01-2010, has over 34 years of experience in industry, trade and financial services. He is presently an Honorary Board Member of the Centre for Global Dialogue & Co-operation (CGDC), Vienna and a Council Member of Indo-German Chamber of Commerce. He has previously held the position of Chairman of FICCI National Committee on Infrastructure. He has also been on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C), was a Member of Regional Direct Taxes Advisory Committee, Government of India and had served as President of Calcutta Chamber of Commerce.

Presently, he is Chairman & Managing Director of SREI Infrastructure Finance Ltd., Vice Chairman & Managing Director of SREI Equipment Finance Ltd. He is also a director of SREI Capital Markets Ltd., Viom Networks Ltd., Texmaco Rail & Engineering Ltd., and Zao SREI Leasing, Russia.

He is Chairman of Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors of the Board of the Company and member of the Nomination & Remuneration Committee of the Company. He is also a member of the Share Transfer and Investors' Relations Committee of SREI Infrastructure Finance Ltd. and of the Audit Committee of SREI Capital Markets Ltd.

He does not hold any shares in the Company.

Except Shri Hemant Kanoria, the appointee director and Shri Sunil Kanoria (Brother of Shri Hemant Kanoria), none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in agenda Item No. 3.

### **Appointment / Re-appointment of other Directors (Item Nos. 5 to 10)**

In respect of appointment/re-appointment of other directors viz., Shri Amit Kiran Deb, Shri Debi Prasad Patra, Shri Jyoti Kumar Poddar, Shri Sunirmal Talukdar, Shri Tantra Narayan Thakur and Shri Nand Gopal Khaitan, kindly refer to the above Explanatory Statement in respect of the Special Business set out at Item Nos. 5 to 10 of the Notice convening of this Annual General Meeting pursuant to Section 102 of the Companies Act, 2013.





## INDIA POWER CORPORATION LIMITED

CIN: L40105WB1919PLC003263

Registered Office: Plot No. X 1, 2&3, Block-EP, Sector -V, Salt Lake City, Kolkata – 700 091

Tel.: + 91 33 6609 4308/09/10, Fax: + 91 33 2357 2452

E: corporate@indiapower.com | W: www.indiapower.com

### 94th Annual General Meeting

### ADMISSION SLIP

PLEASE COMPLETE THE SLIP AND  
HAND IT OVER AT THE ENTRANCE  
TO THE MEETING HALL

I hereby record my presence at the NINETY FOURTH ANNUAL GENERAL MEETING of the Company, at the Registered Office: Plot X 1, 2 & 3, Block- EP, Sector-V, Salt Lake City, Kolkata – 700 091 on Saturday, the 13th Day of September, 2014 at 11.00 a.m.

Name of the Shareholders:

Folio/ Client ID and DP ID:

No(s). of Shares Held:

Signature of the Shareholder/s



## INDIA POWER CORPORATION LIMITED

CIN: L40105WB1919PLC003263

Registered Office: Plot No. X 1, 2&3, Block-EP, Sector -V, Salt Lake City, Kolkata – 700 091

Tel.: + 91 33 6609 4308/09/10, Fax: + 91 33 2357 2452

E: corporate@indiapower.com | W: www.indiapower.com

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)]

Name of the member (s): .....

Registered Address: .....

Email Id: ..... Folio No./Client Id: ..... DP ID .....

I/We, being the member(s) holding ..... shares of the above named Company, hereby appoint

1. Name: ..... Address: .....

..... Email ID: ..... Signature: ..... or failing him

2. Name: ..... Address: .....

..... Email ID: ..... Signature: ..... or failing him

3. Name: ..... Address: .....

..... Email ID: ..... Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 94th Annual General Meeting of the Company, to be held on Saturday, the 13th day of September, 2014 at 11.00 a.m. at the Registered Office: Plot X 1, 2 & 3, Block- EP, Sector-V, Salt Lake City, Kolkata – 700 091 and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Ordinary Resolutions:	For	Against
1.	To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March, 2014, the Balance Sheet as on that date and the Reports of the Board of Directors and the Auditors thereon.		
2.	To declare dividend on the Equity shares for the year ended 31st March, 2014.		
3.	To appoint a Director in place of Shri Hemant Kanoria [holding DIN 00193015] who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint M/s. Lodha & Co., the Statutory Auditors of the Company and fix their remuneration.		
	<b>Special Business:</b>		
5.	Appointment of Shri Amit Kiran Deb [holding DIN 02107792] as an Independent Director.		
6.	Appointment of Shri Debi Prasad Patra [holding DIN 00067269] as an Independent Director.		
7.	Appointment of Shri Jyoti Kumar Poddar [holding DIN 00690650] as an Independent Director.		
8.	Appointment of Shri Sunirmal Talukdar [holding DIN 00920608] as an Independent Director.		
9.	Appointment of Shri Tantra Narayan Thakur [holding DIN 00024322] as an Independent Director.		
10.	Appointment of Shri Nand Gopal Khaitan [holding DIN 00020588] as an Independent Director.		
11.	Payment of 1% Commission to Non-Executive Directors of the Company.		
12.	Borrowing of monies in excess of the prescribed limit in terms of Provisions of Section 180(1)(c) of the Companies Act, 2013.		
13.	Creation of Charge/Mortgage/hypothecation in terms of Provisions of Section 180(1)(a) of the Companies Act, 2013.		
14.	Ratification of re-appointment and remuneration payable to the Cost Auditors for financial year 2014-15.		

Signed this ..... day of ..... 2014.

Signature of shareholder:

Signature of Proxy holder(s):

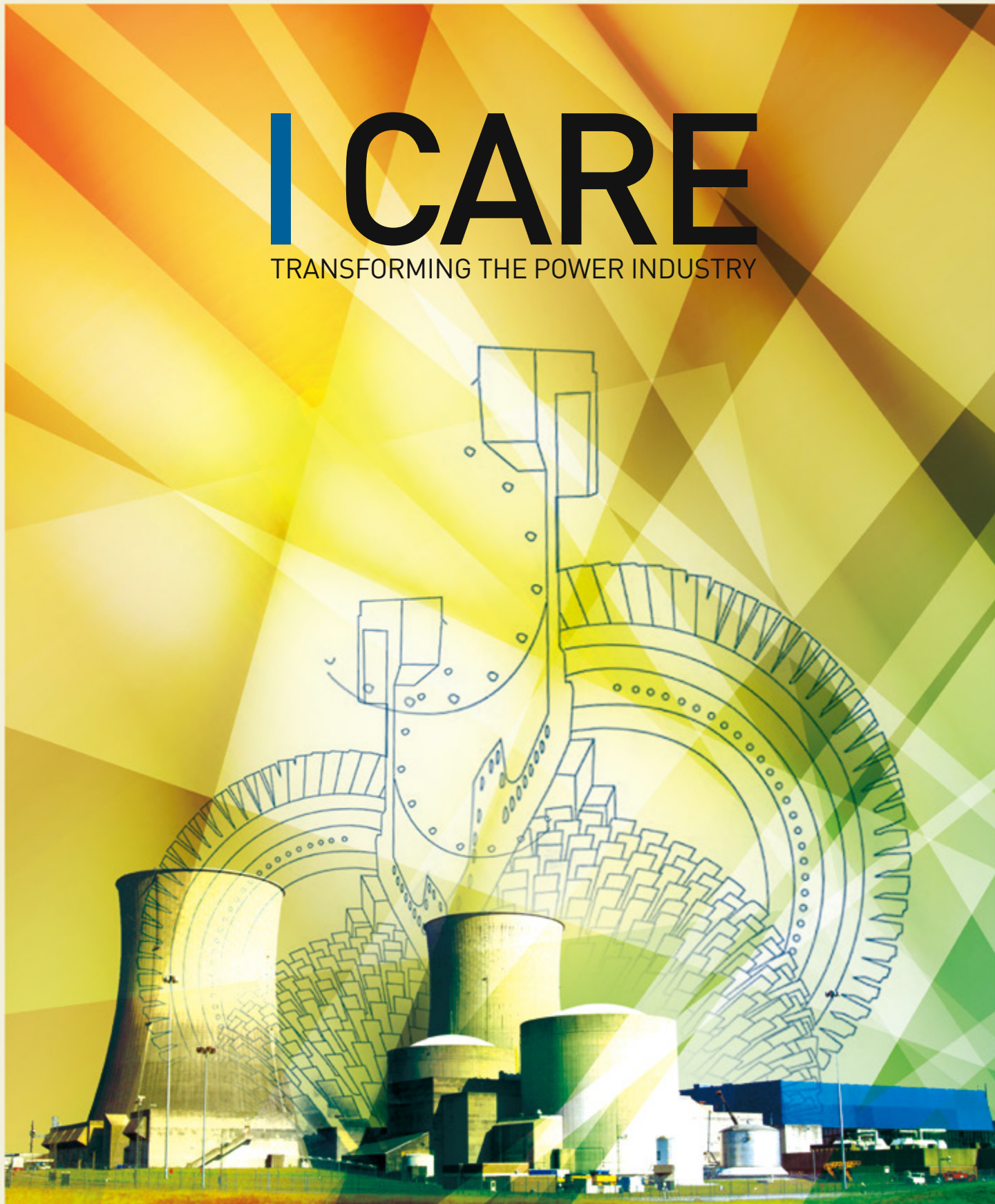
Affix  
Revenue  
Stamp  
of Re.1

#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. If you wish to vote for a Resolution, place a tick in the corresponding box under the column marked "For". If you wish to vote against a Resolution, place a tick in the corresponding box under the column marked "Against". If no direction is given, your Proxy may vote or abstain as he/she thinks fit.

# I CARE

TRANSFORMING THE POWER INDUSTRY



# CORPORATE INFORMATION

## Board of Directors

Hemant Kanoria - Chairman  
Amit Kiran Deb  
Debi Prasad Patra  
Jyoti Kumar Poddar  
Nand Gopal Khaitan  
Sunil Kanoria  
Sunirmal Talukdar  
Tantra Narayan Thakur

## Chief Executive Officer

Siddharth Ratilal Mehta

## Chief Financial Officer

Arun Kumar Kedia

## Company Secretary

Nitin Bagaria  
(w.e.f. 9th June, 2014)

## Auditors

Lodha & Co.  
Chartered Accountants  
14, Government Place East, Kolkata - 700 069

## Registered Office

Plot No.-X 1, 2 & 3 Block EP,  
Sector -V, Salt Lake City, Kolkata - 700 091  
Tel : + 91 33 6609 4308-10  
Fax : + 91 33 2357 2452  
E-mail : corporate@indiapower.com  
CIN: L40105WB1919PLC003263

## Audit Committee

Amit Kiran Deb - Chairman  
Sunil Kanoria  
Jyoti Kumar Poddar  
Nand Gopal Khaitan

## Shareholders'/Investors' Grievance and Stakeholders' Relationship Committee

Hemant Kanoria - Chairman  
Jyoti Kumar Poddar  
Debi Prasad Patra

## Nomination & Remuneration Committee

Nand Gopal Khaitan - Chairman  
Hemant Kanoria  
Jyoti Kumar Poddar

## Committee of Directors

Hemant Kanoria - Chairman  
Jyoti Kumar Poddar  
Sunil Kanoria  
Debi Prasad Patra

## Corporate Social Responsibility Committee

Hemant Kanoria - Chairman  
Jyoti Kumar Poddar  
Amit Kiran Deb

## Bankers

IDBI Bank Ltd  
The South Indian Bank Ltd  
AXIS Bank Ltd  
The Ratnakar Bank Ltd

## Debenture Trustee

Axis Trustee Services Limited  
Axis House, 2nd Floor  
Bombay Dyeing Mills Compound  
Pandurang Budhkar Marg, Worli  
Mumbai 400 025  
Tel: +91 22 2425 2525  
Fax: +91 22 2425 4200  
E-mail: debenturetrustee@axistrustee.com

## Annual General Meeting

Saturday, 13th September, 2014 at 11.00 a.m.  
at Registered Office, Plot X 1, 2 & 3, Block-EP,  
Sector - V, Salt Lake City,  
Kolkata - 700 091.

## Registrar & Transfer Agent for Equity Shares


CB Management Services (P) Ltd.  
P-22, Bondel Road, Kolkata - 700 019.  
Tel: (033) 40116700/6711/6718  
Fax: (033) 2287 0263  
E-mail: rta@cbmsl.com

## Registrar & Transfer Agent for NCD

Sharepro Services (I) Pvt Ltd  
13 AB Samitha Warehousing Complex  
2nd Floor, Saki Naka Telephone Exchange Lane  
Mumbai - 400072  
Tel : + 91 226772 0300/400  
Fax: + 91 22 2859 1568  
E-Mail: sharepro@shareproservices.com

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IN THE WORLD OF POWER  
DISTRIBUTION UTILITIES,  
SERVICE HAS FOR LONG  
REVOLVED AROUND PROVIDING  
A POWER CONNECTION TO  
WHERE THE CUSTOMER  
WANTS IT. NO MORE, NO LESS.

AT INDIA POWER, WE ARE  
BRINGING TO THIS, A  
REFRESHING SERVICE  
DIFFERENTIATION, EXTENDING  
BEYOND CONVENTION, RISING  
ABOVE THE STANDARD AND  
GOING THE EXTRA MILE.

**BECAUSE  
I CARE.**



## THE CAUSES OF OUR COMPETENCE

95

NUMBER OF YEARS OF  
INDUSTRY EXPERIENCE

698

EMPLOYEE STRENGTH



## THE RESULTS

99.24

OUR SERVICE UPTIME  
[%]

2.70

OUR T&D LOSS [%].  
NATIONAL AVERAGE  $\approx$  25%

## CORPORATE IDENTITY

INDIA POWER CORPORATION LIMITED IS UNIQUELY PLACED TO CAPITALISE ON THE OPPORTUNITIES AVAILABLE IN THE POWER SECTOR.

THROUGH MULTI-FUEL GENERATION CAPACITY ON ONE HAND AND A MULTI-LOCATION DISTRIBUTION NETWORK ON THE OTHER.

PROVIDING A DIFFERENTIATED SERVICE.

### PARENTAGE

India Power Corporation Limited (formerly DPSC Limited) - established in 1919 - brings to its business a rich intellectual capital derived from nine decades of its existence.

### AWARDS AND RECOGNITION

- 'The most productive Company' award by CII in 2012-13.
- Achieved ISO 9001:2008 certification
- 'Energise award for Excellence in Wind Energy'
- Certificate of Excellence from INC. INDIA 500

### PRESENCE

- The Company is headquartered in Kolkata (India).
- The Company possesses a distribution license across 618 sq km in Asansol – Raniganj area of West Bengal
- Through a wholly-owned subsidiary, the Company holds a distribution franchisee of around 1500 sq km in Gaya district (Bihar)
- The Company's aggregate generation capacity comprises 107.2 MW; around 95.2 MW of wind assets are in operation across Rajasthan, Gujarat and Karnataka; a 12 MW coal fired thermal power station at Dishergarh in Asansol, West Bengal and a 2 MW grid-connected solar power plant is in operation in Asansol (in association with the West Bengal Green Energy Development Corporation Limited)
- The Company is setting up a 450 MW thermal power plant in Haldia (West Bengal) through its associate company; it has also conceived thermal power projects in Bihar, Gujarat and Madhya Pradesh

## VISION

To emerge as a leading and reliable end-to-end energy solutions provider.

## MISSION

- To empower industries and millions of citizens by emerging as the lowest cost, most reliable and environmentally complied energy provider.
- To provide employees a strong sense of ownership, professional respect and pride resulting in high morale and performance.
- To increase stakeholder value through growth and profitability.

## CORPORATE PHILOSOPHY

India Power Corporation Limited is pervaded by a unique culture comprising of three 'D's – Discipline, Dedication and Devotion. Over the decades, this culture has permeated to all levels of the organisation.

## VALUES

Performance  
Imagination and initiative  
Employee empowerment  
Integrity, ownership and belongingness.

## FOCUS AREAS

We will achieve our vision by consistently growing through:

- Competitiveness and cost efficiency
- Constant search for opportunities
- Complementary strategic alliances
- Competence enhancement
- Customer orientation

## GENERATION

### THERMAL

12 MW Dishergarh (operational)  
3x150 MW Haldia (under implementation)  
2x270 MW Raghunathpur (under development)

### WIND

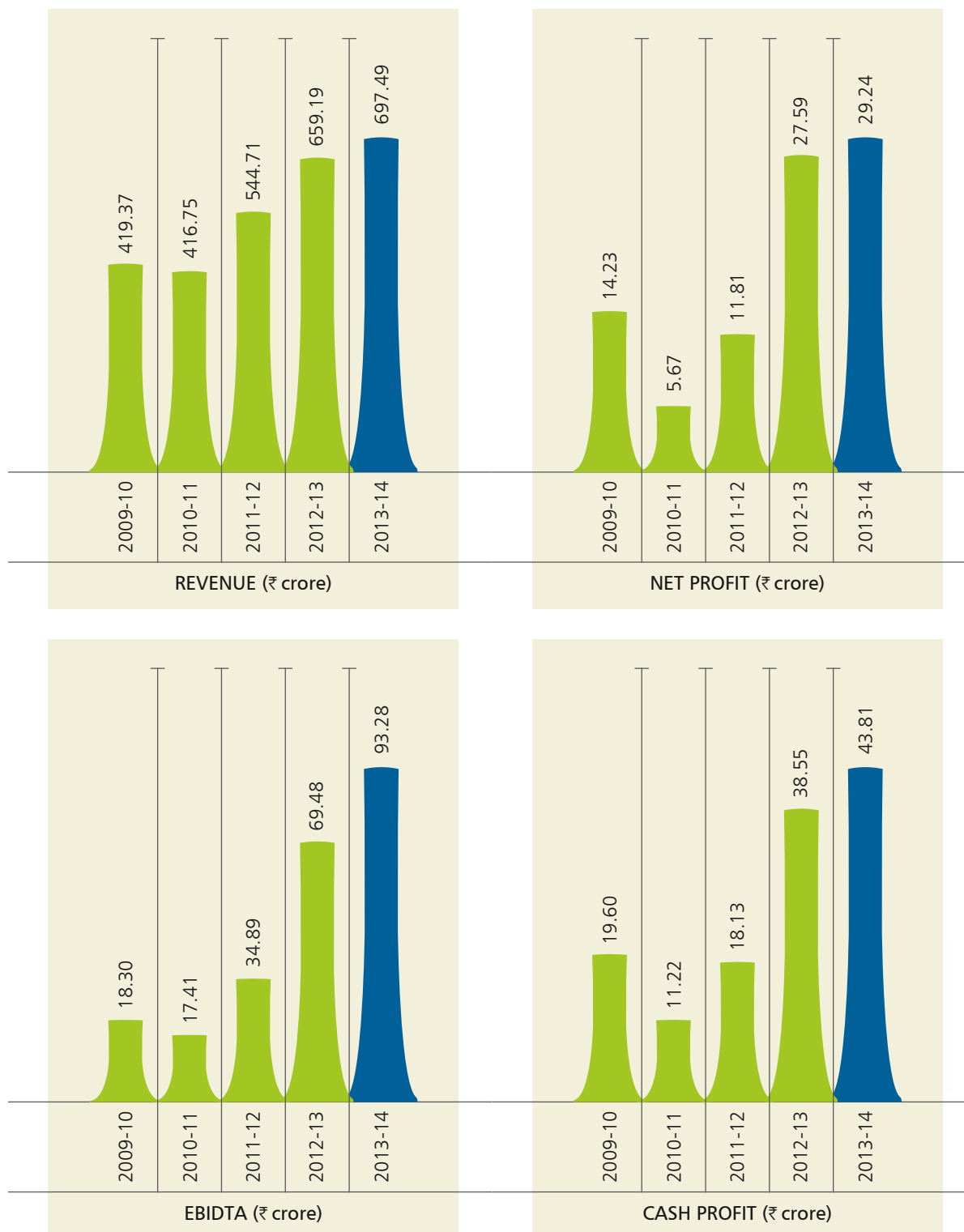
95.2 MW Karnataka, Gujarat and Rajasthan (operational)

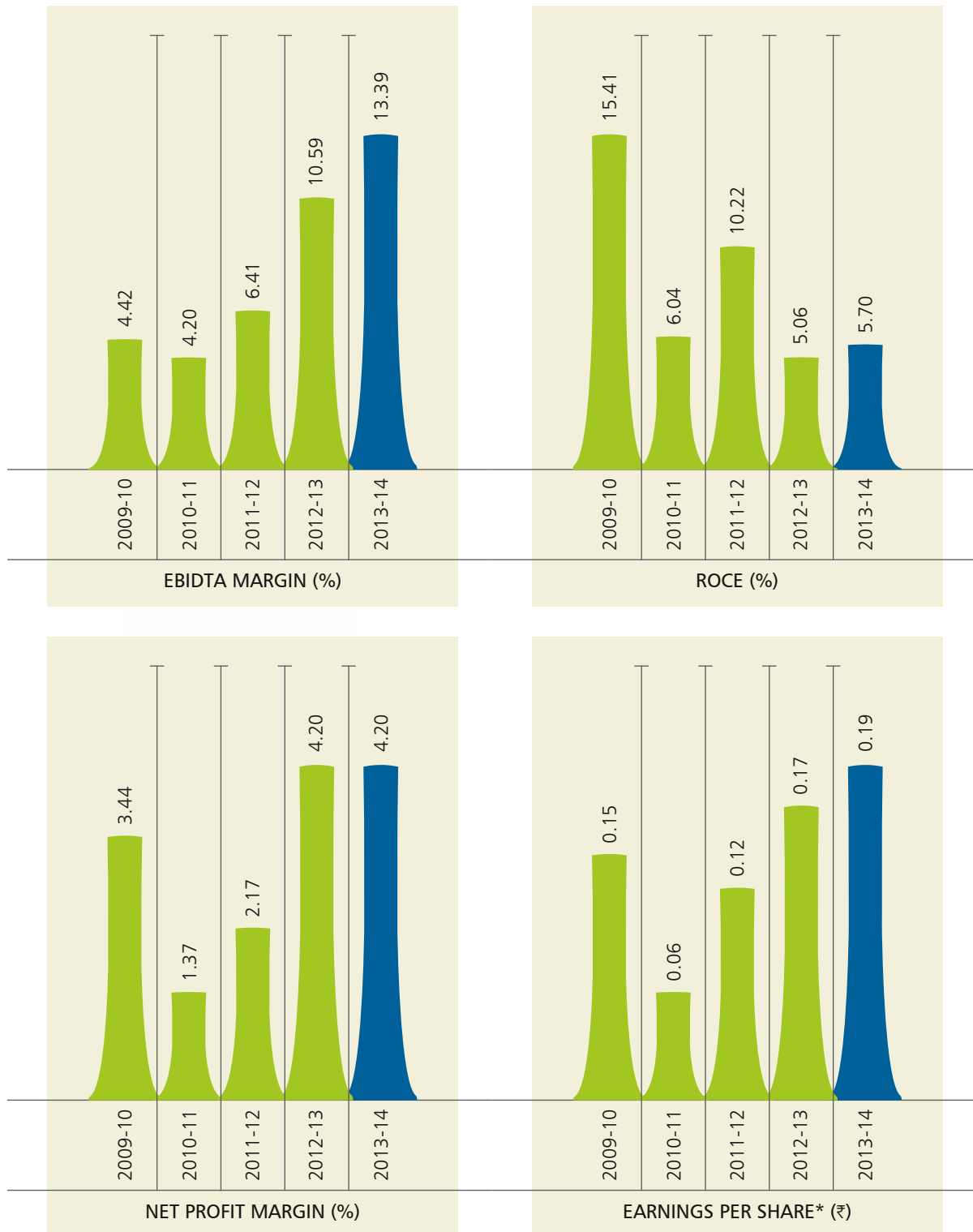
## DISTRIBUTION

- 618 sq km in Asansol as licensee
- 1500 sq km in Gaya as franchisee



# HIGHLIGHTS OF OUR PERFORMANCE OVER THE YEARS





\* Adjusted for Share Split and Bonus Issue







## AT INDIA POWER, 'I CARE' IS WALKING THE EXTRA MILE. ACROSS POWER DISTRIBUTION'S **LAST MILE.**

At India Power, we believe that one of the biggest transformation opportunities in India lies in the power sector; one of the biggest opportunities within the power sector lies in the power distribution segment; the biggest opportunity within the power distribution segment lies in transforming legacy urban networks from high T&D losses to optimal levels.

This transformation is attractive from a business perspective and from a point of national interest.

India needs to invest the largest capital quantum in its history, in the shortest period of time to make the biggest impact. The country's success lies in making intelligent investment decisions, that generate a higher return and, in doing so, fast-track the country's growth and prosperity. One of these intelligent opportunities lies within the country's power distribution segment.

Most power distribution networks in India suffer from high transmission and


distribution losses. At India Power, we believe in enhancing the efficiency of the established infrastructure. This provides a disproportionate proposition: the prospect of generating a large saving with minimal spending.

At India Power, we possess credentials to extend our presence in this niche sector. The Company possesses a rich knowledge spread across nine decades of managing power distribution networks; this rich experience has been showcased through our superior T&D efficiency.

India Power's business model will increasingly focus on widening its footprint, addressing T&D losses, making a national contribution, delighting customers – and in doing so, creating sustainable prospects for itself. The ability to make a difference for all stakeholders in a compressed period of time represents a win-win proposition.

*I care.*





WHEN IT COMES TO POWER DISTRIBUTION, THE USUAL  
APPROACH IS TO 'SUPPLY TO AN EXISTING MARKET'.  
AT INDIA POWER, IT IS TO

# 'TRANSFORM REALITIES'.

At India Power, it would be simplistic to believe that our role is limited to procuring adequate electrical energy to be able to supply. However, we are bringing to our business a refreshing approach – that of being in business essentially to provide adequate and uninterrupted power at a reasonable cost so that downstream industrial users do not have to worry about their energy needs and costs.

At India Power, we are confident that the availability of abundant affordable

energy with us, in a country otherwise deficient in power, can draw a large number of manufacturers to the regions of our presence. In turn, such an aggregation can drive industry, attract migrants, build communities and create a vibrant society.

At India Power, we are investing in our business today to build the communities of tomorrow.

*I care.*





WHEN IT COMES TO POSITIONING, MOST BELIEVE THAT POWER DISTRIBUTION BELONGS TO THE CORE SECTOR. AT INDIA POWER, WE BELIEVE THAT IT BELONGS TO THE

## 'CARE' SECTOR.

At India Power, it would have been usual to connect power distribution lines to consumers and believe that our job was done.

However, we believe that the connection of a line to a consumer's premises does not mark the end of a transaction but the beginning of a relationship.


Simply because the concept of 'care', in this core sector represents one of the last frontiers of what is still seen as a largely impersonal business.

Over the years, we have strengthened our conviction that the secret of success in the power distribution business lies in being able to care for the customer. This concept of care has been manifested

in various ways in the areas of our presence – by asking customers of what their increasing power requirements are likely to be; by checking whether the quality of power being supplied addresses the business requirements of our customers; by speaking to customers to understand whether our billing process is timely and efficient; aligning our network maintenance schedule with customer needs; providing additional channels for bill payments.

At India Power, we are bringing to the fore a completely new approach in the way we think power utilities can be run in India - not capital-driven as much as customer-driven.

*/ care.*



WHEN IT COMES TO UNDERSTANDING THE POWER DISTRIBUTION SECTOR, MOST BELIEVE THAT THE TECHNOLOGY IS STILL THE SAME AS WHAT EXISTED DECADES AGO. AT INDIA POWER, WE HAVE BROUGHT TO OUR BUSINESS CUTTING-EDGE

# TECHNOLOGY SOLUTIONS.

At India Power, we are engaged in a business where meters have to be read, recorded, communicated, logged and billed for timely recovery.

Conventionally, this sequence was prone to manual errors.

India Power has implemented the use of cutting-edge Automatic Meter Reading (AMR) capability across its complete customer base for the first time in India. These modern-day customer meters are connected via GPRS to a central server, which in turn is connected to a billing server.

The AMR has proved business-strengthening for the following reasons:

- **Accuracy:** The meter reading is connected to a central server via GPRS, resulting in accuracy
- **Operational competence:** The automation has virtually eliminated commercial losses
- **Time-saving:** The billing process is shorter and accurate
- **Manual reduction:** This automated process minimised for errors arising out of manual intervention

The result of this sophisticated automation is a tamper-proof system and enhanced customer faith in the billing system leading to a timely realisation of receivables.

