



**RP-Sanjiv Goenka  
Group**

Growing Legacies



**CESC**  
LIMITED

# ANNUAL REPORT

2019-20

## Board of Directors

Sanjiv Goenka, Chairman  
 Shashwat Goenka, Vice Chairman  
 Pradip Kumar Khaitan  
 Chandra Kumar Dhanuka  
 Rekha Sethi  
 Kalaikuruchi Jairaj  
 Pratip Chaudhuri  
 Sunil Mitra  
 Rabi Chowdhury, *Managing Director (Generation)*  
 Debasish Banerjee, *Managing Director (Distribution)*

### Company Secretary

Subhasis Mitra

### Executive Director & CFO

Rajarshi Banerjee

### Auditors

S. R. Batliboi & Co. LLP

### Solicitors

Khaitan & Co.  
 Sandersons & Morgans

### Registered Office

CESC House  
 Chowringhee Square  
 Kolkata 700 001, India  
 Tel: 033-2225 6040  
 Fax : 033-2225 5155  
 Corporate Identity Number: L31901WB1978PLC031411  
 E-mail: secretarial@rpsg.in  
 Website: www.cesc.co.in

### Bankers

Andhra Bank  
 Axis Bank Limited  
 Bank of Baroda  
 Central Bank of India  
 Citibank N.A.  
 DBS Bank India Limited  
 Federal Bank Limited  
 HDFC Bank Limited  
 ICICI Bank Limited  
 IDBI Bank Limited  
 IDFC First Bank Limited  
 Indian Bank  
 Indian Overseas Bank  
 IndusInd Bank Limited  
 Karnataka Bank Limited  
 Kotak Mahindra Bank Limited  
 Punjab & Sind Bank  
 Punjab National Bank  
 RBL Bank Limited  
 Standard Chartered Bank  
 State Bank of India  
 UCO Bank  
 Union Bank of India  
 Yes Bank Limited

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*Dear Shareholder,*

When we are healthy, hale and hearty, we don't acknowledge our breathing or our digesting. These things happen quietly, repeatedly, without any murmur or sputter. It is only when we have a respiratory tract problem or a nasty gut infection that we comprehend our breathing or our stomach and intestines.

It is exactly the same with electricity. When the lights, fans and air-conditioners are working smoothly minute after minute, hour after hour, day after day, month after month, we scarcely notice these — and certainly never comprehend what it takes behind the scene to keep electricity up and running. But when the power supply gets interrupted, we realise it in a trice.

I share this thought in the context of the worst calamity Kolkata and its neighbourhood had faced on 20 May 2020. Amidst widespread outbreak of the Covid-19 pandemic, 2.30 pm that day saw Super Cyclone Amphan making landfall at Bakkhali in West Bengal and moved north to ravage South 24 Parganas, Kolkata and Howrah. With sustained wind speed of over 120 kmph with gusts of over 190 kmph, Amphan was by far the strongest storm to hit the area in over a decade. In Kolkata alone, Amphan toppled over 4,000 electric poles and tens of thousands of trees; triggered widespread flooding; snatched at least 86 lives throughout the state and caused damage estimated at around US\$ 1 trillion.

Naturally, the power supply was severely impacted.

With the widespread devastation that Amphan caused, your Company worked around the clock on a war footing to restore full power for 92% of its consumers within four days. And for the rest in another couple of days.

Remember that over 4,000 electric poles had toppled that lines had snapped everywhere; and that distribution stations were flooded by incessant rain which lashed the city. Also remember that your Company was working with less than usual manpower thanks to Covid-19.

I submit to you with all humility that CESC did a heroic job.

I write with all honesty that, given the sheer scale of the destruction, this huge restoration exercise could not have been completed in any shorter period. I also understand the ire and grievances of the people — for which urban citizen wishes to be without electricity? I apologise for the pain and discomfort that it caused. But, please believe me, it could not have been done faster.

After the crisis, we checked how your Company fared in its restoration work compared to similar international crises that involved widespread power failures. We were among the fastest in the world in doing the restoration that we did.

Thankfully that devastation is behind us now. But another one continues — Covid-19. According to the June 2020 release of the *World Economic Outlook* by the International Monetary Fund, the pandemic will force the global economy to contract by 4.9% in calendar year 2020. The IMF forecasts India's real GDP growth to reduce to -4.5%.

Several Indian economists have played out an even worse scenario. Despite good agricultural harvests and prospects of activities picking up in the second half of the year, there seems to a consensus that India's GDP growth will be between -5% and -6% for 2020-21.

I am no economist. But I am sure that a sharp contraction is on the cards. Moreover, with uncertainties about the future course of Covid-19, it is difficult to quantify the time it will take for normalcy to return.