*/ care.*



WHEN IT COMES TO POWER DISTRIBUTION, A HIGH T&D LOSS IS SOMETHING TO BE EMBARRASSED ABOUT. NOT AT INDIA POWER, THANKS TO OUR EFFICIENT

## NETWORK SYSTEM.

Over the decades, India created 5,76,474 MVA of transmission capacity and 5,39,477 MVA of power distribution capacity.

However, India has been able to extract sub-optimal returns from the significant investments made in these capacities. Over the decades, India's average transmission and distribution loss rose to a staggering 25%, indicating that much of the country's generated electricity is 'lost' within the system. In turn, this 'loss' is required to be recouped through a fresh round of generation investment.

Therefore, the solution in a capital-starved environment lies not in making additional power generation investments to recoup systemic losses, but a superior management of the existing networks to eliminate existing T&D losses.

At India Power, we believed in this approach and internalised it. We have positioned ourselves as specialists with a demonstrated competence in

maintaining low 'loss' networks. Over the years, our distribution network in West Bengal reported a T&D loss of less than 3%, becoming one of the most efficient networks in the country.

There is an increasing recognition within the government, that the time has come, to hand over networks to specialists so that they may leverage their rich intellectual capital and reduce systemic losses.

So each time we perceive any existing network with a high underperformance, we perceive a potential winner; each time we hear the words 'T&D loss', we see prospects of efficiency enhancement and higher returns.

At India Power, we believe that much of India's energy problems could be solved by looking within and helping the country emerge industrially stronger at a considerably lower cost.

*I care.*

T&D loss over the years (%)

2009-10	2010-11	2011-12	2012-13	2013-14
3.39	3.32	3.06	2.97	2.70





WHEN IT COMES TO POWER DISTRIBUTION,  
THE CONVENTIONAL MODEL IS 'BUY AND SELL'.  
AT INDIA POWER, IT IS

## 'SOURCE AND MARKET'.

Over the decades, the electrical energy sector was always marked by an excess of demand over supply, resulting in a seller's domain.

However, the demands of a new and emerging India cannot be ignored any longer. This new customer base demands access to relatively clean energy delivered at the lowest cost for the longest time. Once the country's national grid makes it even more convenient to buy energy from a generator anywhere in the country, the energy sector could evolve to a buyer's market. We recognise that only those power companies will survive who generate power at the lowest cost on one hand and distribute at the lowest cost on the other.

At India Power, we are proactively prepared for this industry churn. We are prepared for an environment where we procure power from the lowest-cost generators and market power at the lowest price. While evolving the conventional approach of 'selling' to the modern concept of 'marketing', we expect to create a package of compelling reasons for customers to continue buying from us.

At India Power, we are prepared for tomorrow's competitive market place today with the objective to serve customers better.

*I care.*



WHEN IT COMES TO CUSTOMER ENGAGEMENT, THE MONTHLY BILL IS THE ONLY FORM OF COMMUNICATION. AT INDIA POWER, WE ASK 'HOW DO YOU WANT

## TO BE SERVED?'

Over time, most people believed that the biggest service in a public utility business lay in the network infrastructure.

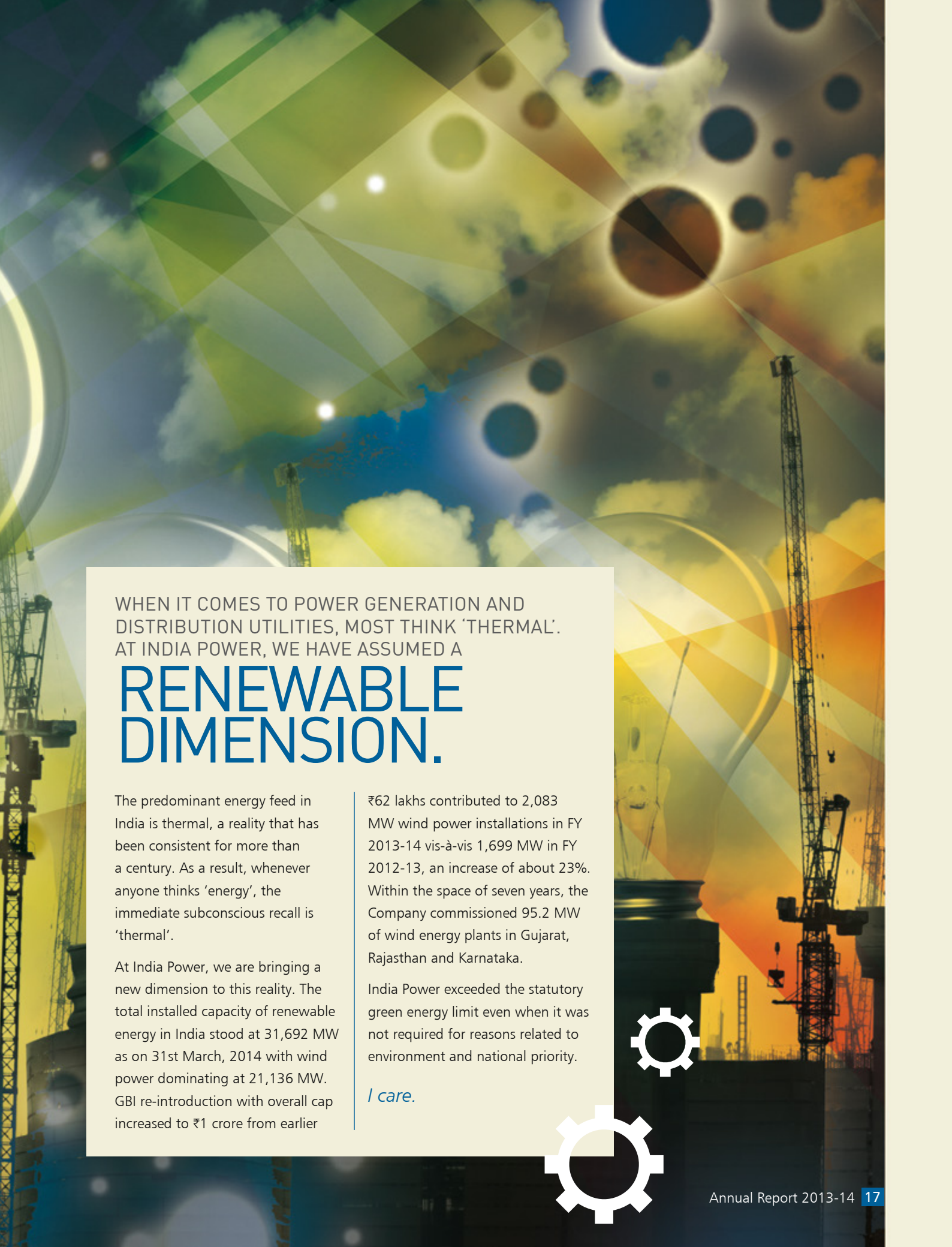
At India Power, we disagree. We believe that the biggest difference in a public utility business comes from the people who manage it. And the only way to make that difference a consistent reality is by evolving what has been historically an inflexible service to a customised offering.

At India Power, we believe that this customisation can be applied at various interface points with the customers transforming a passive business into a vibrant customer-delighting opportunity. For instance,

the customised service can make it possible to get a new connection in a short time, provide dedicated relationship managers seeking feedback on the service quality (with suggestions for improvement), understand customer usage patterns, convenient payment modes (as opposed to standing hours in a queue), address customer issues with priority within hours and not days, among other initiatives.

At India Power, it would have been easy to manage our network with a legacy approach. However, we selected to reverse the paradigm for a good reason.

*I care.*



WHEN IT COMES TO POWER GENERATION AND DISTRIBUTION UTILITIES, MOST THINK 'THERMAL'. AT INDIA POWER, WE HAVE ASSUMED A

# RENEWABLE DIMENSION.

The predominant energy feed in India is thermal, a reality that has been consistent for more than a century. As a result, whenever anyone thinks 'energy', the immediate subconscious recall is 'thermal'.


At India Power, we are bringing a new dimension to this reality. The total installed capacity of renewable energy in India stood at 31,692 MW as on 31st March, 2014 with wind power dominating at 21,136 MW. GBI re-introduction with overall cap increased to ₹1 crore from earlier

₹62 lakhs contributed to 2,083 MW wind power installations in FY 2013-14 vis-à-vis 1,699 MW in FY 2012-13, an increase of about 23%. Within the space of seven years, the Company commissioned 95.2 MW of wind energy plants in Gujarat, Rajasthan and Karnataka.

India Power exceeded the statutory green energy limit even when it was not required for reasons related to environment and national priority.

*/ care.*





WHEN IT COMES TO POWER DISTRIBUTION, INCREASING POWER TARIFFS IS ONE WAY OF RECOVERING COST. AT INDIA POWER, WE BELIEVE IN SOMETHING UNUSUAL.

## ENHANCING EFFICIENCY.

The conventional approach in the power distribution business has been to pass cost increases onto customers.


At India Power, we believe that sustainable success is derived from the ability to reduce costs, price power affordably and thereby attract large industrial users to the region and widen the market.

Over the years, this is precisely what we have done. The tariff that we charge in our license areas in West Bengal is competitive compared to other industrial belts of the country.

This pricing difference has been derived from a number of realities: the fullest use of our fixed assets, which enables us to sweat our fixed assets better; timely project completion and prudent project financing.

At India Power, we believe that this low cost of power represents the building block of society; the more affordable this cost, the better placed are a number of downstream users to moderate their costs for their customers.

*/ care.*



WHEN IT COMES TO POWER DISTRIBUTION, SUCCESS IS MEASURED IN TERMS OF LOWER DOWNTIME. AT INDIA POWER, IT IS MEASURED AGAINST ONLY ONE DOWNTIME.

## METRIC – ZERO.

When a customer connects to a power distribution network, he or she does so with the objective of being able to access power whenever he or she wants it.

At India Power, we made extensive investments to ensure that power was available on tap. Over the five years leading to FY2013-14, the Company invested around ₹300 crores in equipment and infrastructure to be future-ready. This spending comprised investment in cutting-edge assets like a new embedded power plant, various sub-stations, GIS, AMR and a 220 KV sub-station.

The result is that our power distribution network enjoyed an uptime of 99.24 percent in FY2013-14. Besides, the Company maintained uninterrupted power supply to critical users like coal mines where a single outage could potentially put hundreds of miners' lives at stake.

This consistently high uptime translated into dependability, which in turn, inspired industrial power users to invest in additional capacities in the area.

*/ care.*



## MAKING A DIFFERENCE IN GAYA

When India Power Corporation Limited was given the power distribution franchise for Gaya, Bodh Gaya, Manpur and adjoining rural areas by the South Bihar Power Distribution Company Limited in 2013-14, the challenge was immediately visible.

Gaya was plagued for its high T&D loss (68% pre-acquisition) and huge number of unregularised customers. The concept of customer service was non-existent.

India Power responded with a sense of opportunity and a spirit of care. Among various initiatives, the Company planned dedicated zone-wise 24x7

customer care centres manned by customer relationship officers, mobile vans for rural doorstep customer service including load enhancement, complaint registration, billing and collection.

The Company conducted detailed route surveys to map customer locations precisely. Organisation of camps for facilitating new services, load enhancement and name changes. Prompt defective meter replacement enhancing accurate energy accounting.

With the above measures, the Company plans to reduce T&D losses to moderate levels over a period of three years.

# THE STRENGTHS THAT WE BRING TO OUR BUSINESS

**Generation capacity:** The Company possesses conventional and renewable power generation capacity, with renewable energy accounting for 89% of installed capacity.

**Power distribution:** The Company is a power utility engaged in power distribution in and around the Asansol-Raniganj area spread over 618 sq km in West Bengal as a distribution licensee. The Company is in the final stages of commissioning a 220 kV transmission system at J.K. Nagar within the license area to enable grid connectivity for sourcing cheaper power.

The Company owns the power distribution franchise in Gaya and adjoining areas of Bihar having a base of over 1,00,000 customers.

**Efficiency:** The Company's efficiency is reflected in a T&D loss of less than 2.70% (one of the lowest in India) compared to the industry average of around 25%.

**Reliability:** The Company stands for service dependability. It delivers uninterrupted supply of power by implementing the Ring Main System, drawing power from multiple sources for adequate redundancy. It engages in proactive equipment maintenance resulting in a high systemic uptime. This helps the Company service the growing critical requirements of railways, coal mines, hospitals as well as industries in the specified industrial areas of Jamuria, Ikra, Dhasal Danga and Mangalpur. The Company is an integrated power utility (generation and distribution), having achieved a reliability index of 99.24%.

**Talent acquisition and retention:** The Company has a team of professionals with rich sectoral experience having a negligible rate of attrition.

**Technology:** The Company achieved 100% Automated Meter Reading (AMR) implementation for an efficient billing cycle.

**Economy:** The Company enjoys one of the highest capacity utilisation of its fixed assets, resulting in a fixed asset-turnover ratio higher than the industry average.

**Integrated utility:** The Company is present in power generation (conventional and renewables) and distribution.

**Financials:** The Company possesses strong financials, reflected in a low debt-equity ratio of 0.32, consistently profitable operations and dividend paying track record.

**Responsible team:** The Company's team comprises 698 individuals, majority of whom are technologically-skilled. The team is driven by a culture of quick response reflected in more than 99% service uptime and T&D losses down to a mere 2.70%, around a tenth of the national loss average.

**Technology:** The Company invested in cutting-edge technology to improve operational efficiency and reduce losses. The Company implemented the AMR technology to reduce billing cycle time and improve accuracy and the GIS technology to map assets (lines, conductors and sub-stations, among others).

**India Power understands the importance of timely completion of projects. An important part of serving customers efficiently involves good project management.**

The efficiency of a corporate is measured by its ability to complete projects on time. India Power invested in Haldia power plant of 450 MW capacity coming up in three phases and is progressing well within the scheduled timeframe.

- The Company owns the entire land required for the project
- Water is available within 6 km of the project while the 220kV substation is within 2.9 km to ensure easy power evacuation
- The Company established coal linkage to feed the plants. Besides this, proximity to the Haldia port (10 km from the site) ensured imported coal availability at attractive economies
- The Company received all clearances
- The project is monitored by an experienced team and supported by reputed consultants



# OUR BUSINESS MODEL

## Geographic focus

India Power is positioned as a pan-India power Company, leveraging opportunities wherever they are available. The Company is growing its thermal generation and distribution presence in West Bengal with proximity to resources (coal) and growing demand; besides, it is widening its pan-India footprint to capitalise on power distribution and generation possibilities in some States and attractive power purchase agreements with their respective State Distribution Companies.

## Status and scale

India Power is engaged in the business of plugging India's growing power shortage. Even after two decades of liberalisation of Indian economy, the country's power shortage is still evident in a number of regions. The Company has selected to invest in significant capacity addition, representing a convergence of economies, size and visibility with corresponding benefits.

## Green business

India Power has selected to invest substantially in renewable energy. The Company possesses 95.2 MW of renewable energy generation capacity and expects to grow this segment with the object to emerge as one of the largest renewable energy companies in India.

## Integration

India Power's business will be integrated wherever possible, indicating that the benefits of generation will be extended to power delivery for customers, resulting in an extensive value chain.

## Synergy

India Power is already present across the entire value chain. The Company generates electricity (thermal and renewable) and possesses decades of experience in distribution as well. The Company will simply grow its exposure in each of these segments, resulting in a synergy between existing and proposed operations.

## Customer focus

India Power's key focus lies in customer service. The Company believes that its 'customer-first' strategy helps in higher customer satisfaction, which results in lower theft and distribution losses. The Company ensures a 99.24% uptime resulting in seamless power supply to its customers. This has helped the Company in reducing T&D losses (one of the lowest in India by any discom)

## WHAT MAKES INDIA POWER PROUD

T&D loss

2.70%

Proportion of green power

13%  
(of total energy sold)

Collection efficiency

98.14%

AMR implementation

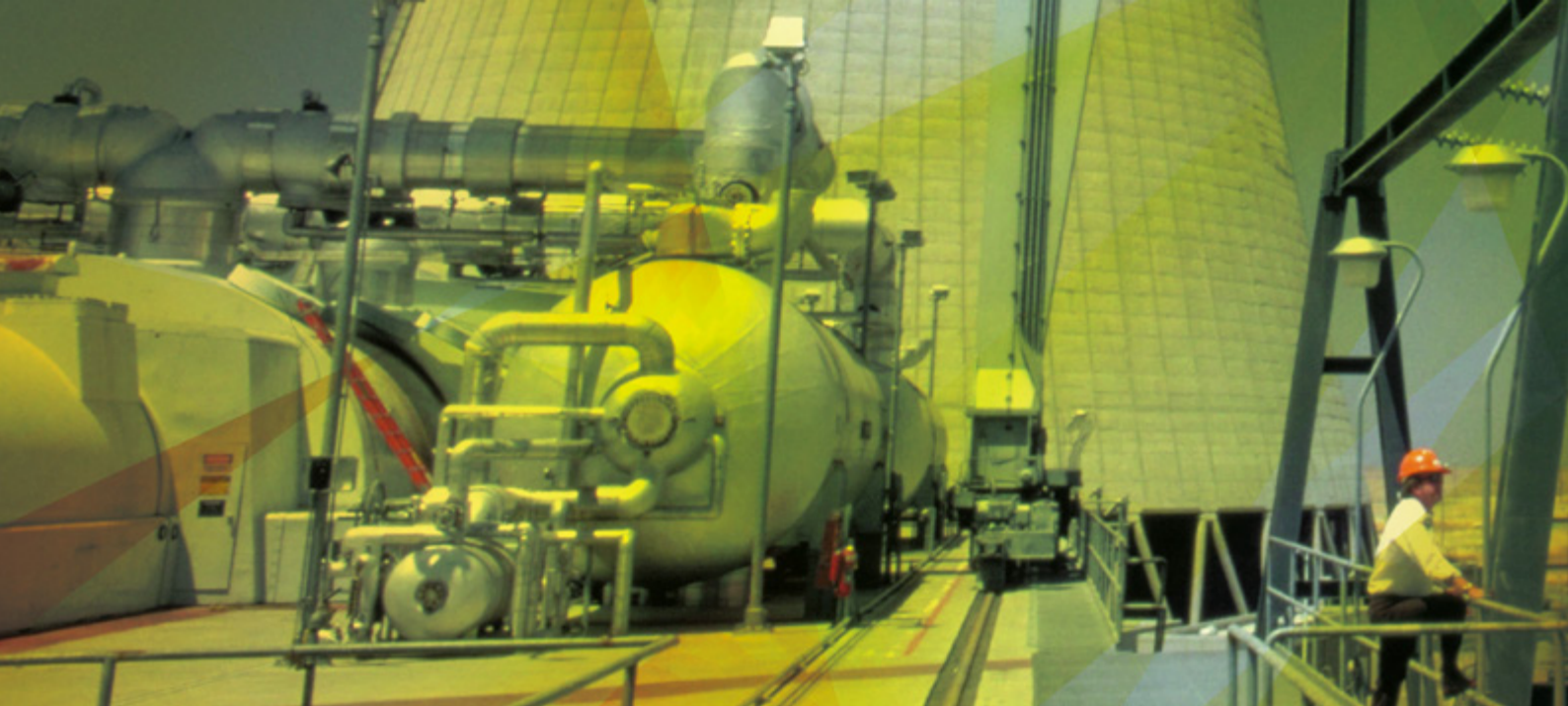
100%  
(industrial customers)

Reliability

99.24%

CAPEX

₹ 300 cr  
(during last five years)



# MANAGEMENT DISCUSSION AND ANALYSIS

## Indian economy

The Indian economy reported a sluggish 2013-14, the second successive year when the GDP growth was less than 5%. Although the economy recorded a growth of 4.7% in 2013-14 against 4.5% in 2012-13, the year is likely to be a 'slow recovery year', with economic growth rising, inflation easing and the currency largely remaining stable. Fiscal deficit was recorded at 4.6%, lower than the targeted 4.8%. However, with a stable government at the Centre, the economy is likely to revive at a faster pace.

### Sectoral GDP growth trends over the years

Sector	2009-10	2010-11	2011-12 (2R)	2012-13 (1R)	2013-14 (PE)
Agriculture, forestry and fishing	0.8	8.6	5.0	1.4	4.7
Mining and quarrying	5.9	6.5	0.1	(2.2)	(1.4)
Manufacturing	11.3	8.9	7.4	1.1	(0.7)
Electricity, gas and water supply	6.2	5.3	8.4	2.3	5.9
Construction	6.7	5.7	10.8	1.1	1.6
Trade, hotels, transport, storage and communication	10.4	12.2	4.3	5.1	3.0
Financing, insurance, real estate and business services	9.7	10.0	11.3	10.9	12.9
Community, social and personal services	11.7	4.2	4.9	5.3	5.6
GDP at factor cost	8.6	8.9	6.7	4.5	4.7

[Source: CSO] Note: 2R: second revised, 1R: first revised, PE: provisional estimate

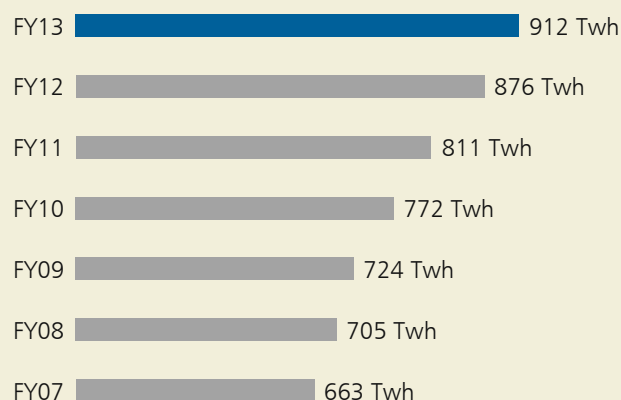


## Indian power sector

India has the world's fifth-largest electricity generation capacity nevertheless, one of the lowest per capita consumption figures. One of the reasons for this anomaly is that the country invested aggressively in power generation without corresponding investments in power evacuation.

Electricity production in India stood at 911.6 terrawatt hour in FY 2012-13, a four percent growth over the previous fiscal. Over FY 2007-13, electricity production has expanded at a CAGR of 5.5 percent. The Planning Commission's 12th Plan projects that the total domestic energy production will reach 669.6 MTOE by 2016-17 and 844 MTOE by 2021-22.

## Electricity production in India



India added 19.7 GW of power generation capacity in 2013-14. There were adequate additions in the transmission and generation as well. The total power generation capacity in the country stood at 243 GW.

### Power generation capacity as on 31st March 2014 (GW)

Fuel	Capacity	Proportion of total capacity (%)
Coal	145.27	59.79
Gas	21.78	8.96
Diesel	1.20	0.49
Thermal	168.25	69.24
Nuclear	4.78	1.96
Hydro	40.53	16.68
Renewable energy sources	29.46	12.12
Total	243.02	100%



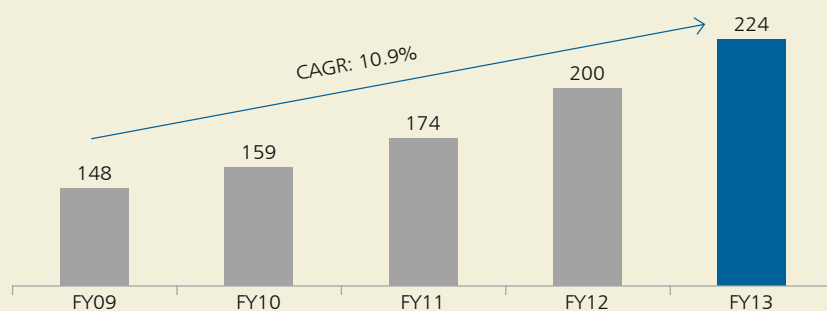
## Power shortage in India - 2014

India loses about 0.4 percent of its Gross Domestic Product (GDP) due to electricity shortage. Since demand and generation capacity are both expected to increase in the future, transmission constraints need to be addressed. Although 50 percent of the amount invested in power generation should be invested in transmission, in India this figure stands at a mere 30 percent. The investment required in the power transmission sector is about USD 35 billion, out of which about USD 16 billion will need to be mobilised from private players. The 12th Five Year Plan envisages an addition of about 1,07,440 ckm of transmission lines

and 2,70,000 MVA of AC transformer capacity.

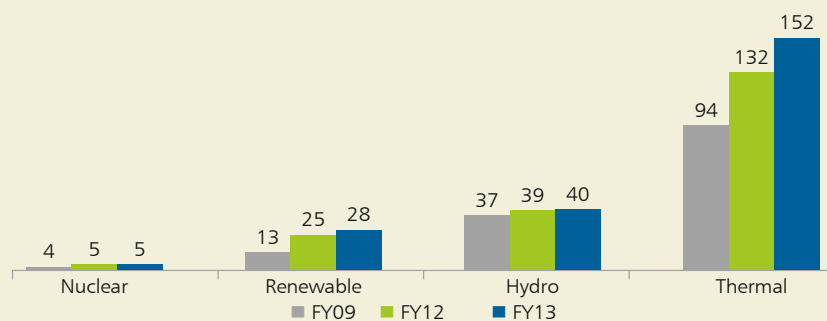
## Economic growth bringing about an increase in electricity demand

India is among the largest producers of electricity, demand growing at a CAGR of 11 percent during the last five years. Looking ahead, demand for power is expected to remain muted over five years on account of a sluggish economy. However, the situation is expected to improve following the implementation of financial restructuring and capacity additions. Electricity demand is expected to grow at a CAGR of 5.9 percent over 2013-17 even as capacities are slated to grow by 63 GW.



(Source: CEA, Aranca Research)

Notes: GW - Gigawatt, Data for FY13 is as of April 2013



(Source: CEA, Aranca Research)

Notes: Data for FY13 is as of April 2013

## Investment

The investment climate is positive in the power sector. For the 12th Five Year Plan, a total of 88.5 GW of power capacity addition is targeted, of which 72.3 GW is expected to be derived from thermal power.

The Ministry of Power has set a target for adding 76,000 MW capacity in the 12th Five Year Plan (2012-17) and 93,000 MW in the 13th Five Year Plan (2017-22). The industry attracted Foreign Direct Investment (FDI) worth ₹37,335.68 crore (USD 6.01 billion) during April 2000 to July 2013. These

realities indicate a growing room for prospective investments in transmission and distribution infrastructure.

As per research estimates, electricity demand is expected to grow at a CAGR of 5.9 percent over 2013-17; correspondingly, capacities are slated to grow by 63 GW.

### Power capacity addition over the 12th Five Year Plan

Particulars	FY2013	FY2014	FY2015	FY2016	FY 2017	Total
Hydro	1,370	1,808	2,077	2,530	1,419	9,204
Coal	13,685	12,970	13,555	12,575	9,910	62,695
Gas	986	100	-	-	-	1,086
Nuclear	-	-	-	1,400	1,400	2,800
<b>Total</b>	<b>16,041</b>	<b>14,878</b>	<b>15,632</b>	<b>16,505</b>	<b>12,729</b>	<b>75,785</b>

[Source: CEA]

## Foreign investments

The Central Government continues to view power as a key infrastructure sector as it was one of the first sectors to be opened to FDI in 1991. Hence, investments grew manifold through favourable policies and initiatives, such as income tax holiday for ten years in the first 15 years of operation, waiver of capital goods, import duties on power projects above 1,000 MW and abolition of licensing system for setting up a power plant. As per the existing policy, FDI up to 100 percent is permitted

under the automatic route, except in nuclear power, for the following activities:

- Generation and transmission of electric energy produced in hydro-electric, coal/lignite-based thermal, and oil and gas-based thermal power plants
- Non-conventional energy generation and distribution
- Distribution of electric energy to households, industrial, commercial and other customers

## Power trading

The Government of India recently passed an initiative to allow FDI up to 49 percent in power exchanges. This reform is expected to further help the Indian power market grow.

The investment climate has generally been positive; although the continuing policy stalemate has taken its toll. The total fund requirement in the power sector for 2012-17 has been estimated to be USD 221 billion.

## What to expect from the new Indian government

### BOOST TO DOMESTIC COAL PRODUCTION

Despite CIL committing to supply 80% of the country's requirements, power plants will rely on imported coal. This would lead to sub-optimal PLFs as coal imports into the hinterland will be difficult

while at the same time, exposing the discoms and generators to the vagaries of international coal prices. There is an urgent need to bolster domestic coal production. The

government allocated blocks to PSU/state corporations, which could be extended to the private sector. Introduction of PPP in the coal sector could be another initiative.

### FAST TRACKING OF CLEARANCES

Setting up a power plant and developing a coal block in India are

time-consuming, involving multiple clearances.

The new government is expected to simplify clearances with transparency.

### PROCESS FOR BETTER DEMAND FORECASTING

Demand for electricity in India has been consistently lower than forecasts. There is a need for proper demand forecasting so that developers can plan their expansions judiciously.

Real GDP growth and peak power demand growth has an elasticity

of 0.7 if data of the last 20 years is taken into consideration. Despite this, planning has been done assuming an elasticity of 0.8/0.9/1.0.

Large industries preferring to set up captive power plants could be a key reason for lower elasticity.

Industries prefer captive plants as industrial tariffs are high (due to cross-subsidisation).

Unless cross-subsidy is reduced and grid reliability increased, industries will continue to prefer setting up captive plants.

### INCREASED EFFICIENCY, COST-REFLECTIVE TARIFFS

There has not been a concerted effort from SEBs to reduce T&D losses. Indian T&D losses are among the highest in the world. Huge financial losses of approximately ₹1,20,000 crores incurred by the power discoms have significantly impaired the investment ability in

the distribution segment. As of October 2013, technical losses and commercial losses have resulted in approximate AT&C losses of about 30%. Timely and reasonable tariff hikes and reduction in cross-subsidisation is the need of the hour for improving the financial

health of discoms. State discoms should encourage workable franchise models in distribution space to emerge from the vast financial crisis and to increase the efficiency of distribution networks.

### FASTER DISPUTE RESOLUTION

Power plants require huge capital investment. If there is a dispute which affects the operations or the finances of the plant, then a significant

amount of capital is at risk. It is expected that the new Government will take steps for faster dispute resolution, probably

by expanding the power/reach of CERC and by making contracts/PPAs water tight.

## Power distribution

In the last five years, power generation capacity has grown by around 50%, whereas transmission capacity has increased by around 30%. As per the 12th Five Year Plan, power generation capacity expansion in India is planned around 88GW, which requires corresponding increase in transmission sector investments as well. Overall, an addition of 90,000 ckm of 765-220 kV lines, 154,000 MVA of substation capacity and 27,350 MW of national grid capacity is required to meet the 12th Five Year Plan. An investment of USD 35 billion has been planned in the power transmission sector. Of this, about USD 16 billion (46%) will be sourced from private players. Trend wise there has been a consistent increase in capital expenditure of utilities from ₹197 billion in 2010 to ₹448 billion in 2013-14. A published research identified 36 States discoms with a planned investment of ₹977 billion between 2014-15 and 2015-16.

### The power evacuation challenge

Power evacuation is turning out to be a bigger challenge than power generation. Plants supplying electricity to State Electricity Boards (SEBs) under long-term power purchase agreements lost 1.93 billion units of generation due to transmission capacity bottlenecks. Based on the current supply position, Northern-North Eastern-Eastern-Western (National Grid) region has a surplus to the extent of 2.3% of total regional demand during peak hours; while, the Southern region is anticipated to face a peak-time shortage of 26% of regional demand in 2013-14. However,

power transmission constraints do not allow for the Southern grid's shortfall to be met by the National Grid surplus.

Despite USD 75 billion investments planned for the next two Five Year Plans (12th and 13th), investments in the transmission sector are still not adequate. For every rupee invested in power generation, at least 50 paise needs to be invested in power transmission while in India this is 30%. To make up for this investment deficit, India needs to invest more than 50% of prospective generation investments in transmission, which translates into spending of around ₹2 lakh crore in each of the two Five Year Plans in intra-state and inter-state transmission lines. Over ₹1 lakh crore of power plant investments are at the risk of becoming non-performing due to insufficient evacuation, which could aggravate the energy deficit with a systemic ripple-effect.

During the fiscal gone by, power generation costs escalated on the back of rising fuel prices and a fuel supply deficit made rationalisation of power tariffs easier said than done. The consumers were not too keen either to shell out that extra cash to pay for such expensive power. Moreover, rampant AT&C losses meant that regulators were unable to pass on the cost escalation to the end customers. This has longstanding implications on the gap between the cost of supply and the revenue realised resulting into huge regulatory assets despite various SERCs hiking tariffs in the range of 4%-29% during FY 2013-14.

### Smart meters – the future

On the recommendation of ISGTF, the Indian government is developing low-cost indigenous smart meters. Global distribution utilities are expected to spend USD 378 billion in smart grid technologies by 2030; India is estimated to install 130 million smart meters by 2021. It is estimated that penetration rates for smart meters are to approach 100% in most developed countries; the Ministry of Power unveiled eight smart grid pilot projects worth ₹500 crore using a combination of smart metering and advance technologies to improve systemic efficiency and reliability.

### India Power's position

India Power has already achieved 100% AMR implementation for its HT customers resulting in efficient and error-free bill generation as well as reduction in the billing cycle.

### Road ahead

Renewable energy is a preferred power source because it can be commissioned in modules with speed and it enjoys the advantage of low input or maintenance cost once commissioned. Wind energy is the largest source of renewable energy in India; it accounts for an estimated 87 percent of total installed capacity of renewable energy in the country. The country aims to increase the installation of wind power even further; there are plans to double wind power generation capacity to 20 GW by 2022.

Solar energy accounts for a mere one percent of the country's renewable energy capacity. However, the share is not indicative of the country's true



potential, which stands at an estimated 5,000 TWh per annum.

As estimated, India needs to augment its power production from 210,000 MW capacity to 800,000 MW to sustain its prevailing growth across the next 25 years.

## Review of the company's business operations

India Power Corporation Limited (formerly DPSC Limited), established in 1919, is one of the oldest power companies in India. It is an integrated power utility that deals in generation, transmission and distribution of power.

The Company has a license area of 618 sq km in the key industrial belt of West Bengal, and serves a consumer mix, principally consisting of collieries, government hospitals, public health enterprises, industrial and commercial consumers.

The Company's distribution business in West Bengal, continued to have leadership position in term of low T&D losses and during the current year the company reduced T&D loss to just 2.70%.

### 1. Generation:

#### A) 12 MW Power Plant (Dishergarh)

During the year under review, the energy dispatched by our 12 MW coal-based thermal plant was 54.11 MU as against the previous year's dispatch of 19.32 MU.

#### B) 2MW Solar Power Plant (Seebpore)

The Company set up India's first grid-integrated solar power plant at Seebpore in association with the West Bengal Green Energy Development

Corporation Limited with a capacity of 2 MW. The solar power plant dispatched 0.73 MU (1.54 MU in 2012-13) during the year. The generation was lower due to comparatively lesser summer days and an extended rainy season.

### C) Wind Projects

The Company has 95.2MW of wind portfolio spread across three states.

The 10.4 MW wind project located in Chitradurga (Karnataka) dispatched 19.7 MU performing at a turbine availability of 99.4%, grid availability of 98.8% and CUF of 21.6%.

The 24.8 MW wind projects spread across Rajkot and Jamnagar districts of Gujarat dispatched 37.12 MU; performing at a turbine availability of 98.2%, grid availability of 96.75% and CUF of 17.1%.

The 60 MW wind project in Jaisalmer (Rajasthan) dispatched 99.62 MU; performing at a turbine availability of 93.4%, grid availability of 96.8% and CUF of 19%.

In aggregate all the wind turbines in three states dispatched 156.4 MU at a CUF of 18.8%.

### 2. Distribution

#### A) Asansol License Area

The Company has a total license area of 618 sq km in Asansol-Ranigunj Belt, which is regarded as one of the premium industrial belts of West Bengal. A number of industries are coming up in the industrial areas of Jamuria, Ikra, Dhasaldanga and Mangalpur, which is helping the Company to expand its distribution business.

The Company's strong distribution network of 250 MW is divided into three circles (Dishergarh, Seebpore and Luchipur). During the year, the aggregate sales amounted to 1011.46 MUs in FY 2013-14 as against 1016.22 MUs in the previous year. A marginal de-growth of 0.47% was on account of low energy demand from some of the industry. The T&D loss decreased to 2.70% in FY 2013-14 from 2.97% in the previous year and is one of the lowest in the country. The total system peak demand registered an increase of 8.47% over the previous year.

Approaching its centenary year, the Company has already created a strong brand among its valued consumers, having established a wide network and service back-up with high reliability and effective network management.

#### **B) Gaya Distribution Franchisee**

The Company bid for the distribution franchise of Gaya and the adjoining areas and won the same during the year under review. The Company has established India Power Corporation (Bodhgaya) Limited (the DF company) as a wholly-owned subsidiary for

undertaking the operations of the Gaya distribution franchise. India Power Corporation (Bodhgaya) Limited has entered into a distribution franchisee agreement with the South Bihar Power Distribution Company Limited (SBPDCL), the distribution licensee. The franchise is for a period of 15 years. The DF company will procure power from SBPDCL and sell it to consumers in the franchise area. It is expected to take over the operations from June 1, 2014.

### **3. Overall results**

(a) The overall financial performance of the Company is as under:

(Amount in ₹ lakhs)

Particulars	FY 13-14	FY 12-13	Growth
Gross Revenue	69,749	65,919	5.81%
EBIDTA	9,328	6,948	34.25%
PBT	4,488	4,247	5.67%
PAT	2,924	2,759	5.98%

(b) Power distribution sales in FY 2013-14 stood at 1011.46 MUs as against 1016.22 MUs during the previous year. Lack of industrial activity in the state, particularly reduction in coal production in the region, led to reduction in demand for power.

(c) During the year under review, there was a substantial increase in generation at our 12 MW plant as compared to that of last year.

(d) During the year under review, the Company sold 41,435 CERs and 17,375 VERs.

### **4. Risks And Concerns:**

As an enterprise with a presence across different segments in the power industry and due to higher levels of economic volatility witnessed in the sector, the Company is exposed to a number of risks that can impact its business in varying measures. It is imperative to identify and address these risks and at the same time, leverage opportunities for achieving the set objectives. The Company's risk management framework is in line with the current industry's best practices

and effectively addresses emerging challenges in a dynamic business environment.

Significant risks and concerns of the Company are enumerated below:

(a) Availability of power – In addition to its own generation, which caters to a small portion of its requirement, the Company procures power from other utilities. Availability of continuous power at an optimum cost, therefore, continues to be one of the most challenging issues faced by the Company.



(b) Coal availability – For running the power plant, the Company requires a specific grade of coal. In the absence of coal linkage, the Company is procuring coal through e-auction. The Company is blending the same with rejects in order to optimise generation cost. The availability of e-auction coal is erratic and also results in higher generation cost. Similarly, supply of coal rejects is also not assured. Availability of an appropriate quality of coal at optimum cost is a vital issue faced by the Company for its thermal power plant.

(c) Competition for customers – In the Company's command area, two other utilities operate simultaneously, resulting in an increased competitiveness for customer acquisition and retention.

(d) Growth – Industrial growth in the present command area is low. The Company, therefore, wishes to increase its command area and customer base and has applied for a parallel license in the adjoining areas.

(e) Regulatory Process – Tariff regulations under MYT regime change every three years and some of these

changes may pose a challenge in maintaining profitability levels.

The timely issue of MYT orders and annual performance review orders are important for maintaining the financial health of an utility in the MYT scenario. Any delay in such regulatory processes is a cause of concern. However, the Company through proactive follow-up has been able to get all its tariff orders without any significant delay and expects to maintain the same.

(f) Safety – The Company has a widespread distribution network comprising dangerous equipment (overhead network and its equipment, distribution cables, among others) which may pose a safety threat to the general public. To mitigate the risk, the Company takes appropriate and commensurate measures.

#### **Internal controls**

The Company's internal control systems are commensurate with its size and the nature of its operations. These controls have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, monitoring of operations, protecting

assets from unauthorised use or losses, compliance with applicable regulations and for ensuring reliability of financial reporting.

The Board has the overall responsibility for reviewing the Company's internal control and risk management system and has delegated this responsibility to the Audit Committee. M/s. Grant Thornton India LLP has been appointed as the Internal Auditors of the Company for the year 2014-15. (Similar responsibilities were assigned to M/s. Protiviti Consulting for the previous year 2013-14). The Internal Auditors assess the control environment to provide assurance on the design and operating effectiveness of the controls. Periodic reports from the Internal Auditors are duly deliberated at the Audit Committee meetings.

The Company has also established an Internal Audit team of experienced professionals for an independent review of all transactions and to ensure compliance to the approved policies and procedures of the Company on a continuous basis.

# BOARD OF DIRECTORS

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## Hemant Kanoria

Shri Hemant Kanoria, B. COM (Hons), Non-executive Chairman of the Company since 29-01-2010, has over 34 years of experience in industry, trade and financial services. He is presently an Honorary Board Member of the Centre for Global Dialogue & Co-operation (CGDC), Vienna and a Council Member of Indo-German Chamber of Commerce. He has

previously held the position of Chairman of FICCI National Committee on Infrastructure. He has also been on the Board of Governors of Indian Institute of Management, Calcutta (IIM-C), was a Member of Regional Direct Taxes Advisory Committee, Government of India and had served as President of Calcutta Chamber of Commerce.

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## Amit Kiran Deb

Shri Amit Kiran Deb is a Masters Degree holder in Political Science from Allahabad University, joined the Indian Administrative Service (IAS) in year 1971 and assigned to the West Bengal Cadre. Thereafter, he had served the Government in various crucial departments and handled several portfolios, including assignments like the District Magistrate in Darjeeling and Midnapore, Commissioner-cum-Secretary, Education and Social Welfare Dept., Govt. of Tripura, Joint Secretary, Cabinet Secretariat and Joint

Secretary, Department of Electronics and had also represented Government of India in GATT negotiations in services in Geneva. Thereafter, he held several key positions in Government of West Bengal like Special Secretary, Power Department, Principal Secretary, Information and Cultural Affairs Department, Principal Secretary to Chief Minister, West Bengal, Home Secretary, Government of West Bengal before retiring as Chief Secretary, Government of West Bengal – a post he held for three and a half years.

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## Debi Prasad Patra

Shri Debi Prasad Patra, IAS (Retd.) holds a Master Degree in Political Science from Delhi University. Shri Patra joined the Indian Administrative Service in 1979 and was assigned to the West Bengal Cadre and thereafter had a distinguished period spanning 24 years in Government wherein he had held several key portfolios including the post of Under Secretary, Home Department,

District Magistrate of Darjeeling and South 24 Parganas, Director of Industries, Managing Director, West Bengal Industrial Development Corporation and Secretary, Information Technology. Shri Patra took voluntary retirement from Government services in year 2003 and from then has continued to enrich the Boards of various reputed companies.

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### Jyoti Kumar Poddar

Shri Jyoti Poddar is a commerce graduate having rich experience of more than 25 years as an industrialist with interests in multifarious sectors like tea gardens, real estate and power. Shri Poddar has handled the entire Indian & Sri Lankan operations in

solar business for Shell Solar Ltd., Netherlands and is actively involved towards contributing to the green energy mission of the country by way of setting up solar photovoltaic cell manufacturing unit and other power projects in India.

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### Nand Gopal Khaitan

Shri Nand Gopal Khaitan is an Attorney-At-Law, Advocate and Notary Public, practicing in the Hon'ble Calcutta High Court and the Hon'ble Supreme Court of India. He is a Senior Partner of Khaitan & Co., a leading law firm in India. Shri Khaitan passed his Attorneyship Examination from the Calcutta High Court in the year 1974 and stood first in the Preliminary, Intermediate and Final Examinations and was awarded Bell Chamber's Gold Medal by the Incorporated

Law Society, High Court, Calcutta. Shri Khaitan is the President of Indian Council of Arbitration, New Delhi. He is also an Executive Committee member of the Federation of Indian Chambers of Commerce and Industry, New Delhi; Vice President of Bharat Chamber of Commerce, Vice President of the Agri-Horticultural Society of India, Executive Committee member of two leading Schools in Kolkata and had been President of two leading Social Clubs in Kolkata.

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### Sunil Kanoria

Shri Sunil Kanoria is a Chartered Accountant with more than 26 years of experience in the financial services industry. Presently he is the Senior Vice President of ASSOCHAM, a governing council member of Construction Industry Development Council (CIDC) and a council member of the Institute of Chartered

Accountants of India (ICAI) nominated by the Government of India. Sunil has had the honour of serving as Member of the Working Group on Construction for the Tenth Five Year Plan (2002-07) of Planning Commission, Government of India.

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## Sunirmal Talukdar

Shri Sunirmal Talukdar, B.Sc and Chartered Accountant by qualification, has more than 36 years of rich experience in corporate strategy, finance, mergers and acquisitions, risk management, public reporting and corporate governance. Over the years, Shri Talukdar has spearheaded mergers and acquisitions both at national and international level, undertaken several corporate restructurings, fund mobilisation, public

reporting under Indian, US and IFRS GAAP and also possesses consistent track record of revenue achievement, team building and exemplary leadership qualities. Shri Talukdar in his earlier assignment was heading the entire gamut of financial and information technology functions of a Fortune 500 Company being a Global Aluminium and Copper conglomerate major having an annual turnover of USD 14 Billion.

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## Tantra Narayan Thakur

Shri Tantra Narayan Thakur a Bachelor of Science in Engineering from BIT, Sindri is an eminent visionary in the power sector who has led the introduction of power trading in India including development of a power market, the first of its kind in the South Asian region. Shri Thakur has more than 40 years of extensive experience in the fields of treasury management, financial management including resource mobilisation, investment decisions and appraisal of project lending and during the past has lead the Board of several renowned companies including being the Chairman and Managing Director of PTC India Limited, Chairman and Managing Director of PTC India Financial

Services Limited and also Chairman to the Board of PTC Energy Limited, Director (Finance and Financial Operations) Power Finance Corporation Limited and serving the Government of India in various leadership roles. During his long professional stint, Shri Thakur has been conferred several prestigious awards including "Udyog Rattan Award" by the Institute of Economic Studies (IES) in 2004. " Eminent Engineer" Award by the Institution of Engineering and Technology, UK( Delhi International Branch) in 2005 and also selected by International Who's Who of Professionals as an honoured member of the "Who's Who Historical Society" for the year 2009.

# DIRECTORS' REPORT

Your Directors are pleased to present the 94th Annual Report together with the Audited Accounts of your Company for the year ended 31st March 2014.

## Highlights:

- Revenue increased by 5.81% to ₹69,749 Lakhs from ₹65,919 Lakhs
- EBIDTA increased by 34.25% to ₹9,328 Lakhs from ₹6,948 Lakhs
- PAT increased by 5.98% to ₹2,924 Lakhs from ₹2,759 Lakhs
- Net Worth increased by 2.88% to ₹1,00,453.41 Lakhs from ₹97,638.81 Lakhs

## Financial Results

(₹ in Lakhs)

	Year ended March 31, 2014	Year ended March 31, 2013
Total Income	69749.15	65919.18
Total Expenditure	65261.40	61671.88
Profit before Tax	4487.75	4247.30
Less: Provision for Taxation:		
Current Tax	476.86	0.36
Deferred Tax	1086.75	1488.13
Profit after Tax	2924.14	2758.81

## Dividend

The Board of Directors are pleased to recommend a dividend of 5% (₹0.05 per share) on the paid up equity share capital for the year ended 31st March 2014, subject to the approval of the shareholders in the Annual General Meeting. The dividend, if approved, will result in a payout of ₹ 788.97 Lakhs and shall be subject to Corporate Dividend Tax to be paid by your Company but will be tax free in the hands of the shareholders.

## Change of Name

Pursuant to the approval of the Scheme of Arrangement and Amalgamation (hereinafter referred to as "Scheme")

of erstwhile India Power Corporation Limited (IPCL) into and with DPSC Limited and consequent upon the approval of the Central Government under Section 21 of the Companies Act, 1956, read with Government of India, Department of Company Affairs, New Delhi, Notification No. G.S.R 507 (E) dated 24/06/1985 vide SRN B82636713 dated 27/08/2013 the name of DPSC Limited has changed to INDIA POWER CORPORATION LIMITED with effect from 27th August 2013.

## Subsidiary Companies:

INDIA POWER CORPORATION (BODHGAYA) LIMITED, a wholly owned subsidiary of your Company was incorporated on 12th day of September, 2013 under the Companies Act, 1956

as a Special Purpose Vehicle (SPV) to undertake the Distribution Franchisee business in Gaya and the adjoining areas.

**IPCL PTE LTD**, a wholly owned foreign subsidiary Company was incorporated on 3rd day of October, 2013 in the Republic of Singapore under the Companies Act, CAP50 as private company limited by shares to explore business development activities including exploring opportunities of brown field acquisitions in India and abroad for expanding its existing business.

In accordance with the General Circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who is interested in obtaining the same.

The Annual Accounts of the subsidiary companies are available for inspection at the Registered Office of the Company and that of respective subsidiary companies between 11.00 a.m. to 1.00 p.m. on all working days. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies. A statement in respect of each of the subsidiaries, giving the requisite details is attached to this report.

## Share Capital

### Paid Up Share Capital:

In terms of the Scheme, the shareholders of erstwhile IPCL are entitled to be allotted 11 Equity Shares of ₹1 each of your Company for every 100 Equity shares of IPCL held by them totaling to allotment of 112,02,75,823 shares of ₹1 each. The holding of IPCL in your Company however stands cancelled pursuant to the amalgamation and accordingly the paid-up equity share capital of the Company upon allotment of the consideration shares as envisaged above will be increased from ₹97,37,89,640 to ₹157,79,33,089 comprising 157,79,33,089 equity shares of ₹1 each.

Allotment of the said securities are pending due to certain pending formalities with the stock exchanges and the paid up share capital shall undergo the change upon the said allotment.

## Review of Operations:

Your Company has maintained its consistent operating performance during the year recording a benchmark Transmission & Distribution Loss figures of 2.70% for the year ended on 31st March 2014, in comparison to previous year figure of 2.97%, which is one of the lowest among power distribution utilities across India.

The Net Income from Operations was recorded at ₹69453 Lakhs for the financial year ended 31st March 2014, in comparison to the previous year figures of ₹64982 Lakhs, reflecting a 6.88% growth. The Company supplied 1011.46 Million Units of power in its West Bengal license area and 156.4 Million Units of wind power in the States of Rajasthan, Karnataka and Gujarat during the year ended 31st March 2014. The Profit after Tax for the year ended 31st March 2014 was recorded at ₹2924 Lakhs, as compared to last year figures of ₹2759 Lakhs.

The Company's generating stations continued to remain consistent and satisfactory inspite of inconsistency of fuel availability and its distribution network continued to be robust and stable. The Company's relations with its consumers continued to remain cordial.

## Tariff:

Pursuant to the Order of Hon'ble West Bengal Electricity Regulatory Commission dated 26th December, 2013, revised tariff for the financial year 2013-14 is applicable to your Company.

## Projects:

Your Company's capital expenditure plans are undertaken with the objective of ensuring better quality & reliability of supply to its consumers, augmenting power delivery infrastructure to cater to increasing demand, reduction of technical losses, improving its operational efficiencies and developing self sufficiency in generation to meet the emerging challenges of increasing competition in the future.

In furtherance of these objectives, your Company has envisaged various short and long term plans for increasing its generation base and augmenting its existing Distribution network.

### Sales and Marketing:

Your Company has continued with its customer satisfaction and quality service initiatives, conducted customer meets, surveys and awareness programmes for customer retention and servicing. The Company's customer service help line numbers were actively into operation throughout the year, catering to several customer queries and service calls in real time.

### Consolidated Financial Statements:

Your Company has prepared Consolidated Financial Statements in accordance with the applicable Accounting Standards. The Consolidated Financial Statements reflect the results of the Company and that of its subsidiaries. As required by Clause 32 of the Listing Agreement with Stock Exchanges, the Audited Consolidated Financial Statements together with the Auditors' Report thereon are annexed and form part of this Annual Report.

### Accounting Policies:

Significant Accounting Policies adopted by the Company are detailed in the Note No. 1 of the Financial Statements.

### Training:

The Company continued its endeavour to impart necessary developmental training to its employees and stakeholders for awareness, growth and planning. The Company had undertaken focused in-house training programmes for nurturing its human capital, participated in seminars, workshops and development programmes aimed at increasing efficiency and productivity among employees and increasing stakeholders' awareness and participation.

### Personnel:

Industrial Relations in the Company continued to be satisfactory throughout the year under review.

Information as per Section 217 (2A) of the Companies Act, 1956 (the Act), read with the Companies (Particulars of Employees) Rules, 1975, forms part of this report. As per the provisions of Section 219(1)(b)(iv) of the Act, the Directors' Report and Accounts are being sent to the shareholders excluding the

statement giving particulars of employees under Section 217 (2A) of the Act.

Any shareholder interested in obtaining a copy of the statement, may write to the Company Secretary at the registered office address of the Company.

### Social Responsibility & Welfare:

Corporate Social Responsibility (CSR) has always been an integral part of the vision of the Company and has been the cornerstone of its core value of Good Corporate Citizenship. CSR for the Company is well encompassing, including making socially responsible products, engaging in responsible employee relations, and not only making a responsible commitment to the community but also encouraging employee engagement in community initiatives.

Your Directors' are pleased to inform that the Company has contributed part of its earnings on a yearly basis for the Company's CSR initiatives, largely to benefit the socially and economically underprivileged sections of the society. While the Company's focus area for CSR has been in the field of education, as responsible citizens, the Company has also been actively supporting issues such as health and environment.

### Formation of CSR Committee

Pursuant to Section 135 of the Companies Act, 2013 the Company has constituted the Corporate Social Responsibility (CSR) Committee of the Board of Directors. The terms of reference of the CSR Committee are as per the provisions of the Companies Act, 2013.

### Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at the Workplace:

The Company has laid down a framework for the Prevention, Prohibition and Redressal of Sexual Harassment at workplace based on Section 19 of the Sexual Harassment of Women at the Work Place [Prevention, Prohibition and Redressal] Act, 2013, to promote a healthy culture and congenial environment in which both genders could work together for prosperity and to meet the Company's goals & objectives.

#### During the year under review:

(a)	Number of complaints of sexual harassment received in the year	:	NIL
(b)	Number of complaints disposed off during the year	:	NIL
(c)	Number of cases pending for more than ninety days	:	NIL
(d)	Number of workshops or awareness Programme against sexual harassment carried out	:	ONE
(e)	Nature of action taken by the employee or District Officer	:	NA

### Particulars of Conservation of Energy and Technology Absorption:

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988, is given in the Annexure forming part of this report.

### Risk Management:

As part of the Risk Management framework, the Company reviewed periodically the various risks and finalised the mitigation plans. The risk areas identified by the Risk Management framework were covered by the Internal Audit and major risks were discussed periodically.

### Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report, CEO/CFO Certification and Auditors' Certificate regarding compliance of conditions of Corporate Governance form a part of this Report.

A Code of Conduct, as applicable to the Board Members and Senior Management Personnel, has been adopted and practiced and is available on the Company's website at [www.indiapower.com](http://www.indiapower.com).

### Directors' Responsibility:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Management, confirm that:

- (i) annual accounts have been prepared in consonance with the applicable accounting standards with proper explanations relating to material departures;

- (ii) appropriate accounting policies have been selected and applied consistently and on the basis of judgements and estimates that are reasonable and prudent so as to give a true and fair view of the annual accounts of the Company as at March 31, 2014 and of the Profit of the Company for the year ended on that date ;

- (iii) proper and sufficient care have been taken for maintenance of proper accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for detecting frauds and irregularities;

- (iv) the annual accounts have been prepared on a going concern basis.

### Statutory Disclosures:

None of the Directors of the Company are disqualified as per the applicable provisions of the Companies Act, 1956 and the Companies Act, 2013.

### Directors:

Pursuant to Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Shri Amit Kiran Deb, Shri Debi Prasad Patra, Shri Jyoti Kumar Poddar, Shri Sunirmal Talukdar, Shri Tantra Narayan Thakur and Shri Nand Gopal Khaitan as Independent Directors for a period of five consecutive years up to 31st March, 2019. Details of the proposal for the appointment of the aforesaid Directors are mentioned in the notice convening the ensuing Annual General Meeting and in the explanatory statements under Section 102 of the Companies Act, 2013.

Shri Hemant Kanoria retires from the Board by rotation and being eligible, offers himself for reappointment.

### Key Managerial Persons:

Pursuant to Section 203(1) of the Companies Act, 2013, Shri Siddharth Ratilal Mehta, Manager (designated as CEO) and Shri Nitin Bagaria, Company Secretary were appointed as KMPs as per the provisions of the Act. Shri Arun Kumar Kedia, was appointed as Chief Financial Officer (CFO) of the Company with effect from 1st April, 2014 pursuant to the requirement of the Act.

### Auditors:

Messrs. Lodha & Co., Chartered Accountants, the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting (AGM). The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint Lodha & Co., as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 99th AGM to be held in the year 2019, subject to ratification of their appointment at the subsequent AGMs.

### Cost Auditor:

Messrs. Mani & Co., Cost Accountants, pursuant to the direction of the Central Government, Govt. of India, was re-appointed as Cost Auditor of the Company for conducting Cost Audit of power generation, transmission and distribution business of the Company for the financial year ended 31st March, 2015.

### Internal Auditors:

M/s. Grant Thornton India LLP was appointed as Internal Auditors of the Company for the financial year 2014-2015

pursuant to Section 138(1) of the Companies Act, 2013.

### Acknowledgement:

The Board of Directors acknowledge and place on record their sincere appreciation for the guidance, co-operation and encouragement extended to the Company by the Ministry of Power, Hon'ble West Bengal Electricity Regulatory Commission, various Ministries of the Central and State Governments, particularly the Power Departments, West Bengal State Electricity Distribution Co. Ltd., West Bengal Green Energy Development Corporation Limited, Damodar Valley Corporation, Coal India Limited, Eastern Coalfields Limited, Department of Public Enterprises, SEBI, NSE, MCX-SX, CSE and other concerned Government departments/agencies of the Central and State Governments.

The Board also conveys its gratitude to the Shareholders, Banks, Financial Institutions and Credit Rating Agencies for the continued trust and confidence reposed by them in the Company. Your Directors would also like to convey their gratitude to the clients and customers for their unwavering patronage.

The Board would also like to place on record their appreciation for the untiring efforts and contributions made by the employees of the Company to ensure excellent all round performance of the Company.

On behalf of the Board,

Kolkata,  
24th May, 2014

**Hemant Kanoria**  
*Chairman*

## ANNEXURE TO DIRECTORS' REPORT

### INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

#### A. Conservation of Energy

The Company has always been conscious about the need for conservation of energy and has been taking measures to this effect in all possible areas.

##### (a) Measures taken

###### *Distribution*

- i) Feeder level energy accounting has been implemented and identification of high loss feeders is in progress to minimise the loss figure to the desired level.
- ii) 11 kV feeder level metering has been implemented for accurate energy accounting for taking appropriate remedial measures in loss prone areas.
- iii) Re-orientation of Load has been carried out for saving in transformer/feeder losses.
- iv) Energy Conservation drive for all consumers has been undertaken for efficient use of Power.
- v) Construction of 33/11 kV Sub-station at Nigha to reduce the loss figures of 4 nos. high loss feeders under Seebpore Distribution.
- vi) Introduction of Feeder level capacitor in 4 feeder as a pilot project to reduce the losses. Total project will be taken up after successful completion of this pilot project.

###### *Power Stations*

- i) Phased installation of Variable Frequency Drives (VFD) for critical auxiliaries.
- ii) Operation Checklists have been introduced to achieve maximum efficiency from the boiler combustion system.

- iii) Re-arrangement of illumination and luminaries including replacement of conventional chokes by new generation electric chokes for energy saving purpose.
- iv) Performance Monitoring Cell for the power stations is regularly studying and identifying the possible energy saving areas in respect of the power stations auxiliaries for taking remedial measures.
- v) Comprehensive energy audit has been carried out in the Power Stations by External Auditors.

##### (b) Improvements

There have been general improvements in operating efficiency of the power stations and distribution system.

##### (c) Impact of (a) and (b)

Major impacts of the energy conservation measures are :-

- i) substantial savings in distribution losses;
- ii) substantial energy savings due to improved and modified illumination system in powerhouses.

#### B. Technology Absorption

##### (a) Research & Development

The Company, as such, does not carry out any in-house basic work in Research & Development. However, for major activities of development, whenever contemplated in various areas of power generation and distribution, the expertise of Central Electricity Authority (CEA) and National Productivity Council (NPC) is obtained.

##### (b) Technology absorption, adoption & innovation

The Company considers Information Technology (IT) support as a key factor to its strategy for growth. During the year under review, the Company has continued its

initiatives towards technology adoption in the following areas:-

- i) Local Area Network (LAN) with fiber optic cabling for office automation and SAP implementation to integrate Operation & Maintenance, Material management, Financial management and HR management functions of the organisation;
- ii) IT support for energy accounting system to conduct energy audits;

### C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned:	₹ Nil
Foreign Exchange used for travelling	₹2.97 Lakhs
Expenditure in Foreign Currency during the year	₹ Nil

On behalf of the Board,

Kolkata,  
24th May, 2014

**Hemant Kanoria**  
*Chairman*

## ANNEXURE TO DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

Corporate governance is considered as a fundamental tool for the robust operation of any corporate entity. Sound governance practices and responsible corporate behaviour contribute to superior long-term performance of companies. Adaptation to changing times is the key to corporate growth and long term survival. Continuous improvement is necessary in corporate governance as well. In fact, better governance practices enable companies to introduce more effective internal controls suitable to the changing nature of business operations, improve performance and also provide an opportunity to increase public understanding of the key activities and policies of the organisation. Indian companies have adopted better governance practices and have demonstrated openness in their dealings with stakeholders across the board. This has been augmented by regulatory authorities introducing and improving governance practices for Indian companies over the years.

#### 1. Company's Philosophy on Code of Governance:

The Company believes that the Corporate Governance Code of the Listing Agreement ("the Code") prescribes only a minimum framework for governance of a business in corporate framework. However, the Company's philosophy is to develop this desired minimum framework and institutionalise the spirit it entails for enabling a sustainable value creation. This will lay the foundation for further development of superior governance practices, which are vital for growing successful business

and for furthering the interest of all stakeholders in the best possible manner. The Company recognises that transparency, disclosure, financial controls and accountability are the pillars of any good system of corporate governance. The Company also believes on putting due emphasis on regulatory compliances including adoption of environment friendly technology; complete customer satisfaction through uninterrupted, reliable, quality power supply and discharge of social obligations as a responsible corporate member of the Society/Community.

#### 2. Board of Directors:

##### 2.1 Composition

The Board of Directors of the Company is composed of professionals drawn from diverse fields, who provide leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. As at 31st March, 2014, the Board comprises of eight Directors of which majority are Independent Directors. Out of the eight Directors, two Directors including the Chairman are Non-Executive Directors.

The composition of Board is compliant with the requirements of sub clause (I) (A) (i) and (I) (A) (ii) of Clause 49 of the Listing Agreement.

Composition, Category, Other Directorships, Other Committee Positions held by the Directors as on 31st March, 2014.

Name of Directors	Category	No. of Other Directorships in Public Limited Companies incorporated in India	Other Committee Positions*	
			As Chairman	As Member
Shri Hemant Kanoria	Non-Executive Chairman	5	-	2
Shri Sunil Kanoria	Non-Executive Director	4	1	4
Shri Debi Prasad Patra	Non-Executive Independent Director	2	-	-
Shri Jyoti Kumar Poddar	---do---	2	-	-
Shri Nand Gopal Khaitan	---do---	9	2	6
Shri Amit Kiran Deb	---do---	2	-	-
Shri Sunirmal Talukdar	---do---	1	-	-
Shri Tantra Narayan Thakur	---do---	2	-	-

\* Positions held in Audit and Shareholders' /Investors' Grievance Committees in other Indian Public Limited Companies.

Except Shri Hemant Kanoria and Shri Sunil Kanoria, no director of the Company is related to any other director on the Board of the Company.

## 2.2 Board Meeting

The Board of Directors of the Company met six times during the year 2013-2014.

The Board meetings during the financial year 2013-2014 were held on 4th April, 2013; 27th May, 2013; 6th July, 2013; 20th July, 2013; 8th November, 2013 and 5th February, 2014. The gap between any two consecutive meetings did not exceed four months.

## 2.3 Attendance of Directors

Attendance of Directors at the Board Meetings held during 2013-2014 and at the last Annual General Meeting (AGM)

Name of Directors	No. of Meetings attended out of Six Meetings held during 2013-2014.	Whether Attended last AGM held on 16th August, 2013.
Shri Hemant Kanoria	6	Yes
Shri Sunil Kanoria	4	No
Shri Jyoti Kumar Poddar	4	Yes
Shri Nand Gopal Khaitan	6	No
Shri Debi Prasad Patra	4	Yes
Shri Amit Kiran Deb	6	Yes
Shri Sunirmal Talukdar	4	Yes
Shri Tantra Narayan Thakur*	2	No

\* appointed w.e.f. 27th May, 2013

## 2.4 Code of Conduct

In terms of sub clause (i) of Clause 49 I (D) of the Listing Agreement the Board has adopted a Code of Conduct (Code) for all Board Members and Senior Management Personnel of the Company. The Board Members and Senior Management Personnel have affirmed compliance of the Code in terms of sub clause (ii) of Clause 49 I (D) of the Listing Agreement. A declaration to this effect from the Manager (CEO) of the Company for the financial year ended on 31st March, 2014 is annexed to this report. The Code is available on the Website of the Company.

## 2.5 Prevention of Insider Trading

As per the SEBI (Prohibition of Insider Trading) Regulations 1992, the Company Secretary is the Compliance Officer and is responsible for setting forth policies, procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board. The Company has adopted a Code of Conduct for Prevention of Insider Trading as well as a Code of Corporate Disclosure Practices. All the Directors on the Board, employees at senior management level at all locations and other employees who could be privy to unpublished price sensitive information of the Company are governed by this Code.

## 3. Audit Committee:

### 3.1 Composition:

3.1.1 The Audit Committee (the Committee) of the Company is existing since May 1997 and later re-constituted in terms of Clause 49 of the Listing Agreement. The Committee is comprised of Shri Nand Gopal Khaitan, Shri Jyoti Kumar Poddar, Shri Sunil Kanoria as Members and Shri Amit Kiran Deb as Chairman.

3.1.2 Shri Sunil Kanoria is a qualified Chartered Accountant who has the requisite knowledge of finance and accounts and other Members of the Committee are also financially literate.

3.1.3 The Company Secretary of the Company also acts as the Secretary to the Committee.

## 3.2 Terms of Reference

The present terms of reference of the Committee are in conformity with the requirements of Clauses 49 II (C) and 49 II (D) of the Listing Agreement and of the Companies Act, 2013. Major terms of reference of the Committee include overseeing the financial reporting process, review of financial statements, ensuring compliance with the regulatory guidelines, review of internal audit reports, recommending appointment and remuneration of statutory auditors to the Board of Directors and to review adequacy of internal control systems and internal audit function. The Committee also reviews Risk Management framework concerning the critical operations of the Company, Management Discussion & Analysis of the Company's operations and significant related party transactions.

The Committee Meetings were attended by the Manager as an invitee. The Statutory Auditors also attended the meetings as and when required. The Committee also invited the representatives of Protiviti (Internal Audit team) for obtaining valuable guidance from their expertise in best practices in Internal Audit. The minutes of the Audit Committee meetings were circulated to the Board, discussed and taken note of.

### 3.3 Attendance of Members at the Meetings of the Audit Committee held during 2013-2014.

3.3.1 Four meetings were held during the year on 27th May, 2013; 20th July, 2013; 8th November, 2013 and 5th February, 2014. The gap between any two consecutive meetings did not exceed four months.

Members	Meetings Attended
Shri Amit Kiran Deb	4
Shri Jyoti Kumar Poddar	2
Shri Sunil Kanoria	3
Shri Nand Gopal Khaitan	4

3.3.2 Shri Amit Kiran Deb, the Chairman of Audit Committee has attended the last Annual General Meeting of the Company held on 16th August, 2013.

#### 4. Remuneration Committee:

4.1 The Remuneration Committee (the Committee) of the Company comprised of Shri Hemant Kanoria, Shri Jyoti Kumar Poddar as members and Shri Nand Gopal Khaitan as Chairman. The broad terms of reference of the Committee is to:

4.1.1 Recommend to the Board remuneration including salary, perquisites and commission to be paid to the Company's Executive Director/Manager/Non Executive Independent Director.

4.1.2 Finalise the perquisites of the Executive Director/Manager within the overall ceiling fixed by the Board.

4.2 The Committee met once during 2013-2014 on 27th May, 2013 and Shri Nand Gopal Khaitan as Chairman and Shri Hemant Kanoria as Member of the Committee were present at the meeting.

4.3 The Non- Executive Directors do not have any material pecuniary relationship/ transactions with the Company in their personal capacity other than Sitting Fees which are paid at the rate of ₹7500/- for each meeting of the Board and ₹3000/- for each meeting of the Audit Committee, Shareholders Grievance Committee, Remuneration Committee and Committee of Directors Meeting attended by them.

#### 4.4 Details of Sitting fees/Commissions paid to the Directors and their shareholding in the Company.

(₹ in Lakhs)

Name of Directors	Sitting Fees paid during the year	Commission (2012-13)	Total
Shri Hemant Kanoria	0.98	3.25	4.23
Shri Sunil Kanoria	0.61	3.25	3.86
Shri Jyoti Kumar Poddar	0.71	3.25	3.96
Shri Nand Gopal Khaitan*	0.67	10.00	10.67
Shri Debi Prasad Patra	0.50	12.00	12.50
Shri Amit Kiran Deb	0.64	7.50	8.14
Shri Sunirmal Talukdar	0.34	3.25	3.59
Shri Tantra Narayan Thakur	0.17	—	0.17
	4.62	42.50	47.12

None of the Directors of the Company hold any equity shares in the Company. The Company does not have any convertible instruments.

\* Khaitan & Co., Solicitor of the Company of which Shri Nand Gopal Khaitan is a Partner, rendered professional services to the Company on receipt of fee.

## 5. Shareholders Committee:

5.1 The Board of Directors of the Company constituted Shareholders'/Investors' Grievance Committee (the Grievance Committee) in the year 2002 which is in conformity with the requirement of sub clause (iii) of Clause 49 IV (G) of the Listing Agreement. The Grievance Committee during the year comprised of Shri Debi Prasad Patra and Shri Jyoti Kumar Poddar as members and Shri Hemant Kanoria as Chairman.

The terms of reference of the Grievance Committee is to ensure effective redressal of complaints of the shareholders such as dematerialisation, transfer, non-receipt of annual report/ dividend/ share certificate, etc.

5.2 The Grievance Committee met once during the year 2013-14 on 5th February, 2014.

5.3 Shri Saikat Bardhan, Secretary of the Company is the Compliance Officer of the Company and was delegated with the power of share transfers in terms of sub clause (iv) of Clause 49 IV (G) of the Listing Agreement. He has also been designated as Compliance Officer of the Company to deal with share transfers and other related matters.

5.4 During the year, no complaint was received from the shareholder. No valid requests for share transfer, issue of duplicate share certificates, etc. were pending as on 31st

March, 2014. All requests were processed within 30 days during the year.

## 6. Other Committees:

### 6.1 Committee of Directors

The Company has a Committee of Directors comprising of Shri Hemant Kanoria as Chairman and Shri Sunil Kanoria, Shri Debi Prasad Patra and Shri Jyoti Kumar Poddar as Members with a view to have a more focused attention on various facets of business and for better accountability particularly to monitor operations of the generation plant and distribution business and also review the on going capital projects.

6.2 The Committee met twelve times during the year 2013-14 on 23rd April, 2013; 21st May, 2013; 13th June, 2013; 20th July, 2013; 16th August, 2013; 23rd September, 2013; 22nd October, 2013; 20th November, 2013; 18th December, 2013; 15th January, 2014; 24th February, 2014 and 20th March, 2014.

Members	Meetings Attended
Shri Hemant Kanoria	12
Shri Jyoti Kumar Poddar	9
Shri Sunil Kanoria	5
Shri Debi Prasad Patra	4

## 7. General Body Meetings:

### 7.1 Location and time of Annual General Meetings held in last three years

Year	Location	Date	Time	No. of Special Resolution passed
2010-2011	Registered Office Plot No.-X 1, 2 & 3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091	29th July, 2011	11:00 a.m.	Nil
2011-2012	Registered Office Plot No.-X 1, 2 & 3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091	27th July, 2012	11:00 a.m.	Nil
2012-2013	Registered Office Plot No.-X 1, 2 & 3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091	16th August, 2013	11:00 a.m.	1

- 7.2 Special Resolution noted above was passed by show of hands. There were no resolutions passed by the Company through Postal Ballot during the year and no resolution is proposed to be conducted by means of Postal Ballot at present.
- 7.3 Resume and other information regarding the directors seeking appointment/ reappointment as required by sub clause (i) of Clause 49 IV (G) of the Listing Agreement has been given in the Notice of the Annual General Meeting annexed to this Annual Report.

## 8. Disclosures:

- 8.1 List of related party transactions indicating relationship as required to be disclosed under Accounting Standard (AS) 18 have been furnished in Note 29 to the Audited Annual Accounts which forms part of this Annual Report. However, none of these related party transactions have potential conflict with the interest of the Company at large.
- 8.2 No penalty was imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India [SEBI] or any other statutory authority, on any matter related to the capital markets, during the last three years. However, in relation to the compliance by listed companies with the requirement of minimum public shareholding, SEBI by its interim ex-parte order dated June 04, 2013 ('Interim Order') has, inter alia, prohibited promoters/promoters group and the directors of the Company from (i) buying, selling or otherwise dealing in securities of the Company, either directly or indirectly, in any manner whatsoever, except for the purpose of complying with Minimum Public Shareholding Requirement, and (ii) holding any new position as director in any listed company.

The Company has represented to SEBI that it has complied with the minimum public shareholding norms pursuant to the Provisions of the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble Calcutta High Court vide its order dated 17th April, 2013, 24.69% equity share capital comprising 24,04,28,662

equity shares of ₹1 each of India Power Corporation Ltd (formerly DPSC Limited) have been transferred by erstwhile India Power Corporation Limited ("IPCL") to an independent irrevocable trust named as 'Power Trust', having independent board of trustees, and accordingly, IPCL's shareholding in India Power Corporation Ltd (formerly DPSC Ltd) has come down from 93% to 68.31% and Public Shareholding in the Company has increased from 7% to 31.69%.

The disposal of this matter is pending with the Hon'ble High Court, Calcutta.

### 8.3 Disclosure of Accounting Treatment

The Financial Statements for the year ended 31st March, 2014 have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the Regulations issued from time to time by West Bengal Electricity Regulatory Commission under the Electricity Act, 2003.

### 8.4 Disclosures on Risk Management

The Board of Directors has laid down procedures for assessment and minimisation of risk which is being reviewed and updated periodically.

### 8.5 Management Discussion and Analysis

Management Discussion and Analysis forms part of this Annual Report.

### 8.6 CEO/CFO Certification

A certificate from the Manager (CEO) and the Chief Financial Officer (CFO) of the Company in terms of Clause 49 (V) of the Listing Agreement for the year ended 31st March, 2014 was placed before the Board in its meeting held on 24th May, 2014.

- 8.7 All mandatory requirements have been appropriately complied with and the non mandatory requirements are dealt with at the end of the report.

## 9. Means of Communication:

a)	Quarterly Results	Published in Newspapers like Financial Express and Aajkal/Pratidin
b)	Website, where displayed	www.indiapower.com
c)	Whether it also displays Official news releases and presentation made to institutional investors /analysts	Official news is also displayed on the website of the Company. Presentations are made to institutional investors upon their specific request(s)

## 10. General Shareholder Information:

I) Annual General Meeting	<p>Date &amp; Time: 13th September, 2014 At 11.00 a.m.</p> <p>Venue: REGISTERED OFFICE: Plot No.-X 1, 2 &amp; 3 Block EP, Sector-V, Salt Lake City, Kolkata- 700 091.</p>
II) Financial Year	1st April to 31st March
III) Book Closure Date	10/09/2014 to 13/09/2014, (both days inclusive)
IV) Dividend Payment Date	Dividend @ ₹0.05 per share will be dispatched on and after 17th September, 2014.
V) Listing on Stock Exchanges	<p><b>The Calcutta Stock Exchange Ltd., (CSE)</b> 7, Lyon's Range, Kolkata- 700 001.</p> <p><b>National Stock Exchange of India Ltd., (NSE)</b> Exchange Plaza, Plot No. C/1, G Block Bandra Kurla Complex, Bandra (E), Mumbai- 400 051.</p> <p><b>MCX Stock Exchange Ltd. (MCX-SX)</b> Exchange Square, CTS 255, Suren Road, Andheri (East), Mumbai – 400093</p> <p>Listing fees have been paid and there is no fee outstanding as on date.</p>
VI) Stock Code	<p>CSE                DPS CO. : 14021</p> <p>NSE                DPSCLTD</p> <p>MCX-SX          DPSCLTD</p>
VII) Market Price Data	Shares of the Company are listed with CSE, NSE & MCX-SX. The Shares of the Company are traded only at NSE and the monthly movement of share price during the year at NSE is summarised below:

Months	NSE		
	High (₹)	Low (₹)	Volume (₹ in Lakhs)
April, 2013	21.80	16.60	33.74
May, 2013	24.30	19.00	67.69
June, 2013	20.60	15.45	171.45
July, 2013	19.75	16.00	200.26
August, 2013	17.50	14.10	117.33
September, 2013	16.00	12.00	38.10
October, 2013	15.80	13.00	24.06
November, 2013	15.50	13.20	18.74
December, 2013	18.00	12.25	29.09
January, 2014	17.15	13.50	21.93
February, 2014	14.80	13.10	4.29
March, 2014	14.30	12.75	19.01

Performance and comparison to broad based indices such as BSE Sensex etc.	Market Price Data and Comparison of the share prices with BSE Sensex is not given, as the shares of the Company are not listed on BSE. Shares of the Company are being traded only at NSE though it is also listed with CSE & MCX-SX.
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Performance of the share prices with CNX Nifty is given below:

Particulars	NIFTY	DPSC LTD
01-Apr-13	5697.35	18.25
31-Mar-14	6704.2	13.9
% Change	18%	-24%

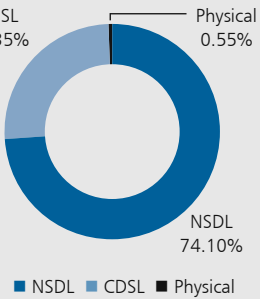
VIII) Registrar & Share Transfer Agents	C B Management Services (P) Ltd. P-22, Bondel Road, Kolkata- 700 019. Phone: (033) 4011 6700/6711/6718/6723; Fax: (033) 2287 – 0263; e-mail: rta@cbmsl.com
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**IX) Shareholding Pattern and Distribution as on 31st March, 2014**
**Shareholding Pattern:**

	Category	No. of Share(s) held	Percentage (%) to Total
<b>A</b>	<b>Promoter(s) Holding</b>		
1.	Promoters		
	a. Indian Promoters	665219568	68.31
	b. Foreign Promoters	-	-
2.	Persons Acting in Concert	-	-
	Sub Total	665219568	68.31
<b>B.</b>	<b>Public Share Holding</b>		
3.	Institutional Investors		
	a. Mutual Funds and UTI	-	-
	b. Bank/ Financial Institutions/ Insurance companies	1196230	0.12
	c. FIIs	-	-
	Sub Total	1196230	0.12
4.	Others		
	a. Bodies Corporate	48095691	4.95
	b. Indian Public	259018126	26.60
	c. Non-Resident Indians	196684	0.02
	d. Public Sector company	34500	0.00
	e. CM/CC	28841	0.00
	Sub Total	307373842	
	<b>Grand Total</b>	<b>973789640</b>	<b>100.00</b>

**Distribution of Shareholding:**

Range		Numbers of Shares	%	Number of Shareholders	%
From	To				
1	500	192200	0.02	1173	54.46
501	1,000	184207	0.02	214	9.94
1,001	2,000	306815	0.03	215	9.98
2,001	3,000	295351	0.03	119	5.52
3,001	4,000	121321	0.01	34	1.58
4,001	5,000	219281	0.02	47	2.18
5,001	10,000	572601	0.06	80	3.71
10,001	50,000	4177884	0.43	177	8.22
50,001	1,00,000	3540812	0.37	46	2.14
1,00,001	and Above	964179168	99.01	49	2.27
<b>Total</b>		<b>973789640</b>	<b>100.00</b>	<b>2154</b>	<b>100.00</b>

X) Share Transfer System	<p>The shares in physical form for transfer should be lodged at the office of the Company's Registrar and Share Transfer Agent, C B Management Services (P) Ltd., Kolkata. The transfer requests are processed within 14 days from the date of such request for transfer, if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in Company's equity shares in dematerialised form only.</p>
<p>XI) Dematerialisation of Shares as</p>  <p>A donut chart illustrating the dematerialisation of shares. The chart is divided into three segments: a large blue segment for NSDL (74.10%), a medium light blue segment for CDSL (25.35%), and a very small black segment for Physical shares (0.55%). A legend below the chart identifies the colors: blue for NSDL, light blue for CDSL, and black for Physical.</p>	<p>The Company has entered into arrangements with National Securities Depository Ltd., and Central Depository Services (India) Ltd., whereby Shareholders have an option to dematerialise their shares with either of the depositories.</p> <p>As on 31st March, 2014, 968426837 shares representing 99.45 % of the total shares have been dematerialised.</p> <p>DEMAT ISIN Number: INE360C01024</p>
Outstanding GDRs /ADRs / Warrants or any Convertible Instruments, conversions date and likely impact on equity.	Not Applicable
XIII) Plant Locations.	<p><b>Dishergarh Power Station</b>  Sanctoria, P.O.: Dishergarh,  Burdwan – 713 333  Ph.: 0341 2520 023  Fax. 0341 2520 022</p>
XIV) Address for Correspondence.	<p>The Company Secretary  India Power Corporation Limited.  Plot No.-X-1, 2 &amp; 3, Block EP, Sector-V,  Salt Lake City, Kolkata- 700 091.  Ph.: 033-6609 4308/09/10  Fax: (91) (33) 2357 2452  www.indiapower.com</p>

## STATUS OF ADOPTION OF THE **NON MANDATORY REQUIREMENTS**

### 1. **The Board**

The Company does not provide any office facility to the non-executive Chairman. None of the Independent Directors has the tenure in aggregate on the Board for more than 5 years.

### 2. **Remuneration Committee**

The Company has a Remuneration Committee as referred in Section 4 of this report.

### 3. **Audit Qualification**

Observations, if any, of the Auditors have been appropriately addressed in the Directors' Report.

### 4. **Other Items**

The rest of the Non-Mandatory requirements such as Shareholders Rights; Training of Board Members; Mechanism for evaluating non-executive Board Members and Whistle Blower Policy will be implemented by the Company as and when required and/or deemed necessary by the Board.

On behalf of the Board,

Kolkata,  
24th May, 2014

**Hemant Kanoria**  
*Chairman*

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## DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND **SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT**

This is to confirm that the Company has adopted the Code of Conduct for its Board Member and Senior Management Personnel including Managing Director as well as Non-Executive Independent Directors and the same are available on the website of the Company.

I also confirm that the Company has received a declaration of compliance with the Code of Conduct as applicable from the Members of the Board and Senior Management Personnel of the Company for the financial year ended 31st March, 2014.

For the purpose of this declaration, Senior Management shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise all members of management committee, including all functional heads.

Kolkata  
24th May, 2014

**Siddharth Ratilal Mehta**  
*Chief Executive Officer*

## CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) / CHIEF FINANCIAL OFFICER (CFO) IN TERMS OF REVISED CLAUSE 49 (V) OF THE LISTING AGREEMENT.

We, Siddharth Ratilal Mehta, Chief Executive Officer and Shri Arun Kumar Kedia, Chief Financial Officer of India Power Corporation Limited certify in terms of the requirement of revised Clause 49 (V) of the Listing Agreement, that we have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2014 and to the best of our knowledge, we certify that:

1. a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- c) there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
2. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and are not aware of deficiencies in the design or operation of such internal controls, if any, which need to be disclosed to the Auditors and Audit Committee.
3. We have indicated to the auditors and the Audit Committee that:
  - i) there has been no significant changes in internal controls during the year;
  - ii) there has been no significant changes in accounting policies during the year other than accounting for depreciation as required by West Bengal Electricity Regulatory Commission (Tariff) Regulation, 2007 as indicated in Note 1(a) on Significant Accounting Policies; and
  - iii) there has been no instances of fraud during the period of which we are aware.

**Siddharth Ratilal Mehta**  
*Chief Executive Officer*

**Arun Kumar Kedia**  
*Chief Financial Officer*

## AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members of  
**India Power Corporation Limited**

We have examined the compliance of conditions of Corporate Governance by India Power Corporation Limited (formerly DPSC Limited), for the year ended 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned statements of the Company.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Lodha & Co.**  
*Chartered Accountants*  
Firm ICAI Registration No: 0301051E

Place: Kolkata  
Date: 24th May, 2014

**H K Verma**  
*Partner*  
Membership No.: 055104

# ANNEXURE TO DIRECTORS' REPORT

## SUBSIDIARY COMPANIES' PARTICULARS

Statement pursuant to section 212 of the Companies Act, 1956 relating to the subsidiaries

(All amount in INR Lakhs, unless otherwise stated)

Name of the Subsidiary	Country of Incorporation	% holding of Group as on March 31, 2014	Reporting Currency	Exchange rate as on March 31, 2014	Capital	Reserves	Total Assets	Total Liabilities	Investments (other than investments in subsidiaries)	Turnover/ Total Income	Profit Before Taxation	Provision For Taxation	Profit After Taxation	Proposed Dividend
IPCL Pte Ltd	Singapore	100.00%	SGD	47.45	2.52	(2.18)	1.01	0.67	-	-	(2.10)	-	(2.10)	-
India Power Corporation (Bodhgaya) Ltd	India	100.00%	INR	1.00	10.00	(49.79)	139.54	179.33	-	0.03	(49.79)	-	(49.79)	-

Name of the Subsidiary	% holding of Group as on March 31, 2014	Number of shares held/amount of capital subscribed	The net aggregate amount of profit/(loss) of subsidiary to the extent it concerns the members of holding company were :			
			a) Not dealt within holding company's account :		b) Dealt within holding company's account :	
			i) For the financial year ended on March 31, 2014	ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary	i) For the financial year ended on March 31, 2014	ii) For the previous financial years of the subsidiary companies since they became the holding company's subsidiary
IPCL Pte Ltd	100.00%	5,000 Equity Shares of SGD 1/- each aggregating to SGD 5,000 equivalent to ₹2.52 lakhs	(2.10)	-	-	-
India Power Corporation (Bodhgaya) Ltd	100.00%	1,00,000 Equity Shares of ₹10 each aggregating to ₹10 lakhs	(49.79)	-	-	-

# Independent Auditors' Report

To the Members of

India Power Corporation Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **India Power Corporation Limited** (Formerly DPSC LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31st 2014, and the Statement of Profit and Loss and 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

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that::
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting standards referred to in sub section (3C) of sec 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e. On the basis of written representations received from the directors as on March 31st 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31st 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Lodha & Co

Chartered Accountants

Firm's ICAI Registration No.: 301051E

H K Verma

Partner

Place: Kolkata

Date: 24th May, 2014

Membership No: 055104

## Annexure to the Auditors' Report

(Referred to in Paragraph 1 of our Report of even date)

- i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regards to the size of the Company and nature of its assets. In accordance with this programme, fixed assets were physically verified by the management during the reporting period and that no material discrepancies were noticed on verification.
  - c. There was no substantial disposal of its fixed assets during the year, which may have any impact on the going concern nature of the Company.
- ii) a. As explained to us the Inventories have been physically verified by the management at reasonable intervals during the year. In our opinion the frequency of verification is reasonable.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. On basis of our examination of the records, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of Inventories as compared to the book records.
- iii) a. The Company has granted unsecured loans of ₹104.09 Lacs to one Company covered in the register maintained under section 301 of the Act. The maximum amount outstanding at any time during the year and the year-end balance in respect of such loan granted was ₹104.09 Lacs.
  - b. In our opinion, the rate of interest and other terms and conditions on which the unsecured loans as mentioned in (a) above are prima facie not prejudicial to the interest of the Company.
  - c. In respect of the loans granted by the Company, the terms and conditions as stipulated with respect to repayment of principal amounts are repayable after moratorium of two years.
  - d. As informed to us, having regard to the terms and conditions of the loans as mentioned above, there are no overdue amount outstanding in respect of such loans and interest thereon.
  - e. The Company has not taken any unsecured loan from companies covered in the register maintained under section 301 of the Act. Therefore the provisions of clause 4(iii) (e) to (g) of the Order are not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of energy and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v) According to the information and explanations given to us, during the year there were no contracts or arrangements that need to be entered into the register maintained under section 301 of the Act. Accordingly, the provisions of the clause 4(v) of the Order are not applicable to the Company.
- vi) The Company has not accepted any deposits from the public during the year.
- vii) In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.
- viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by Central Government for the maintenance of cost records under section 209(1) (d) of the Act and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- ix) a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing during the year the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities. According to information and explanation given to us and the records of the Company examined by us, there are no undisputed amounts of statutory dues which have not been deposited.

- b. According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess as applicable as at 31st March, 2014 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Period to which amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Sales Tax	0.83	Financial Year 2004-05	West Bengal Commissioner Taxes Appellate & Revisional Board
	Purchase Tax	1.40	Financial Year 2004-05	
	Purchase Tax	1.78	Financial Year 2003-04	
	VAT and Purchase Tax	33.97	Financial Year 2009-10	Senior Joint Commissioner of Sales tax, Asansol Circle
Income Tax Act, 1961	Fringe Benefit tax	0.31	Assessment Year 2008-09	Commissioner of Income tax

- x) The Company has no accumulated losses as at 31st March 2014 and it has not incurred cash losses during the current and in the immediately preceding reported financial year.
- xi) According to records of the Company examined by us and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of dues to any financial institution, or bank, or debenture holders.
- xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund or a nidhi mutual benefit fund/society. Accordingly, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks and financial institutions during the year.
- xvi) According to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- xvii) On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix) According to information and explanations given to us, the Company has not issued any debentures during the year.
- xx) The Company has not raised any money through a public issue during the year.
- xxi) 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 such case by the management.

**For Lodha & Co**  
Chartered Accountants  
Firm's ICAI Registration No.: 301051E

**H K Verma**  
Partner

Membership No: 055104

Place: Kolkata  
Date: 24th May, 2014

## Balance Sheet As at 31st March, 2014

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2014	As at 31st March, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	9,737.90	9,737.90
Reserves and surplus	4	84,674.08	81,859.48
Share capital suspense account	2.1	6,041.43	6,041.43
<b>Non-current liabilities</b>			
Long-term borrowings	5	29,667.68	20,541.00
Deferred tax liabilities (Net)	6	4,237.13	3,150.38
Other Long term liabilities	7	13,112.83	12,877.07
Long-term provisions	8	294.31	471.06
<b>Current liabilities</b>			
Short-term borrowings	9	7,412.27	3,188.09
Trade payables	10	7,440.40	6,636.11
Other current liabilities	11	5,950.32	3,700.18
Short-term provisions	12	2,738.85	2,365.04
<b>TOTAL</b>		<b>171,307.20</b>	<b>150,567.74</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	13	30,459.07	30,083.93
Intangible assets		306.37	382.88
Capital work-in-progress		5,108.75	1,585.34
Non-current investments	14.1	20,676.70	646.54
Long-term loans and advances	15	8,802.26	17,244.25
Other non current assets	16	81,886.01	81,886.01
<b>Current assets</b>			
Current Investments	14.2	106.30	5.00
Inventories	17	1,489.76	1,892.70
Trade receivables	18	9,074.36	7,122.38
Cash and bank balances	19	1,550.30	534.85
Short-term loans and advances	20	11,009.98	8,308.61
Other current assets	21	837.34	875.25
<b>TOTAL</b>		<b>171,307.20</b>	<b>150,567.74</b>

Significant Accounting Policies and Notes on Financial Statements are an integral part of the Financial Statements

As per our report on even date  
For Lodha & Co.  
Chartered Accountants

For and on behalf of the Board

H.K. Verma  
Partner  
Place: Kolkata,  
Date: 24th May, 2014

Saikat Bardhan  
Secretary

Amit Kiran Deb  
Director

Jyoti Kumar Poddar  
Director

## Statement of Profit and Loss

For the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>REVENUE</b>			
Revenue from operations	22	69,453.23	64,982.10
Other income	23	295.92	937.08
<b>Total Revenue</b>		<b>69,749.15</b>	<b>65,919.18</b>
<b>EXPENSES</b>			
Cost of Material Consumed - Coal Consumption		2,221.69	1,645.53
Energy Purchase	24	45,282.21	45,433.44
Lease Rent	25	6,279.13	4,544.88
Employee benefits expense	26	4,197.11	4,688.17
Finance costs	27	3,471.37	1,895.61
Depreciation and Amortisation expense	13	1,456.50	1,095.71
Other expenses	28	2,353.39	2,368.54
<b>Total Expenses</b>		<b>65,261.40</b>	<b>61,671.88</b>
<b>Profit Before Tax</b>		<b>4,487.75</b>	<b>4,247.30</b>
<b>Tax expense:</b>			
Current tax		967.00	806.72
Less: MAT Credit Entitlement		490.14	806.36
Deferred tax		1,086.75	1,488.13
<b>Profit After Tax</b>		<b>2,924.14</b>	<b>2,758.81</b>
Earnings per equity share:			
Basic and Diluted (in ₹)	29.8	0.19	0.17

Significant Accounting Policies and Notes on Financial Statements are an integral part of the Financial Statements

As per our report on even date  
For **Lodha & Co.**  
Chartered Accountants

For and on behalf of the Board

H.K. Verma  
Partner  
Place: Kolkata,  
Date: 24th May, 2014

Saikat Bardhan  
Secretary

Amit Kiran Deb  
Director

Jyoti Kumar Poddar  
Director

## Cash Flow Statement For the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxation	4,487.75	4,247.30
Adjustments for:		
Depreciation and amortisation	1,456.50	1,095.71
Loss on Discard/Sale of Fixed Assets (Net)	7.46	–
Income from Long Term (Other Than Trade) Investments	(76.53)	(295.77)
Interest (Received/ Receivable on Deposits) [Gross]	(109.78)	(5.62)
Profit on Disposal of Fixed Asset (Net)	–	(173.64)
Interest on Inter Corporate deposit	(55.17)	(306.99)
Profit on Sale of Long Term Investment (Exceptional Items)	(14.03)	(0.03)
Interest (Paid/ Payable on Loans etc)	3,471.37	1,895.61
Liability no longer required written back	(413.46)	(18.23)
Bad Debts Written off	–	154.85
	4,266.36	2,345.89
<b>Operating Profit before Working Capital Changes</b>	<b>8,754.11</b>	<b>6,593.19</b>
Adjustments for:		
Inventories	402.94	(370.18)
Trade and Other Receivables	4,390.88	(8,292.36)
Trade Payables	2,233.59	2,078.99
	7,027.41	(6,583.55)
<b>Cash Generated from Operations</b>	<b>15,781.52</b>	<b>9.64</b>
Direct Taxes Paid (Net of tax deducted at source)	(732.87)	(364.63)
<b>Net Cash from Operating Activities</b>	<b>15,048.65</b>	<b>(354.99)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,179.82)	(4,653.19)
Sale proceeds of Fixed Assets	30.41	300.57
Proceeds from Sale of Investments (Long-term)	139.11	22.53
Purchase of Investments (Long-term)	(20,246.54)	(90.65)
Inter Corporate Deposit given	2,248.55	(2,245.88)
Interest received on Deposits and Others	–	33.90
Income from Long Term (Other than Trade) Investments	294.55	292.90
<b>Net Cash used in Investing Activities</b>	<b>(25,713.74)</b>	<b>(6,339.82)</b>

## Cash Flow Statement

For the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from other Capital Accounts	70.98	28.22
Proceeds from Issue of Non Convertible Debentures	–	2,000.00
Proceeds from Long term borrowing	11,234.16	6,541.00
Repayment of Long term borrowing	(21.58)	–
Increase/ (Decrease) in Cash Credit facilities from Banks	4,224.18	(357.32)
Dividend paid (including tax on dividend)	(161.69)	(564.99)
Interest paid	(4,211.60)	(2,225.00)
<b>Net Cash from Financing Activities</b>	<b>11,134.45</b>	<b>5,421.91</b>
Net increase/ (decrease) in Cash and Cash Equivalents	469.36	(1,272.90)
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>341.10</b>	<b>1,614.00</b>
<b>Cash and Cash Equivalents at the closing of the year</b>	<b>810.46</b>	<b>341.10</b>
(Refer Note 19)		

### Notes to the Cash Flow Statement for the year ended 31st March, 2014

- The above Cash Flow Statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.
- Previous year's figures have been re-grouped/re-arranged wherever necessary.

Notes referred to above forms an integral part of this Cash Flow Statement.

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

For and on behalf of the Board

For Lodha & Co.  
Chartered Accountants

H.K. Verma  
Partner  
Place: Kolkata,  
Date: 24th May, 2014

Saikat Bardhan  
Secretary

Amit Kiran Deb  
Director

Jyoti Kumar Poddar  
Director

# Notes on Financial Statements For the year ended 31st March, 2014

## 1. SIGNIFICANT ACCOUNTING POLICIES

### (a) General:

The Financial Statements have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant provisions of the Companies Act, 1956 read with the general circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003.

### (b) Use of Estimate :

The preparation and presentation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

### (c) Fixed Assets:

- (i) Fixed Assets (both tangible and intangible) are stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition.
- (ii) All project related expenses via civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work-in-Progress (CWIP).
- (iii) Impairment loss is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount, i.e. net selling price or value in use, whichever is higher.

### (d) Depreciation/ Amortisation:

- (i) Depreciation of fixed assets is computed on straight line method either at the rates specified in the Tariff Regulation or as per Schedule XIV of the Companies Act, 1956 as the case may be.
- (ii) Cost of leasehold lands are amortised under the straight line method over the related lease period.
- (iii) Cost of Intangible assets (Computer software) is amortised under straight line method over 5 years.
- (iv) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.

### (e) Operating Lease :

Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss as per terms of lease agreements.

### (f) Investments:

Current investments are stated at lower of cost or fair value and long term investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of long term investments.

### (g) Inventories:

Inventories are valued at lower of cost or net realisable value

Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.

### (h) Taxation:

Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising out of timing difference, which are capable of reversal in subsequent periods are recognised using rates and tax laws, which have been enacted or subsequently enacted. Deferred tax assets are

## Notes on Financial Statements For the year ended 31st March, 2014

recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.

Entitlement Credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.

**(i) Revenue Recognition:**

Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by West Bengal Electricity Regulatory Commission (WBERC) and is net of rebate. It includes amount recoverable from/ refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA) and other cost adjustments based on the prescribed formulae and are shown as Tariff Adjustment account under Short-term Loans and Advances. Consequential adjustments are given effect to upon confirmation by the relevant authorities.

Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.

**(j) Borrowing Costs :**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets (being an asset that necessarily takes substantial period of time to get ready for intended use) are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.

**(k) Employee Benefits:**

**(i) Short Term Employee Benefits:**

Recognised at the undiscounted amount as expense for the year in which the related service is rendered.

**(ii) Post Employment Benefit Plans:**

Contribution under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the projected Unit Credit Method with the actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

**(iii) Other Long Term Employee Benefits (Unfunded):**

The cost of providing long -term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

**(iv) Employee separation costs :**

Compensation to employees opting for voluntary retirement scheme of the Company is charged in the year of exercise of option.

**(l) Provision, Contingent Liabilities and Contingent Assets :**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

**(m) Operating Cycle:**

Considering the nature of business and prevailing practice current and non current classification of assets and liabilities have been based on the operating cycle of 12 months.

## Notes on Financial Statements For the year ended 31st March, 2014

### 2 AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ('the scheme') sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, erstwhile India Power Corporation Limited (IPCL), has been amalgamated with the Company with effect from 1st October, 2011 (the appointed date). The scheme has therefore been given effect to in the financial Statements for the year ended 31st March, 2013.

#### 2.1 Consequent to the amalgamation as above:

The shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,12,02,75,823 equity shares of ₹1 each of the Company aggregating to ₹11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating / Transferor Company, its shareholding of 51,61,32,374 equity shares of ₹1 each aggregating to ₹5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court. The above referred allotment and cancellation, pursuant to the scheme, have not been given effect to, in view of the order passed by SEBI relating to Minimum Public Shareholding requirement. The matter is presently pending before the Hon'ble High Court at Calcutta and therefore a net amount of ₹6,041.43 lakhs, being the differential amount with respect to the equity shares to be issued and to be cancelled has continued to be shown as share capital suspense account.

2.2 In terms of the scheme, the Reserves arising pursuant to amalgamation shall constitute free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of Bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of ₹20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

2.3 Pursuant to the Scheme, the name of the Company has been changed to India Power Corporation Limited with effect from 27th August, 2013.

2.4 Pursuant to sanction of scheme, title deeds, conveyance and other legal documents of the amalgamating company are in the process of being transferred in the name of the Amalgamated Company.

## Notes on Financial Statements For the year ended 31st March, 2014

### 3. SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2014		31st March, 2013	
	Number of shares	Amount	Number of shares	Amount
<b>Authorised</b>				
10% 'A' Cumulative preference shares of ₹100 each	16,000	16.00	16,000	16.00
10% 'B' Cumulative preference shares of ₹100 each	12,000	12.00	12,000	12.00
Equity Shares of ₹1 each	16,997,200,000	169,972.00	16,997,200,000	169,972.00
<b>Issued, Subscribed and fully paid up equity shares</b>				
Equity Shares of ₹1 each	973,789,640	9,737.90	973,789,640	9,737.90
<b>Total</b>	<b>973,789,640</b>	<b>9,737.90</b>	<b>973,789,640</b>	<b>9,737.90</b>

3.1 The Company has only one class of equity shares having a par value of ₹1 each. The Board of Directors have proposed dividend of ₹0.05 per equity share including shares to be issued pursuant to scheme of amalgamation as referred to in note 2.1. Each share has one voting right. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

3.2 There is no movement in the number of shares outstanding and the amount of Share Capital as at 31st March, 2014 and 31st March, 2013.

3.2.1 During the financial year 2011-12 fully paid Bonus shares in the ratio of 22 (twenty two) equity shares of ₹1 each for every 1 (one) equity share of ₹1 each were issued and allotted on 20th December, 2011.

3.3 Details of Shareholders holding more than 5% of equity shares each, are set out below:

Name of the Shareholders	31st March, 2014	31st March, 2013
	No. of Shares	No. of Shares
Erstwhile India Power Corporation Ltd.	665,219,568	905,648,230
Power Trust (In the name of the Trustee - Dipak Rudra JH1: Ajay Kumar Agrawal)	240,428,662	—

3.4 The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in note 2.1.

# Notes on Financial Statements For the year ended 31st March, 2014

## 4. RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
<b>Capital Reserve</b>			
Contribution from Consumers towards Service Lines	4.1	1,051.82	1,023.60
Add: Contribution during the year		70.98	28.22
Closing Balance		1,122.80	1,051.82
<b>Other Capital Reserve</b>	4.3	82.47	82.47
<b>Debenture Redemption Reserve</b>			
Opening Balance		950.00	600.00
Add: Transfer from Surplus		350.00	350.00
Closing Balance		1,300.00	950.00
<b>General Reserve</b>			
Opening Balance		57,057.13	170.04
Add: General Reserve of amalgamating company	2 & 4.5	–	56,887.09
		57,057.13	57,057.13
Reserve on Amalgamation	2.2	20,079.84	20,079.84
<b>Contingency Reserve</b>	4.2	266.64	266.64
<b>Unforeseen Exigencies Reserve</b>	4.2		
Opening Balance		213.69	190.70
Add: Transfer from Surplus		52.46	22.99
Closing Balance		266.15	213.69
<b>Unforeseen Exigencies Interest Reserve</b>			
Opening Balance		57.30	34.12
Add: Transfer from Surplus		34.75	23.18
Closing Balance		92.05	57.30
<b>Surplus</b>			
Opening balance		2,100.59	562.30
Add: Surplus of amalgamating company		–	156.70
Add/(Less): Profit/(loss) of amalgamating company for the period from 1.10.11 to 31.3.12		–	(58.04)
Add: Dividend not payable	4.4	634.67	–
Add: Income tax on Proposed Dividend not payable	4.4	107.86	–
Add: Net Profit after tax transferred from Statement of Profit and Loss		2,924.14	2,758.85
Amount available for Appropriation		5,767.26	3,419.81
<b>Appropriations</b>			
Transfer to Reserve for Unforeseen exigencies Interest Reserve		34.75	23.18
Transfer to Unforeseen exigencies Reserve		52.46	22.99
Transfer to Debenture Redemption Reserve		350.00	350.00
Proposed Dividend @ ₹0.05 per share (previous year ₹0.05 per share)		788.97	788.97
Income Tax on Proposed Dividend		134.08	134.08
Closing Balance		4,407.00	2,100.59
<b>Total</b>		<b>84,674.08</b>	<b>81,859.48</b>

## Notes on Financial Statements For the year ended 31st March, 2014

- 4.1 Based on expert opinion obtained, considering that capital contribution from consumers toward service lines are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under notional ownership of the Company, such contribution are being transferred to Capital Reserve.
- 4.2 Contingencies Reserve was created by appropriation out of revenue of each year till the year ended 31st March, 2004 in accordance with the provisions of the Sixth Schedule to the erstwhile Electricity (Supply) Act, 1948. Further to these, reserve for unforeseen exigencies have been created in terms of tariff regulations.
- 4.3 Capital reserve arising consequent to the amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other capital reserve.
- 4.4 In terms of Shareholders' resolution dated 16th August, 2013, for the year ended 31st March, 2013, dividend of ₹154.30 Lakhs (including income tax of ₹26.22 lakhs), out of total proposed dividend of ₹923.05 Lakhs (including income tax ₹134.08 lakhs) was approved. Accordingly, dividend and tax thereon not approved has been written back.
- 4.5 General Reserve include ₹56,887.09 lakhs being General Reserve of amalgamating company in terms of scheme dealt with in Note 2.

### 5. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014			31st March, 2013		
		Non Current Maturities	Current Maturities	Total	Non Current Maturities	Current Maturities	Total
<b>Secured</b>							
Non Convertible Debentures	5.1	12,000.00	–	12,000.00	12,000.00	–	12,000.00
Term Loan							
- from Banks	5.2	11,667.68	2,109.95	13,777.63	8,541.00	24.05	8,565.05
- from a body corporate	5.3	6,000.00	–	6,000.00	–	–	–
<b>Total</b>		<b>29,667.68</b>	<b>2,109.95</b>	<b>31,777.63</b>	<b>20,541.00</b>	<b>24.05</b>	<b>20,565.05</b>

- 5.1 (a) Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to ₹10000 lakhs redeemable in five installments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 3rd November, 2010 and is secured by mortgage of immovable properties consisting of 1.0749 acres of land and four storied building measuring 1190 sq. mtr. along with conference hall measuring 359 sq. mtr. at Plot X-1, 2&3, Block EP, Salt Lake, Kolkata and land, building, office, bungalow and guesthouse at Sanctoria and Asanboni at Asansol (Burdwan) and 1731.82 sq. mtr. land at Iswarpura (Gujarat).
- 5.1 (b) Includes 12% Secured Redeemable Non Convertible Debentures aggregating to ₹2000 lakhs redeemable in five installments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 19th September, 2012 and is secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi and Seebpore Mouza at Burdwan District including bungalow, quarters, offices etc at Luchipur Receiving Station area of 56,633.94 sq. ft. under Seebpore circle.
- 5.2 (a) Includes Term loan of ₹4000 lakhs (₹3500 lakhs as at 31st March, 2013) at bank base rate plus 2.5% and is repayable after moratorium of two years from 1st April, 2012 in 9 years in equal quarterly installments and is secured by mortgage of assets of 1x12 MW plant project and immovable property consisting of Land of 20.10 acres at Dishergarh, District Burdwan.
- 5.2 (b) Includes Term Loan of ₹5000 lakhs (₹5000 lakhs as at 31st March, 2013) at bank base rate plus 2.5% and is repayable after moratorium of two years in 9 years from the date of disbursement i.e. 29th December, 2012 in equal quarterly installments and is secured by exclusive charge of entire fixed assets pertaining to 220/33 kv sub-station at J.K Nagar, Burdwan, both present and future.
- 5.2 (c) Includes Term Loan of ₹4734.17 lakhs (₹ nil as at 31st March, 2013) at bank base rate plus 0.75% and is repayable after moratorium of six months from the date of disbursement i.e. 30th January, 2014 in equal quarterly installment and is secured by hypothecation by way of exclusive first charge on certain movable fixed assets of 29 kv Dishergarh distribution network and 11 kv Seebpore distribution network.
- 5.2 (d) Includes Term loan ₹43.47 lakhs (₹65.05 lakhs as at 31st March, 2013) at the rate of 13% repayable in 35 monthly installments of ₹2.49 lacs each and is secured against asset purchased out of the loan
- 5.3 Term loan of ₹6000 lakhs @ 13.50% repayable after five years from the date of disbursement i.e. 22nd May, 2013 and is to be secured by equitable mortgage of land measuring 155.50 acres located at Raybandh Village, Raghunathpur Town, District Purulia, West Bengal and movable fixed assets of the project.

## Notes on Financial Statements For the year ended 31st March, 2014

### 6. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Deferred tax Liabilities		
Depreciation on fixed assets	4,744.34	4,359.23
Unamortised borrowing cost	103.21	120.41
	4,847.55	4,479.64
Deferred tax Assets		
Expenses allowable on payment basis	378.14	370.30
Voluntary Retirement and other expenses allowable on amortisation basis	232.28	958.96
	610.42	1,329.26
<b>Total</b>	<b>4,237.13</b>	<b>3,150.38</b>

### 7. OTHER LONG-TERM LIABILITIES

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Trade Payable	4,535.25	4,535.25
Consumer Security Deposit	2,014.80	1,768.39
Advance/payable from/to consumers and others	5,565.90	6,096.94
Advance from Consumers for capital jobs	996.88	476.49
<b>Total</b>	<b>13,112.83</b>	<b>12,877.07</b>

### 8. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Provision for Employee benefits	294.31	471.06
<b>Total</b>	<b>294.31</b>	<b>471.06</b>

### 9. SHORT-TERM BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Secured - Repayable on demand			
Cash Credit from banks	9.1, 9.2, 9.3 & 9.4	7,412.27	3,188.09
<b>Total</b>		<b>7,412.27</b>	<b>3,188.09</b>

- 9.1 Cash Credit of ₹4411.31 lakhs (previous year ₹2299.95 lakhs) from South Indian Bank is secured by first pari passu charge on current assets both present and future.
- 9.2 Cash Credit of ₹1312.32 lakhs (previous year ₹888.14 lakhs) from IDBI Bank is secured by first charge, ranking pari passu on current assets both present and future and second charge on immovable property consisting of 35.50 acres of land at Asansol and 1.0749 acres of land at Plot X-1, 2&3, Block EP, Salt Lake, Kolkata.
- 9.3 Cash Credit of ₹1302.58 lakhs (previous year ₹ Nil) from Ratnakar Bank is secured by first pari passu charge on current assets both present and future.
- 9.4 Cash Credit of ₹386.06 lakhs (previous year ₹ Nil) from Axis Bank is secured by first pari passu charge on current assets both present and future and second pari passu charge by way of hypothecation of fixed assets of the Company, both present and future.

## Notes on Financial Statements For the year ended 31st March, 2014

### 10. TRADE PAYABLE

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Payable for goods and services	10.1	7,440.40	6,636.11

#### 10.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company.

Based on above, the relevant disclosures under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Principal amount outstanding at the end of the year	4.42	18.35
Interest amount outstanding at the end of the year	—	—
Interest paid to supplier	—	—

### 11. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Current Maturity of long term debts	5	2,109.95	24.05
Unclaimed dividends	11.1	20.56	1.73
Interest accrued but not due on Debentures		567.71	567.71
Interest accrued but not due on borrowings		40.03	26.60
Payable for capital goods/services		1,013.59	1,337.18
Statutory Collection/Deduction		2,019.08	1,521.66
Advance/other payable - Consumers		4.55	12.61
Interest accrued but not due on Security Deposit		108.69	97.37
Others		66.16	111.27
<b>Total</b>		<b>5,950.32</b>	<b>3,700.18</b>

11.1 Unclaimed dividend does not include any amount due and outstanding to be credited to Investor Education and Protection fund.

### 12. SHORT TERM PROVISION

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Provision for employee benefits	884.68	747.64
Others		
Provision for Income tax (Net of advance tax)	928.11	693.98
Proposed dividend @ ₹0.05 per share (previous year ₹0.05 per share)	788.97	788.97
Tax on Proposed Dividend	134.08	134.08
Provision for wealth tax	3.01	0.37
<b>Total</b>	<b>2,738.85</b>	<b>2,365.04</b>

## Notes on Financial Statements For the year ended 31st March, 2014

### 13. FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	As at 1st April 2013	Addition on Amalgamation	Additions/ Adjustment	Withdrawal/ Adjustments	As at 31st March 2014	As at 1st April 2013	Addition on Amalgamation	For the year	Withdrawal/ Adjustments	As at 31st March 2014	As at 31st March 2013
(a) Tangible Assets											
Land Freehold 13.1	231.82	–	0.23	–	232.05	–	–	–	–	232.05	231.82
Land Leasehold	1,673.12	–	7.58	0.29	1,680.41	50.46	–	5.33	0.26	1,624.88	1,622.66
Buildings	7,853.12	–	642.77	966.38	7,529.51	1,204.61	–	285.58	26.08	1,464.11	6,648.51
Plant and Equipment	8,336.22	–	1,297.25	14.81	9,618.66	961.59	–	373.75	12.96	1,322.38	7,374.63
Mains Meters and Transformers	16,242.15	–	616.11	81.13	16,777.13	2,742.78	–	600.92	53.98	3,289.72	13,499.37
Furniture and Fixtures	333.39	–	4.49	1.73	336.15	138.20	–	18.48	1.08	155.60	195.19
Vehicles	183.86	–	–	0.28	183.58	58.31	–	23.53	0.27	81.57	125.55
Office Equipment	671.63	–	128.07	6.03	793.67	285.43	–	41.00	3.25	323.18	386.20
Total (A)	35,525.31	–	2,696.50	1,070.65	37,151.16	5,441.38	–	1,348.59	97.88	6,692.09	30,083.93
(b) Intangible Assets											
Computer software	625.05	–	31.40	–	656.45	242.17	–	107.91	–	350.08	382.88
Total (B)	625.05	–	31.40	–	656.45	242.17	–	107.91	–	350.08	382.88
Total (A+B)	36,150.36	–	2,727.90	1,070.65	37,807.61	5,683.55	–	1,456.50	97.88	7,042.17	30,466.81
Previous year	20,012.73	1,473.06	15,355.94	691.37	36,150.36	4,613.45	538.83	1,095.71	564.45	5,683.55	30,466.81

13.1 Lease hold land includes land at Raghunathpur for which registration is pending.

13.2 Refer Note 29.5 (a) and 29.5 (b)

## Notes on Financial Statements For the year ended 31st March, 2014

### 14.1 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. 31st March 2014	No. 31st March 2013	Face value (₹)	31st March 2014	31st March 2013
<b>Long Term Investments (other than Trade)</b> (at cost except otherwise stated)					
<b>Investment for Contingency Reserve</b>					
<b>Quoted - Bonds</b>					
8.75% Catholic Syrian Bank, 2014	–	6	1,000,000	–	57.30
7.50% ICICI Bank, 2015	2	2	1,000,000	19.00	19.00
11.05% IOB, 2018	2	2	1,000,000	–	20.00
7.99% GOI, 2017	–	5,000	100	–	5.00
9.05% Corporation Bank, 2019	–	1	1,000,000	–	10.00
<b>Unquoted</b>					
UTI Balanced Fund (Income Re-investment) Scheme	66,089	63,179	10	9.89	9.89
UTI - GILT Advantage fund long term plan - Dividend payout	639,645	1,624,341	10	84.65	169.30
<b>Investment for Unforeseen Exigencies Reserve</b>					
<b>Quoted - Bonds</b>					
11.00% PFC, 2018	3	3	1,000,000	30.00	30.00
9.05% Corporation Bank, 2019	3	3	1,000,000	30.00	30.00
7.50% ICICI Bank, 2015	2	2	1,000,000	19.20	19.20
11.05% IOB, 2018	2	–	1,000,000	20.00	–
9.20% Bank of Baroda Perpetual bonds, 2019	3	3	1,000,000	30.00	30.00
9.18% PFC, 2021	4	4	1,000,000	39.56	39.56
9.50% HDFC, 2016	3	3	1,000,000	29.94	29.94
11.40% SREI IFL, 2022	2	2	1,000,000	19.99	19.99
10.50% SIFL, 2020	1	1	1,000,000	9.75	9.75
<b>Unquoted</b>					
Fixed Deposit with Financial Institutions				11.00	11.00
<b>Investment for Contingency Reserve Interest</b>					
<b>Quoted - Bonds</b>					
9.40% NABARD, 2016	1	1	1,000,000	–	10.00
8.30% GOI, 2040	3,000	3,000	100	2.92	2.92
11.40% SREI IFL, 2022		1	1,000,000	–	9.99
<b>Unquoted</b>					
Fixed Deposit with Financial Institutions				1.00	3.50
<b>Investment for Unforeseen Exigencies Reserve Interest</b>					
<b>Quoted - Bonds</b>					
8.26% GOI Bond, 2027	–	6,000	100	–	5.98
7.87% Kerala SDL, 2016	1,000	1,000	100	0.99	0.99
7.80% GOI, 2021	–	1	200,000	–	1.96
11.40% SREI IFL, 2022	2	1	1,000,000	19.99	10.00
9.40% NABARD, 2016	1	–	1,000,000	10.00	–
10.50% SIFL, 2020	1	–	1,000,000	9.76	–
<b>Unquoted</b>					
Fixed Deposit with Financial Institutions				40.50	38.00

## Notes on Financial Statements For the year ended 31st March, 2014

### 14.1 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. 31st March 2014	No. 31st March 2013	Face value (₹)	31st March 2014	31st March 2013
<b>Others</b>					
<b>Fully paid up Equity Shares</b>					
<b>Quoted</b>					
Yule Financing & Leasing Co. Ltd. (YFLC) - at under cost	297,930	297,930	10	–	–
Tide Water Oil Co. (I) Ltd.	1,006	1,006	10	0.72	0.72
<b>Unquoted</b>					
Transformer & Switchgear Ltd.- at under cost	24,407	24,407	10	–	–
WEBFIL Limited	2,003,800	2,003,800	10	200.38	200.38
National Power Exchange Limited	500,000	500,000	10	50.00	50.00
Woodlands Multispecialty Hospital Limited	500	500	10	0.05	0.05
<b>Fully Paid Debentures</b>					
<b>Unquoted</b>					
18.00% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	2,500	100	2.50	2.50
<b>Quoted</b>					
11.50% Non Convertible Debenture of Srei Infrastructure Finance Limited	22,700	–	1,000	227.00	–
<b>Fully Paid up Preference Shares</b>					
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited	199,457,700	–	10	19,945.77	–
<b>Investment in wholly owned Subsidiary Company</b>					
<b>Fully Paid up Equity Shares</b>					
<b>Unquoted</b>					
India Power Corporation (Bodhgaya) Limited	100,000	–	10	10.00	–
IPCL Pte Limited (Face value of SGD 1/- each)	5,000	–		2.52	–
				20,877.08	846.92
<b>Less: Provision for Diminution in value of Investment</b>				200.38	200.38
<b>Total</b>				<b>20,676.70</b>	<b>646.54</b>
Aggregate amount of Quoted Investments				518.82	362.30
Aggregate Market Value of Quoted Investments				283.76	433.17
Aggregate amount of Unquoted Investments				20,358.26	484.62
Aggregate provision made for diminution in value of Investments				200.38	200.38

## Notes on Financial Statements

For the year ended 31st March, 2014

### 14.2 CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. 31st March 2014	No. 31st March 2013	Face value (₹)	31st March 2014	31st March 2013
Current Investment (other than trade) - at lower of cost or fair value					
Current Maturities of Long Term Investments					
Investment for Contingency Reserve					
Quoted - Bonds					
8.75% Catholic Syrian Bonds-2014	6		1,000,000	57.30	—
Investment for Unforeseen Exigencies Reserve					
Unquoted					
Fixed Deposits with Banks				39.23	—
Investment for Unforeseen Exigencies Reserve Interest					
Unquoted					
Fixed Deposit with Financial Institutions				—	5.00
Fixed Deposit with Banks				9.77	—
<b>Total</b>				<b>106.30</b>	<b>5.00</b>
Aggregate amount of Quoted Investments				57.30	—
Aggregate Market Value of Quoted Investments				60.00	—
Aggregate amount of Unquoted Investments				49.00	5.00

### 15. LONG TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Unsecured, Considered Good			
Loan to Related Party	15.1 & 29.7	104.09	—
Advances			
Advance to a Body Corporate against Power Purchase Agreement		—	11,798.00
Capital Advances		6,362.65	3,992.72
Advances to Employees	15.1	12.20	2.68
Security Deposits		6.40	6.71
Advance against Compulsorily Convertible Preference Shares		537.00	—
MAT Credit Entitlement	15.2	1,481.29	991.15
Advances to Suppliers and others		298.63	452.99
<b>Total</b>		<b>8,802.26</b>	<b>17,244.25</b>

#### 15.1 Disclosure pursuant to clause 32 of listing agreement

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
1) No interest or interest below the rate specified in section 372A of Companies Act, 1956 *	12.20	2.68
2) Loans to Subsidiary Company		
- India Power Corporation (Bodhgaya) Ltd.		
Outstanding balance	104.09	—
Maximum Amount due during the year	104.09	—

\* Advance to employees pursuant to normal business practice and employee welfare

15.2 The Company has recognised Entitlement for MAT Credit of ₹1481.29 lakhs including ₹490.14 lakhs for the year, (Previous year ₹806.36 lakhs) based on convincing evidence that the Company is expected to pay normal tax within the credit entitlement period.

## Notes on Financial Statements For the year ended 31st March, 2014

### 16. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Beneficial Interest in Power Trust	16.1	81,886.01	81,886.01
<b>Total</b>		<b>81,886.01</b>	<b>81,886.01</b>

16.1 Beneficial interest in Power Trust represents Net Book Value of the Investments and liabilities pertaining to Investment division of erstwhile IPCL transferred pursuant to the scheme dealt with in Note 2. In terms of the valuation of an Independent firm of Chartered Accountants, underlying values thereof are not less than the value at which these have been carried and stated in the financial statements and as such no adjustment in this respect has been considered necessary.

### 17. INVENTORIES (At lower of cost or net realisable value)

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Coal		322.68	527.05
Stores and Spares	29.5	1,164.57	1,363.27
Loose Tools		2.51	2.38
<b>Total</b>		<b>1,489.76</b>	<b>1,892.70</b>

### 18. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment			
Secured, considered good	18.1	—	0.07
Unsecured, considered good		450.93	352.27
		<b>450.93</b>	<b>352.34</b>
Trade receivables outstanding for a period less than six months from the date they are due for payment			
Secured, considered good	18.1	1,696.48	1,549.11
Unsecured, considered good		6,926.95	5,220.93
		<b>8,623.43</b>	<b>6,770.04</b>
<b>Total</b>		<b>9,074.36</b>	<b>7,122.38</b>

18.1 Secured by security deposits received from the respective consumers.

### 19. CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
<b>Cash and Cash Equivalent</b>		
Balances with Banks		
Unpaid Dividend	20.56	1.73
Current Account	783.45	334.01
Cash on hand	6.21	4.91
Stamps in hand	0.24	0.45
	<b>810.46</b>	<b>341.10</b>
<b>Other Balances with Banks</b>		
Fixed deposit (having original maturity of more than 3 months)	739.74	168.07
Current Account - Unforeseen Exigencies Reserve Fund	0.10	25.68
	<b>739.84</b>	<b>193.75</b>
<b>Total</b>	<b>1,550.30</b>	<b>534.85</b>

## Notes on Financial Statements For the year ended 31st March, 2014

### 20. SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
Unsecured, Considered Good			
Inter Corporate Deposit		–	2,248.55
Tariff Adjustment Account		8,881.15	4,781.95
Advance - suppliers and others	20.1	2,128.83	1,278.11
<b>Total</b>		<b>11,009.98</b>	<b>8,308.61</b>
20.1 Include unamortised debenture related expense		320.94	371.55

### 21. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Accrued Interest on Investments, Bank deposit and Inter Corporate Deposit etc.	442.93	496.00
Consumer Job Work in Progress	394.41	229.12
Others	–	150.13
<b>Total</b>	<b>837.34</b>	<b>875.25</b>

### 22. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Energy	22.1	68,709.64	64,649.55
Dividend on long term investment others		–	1.21
Rent Received		–	96.40
Other operating revenues		743.59	234.94
<b>Total</b>		<b>69,453.23</b>	<b>64,982.10</b>

22.1(a) Sale of energy include Monthly Variable Cost Adjustment (MVCA) of ₹3458.29 lakhs and Fuel Purchase and Power Cost Adjustment (FPPCA) of ₹6.91 lakhs for the year on the basis of formulae prescribed under the applicable Tariff Regulations, and is inclusive of ₹340.02 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

22.1(b) Sale of energy include ₹718.34 lakhs for the year 2010-11 and 2011-12 being impact of Annual Performance Review and Fuel Purchase and Power Cost Adjustment orders of WBERC and Tribunal and ₹1206 lakhs on account of certain claims pertaining to earlier years based on Electricity Appellate Tribunal order pending reassessment by WBERC.

#### 22.1.1 Regulatory

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Energy (₹ in Lakhs)	62,232.77	59,728.17
Sale of Energy (in Kwh)	1011461822	1016215954

#### 22.1.2 Non Regulatory

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Sale of Energy (₹ in Lakhs)	6,476.88	4,921.38
Sale of Energy (in Kwh)	156389152	125852701

## Notes on Financial Statements For the year ended 31st March, 2014

### 23. OTHER INCOME

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest income on investment in Bonds and Securities - long term	23.1	72.02	31.44
Interest income on investment in Fixed Deposits - long term	23.1	3.00	4.43
Interest Income on Deposits and Others		164.95	312.61
Interest on Income tax refund		20.64	–
Dividend Income on long term Investments		1.51	258.70
Profit on sale of fixed assets (Net)		–	173.64
Profit on sale of Investments - long term		14.03	0.03
Rent Received		19.77	–
Profit on sale of stores/scrap		–	156.23
<b>Total</b>		<b>295.92</b>	<b>937.08</b>

23.1 Interest income includes ₹34.75 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - Interest in terms of Tariff Regulations as given below:

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Accrued and Received during the year	14.89	9.37
Interest Accrued during the year but not received	19.86	13.81
<b>Total</b>	<b>34.75</b>	<b>23.18</b>

### 24. PURCHASE OF ENERGY

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Purchase of Energy (₹ in lakhs)	45,282.21	45,433.44
24.1 Purchase of Energy (in kwh)	988470140	1032390161

24.2 Effective 2004-05 power purchased from Damodar Valley Corporation (DVC) is accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2004-05 to 2013-14, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India.

### 25. LEASE RENT

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
Lease Rent of Wind Mill	29.6	6,279.13	4,544.88
<b>Total</b>		<b>6,279.13</b>	<b>4,544.88</b>

### 26. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries and Wages	26.1	3,466.35	3,788.16
Contributions to Provident and other funds		482.85	551.10
Staff Welfare expenses		247.91	348.91
<b>Total</b>		<b>4,197.11</b>	<b>4,688.17</b>
26.1 (i) Exclude amounts incurred for work for consumers and capital jobs		39.93	66.46
(ii) Include Voluntary Retirement Compensation Paid		357.54	509.15

## Notes on Financial Statements For the year ended 31st March, 2014

### 27. FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest	3,418.93	1,841.70
Other Borrowing Costs	52.44	53.91
<b>Total</b>	<b>3,471.37</b>	<b>1,895.61</b>

### 28. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended 31st March, 2014		Year ended 31st March, 2013	
Consumption of Stores and Spare parts		124.46		137.20
Repairs				
Buildings	31.88		83.43	
Machinery	296.72		298.48	
Transmission and Distribution network	70.81		47.05	
Others	224.79	624.20	187.50	616.46
Raw water charges		–		0.52
Coal and Ash handling charges		114.76		56.75
Loss on discard/Sale of Fixed Assets (Net)		7.46		–
Rent		4.32		11.64
Rates and Taxes		50.32		41.31
Insurance		43.02		43.17
Auditors' Remuneration				
Audit Fees	8.50		7.50	
Tax Audit Fees	–		2.50	
For Certification	10.00		8.70	
Service Tax	–	18.50	2.30	21.00
Directors' Fees (inclusive of service tax ₹0.51 lakhs, previous year ₹0.28 lakhs)		4.62		3.83
Commission to Directors (inclusive of service tax of ₹5.43 lakhs, previous year ₹4.81 lakhs)		49.38		43.22
Bad Debts		–		154.86
Miscellaneous Expense		1,312.35		1,238.58
<b>Total</b>		<b>2,353.39</b>		<b>2,368.54</b>

## Notes on Financial Statements For the year ended 31st March, 2014

### 29.1 Contingent liabilities and commitments *(to the extent not provided for)*

(₹ in lakhs)

Particulars	Note No.	31st March, 2014	31st March, 2013
<b>29.1.1 Contingent Liabilities</b>			
a) Demand from Sales tax authorities against which Company's appeal is pending		37.45	37.45
b) Other demand against which Company's appeal is pending		165.38	88.28
c) Performance Bank Guarantee	29.1.3	1,595.00	–
d) Standby letter of Credit	29.1.3	934.00	–
e) Unexpired Letter of Credit	29.1.3	880.00	–
<b>Total</b>		<b>3,611.83</b>	<b>125.73</b>
29.1.2 On the basis of current status of individual cases and as per the legal advices received, where ever applicable the management is of the view that no provision is required in respect of these cases given in 29.1 and outflow of resources is dependent upon final judgement.			
29.1.3 Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Ltd.			
<b>29.2 Commitment</b>			
29.2.1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances of ₹1033.28 lakhs, previous year ₹98.31 lakhs)		635.44	2,684.98
29.2.2 <b>Other Commitment</b>			
To subscribe to Compulsorily Convertible Preference Shares of India Power Corporation (Haldia) Ltd. (net of advance of ₹537 lakhs)		4,517.23	–
<b>Total</b>		<b>5,152.67</b>	<b>2,684.98</b>

### 29.3 Expenditure in foreign Currency

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Travelling	2.97	–
Domain name	–	1.95

29.4 Capital work in progress includes cost of equipments and other civil and construction cost amounting to ₹3827.56 lakhs, pre-operative expenses, trial run expenses (net of revenue) as detailed below. These are allocated to respective assets on capitalisation.

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Brought forward from Previous year	263.61	430.64
Interest expense	872.45	533.97
Cost of material consumed - coal consumption	–	274.21
Other borrowing costs	147.08	45.01
Salaries and wages	12.47	66.08
Consumption of Stores and Spares parts	–	47.87
Coal and ash handling charges	–	12.38
Repairs to machinery	0.10	40.52
Rent	0.80	1.54
Rates and taxes	1.21	8.01
Miscellaneous	32.62	109.71
	<b>1,330.34</b>	<b>1,569.94</b>
Less: Sale of energy (4254479 kwh)	–	234.85
Less: Allocated to fixed assets	49.17	1,071.48
<b>Carried forward</b>	<b>1,281.17</b>	<b>263.61</b>

## Notes on Financial Statements For the year ended 31st March, 2014

29.5 (a) Net block of fixed assets as on 31st March, 2014 include ₹1867.04 lakhs and stores and spares include ₹387.39 lakhs, being assets lying in the leased premises at Chinakuri Power Station which was under operating lease from Eastern Coal Fields Limited (ECL).

29.5 (b) The lease with ECL has expired on 31st March, 2012 and in terms of lease agreement, ECL is required to take over all the assets at respective Written Down Value as on the date of termination of lease. The Company has made necessary claims for recovery against fixed and current assets from ECL, which is subjudice.

29.6 Certain premises and wind turbine generator are obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

(a) The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows: (₹ in lakhs)

Particulars	31st March, 2014
(i) Not later than one year	4,400.31
(ii) Later than One year and not later than 5 years	22,001.55
(iii) Later than 5 years	17,679.90

b) The Company has not made any sublease arrangement with other parties.

c) The Company has recognised an amount of ₹6279.13 lakhs (previous year ₹4534.28 lakhs) towards lease rent (note 25) and ₹4.32 lakhs (previous year ₹11.64 lakhs) for rent of premises (note 28) for the year.

d) Significant features of aforesaid lease arrangements are as follows:

i) The Company will pay the fixed lease rent over the lease period . There is no contingent lease rent except for wind mill at Rajasthan where in lease rent is contingent on revenue receipt.

ii) Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.

iii) There are no restrictions imposed on the Company by the existing lease agreements.

### 29.7 Related Party Disclosures

#### List of Related Parties where control exists

Name of the Related Party	Relationship
India Power Corporation (Bodhgaya) Limited	Subsidiary (with effect from 12th September, 2013)
IPCL Pte Ltd.	Subsidiary (with effect from 4th October, 2013)

Key Management Personnel	Relationship
Shri Jyotirmay Bhaumik	Chief Executive Officer (upto 30th April, 2013)
Shri Siddhartha Ratilal Mehta	Chief Executive Officer (from 2nd May, 2013)

#### Transactions during the year with the related parties (₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
<b>Loan given and outstanding</b>		
India Power Corporation (Bodhgaya) Limited	104.09	—
<b>Investment in equity shares</b>		
India Power Corporation (Bodhgaya) Limited	10.00	—
IPCL Pte Ltd.	2.52	—
<b>Expenditure</b>		
Remuneration paid to Shri Jyotirmay Bhaumik	6.00	70.69
Remuneration paid to Shri Siddhartha Ratilal Mehta	76.18	—
<b>Income</b>		
Interest on Loan to India Power Corporation (Bodhgaya) Limited	3.46	—
Sale of stores material to India Power Corporation (Bodhgaya) Limited	15.01	—
<b>Other Receivables</b>		
India Power Corporation (Bodhgaya) Limited	18.47	—

## Notes on Financial Statements For the year ended 31st March, 2014

### 29.8 Earning per Share

(₹ in lakhs)

Particulars	31st March, 2014	31st March, 2013
Profit after tax	2,924.14	2,758.81
Number of Equity Shares	973789640	973789640
Number of equity Shares in Share Capital Suspense Account (Note 2.1)	604143449	604143449
Total Number of Shares	1577933089	1577933089
Earning per share (Basic and Diluted) (₹)	0.19	0.17
Face Value per equity share (₹)	1	1

### 29.9 Employee Benefits

#### Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India(LICI), make payments to vested employees on their cessation of employment, death or incapacitation of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of ₹10.00 lakhs. Vesting occurs upon completion of five years of service.

#### Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

#### Post retirement Benefit (Unfunded)

Till the previous year the Company had a scheme for domiciliary treatment for its certain category of retired employees till death and their surviving spouses up to an annual maximum limit. With effect from 1st April, 2013 the scheme has been discontinued and accordingly, provision of ₹65.18 lakhs there against has been written back and adjusted to Employee Benefit expenses (Note 26).

#### Lump sum payment (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

#### 29.10.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations

(₹ in lakhs)

Particulars	Funded				Unfunded			
	Gratuity		Superannuation Fund		Leave Encashment		Lumpsum payment in lieu of pension	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Opening balance	1,349.98	1,436.98	85.17	71.15	403.68	353.11	47.19	54.04
Current Service Cost	66.97	74.27	3.31	2.85	36.69	40.32	1.63	1.89
Interest Cost	95.63	110.13	5.16	5.25	28.83	24.38	3.09	3.80
Plan Amendments								
Actuarial loss/(gain)	57.16	70.87	2.67	27.62	(102.09)	131.68	8.25	8.21
Benefits paid	(309.26)	(342.27)	(38.07)	(21.70)	(86.70)	(145.81)	(17.15)	(20.75)
Closing balance	1,260.48	1,349.98	58.24	85.17	280.41	403.68	43.01	47.19

#### 29.10.2 Reconciliation of opening and closing balances of the fair value of plan assets

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund	
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2014	As at 31.3.2013
Opening balance	691.61	809.92	40.89	32.62
Actual return on Plan Assets	2.59	65.97	0.19	2.22
Expected return on Plan Assets	49.62	66.75	2.29	3.31
Actuarial gain/(loss)	(47.03)	(0.78)	(2.10)	(1.09)
Contribution	60.16	157.99	15.05	27.75
Benefits paid	(309.26)	(342.27)	(38.07)	(21.70)
Closing balance	445.10	691.61	18.06	40.89

## Notes on Financial Statements For the year ended 31st March, 2014

### 29.10.3 Amount recognised in Balance Sheet

(₹ in lakhs)

Particulars	Funded					Funded				
	Gratuity					Superannuation Fund				
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010
Present value of obligation	1,260.48	1,349.98	1,435.92	1,347.31	838.94	58.24	85.17	71.15	99.48	105.70
Fair Value of Plan Assets	445.10	691.61	809.92	829.30	537.70	18.06	40.89	32.62	23.36	21.13
Net Asset/(Liability)	(815.38)	(658.37)	(626.00)	(518.01)	(301.24)	(40.18)	(44.28)	(38.53)	(76.12)	(84.57)

(₹ in lakhs)

Particulars	Unfunded					Unfunded				
	Lumpsum payment in lieu of pension					Leave Encashment				
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010
Present value of obligation	43.01	47.19	54.04	58.35	52.50	280.41	403.68	351.55	332.71	298.86
Fair Value of Plan Assets	—	—	—	—	—	—	—	—	—	—
Net Asset/(Liability)	(43.01)	(47.19)	(54.04)	(58.35)	(52.50)	(280.41)	(403.68)	(351.55)	(332.71)	(298.86)

### 29.10.4 Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Gratuity		Superannuation Fund		Leave Encashment		Lumpsum payment in lieu of pension	
	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013
Current service cost	66.97	74.27	3.31	2.85	36.69	40.32	1.63	1.89
Interest cost	95.63	110.13	5.16	5.25	28.83	24.38	3.09	3.80
Expected return on Plan Assets	(49.62)	(66.75)	(2.29)	(3.31)	—	—	—	—
Past Service Cost	—	—	—	—	—	—	—	—
Actuarial loss/(gain)	104.19	71.65	4.77	28.71	(102.09)	131.68	8.25	8.21
Recognised in Profit and Loss Account	217.17	189.30	10.95	33.50	(36.57)	196.38	12.97	13.90
Under	Contribution to Provident and Other Funds				Salaries, Wages and Bonus			

### 29.10.5 Experience adjustment on Plan Liabilities and Assets

(₹ in lakhs)

Particulars	Gratuity					Superannuation Fund				
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010
Defined benefit obligations	1,260.48	1,349.98	1,435.92	1,347.31	838.94	58.24	85.17	71.15	99.48	105.70
Plan Assets	445.10	691.61	809.92	829.30	537.70	18.06	40.89	32.62	23.36	21.13
Surplus/(Deficit)	(815.38)	(658.37)	(626.00)	(518.01)	(301.24)	(40.18)	(44.28)	(38.53)	(76.12)	(84.57)
Experience adjustments on Plan Liabilities Loss/(Gains)	157.12	96.82	45.28	23.21	44.68	4.09	25.61	(17.55)	(4.02)	(2.23)
Experience adjustments on Plan Assets (Loss)/Gains	(47.03)	(0.78)	(4.90)	10.69	2.03	(2.10)	(1.09)	3.75	(3.49)	1.11
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	(99.96)	(25.96)	(45.66)	—	(13.18)	(1.42)	2.01	(2.94)	—	2.19

## Notes on Financial Statements For the year ended 31st March, 2014

### 29.10.5 Experience adjustment on Plan Liabilities and Assets (contd...)

(₹ in lakhs)

Particulars	Lumpsum Payment in lieu of pension					Leave Encashment				
	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010	As at 31.3.2014	As at 31.3.2013	As at 31.3.2012	As at 31.3.2011	As at 31.3.2010
Defined benefit obligations	43.01	47.19	54.05	52.50	52.50	280.41	403.68	351.55	332.71	298.86
Plan Assets	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	(43.01)	(47.19)	(54.05)	(52.50)	(52.50)	(280.41)	403.68	(351.55)	(332.71)	(298.86)
Experience adjustments on Plan Liabilities Loss/(Gains)	10.76	6.70	(9.94)	—	(4.21)	(79.92)	142.95	49.90	80.08	93.00
Experience adjustments on Plan Assets (Loss)/Gains	—	—	—	—	—	—	—	—	—	—
Actuarial (gain)/loss on Plan Liabilities due to change of assumptions	(2.51)	1.51	(1.28)	—	—	(22.17)	(11.27)	(12.29)	—	(5.95)

### 29.10.6 Principal Actuarial Assumptions used

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	Year ended 31st March, 2013
Mortality Table (before separation from service)	LICI (1994-96)	LICI (1994-96)
Mortality Table (after separation from service)	LICI (1996-98)	LICI (1996-98)
Gratuity	9.20%	8.00%
Leave Encashment	8.00%	8.00%
Post Retirement Medical	8.00%	8.00%
Superannuation Fund	7.80%	7.80%
Lumpsum Payment	8.00%	8.00%
Inflation rate	4.00%	4.00%
Expected Return on assets		
Gratuity	8.75%	9.30%
Superannuation Fund	8.75%	9.30%
Formula used	Projected Unit Credit Method	Projected Unit Credit Method

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

29.10.7 The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

29.10.8 During the year ₹303.85 lakhs has been recognised as expenditure towards Defined Contribution Plans of the Company (Previous Year ₹340.75 lakhs)

29.11 In terms of the decision arrived at the Board Meeting on 20th July, 2013, the Company in order to give thrust to its Power Business is concentrating and operating in Single Business Segment of Energy comprising of Generation, Transmission and Distribution of Power.

29.12 Figures pertaining to the previous year have been rearranged/regrouped, reclassified and restated, wherever necessary to make them comparable with those of current year.

For and on behalf of the Board

For Lodha & Co.

Chartered Accountants

H.K. Verma

Partner

Place: Kolkata,

Date: 24th May, 2014

Saikat Bardhan

Secretary

Amit Kiran Deb

Director

Jyoti Kumar Poddar

Director

## Independent Auditors' Report

**To the Board of Directors of India Power Corporation Limited on the Consolidated Financial Statements of India Power Corporation Limited (Formerly DPSC LIMITED) and its Subsidiaries**

We have audited the accompanying consolidated financial statements of India Power Corporation Limited (Formerly DPSC LIMITED) ("the Company") and its subsidiaries which comprise the Consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated 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 the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting

estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Consolidated Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### **Other Matters**

- (a) We did not audit the financial statements of one of the subsidiary companies whose financial statements reflect total assets of ₹1.01 Lakhs as at 31st March 2014, total revenue of ₹ Nil Lakhs and Net cash flows of ₹0.06 Lakhs for the year ended as on that date. The financial statements of the subsidiary were audited by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

**For Lodha & Co**  
 Chartered Accountants  
 Firm's ICAI Registration No.: 301051E

Place: Kolkata  
 Date: 24th May, 2014

**H K Verma**  
 Partner  
 Membership No: 055104

# Consolidated Balance Sheet

As at 31st March, 2014

(₹ in lakhs)

Particulars	Note No.	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
Share capital	3	9,737.90
Reserves and surplus	4	84,622.11
Share capital suspense account	2.1	6,041.43
<b>Non-current liabilities</b>		
Long-term borrowings	5	29,667.68
Deferred tax liabilities (Net)	6	4,237.13
Other Long term liabilities	7	13,112.83
Long-term provisions	8	296.67
<b>Current liabilities</b>		
Short-term borrowings	9	7,412.27
Trade payables	10	7,494.06
Other current liabilities	11	5,952.11
Short-term provisions	12	2,738.87
<b>TOTAL</b>		<b>171,313.06</b>
<b>ASSETS</b>		
<b>Fixed assets</b>	13	
Tangible assets		30,462.86
Intangible assets		306.37
Capital work-in-progress		5,108.75
Non-current investments	14.1	20,664.18
Long-term loans and advances	15	8,698.17
Other non current assets	16	81,886.01
<b>Current assets</b>		
Current Investments	14.2	106.30
Inventories	17	1,530.95
Trade receivables	18	9,059.35
Cash and bank balances	19	1,554.51
Short-term loans and advances	20	11,101.31
Other current assets	21	834.30
<b>TOTAL</b>		<b>171,313.06</b>

Significant Accounting Policies and Notes on Consolidated Financial Statements are an integral part of the Consolidated Financial Statements

As per our report on even date  
For Lodha & Co.  
Chartered Accountants

For and on behalf of the Board

H.K. Verma  
Partner  
Place: Kolkata,  
Date: 24th May, 2014

Saikat Bardhan  
Secretary

Amit Kiran Deb  
Director

Jyoti Kumar Poddar  
Director

## Consolidated Statement of Profit and Loss

For the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014
<b>REVENUE</b>		
Revenue from operations	22	69,453.23
Other income	23	292.49
<b>Total Revenue</b>		<b>69,745.72</b>
<b>EXPENSES</b>		
Cost of material consumed - coal consumption		2,221.69
Energy purchase	24	45,282.21
Lease rent	25	6,279.13
Employee benefits expense	26	4,217.97
Finance costs	27	3,471.37
Depreciation and amortisation expense	13	1,456.55
Other expenses	28	2,380.94
<b>Total Expenses</b>		<b>65,309.86</b>
<b>Profit Before Tax</b>		<b>4,435.86</b>
Tax expense:		
Current tax		967.00
Less: MAT Credit Entitlement		490.14
Deferred tax		1,086.75
<b>Profit After Tax</b>		<b>2,872.25</b>
Earnings per equity share:		
Basic and Diluted (in ₹)	29.8	0.18

Significant Accounting Policies and Notes on Consolidated Financial Statements are an integral part of the Consolidated Financial Statements

As per our report on even date  
For **Lodha & Co.**  
Chartered Accountants

For and on behalf of the Board

**H.K. Verma**  
*Partner*  
Place: Kolkata,  
Date: 24th May, 2014

**Saikat Bardhan**  
*Secretary*

**Amit Kiran Deb**  
*Director*

**Jyoti Kumar Poddar**  
*Director*

## Consolidated Cash Flow Statement For the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Taxation		4,435.86
<b>Adjustments for:</b>		
Depreciation and amortisation	1,456.55	
Loss on Discard/Sale of Fixed Assets (Net)	7.46	
Income from Long Term (Other Than Trade) Investments	(76.53)	
Interest (Received/ Receivable on Deposits) [Gross]	(109.81)	
Interest on Inter Corporate deposit	(51.71)	
Profit on Sale of Long Term Investment (Exceptional Items)	(14.03)	
Interest (Paid/ Payable on Loans etc)	3,471.37	
Liability no longer required written back	(413.46)	
Foreign Exchange Translation	(0.08)	
		4,269.76
<b>Operating Profit before Working Capital Changes</b>		8,705.62
<b>Adjustments for:</b>		
Inventories	361.75	
Trade and Other Receivables	4,425.65	
Trade Payables	2,291.42	
		7,078.82
<b>Cash Generated from Operations</b>		15,784.44
Direct Taxes Paid (Net of tax deducted at source)		(732.87)
<b>Net Cash from Operating Activities</b>		15,051.57
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(8,183.66)	
Sale proceeds of Fixed Assets	30.41	
Proceeds from Sale of Investments (Long-term)	139.11	
Purchase of Investments (Long-term)	(20,244.02)	
Inter Corporate Deposit given	2,248.55	
Income from Long Term (Other than Trade) Investments	294.16	
<b>Net Cash used in Investing Activities</b>		(25,715.45)

## Consolidated Cash Flow Statement

For the year ended 31st March, 2014

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from other Capital Accounts	70.98	
Proceeds from Long term borrowing	11,234.16	
Repayment of Long term borrowing	(21.58)	
Increase/ (Decrease) in Cash Credit facilities from Banks	4,224.18	
Dividend paid (including tax on dividend)	(161.69)	
Interest paid	(4,211.60)	
<b>Net Cash from Financing Activities</b>		<b>11,134.45</b>
Net increase/ (decrease) in Cash and Cash Equivalents		470.57
<b>Cash and Cash Equivalents at the beginning of the year</b>		<b>341.10</b>
<b>Cash and Cash Equivalents at the closing of the year</b>		<b>811.67</b>
(Refer Note 19)		

### Notes to the Consolidated Cash Flow Statement for the year ended 31st March, 2014

- The above consolidated cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard (AS) 3 on Cash Flow Statements.

Notes referred to above forms an integral part of this Consolidated Cash Flow Statement.

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

For and on behalf of the Board

For Lodha & Co.

Chartered Accountants

H.K. Verma

Partner

Place: Kolkata,

Date: 24th May, 2014

Saikat Bardhan

Secretary

Amit Kiran Deb

Director

Jyoti Kumar Poddar

Director

# Notes on Consolidated Financial Statements For the year ended 31st March, 2014

## 1. SIGNIFICANT ACCOUNTING POLICIES

- 1.1 The Consolidated Financial Statements unless specifically stated to be otherwise have been prepared in accordance with the Accounting Standard (AS) – 21 on “Consolidated Financial Statements” notified vide Companies (Accounting Standards) Rules, 2006.
- 1.2 The Consolidated Financial Statements relate to India Power Corporation Limited (the Company) and its subsidiaries (Group). The details are as given below:

Name of the subsidiaries	Country of Incorporation	Proportion of ownership interest
India Power Corporation (Bodhgaya) Limited	India	100%
IPCL Pte Ltd.	Singapore	100%

### 1.3 Consolidation Procedure:

- The financial statements of the parent Company and its subsidiaries have been prepared based on a line-by-line consolidation by adding together the book value of like items of assets and liabilities, revenue and expenses as per the respective financial statements. Intra group balances, intra group transactions and the unrealised profits on stocks arising out of intra group transaction have been eliminated.
- As far as possible, the consolidated financial statements are prepared using uniform accounting policies for similar material transactions and other events in similar circumstances otherwise as stated elsewhere.
- Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the revenue of the Group in order to arrive at the net revenue attributable to the shareholders of the Company. The excess of loss over the minority interest in the equity is adjusted in majority interest.
- Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separate from liabilities and the equity of the Company's shareholders.
- In terms of AS – 11 on “The Effects of Changes in Foreign Exchange Rates”, foreign subsidiary of the Company is non-integral to the operation of the Company. Financial statements of this subsidiary have been translated at following exchange rates:
  - Revenue and expenses: At the average exchange rates during the year.
  - The assets and liabilities, both monetary and non-monetary: Closing rates prevailing at the year end.

The exchange difference on monetary and non-monetary items which in substance forms part of the Company's net investment in the non-integral foreign operations are accumulated in the Foreign Currency Translation Reserve.
- Goodwill arising out of consolidation of financial statements of subsidiaries shown as “Goodwill on Consolidation” is not amortised. However, the same is tested for impairment at each Balance Sheet date.

### 1.4 Other Significant Accounting Policies

#### (a) General :

The Financial Statements have been prepared under the historical cost convention on a going concern basis and in compliance with the relevant provisions of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013, the Regulations issued from time to time by West Bengal Electricity Regulatory Commission (WBERC) under the Electricity Act, 2003.

#### (b) Use of Estimate :

The preparation and presentation of financial statements requires estimates and assumptions to be made that effect the reported amount of assets and liabilities and disclosures of contingent liabilities as on date of the financial statements and reported amount of revenue and expenses during the reporting period. Difference between the actual results and estimates is recognised in the period in which the results are known / materialised.

#### (c) Fixed Assets:

- Fixed Assets (both tangible and intangible) are stated at cost of acquisition or construction including any cost attributable to bringing the assets to their working condition.
- All project related expenses viz civil works, machinery under erection, construction and erection materials, pre-operative expenditure net of revenue incidental / attributable to the construction of project, borrowing cost incurred prior to the date of commercial operations are shown under Capital Work-in-Progress (CWIP).

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

- (iii) Impairment loss is recognised wherever the carrying amount of fixed assets of a cash generating unit exceeds its recoverable amount, i.e. net selling price or value in use, whichever is higher.
- (d) **Depreciation/ Amortisation:**
- (i) Depreciation of fixed assets is computed on straight line method either at the rates specified in the Tariff Regulation or as per Schedule XIV of the Companies Act, 1956 as the case may be.
  - (ii) Cost of leasehold lands are amortised under the straight line method over the related lease period.
  - (iii) Cost of Intangible assets (Computer software) is amortised under straight line method over 5 years.
  - (iv) Assets constructed/acquired in relation to assets taken on operating lease are amortised over the primary period of lease.
- (e) **Operating Lease :**  
Lease payments under operating leases are recognised as expense in the Statement of Profit and Loss as per terms of lease agreements.
- (f) **Investments:**  
Current investments are stated at lower of cost or fair value and Long term investments are stated at cost. Provision is made where there is a decline, other than temporary, in the value of long term investments.
- (g) **Inventories:**  
Inventories are valued at lower of cost or net realisable value  
  
Cost is calculated on weighted average basis and includes expenditure incurred for bringing such inventories to their present location and condition. Adjustments in the carrying amount of obsolete, defective and slow moving items as may be identified at the time of physical verification is made where appropriate, to cover any eventual loss on their ultimate realisation.
- (h) **Taxation:**  
Provision for tax is made for current and deferred taxes. Current tax is provided on the taxable revenue using the applicable tax rates and tax laws. Deferred tax assets and liabilities arising out of timing difference, which are capable of reversal in subsequent periods are recognised using rates and tax laws, which have been enacted or subsequently enacted. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets will be realised. In case of carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is "virtual certainty" that such deferred tax assets can be realised against future taxable profits.  
  
Entitlement Credit in respect of Minimum Alternate Tax is recognised only if there is convincing evidence of realisation of the same.
- (i) **Revenue Recognition:**  
Sale of energy on account of electricity supplied from regulated business is accounted for on the basis of billing to consumers at rates approved by West Bengal Electricity Regulatory Commission (WBERC) and is net of rebate. It includes amount recoverable from/ refundable to consumers on account of Fuel and Power Purchase Cost Adjustment (FPPCA) and other cost adjustments based on the prescribed formulae and are shown as Tariff Adjustment account under Short-term loans and advances. Consequential adjustments are given effect to upon confirmation by the relevant authorities.  
  
Sale of energy other than above is billed and accounted for at rates agreed with respective consumers.
- (j) **Borrowing Costs :**  
Borrowing costs that are attributable to the acquisition or construction of qualifying assets (being an asset that necessarily takes substantial period of time to get ready for intended use) are capitalised as part of the cost of such assets. All other borrowing costs are charged to revenue.
- (k) **Employee Benefits:**
- (i) **Short Term Employee Benefits:**  
Recognised at the undiscounted amount as expense for the year in which the related service is rendered.
  - (ii) **Post Employment Benefit Plans:**  
Contribution under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenditure for the year.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

In case of Defined Benefit Plans, the cost of providing the benefit is determined using the projected Unit Credit Method with the actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in full in the Statement of Profit and Loss for the period in which they occur.

**(iii) Other Long Term Employee Benefits (Unfunded):**

The cost of providing long-term employee benefits is determined using Projected Unit Credit Method with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses and past service cost are recognised immediately in the Statement of Profit and Loss for the period in which they occur. Other long term employee benefit obligation recognised in the Balance Sheet represents the present value of related obligation.

**(iv) Employee separation costs:**

Compensation to employees opting for voluntary retirement scheme of the Company is charged in the year of exercise of option.

**(l) Provision, Contingent Liabilities and Contingent Assets :**

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes to financial statements. Contingent Assets are neither recognised nor disclosed in the financial statements.

**(m) Operating Cycle :**

Considering the nature of business and prevailing practice current and non current classification of assets and liabilities have been based on the operating cycle of 12 months.

### 2. AMALGAMATION OF INDIA POWER CORPORATION LIMITED

Pursuant to the scheme of arrangement and amalgamation ("the scheme"), sanctioned by the Hon'ble High Court at Calcutta vide its order dated 17th April, 2013, erstwhile India Power Corporation Limited (IPCL), has been amalgamated with the Company with effect from 1st October, 2011 (the appointed date). The scheme has therefore been given effect to in the Financial Statements for the year ended 31st March, 2013.

**2.1 Consequent to the amalgamation as above:**

The shareholders of erstwhile IPCL (the Transferor Company) are entitled to 11 equity shares of the Company (the Transferee Company) against every 100 equity shares held by them. Accordingly 1,12,02,75,823 equity shares of ₹1 each of the Company aggregating to ₹11,202.75 lakhs are to be issued to the shareholders of erstwhile IPCL. Erstwhile IPCL being the Amalgamating / Transferor Company, its shareholding of 51,61,32,374 equity shares of ₹1 each aggregating to ₹5,161.32 lakhs in the Company shall stand cancelled in terms of the scheme approved by the High Court. The above referred allotment and cancellation, pursuant to the scheme, have not been given effect to, in view of the order passed by SEBI relating to Minimum Public Shareholding requirement. The matter is presently pending before the Hon'ble High Court at Calcutta and therefore a net amount of ₹6,041.43 lakhs, being the differential amount with respect to the equity shares to be issued and to be cancelled has continued to be shown as share capital suspense account.

2.2 In terms of the Scheme, the Reserves arising pursuant to amalgamation shall constitute free reserves available to the Amalgamated Company for such purpose including but not limited to declaration of dividend, issuance of bonus shares etc. as the Board of Directors of the Amalgamated Company may consider appropriate. Accordingly as per the Board resolution, the reserve of ₹20,079.84 lakhs arising on amalgamation has been shown under the General Reserve of the Company.

2.3 Pursuant to the Scheme, the name of the Company has been changed to India Power Corporation Limited with effect from 27th August, 2013

2.4 Pursuant to sanction of scheme, title deeds, conveyance and other legal documents of the amalgamating company are in the process of being transferred in the name of the Amalgamated Company.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 3. SHARE CAPITAL

(₹ in lakhs)

Particulars	31st March, 2014	
	Number of shares	Amount
<b>Authorised</b>		
10% 'A' Cumulative preference shares of ₹100 each	16,000	16.00
10% 'B' Cumulative preference shares of ₹100 each	12,000	12.00
Equity Shares of ₹1 each	16,997,200,000	169,972.00
<b>Issued, Subscribed and fully paid up equity shares</b>		
Equity Shares of ₹1 each	973,789,640	9,737.90
<b>Total</b>	<b>973,789,640</b>	<b>9,737.90</b>

3.1 The Company has only one class of equity shares having a par value of ₹1 each. The Board of Directors have proposed dividend of ₹0.05 per equity share including shares to be issued pursuant to scheme of amalgamation as referred to in note 2.1. Each share has one voting right. The dividend proposed by the Board of Directors is subject to approval of share holders in the Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after payment of all preferential amounts, in proportion to their shareholding.

3.2 There is no movement in the number of shares outstanding and the amount of Share Capital as at 31st March, 2014.

3.2.1 During the financial year 2011-12 fully paid bonus shares in the ratio of 22 (twenty two) equity shares of ₹1 each for every 1 (one) equity share of ₹1 each were issued and allotted on 20th December, 2011.

3.3 Details of Shareholders holding more than 5% of equity shares each, are set out below:

Name of the Shareholders	31st March, 2014
	No. of Shares
Erstwhile India Power Corporation Ltd.	665,219,568
Power Trust (In the name of the Trustee - Dipak Rudra JH1: Ajay Kumar Agrawal)	240,428,662

3.4 The above disclosures, are without giving effect to the further issue and cancellation of equity shares pursuant to the scheme of amalgamation as given in note 2.1.

# Notes on Consolidated Financial Statements For the year ended 31st March, 2014

## 4. RESERVES AND SURPLUS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
<b>Capital Reserve</b>		
Contribution from Consumers towards Service Lines	4.1	1,051.82
Add: Contribution during the year		70.98
Closing Balance		1,122.80
<b>Other Capital Reserve</b>	4.3	82.47
Foreign Currency translation reserve		(0.08)
<b>Debenture Redemption Reserve</b>		
Opening Balance		950.00
Add: Transfer from Surplus		350.00
Closing Balance		1,300.00
<b>General Reserve</b>		
Opening Balance	2 & 4.5	57,057.13
		57,057.13
Reserve on Amalgamation	2.2	20,079.84
<b>Contingency Reserve</b>	4.2	266.64
<b>Unforeseen Exigencies Reserve</b>	4.2	
Opening Balance		213.69
Add: Transfer from Surplus		52.46
Closing Balance		266.15
<b>Unforeseen Exigencies Interest Reserve</b>		
Opening Balance		57.30
Add: Transfer from Surplus		34.75
Closing Balance		92.05
<b>Surplus</b>		
Opening balance		2,100.59
Add: Dividend not payable	4.4	634.67
Add: Income tax on Proposed Dividend not payable	4.4	107.86
Add: Net Profit after tax transferred from Statement of Profit and Loss		2,872.25
Amount available for Appropriation		5,715.37
<b>Appropriations</b>		
Transfer to unforeseen exigencies Interest Reserve		34.75
Transfer to unforeseen exigencies Reserve		52.46
Transfer to Debenture Redemption Reserve		350.00
Proposed Dividend @ Re. 0.05 per share		788.97
Income Tax on Proposed Dividend		134.08
Closing Balance		4,355.11
<b>Total</b>		<b>84,622.11</b>

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

- 4.1 Based on expert opinion obtained, considering that capital contribution from consumers toward service lines are not refundable to the consumers even after they cease to be consumers and the underlying assets there against being under notional ownership of the Company, such contribution are being transferred to Capital Reserve.
- 4.2 Contingencies Reserve was created by appropriation out of revenue of each year till the year ended 31st March, 2004 in accordance with the provisions of the Sixth Schedule to the erstwhile Electricity (Supply) Act, 1948. Further to these, reserve for unforeseen exigencies have been created in terms of tariff regulations.
- 4.3 Capital reserve arising consequent to the amalgamation of Associated Power Company Limited with the Company in the year 1978 has been shown as other capital reserve.
- 4.4 In terms of Shareholders' resolution dated 16th August, 2013, for the year ended 31st March 2013, dividend of ₹154.30 Lakhs (including income tax of ₹26.22 Lakhs), out of total proposed dividend of ₹923.05 Lakhs (including income tax ₹134.08 lakhs) was approved. Accordingly, dividend and tax thereon not approved has been written back.
- 4.5 General Reserve include ₹56,887.09 lakhs being General Reserve of amalgamating company in terms of scheme dealt with in Note 2.

### 5. LONG TERM BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014		
		Non Current Maturities	Current Maturities	Total
<b>Secured</b>				
Non Convertible Debentures	5.1	12,000.00	–	12,000.00
Term Loan				
- from Banks	5.2	11,667.68	2,109.95	13,777.63
- from a body corporate	5.3	6,000.00	–	6,000.00
<b>Total</b>		<b>29,667.68</b>	<b>2,109.95</b>	<b>31,777.63</b>

- 5.1 (a) Includes 10.75% Secured Redeemable Non Convertible Debentures aggregating to ₹10000 lakhs redeemable in five installments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 3rd November, 2010 and is secured by mortgage of immovable properties consisting of 1.0749 acres of land and four storied building measuring 1190 sq. mtr. along with conference hall measuring 359 sq. mtr. at Plot X-1, 2&3, Block EP, Salt Lake, Kolkata and land, building, office, bungalow and guesthouse at Sanctoria and Asanboni at Asansol (Burdwan) and 1731.82 sq. mtr. land at Iswarapura (Gujarat).
- 5.1 (b) Includes 12% Secured Redeemable Non Convertible Debentures aggregating to ₹2000 lakhs redeemable in five installments at the end of 6th, 7th, 8th, 9th and 10th year from the date of allotment i.e. 19th September, 2012 and is secured by mortgage of immovable properties consisting of land measuring 20.74 acres and building at Kaithi and Seebpore Mouza at Burdwan District including Bungalow, Quarters, Offices etc at Luchipur Receiving Station area of 56,633.94 sqft under Seebpore circle.
- 5.2 (a) Includes Term loan of ₹4000 lakhs at bank base rate plus 2.5% and is repayable after moratorium of two years from 1st April, 2012 in 9 years in equal quarterly installments and is secured by Mortgage of assets of 1x12 MW plant project and immovable property consisting of Land of 20.10 acres at Dishergarh, District Burdwan.
- 5.2 (b) Includes Term Loan of ₹5000 lakhs at bank base rate plus 2.5% and is repayable after moratorium of two years in 9 years from the date of disbursement i.e. 29th December, 2012 in equal quarterly installments and is secured by exclusive charge of entire fixed assets pertaining to 220/33 kv sub-station at J.K Nagar, Burdwan, both present and future.
- 5.2 (c) Includes Term Loan of ₹4734.17 lakhs at bank base rate plus 0.75% and is repayable after moratorium of six months from the date of disbursement i.e 30th January, 2014 in equal quarterly installment and is secured by hypothecation by way of exclusive first charge on certain movable fixed assets of 29 kv Dishergarh Distribution network and 11 kv Seebpore distribution network.
- 5.2 (d) Includes Term loan ₹43.47 lakhs at the rate of 13% repayable in 35 monthly installments of ₹2.49 lakhs each and is secured against asset purchased out of the loan.
- 5.3 Term loan of ₹6000 lakhs @ 13.50% repayable after five years from the date of disbursement i.e 22nd May, 2013 and is to be secured by Equitable Mortgage of land measuring 155.50 acres located at Raybandh Village, Raghunathpur Town, District Purulia, West Bengal and movable fixed assets of the project.

# Notes on Consolidated Financial Statements For the year ended 31st March, 2014

## 6. DEFERRED TAX LIABILITIES (NET)

(₹ in lakhs)

Particulars	31st March, 2014
Deferred tax Liabilities	
Depreciation on fixed assets	4744.34
Unamortised borrowing cost	103.21
	4847.55
Deferred tax Assets	
Expenses allowable on payment basis	378.14
Voluntary Retirement and other expenses allowable on amortisation basis	232.28
	610.42
<b>Total</b>	<b>4237.13</b>

## 7. OTHER LONG TERM LIABILITIES

(₹ in lakhs)

Particulars	31st March, 2014
Trade Payable	4,535.25
Consumer Security Deposit	2,014.80
Advance/payable from/to consumers and others	5,565.90
Advance from Consumers for capital jobs	996.88
<b>Total</b>	<b>13,112.83</b>

## 8. LONG TERM PROVISIONS

(₹ in lakhs)

Particulars	31st March, 2014
Provision for Employee benefits	296.67
<b>Total</b>	<b>296.67</b>

## 9. SHORT TERM BORROWINGS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Secured - Repayable on demand		
Cash Credit from banks	9.1, 9.2, 9.3 & 9.4	7,412.27
<b>Total</b>		<b>7,412.27</b>

- 9.1 Cash Credit of ₹4411.31 lakhs from South Indian Bank is secured by first pari passu charge on current assets both present and future.
- 9.2 Cash Credit of ₹1312.32 lakhs from IDBI Bank is secured by first charge, ranking pari passu on current assets both present and future and second charge on immovable property consisting of 35.50 acres of land at Asansol and 1.0749 acres of land at Plot X-1, 2&3, Block EP, Salt Lake, Kolkata.
- 9.3 Cash Credit of ₹1302.58 lakhs from Ratnakar Bank is secured by first pari passu charge on current assets both present and future.
- 9.4 Cash Credit of ₹386.06 lakhs from Axis Bank is secured by first pari passu charge on current assets both present and future and second pari passu charge by the way of hypothecation of fixed assets of the Company, both present and future.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 10. TRADE PAYABLE

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Payable for goods and services	10.1	7,494.06

#### 10.1 Dues to Micro Small and Medium Enterprise

The details of amount outstanding to micro enterprise and small enterprises are based on information available with the Company.

Based on above, the relevant disclosures under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 are as follows:

(₹ in lakhs)

Particulars	31st March, 2014
(i) Principal amount outstanding at the end of the year	10.90
(ii) Interest amount outstanding at the end of the year	—
(iii) Interest paid to supplier	—

### 11. OTHER CURRENT LIABILITIES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Current Maturity of long term debts	5	2,109.95
Unclaimed dividends	11.1	20.56
Interest accrued but not due on Debentures		567.71
Interest accrued but not due on borrowings		40.03
Payable for capital goods/services		1,013.59
Statutory Collection/Deduction		2,020.59
Advance/other payable - Consumers		4.55
Interest accrued but not due on Security Deposit		108.69
Others		66.44
<b>Total</b>		<b>5,952.11</b>

11.1 Unclaimed dividend does not include any amount due and outstanding to be credited to Investor Education and Protection fund.

### 12. SHORT TERM PROVISION

(₹ in lakhs)

Particulars	31st March, 2014
Provision for employee benefits	884.70
Others	
Provision for Income tax (Net of advance tax)	928.11
Proposed dividend @ ₹0.05 per share	788.97
Tax on Proposed Dividend	134.08
Provision for wealth tax	3.01
<b>Total</b>	<b>2,738.87</b>

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 13. FIXED ASSETS

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April 2013	Addition on Amalgamation	Additions/ Adjustment	Withdrawal/ Adjustments	As at 31st March 2014	As at 1st April 2013	Addition on Amalgamation	For the year	Withdrawal/ Adjustments	As at 31st March 2014	As at 31st March 2013
(a) Tangible Assets											
Land Freehold 13.1	231.82	–	0.23	–	232.05	–	–	–	–	232.05	231.82
Land Leasehold	1,673.12	–	7.58	0.29	1,680.41	50.46	–	5.33	0.26	1,624.88	1,622.66
Buildings	7,853.12	–	642.77	966.38	7,529.51	1,204.61	–	285.58	26.08	1,464.11	6,648.51
Plant and Equipment	8,336.22	–	1,297.25	14.81	9,618.66	961.59	–	373.75	12.96	1,322.38	7,374.63
Mains Meters and Transformers	16,242.15	–	616.11	81.13	16,777.13	2,742.78	–	600.92	53.98	3,289.72	13,499.37
Furniture and Fixtures	333.39	–	7.79	1.73	339.45	138.20	–	18.53	1.08	155.65	195.19
Vehicles	183.86	–	–	0.28	183.58	58.31	–	23.53	0.27	81.57	125.55
Office Equipment	671.63	–	128.61	6.03	794.21	285.43	–	41.00	3.25	323.18	386.20
Total (A)	35,525.31	–	2,700.34	1,070.65	37,155.00	5,441.38	–	1,348.64	97.88	6,692.14	30,083.93
(b) Intangible Assets											
Computer software	625.05	–	31.40	–	656.45	242.17	–	107.91	–	350.08	382.88
Total (B)	625.05	–	31.40	–	656.45	242.17	–	107.91	–	350.08	382.88
Total (A+B)	36,150.36	–	2,731.74	1,070.65	37,811.45	5,683.55	–	1,456.55	97.88	7,042.22	30,466.81

13.1 Lease hold land includes land at Raghunathpur for which registration is pending.

13.2 Refer Note 29.5 (a) and 29.5 (b)

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 14.1 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. 31st March 2014	Face value (₹)	31st March 2014
<b>Long Term Investments (other than Trade)</b> (at cost except otherwise stated)			
<b>Investment for Contingency Reserve</b>			
<b>Quoted - Bonds</b>			
7.50% ICICI Bank, 2015	2	1,000,000	19.00
<b>Unquoted</b>			
UTI Balanced Fund (Income Re-investment) Scheme	66,089	10	9.89
UTI - GILT Advantage fund long term plan - Dividend payout	639,645	10	84.65
<b>Investment for Unforeseen Exigencies Reserve</b>			
<b>Quoted - Bonds</b>			
11.00% PFC, 2018	3	1,000,000	30.00
9.05% Corporation Bank, 2019	3	1,000,000	30.00
7.50% ICICI Bank, 2015	2	1,000,000	19.20
11.05% IOB, 2018	2	1,000,000	20.00
9.20% Bank of Baroda Perpetual bonds, 2019	3	1,000,000	30.00
9.18% PFC, 2021	4	1,000,000	39.56
9.50% HDFC, 2016	3	1,000,000	29.94
11.40% SREI IFL, 2022	2	1,000,000	19.99
10.50% SIFL, 2020	1	1,000,000	9.75
<b>Unquoted</b>			
Fixed Deposit with Financial Institutions			11.00
<b>Investment for Contingency Reserve Interest</b>			
<b>Quoted - Bonds</b>			
8.30% GOI, 2040	3,000	100	2.92
<b>Unquoted</b>			
Fixed Deposit with Financial Institutions			1.00
<b>Investment for Unforeseen Exigencies Reserve Interest</b>			
<b>Quoted - Bonds</b>			
7.87% Kerala SDL, 2016	1,000	100	0.99
11.40% SREI IFL, 2022	2	1,000,000	19.99
9.4% NABARD, 2016	1	1,000,000	10.00
10.50% SIFL, 2020	1	1,000,000	9.76
<b>Unquoted</b>			
Fixed Deposit with Financial Institutions			40.50
<b>Others</b>			
<b>Fully paid up Equity Shares</b>			
<b>Quoted</b>			
Tide Water Oil Co. (I) Ltd.	1,006	10	0.72
<b>Unquoted</b>			
WEBFIL Limited	2,003,800	10	200.38
National Power Exchange Limited	500,000	10	50.00
Woodlands Multispecialty Hospital Limited	500	10	0.05

# Notes on Consolidated Financial Statements For the year ended 31st March, 2014

## 14.1 NON-CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. 31st March 2014	Face value (₹)	31st March 2014
<b>Fully Paid Debentures</b>			
<b>Unquoted</b>			
18% Unsecured Optionally fully convertible debentures of OSD Coke (Consortium) Pvt. Ltd.	2,500	100	2.50
<b>Quoted</b>			
11.5% Non Convertible Debentures of Srei Infrastructure Finance Limited	22,700	1,000	227.00
<b>Fully paid up Preference Shares</b>			
0.01% Compulsorily Convertible Preference Shares in India Power Corporation (Haldia) Limited	199,457,700	10	19,945.77
			20,864.56
<b>Less: Provision for Diminution in value of Investment</b>			200.38
<b>Total</b>			20,664.18
Aggregate amount of Quoted Investments			518.82
Aggregate Market Value of Quoted Investments			283.76
Aggregate amount of Unquoted Investments			20,345.74
Aggregate provision made for diminution in value of Investments			200.38

## 14.2 CURRENT INVESTMENTS

(₹ in lakhs)

Particulars	No. 31st March 2014	No. 31st March 2013	Face value (₹)
<b>Current Investment (other than trade) - at lower of cost or fair value</b>			
<b>Current Maturities of Long Term Investments</b>			
<b>Investment for Contingency Reserve</b>			
<b>Quoted - Bonds</b>			
8.75% Catholic Syrian Bonds-2014	6	1,000,000	57.30
<b>Investment for Unforeseen Exigencies Reserve</b>			
<b>Unquoted</b>			
Fixed Deposits with Banks			39.23
<b>Investment for Unforeseen Exigencies Reserve Interest</b>			
<b>Unquoted</b>			
Fixed Deposit with Banks			9.77
<b>Total</b>			106.30
Aggregate amount of Quoted Investments			57.30
Aggregate Market Value of Quoted Investments			60.00
Aggregate amount of Unquoted Investments			49.00

## Notes on Consolidated Financial Statements

For the year ended 31st March, 2014

### 15. LONG TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Unsecured, Considered Good		
Advances		
Capital Advances		6,362.65
Advances to Employees	15.1	12.20
Security Deposits		6.40
Advance against Compulsorily Convertible Preference Shares		537.00
MAT Credit Entitlement	15.2	1,481.29
Advances to Suppliers and others		298.63
<b>Total</b>		<b>8,698.17</b>

#### 15.1 Disclosure pursuant to clause 32 of listing agreement

(₹ in lakhs)

Particulars	31st March, 2014
1) No interest or interest below the rate specified in section 372A of Companies Act, 1956 *	12.20

\* Advance to employees pursuant to normal business practice and employee welfare.

15.2 The Company has recognised Entitlement for MAT Credit of ₹1481.29 lakhs including ₹490.14 lakhs for the year, based on convincing evidence that the Company is expected to pay normal tax within the credit entitlement period.

### 16. OTHER NON CURRENT ASSETS

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Beneficial Interest in Power Trust	16.1	81,886.01
<b>Total</b>		<b>81,886.01</b>

16.1 Beneficial interest in Power Trust represents Net Book Value of the Investments and liabilities pertaining to Investment division of erstwhile IPCL transferred pursuant to the scheme dealt with in Note 2. In terms of the valuation of an Independent firm of Chartered Accountants, underlying values thereof are not less than the value at which these have been carried and stated in the financial statements and as such no adjustment in this respect has been considered necessary.

### 17. INVENTORIES (At lower of cost or net realisable value)

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Coal		322.68
Stores and Spares	29.5	1,204.05
Loose Tools		4.22
<b>Total</b>		<b>1,530.95</b>

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 18. TRADE RECEIVABLES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good		450.93
		450.93
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	18.1	1,696.48
Unsecured, considered good		6,911.94
		8,608.42
<b>Total</b>		<b>9,059.35</b>

18.1 Secured by security deposits received from the respective consumers.

### 19. CASH AND BANK BALANCES

(₹ in lakhs)

Particulars	31st March, 2014
<b>Cash and Cash Equivalent</b>	
Balances with Banks	
Unpaid Dividend	20.56
Current Account	783.96
Cash on hand	6.91
Stamps in hand	0.24
	811.67
<b>Other Balances with Banks</b>	
Fixed deposit (having original maturity of more than 3 months)	742.74
Current Account - Unforeseen Exigencies Reserve Fund	0.10
	742.84
<b>Total</b>	<b>1,554.51</b>

### 20. SHORT TERM LOANS AND ADVANCES

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
Unsecured, Considered Good		
Tariff Adjustment Account		8,881.15
Security Deposits		1.20
Advance - suppliers and others	20.1	2,218.96
<b>Total</b>		<b>11,101.31</b>

20.1 Include unamortised debenture related expense 320.94

20.2 South Bihar Power Distribution Company Limited (SBPDCL) has not yet handedover the business operations of the Gaya Franchise to India Power Corporation (Bodhgaya) Limited, the subsidiary of the Company, accordingly Tender Fees ₹56.18 lakhs and Bank Charges ₹23.99 lakhs have been considered recoverable as the same can be claimed in the event of non handover of business operations by SBPDCL.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 21. OTHER CURRENT ASSETS

(₹ in lakhs)

Particulars	31st March, 2014
Accrued Interest on Investments, Bank deposit and Inter Corporate Deposit etc.	439.89
Consumer Job Work in Progress	394.41
<b>Total</b>	<b>834.30</b>

### 22. REVENUE FROM OPERATIONS

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014
Sale of Energy	22.1	68,709.64
Other operating revenues		743.59
<b>Total</b>		<b>69,453.23</b>

22.1(a) Sale of energy include Monthly Variable Cost Adjustment (MVCA) of ₹3458.29 lakhs and Fuel Purchase and Power Cost Adjustment (FPPCA) of ₹6.91 lakhs for the year on the basis of formulae prescribed under the applicable Tariff Regulations, and is inclusive of ₹340.02 lakhs provisionally receivable from consumers on account of under recovery of fixed costs. Adjustments in these respects are carried out and given effect to from time to time based on the order of West Bengal Electricity Regulatory Commission or directions from appropriate authorities.

22.1(b) Sale of energy include ₹718.34 lakhs for the year 2010-11 and 2011-12 being impact of Annual Performance Review and Fuel Purchase and Power Cost Adjustment orders of WBERC and Tribunal and ₹1206 lakhs on account of certain claims pertaining to earlier years based on Electricity Appellate Tribunal order pending reassessment by WBERC.

#### 22.1.1 Regulatory

Particulars	Year ended 31st March, 2014
Sale of Energy (₹ in lakhs)	62,232.77
Sale of Energy (in Kwh)	1011461822

#### 22.1.2 Non Regulatory

Particulars	Year ended 31st March, 2014
Sale of Energy (₹ in lakhs)	6,476.88
Sale of Energy (in Kwh)	156389152

### 23. OTHER INCOME

(₹ In lakhs)

Particulars	Note No.	Year ended 31st March, 2014
Interest income on investment in Bonds and Securities - long term	23.1	72.02
Interest income on investment in Fixed Deposits - long term	23.1	3.00
Interest Income on Deposits and Others		161.52
Interest on Income tax refund		20.64
Dividend Income on long term Investments		1.51
Profit on sale of Investments - long term		14.03
Rent Received		19.77
<b>Total</b>		<b>292.49</b>

23.1 Interest income includes ₹34.75 lakhs being interest received/accrued during the year on reserve for Unforeseen Exigencies Investment, which has been appropriated to Reserve for unforeseen exigencies - Interest in terms of tariff regulations as given below:

Particulars	Year ended 31st March, 2014
Interest Accrued and Received during the year	14.89
Interest Accrued during the year but not received	19.86
<b>Total</b>	<b>34.75</b>

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 24. PURCHASE OF ENERGY

Particulars	Year ended 31st March, 2014
Purchase of Energy (₹ in lakhs)	45,282.21
24.1 Purchase of Energy (in kwh)	988470140

24.2 Effective 2004-05 power purchased from Damodar Valley Corporation (DVC) is accounted for on the basis of tariff rates (including fuel cost adjustments) charged by DVC on a provisional basis pending issuance of revised tariff order by the Hon'ble Central Electricity Regulatory Commission (CERC) for the years 2004-05 to 2013-14, in terms of the directions issued by the Hon'ble Appellate Tribunal for Electricity (ATE). The Tariff fixed by CERC and the directions issued by the Hon'ble ATE has been challenged by DVC before the Hon'ble Supreme Court of India.

### 25. LEASE RENT

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014
Lease Rent of Wind Mill	29.6	6,279.13
<b>Total</b>		<b>6,279.13</b>

### 26. EMPLOYEE BENEFITS EXPENSE

(₹ in lakhs)

Particulars	Note No.	Year ended 31st March, 2014
Salaries and Wages	26.1	3,485.06
Contributions to Provident and other funds		484.39
Staff Welfare expenses		248.52
<b>Total</b>		<b>4,217.97</b>
26.1 (i) Exclude amounts incurred for work for consumers and capital jobs		39.93
(ii) Include Voluntary Retirement Compensation Paid		357.54

### 27. FINANCE COSTS

(₹ in lakhs)

Particulars	Year ended 31st March, 2014
Interest	3,418.93
Other Borrowing Costs	52.44
<b>Total</b>	<b>3,471.37</b>

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 28. OTHER EXPENSES

(₹ in lakhs)

Particulars	Year ended 31st March, 2014	
Consumption of Stores and Spare parts		124.46
Repairs		
Building	31.88	
Machinery	296.72	
Transmission and Distribution network	70.81	
Others	225.13	624.54
Coal and Ash handling charges		114.76
Loss on discard/Sale of Fixed Assets (Net)		7.46
Rent		6.27
Rates and Taxes		50.36
Insurance		43.02
Auditors' Remuneration		
Audit Fees	9.59	
For Certification	10.00	
Service Tax	0.06	19.65
Directors' Fees (inclusive of service tax ₹0.51 lakhs)		4.99
Commission to Directors (inclusive of service tax of ₹5.43 lakhs)		49.38
Preliminary Expenses		4.31
Miscellaneous Expenses		1,331.74
<b>Total</b>		<b>2,380.94</b>

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

(₹ in lakhs)

Particulars	Note No.	31st March, 2014
<b>29.1.1 Contingent Liabilities</b>		
a) Demand from Sales tax authorities against which Company's appeal is pending		37.45
b) Other demand against which Company's appeal is pending		165.38
c) Performance Bank Guarantee	29.1.3	1,595.00
d) Standby letter of Credit	29.1.3	934.00
e) Unexpired Letter of Credit	29.1.3	880.00
<b>Total</b>		<b>3,611.83</b>
29.1.2 On the basis of current status of individual cases and as per the legal advices received, where ever applicable the management is of the view that no provision is required in respect of these cases given in 29.1.1 and outflow of resources is dependent upon final judgement.		
29.1.3 Given in terms of Distribution Franchise Agreement (DFA) for Distribution of electricity which is being carried on by India Power Corporation (Bodhgaya) Ltd.		
<b>29.2 Commitment</b>		
29.2.1 Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance of ₹1033.28 lakhs)		697.08
29.2.2 <b>Other Commitment</b>		
To subscribe to Compulsorily Convertible Preference Shares of India Power Corporation (Haldia) Ltd. (net of advance of ₹537 lakhs)		4,517.23
<b>Total</b>		<b>5,214.31</b>

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 29.3 Expenditure in foreign Currency

(₹ in lakhs)

Particulars	31st March, 2014
Travelling	2.97

29.4 Capital work in progress includes cost of equipments and other civil and construction cost amounting to ₹3827.56 lakhs, pre-operative expenses, trial run expenses (net of revenue) as detailed below. These are allocated to respective assets on capitalisation.

(₹ in lakhs)

Particulars	31st March, 2014
Brought forward from Previous Year	263.61
Interest expense	872.45
Other borrowing costs	147.08
Salaries and wages	12.47
Repairs to machinery	0.10
Rent	0.80
Rates and taxes	1.21
Miscellaneous	32.62
	1,330.34
Less: Sale of energy (4254479 kwh)	
Less: Allocated to fixed assets	49.17
<b>Carried forward</b>	<b>1,281.17</b>

29.5 (a) Net block of fixed assets as on 31st March, 2014 include ₹1867.04 lakhs and stores and spares include ₹387.39 lakhs, being assets lying in the leased premises at Chinakuri Power Station which was under operating lease from Eastern Coal Fields Limited (ECL).

29.5 (b) The lease with ECL has expired on 31st March, 2012 and in terms of lease agreement, ECL is required to take over all the assets at respective Written Down Value as on the date of termination of lease. The Company has made necessary claims for recovery against fixed and current assets from ECL, which is subjudice.

29.6 Certain premises and wind turbine generator are obtained on operating lease. The term for premises is 1-3 years and is renewable as per mutual agreement.

(a) The Company has taken certain plant and machinery on an operational lease basis. The Company is scheduled to pay lease rentals as follows:

(₹ in lakhs)

Particulars	31st March, 2014
(i) Not later than one year	4,400.31
(ii) Later than One year and not later than 5 years	22,001.55
(iii) Later than 5 years	17,679.90

b) The Company has not made any sublease arrangement with other parties.

c) The Company has recognised an amount of ₹6279.13 lakhs towards lease rent (note 25) and ₹4.32 lakhs for rent of premises (note 28) for the year.

d) Significant features of aforesaid lease arrangements are as follows:

i) The Company will pay the fixed lease rent over the lease period. There is no contingent lease rent except for wind mill at Rajasthan where in lease rent is contingent on revenue receipt.

ii) Upon the expiry of the lease period by efflux of time, the lessor, may agree to have the lease renewed for a secondary lease period.

iii) There are no restrictions imposed on the Company by the existing lease agreements.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 29.7 Related Party Disclosures

#### List of Related Parties where control exists

Key Management Personnel	Relationship
Shri Jyotirmay Bhaumik	Chief Executive Officer (upto 30th April, 2013)
Shri Siddhartha Ratilal Mehta	Chief Executive Officer (from 2nd May, 2013)

#### Transactions during the year with the related parties (₹ in lakhs)

Particulars	31st March, 2014
<b>Expenditure</b>	
Remuneration paid to Shri Jyotirmay Bhaumik	6.00
Remuneration paid to Shri Siddhartha Ratilal Mehta	76.18

### 29.8 Earning per Share

(₹ in lakhs)

Particulars	31st March, 2014
Profit after tax	2872.25
Number of Equity Shares	973789640
Number of equity Shares in Share Capital Suspense Account (Note 2.1)	604143449
Total Number of Shares	1577933089
Earning per share (Basic and Diluted) (₹)	0.18
Face Value per equity share (₹)	1

### 29.9 Employee Benefits

#### Gratuity (Funded)

The Company's gratuity scheme, a defined benefit plan, covers the eligible employees and is administered through a gratuity fund trust. Such gratuity fund, whose investments are managed by Life Insurance Corporation of India(LICI), make payments to vested employees on their cessation of employment, death or incapacitation, of an amount based on the respective employee's salary and tenure of employment subject to a maximum limit of ₹10.00 lakhs. Vesting occurs upon completion of five years of service.

#### Superannuation (Funded)

The Company's superannuation scheme, a defined benefit plan, covers certain category of employees and is administered through a trust fund. Investments of the fund are managed by LIC. Upon retirement, death or cessation of employment Superannuation Fund purchases annuity policies in favour of vested employees or their spouses to secure periodic pension. Such superannuation benefits are based on respective employee's tenure of employment and salary.

#### Post Retirement Benefit (Unfunded)

Till the previous year the Company had a scheme for domiciliary treatment for its certain category of retired employees till death and their surviving spouses up to an annual maximum limit. With effect from 1st April, 2013 the scheme has been discontinued and accordingly, provision of ₹65.18 lakhs thereagainst has been written back and adjusted to Employee Benefits expense (Note 26).

#### Lump sum payment (Unfunded)

The Company has a defined benefit plan which covers certain categories of employees for providing a lump sum amount at various scales to the vested employee or his nominee upon retirement, death or cessation of service based on tenure of employment. Vesting occurs upon completion of 20 years of service.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

### 29.10.1 Reconciliation of opening and closing balances of the present value of defined benefit obligations (₹ in lakhs)

Particulars	Funded		Unfunded		
	Gratuity	Superannuation Fund	Gratuity	Leave Encashment	Lumpsum payment in lieu of pension
	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014
Opening balance	1,349.98	85.17		403.68	47.19
Current Service Cost	66.97	3.31	1.17	37.90	1.63
Interest Cost	95.63	5.16		28.83	3.09
Plan Amendments					
Actuarial loss/(gain)	57.16	2.67		(102.09)	8.25
Benefits paid	(309.26)	(38.07)		(86.70)	(17.15)
Closing balance	1,260.48	58.24	1.17	281.62	43.01

### 29.10.2 Reconciliation of opening and closing balances of the fair value of plan assets (₹ in lakhs)

Particulars	Gratuity	Superannuation Fund
	As at 31.3.2014	As at 31.3.2014
Opening balance	691.61	40.89
Actual return on Plan Assets	2.59	0.19
Expected return on Plan Assets	49.62	2.29
Actuarial gain/(loss)	(47.03)	(2.10)
Contribution	60.16	15.05
Benefits paid	(309.26)	(38.07)
Closing balance	445.10	18.06

### 29.10.3 Amount recognised in Balance Sheet (₹ in lakhs)

Particulars	Funded		Unfunded		
	Gratuity	Superannuation Fund	Gratuity	Lumpsum payment in lieu of pension	Leave Encashment
	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014
Present value of obligation	1,260.48	58.24	1.17	43.01	281.62
Fair Value of Plan Assets	445.10	18.06		–	–
Net Asset/(Liability)	(815.38)	(40.18)	(1.17)	(43.01)	(281.62)

## Notes on Consolidated Financial Statements

For the year ended 31st March, 2014

### 29.10.4 Amount recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars	Gratuity	Superannuation Fund	Leave Encashment	Lumpsum payment in lieu of pension
	Year ended 31.3.2014	Year ended 31.3.2014	Year ended 31.3.2014	Year ended 31.3.2014
Current service cost	68.14	3.31	37.90	1.63
Interest cost	95.63	5.16	28.83	3.09
Expected return on Plan Assets	(49.62)	(2.29)	–	–
Past Service Cost	–	–	–	–
Actuarial loss/(gain)	104.19	4.77	(102.09)	8.25
Recognised in Statement of Profit and Loss	218.34	10.95	(35.36)	12.97
Under	Contribution to Provident and Other Funds		Salaries, Wages and Bonus	

### 29.10.5 Experience adjustment on Plan Liabilities and Assets

(₹ in lakhs)

Particulars	Gratuity	Superannuation Fund	Lumpsum Payment in lieu of pension	Leave Encashment
	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014	As at 31.3.2014
Defined benefit obligations	1,261.65	58.24	43.01	281.62
Plan Assets	445.10	18.06	–	–
Surplus/(Deficit)	(816.55)	(40.18)	(43.01)	(281.62)
Experience adjustments on Plan Liabilities Loss/(Gains)	157.12	4.09	10.76	(79.92)
Experience adjustments on Plan Assets (Loss)/Gains	(47.03)	(2.10)	–	–
Actuarial (gain)/loss on Plan Liabilities	(99.96)	(1.42)	(2.51)	(22.17)

### 29.10.6 Principal Actuarial Assumptions used

(₹ in lakhs)

Particulars	31st March, 2014
Mortality Table (before separation from service)	LICI
Mortality Table (after separation from service)	LICI
Discount rate	
Gratuity	9.20%
Leave Encashment	8.00%
Post Retirement Medical	8.00%
Superannuation Fund	7.80%
Lumpsum Payment	8.00%
Inflation rate	4.00%
Expected Return on assets	
Gratuity	8.75%
Superannuation Fund	8.75%
Formula used	Projected Unit Credit Method

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors.

## Notes on Consolidated Financial Statements For the year ended 31st March, 2014

29.10.7 The contribution to the defined benefit plans expected to be made by the Company during the annual period beginning after the Balance Sheet date is yet to be reasonably determined.

29.10.8 During the year ₹304.22. lakhs has been recognised as expenditure towards Defined Contribution Plans of the Company.

29.11 In terms of the decision arrived at the Board Meeting on 20th July, 2013, the Company in order to give thrust to its Power Business is concentrating and operating in Single Business Segment of Energy comprising of Generation, Transmission and Distribution of Power.

29.12 During the year, two wholly owned subsidiaries, India Power Corporation (Bodhgaya) Limited and IPCL PTE. LIMITED have been formed and accordingly, the Consolidated Financial Results have been prepared in line with requirements of Accounting Standard (AS) 21 on "Consolidated Financial Statements". This being the first year of consolidated financial results, previous year's figures have not been given.

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For and on behalf of the Board

For Lodha & Co.

Chartered Accountants

H.K. Verma

Partner

Place: Kolkata,

Date: 24th May, 2014

Saikat Bardhan

Secretary

Amit Kiran Deb

Director

Jyoti Kumar Poddar

Director

## Notes

# GLOSSARY

ABT: Availability Based Tariff	KV: Kilo Volt
AMR: Automated Meter Reading	KW: Kilo Watt
APR: Annual Performance Review	MTOE: Million Tonnes of Oil Equipment
ARR: Aggregate Revenue Requirement	MU: Million Units (equivalent to Giga Watt Hour)
AT&C: Aggregate Technical & Commercial	MVA: Mega Volt-Ampere
CAGR: Compounded Annual Growth Rate	MVCA: Monthly Variable Cost Adjustment
CEA: Central Electricity Authority	MW: Mega Watt
CER: Carbon Emission Reduction	MYT: Multi Year Tariff
CERC: Central Electricity Regulatory Commission	PAF: Plant Availability Factor
Ckm: Circuit Kilometre	PLF: Plant Load Factor
CUF: Capacity Utilisation Factor	PPA: Power Purchase Agreement
DF: Distribution Franchisee	PPP: Public Private Partnership
Discom: Distribution Company	RLDC: Regional Load Despatch Center
FPPCA: Fuel And Power Purchase Cost Adjustment	ROCE: Return on Capital Employed
GBI: Generation Based Incentive	ROE: Return on Equity
GCV: Gross Calorific Value	SEB: State Electricity Board
GIS: Geographic Information Systems	SHR: Station Heat Rate
GPRS: General Packet Radio Service	SLDC: State Load Despatch Center
GW: Giga Watt	TWh: Tera Watt Hour
HT: High Tension	T&D: Transmission and Distribution
IDC: Interest During Construction	WACC: Weighted Average Cost of Capital
ISGTF: India Smart Grid Task Force	WBERC: West Bengal Electricity Regulatory Commission

## DISCLAIMER

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Pictures used in this Annual Report are illustrative.



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