For 2020-21, therefore, the outlook for the power sector looks tough. As it does for your Company. We are seeking to mitigate this short term downside by even more widespread use of our various technology platforms and digital solutions to remotely manage operations. These should create greater efficiencies, optimise throughput and curtail needless costs.

In the medium to longer term, I remain confident of the business. India is a country where power demand will continue to increase at an impressive rate over the foreseeable future. And I don't see any reason why your Company — with its investments in thermal, wind and solar power generation as well as its expertise in power distribution across industrial consumers and households alike — should not do well in the years to come.

Let me now touch upon your Company's consolidated financial performance for 2019-20. Here is a snapshot:

- Total income (including other income) of your Company increased by 3.2% to Rs.11,217 crore.
- Overall operating expenses also grew by 3.2% to Rs.5,730 crore. After including depreciation and finance costs, total expenses increased by 3.5% to Rs.10,280.

- Profit before taxes (PBT), after incorporating Regulatory Income and share in profits of associates, stood at Rs.1,669 crore.
- Profit after taxes (PAT) grew by 9% to Rs.1,306 crore.
- Earnings per share increased from Rs.89.32 in 2018-19 to Rs.98.24 in 2019-20.

I would like to discuss one other topic which is close to my heart and that is Environmental Social Governance (ESG). Regarding the environment, CESC's initiatives go beyond the statutory requirements. These relate to energy efficiency and emission control; biodiversity and tree plantation; waste and water resource management; promoting green buildings and solar rooftop; and piloting awareness campaigns.

On the social front, we are committed to employee rights and benefits, diversity, workplace safety; customer rights and satisfaction; and multiple initiatives in education, health, sanitation, and community engagement and development.

Regarding governance, we want to be known for the quality of our Board; our commitment to ethics, anti-corruption, transparency and a code of conduct; our disclosures; and our respect for shareholders' rights.

Are we there yet in ESG? The honest answer is "No". Do we want to be ranked among the best? The honest aspiration is "Yes". As a start, we plan to carry out an independent third-party audit of our ESG; and, based on the results, prepare a dynamic ESG roadmap for the years ahead.

Let us pray that the horrible pandemic which has plagued the world and India is combatted as soon as possible. That we soon return to normal. And that each of us and our loved ones stay safe.

My thanks to all our consumers, our employees, our contractors, our suppliers and our bankers. And to you, dear shareholder, for your support and faith.

Once again, stay safe. Stay healthy.

Yours sincerely,



Dr. Sanjiv Goenka  
Chairman

29 June, 2020

# CESC Limited

Registered Office : CESC House, Chowringhee Square, Kolkata - 700 001

Tel: 033-22256040, Fax: 033-2225 5155

E-mail: [secretarial@rpsg.in](mailto:secretarial@rpsg.in); Website: [www.cesc.co.in](http://www.cesc.co.in)

Corporate Identity Number: L31901WB1978PLC031411

## NOTICE TO MEMBERS

Notice is hereby given that the Forty-second Annual General Meeting of the Members of CESC Limited will be held on Monday, 31 August, 2020 at 10 a.m., Indian Standard Time (IST), through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business :

### ORDINARY BUSINESS:

- To receive, consider and adopt:
  - audited financial statements for the year ended 31 March 2020 and Reports of the Board of Directors and the Auditors thereon.
  - audited consolidated financial statements for the year ended 31 March 2020 and Reports of the Auditors thereon.
- To confirm Interim Dividend @ 200% (i.e., Rs 20 per share) already paid for the year ended 31 March 2020.
- To appoint a Director in place of Dr. Sanjiv Goenka (DIN 00074796) who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following Resolutions:

#### 4. AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Shashwat Goenka (DIN: 03486121), who was appointed as an Additional Director of the Company with effect from 14 November 2019 in terms of Section 161 of the Companies Act, 2013 and holds office up to the date of this Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take

all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution.”

#### 5. AS AN ORDINARY RESOLUTION

“RESOLVED THAT pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and rules made thereunder, Mr. Sunil Mitra (DIN: 00113473), who was appointed as an Additional Director of the Company with effect from 14 November 2019 in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director be and is hereby appointed a Director of the Company and also appointed as a Non-Executive Independent Director for a period of five years with effect from 14 November 2019.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution.”

#### 6. AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended, approval of members of the Company be and is hereby granted to the Company for continuing the directorship of Mr. Pradip Kumar Khaitan (DIN: 00004821) in the capacity of a Non-Executive Non-Independent Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution.”

#### 7. AS A SPECIAL RESOLUTION

“RESOLVED THAT in terms of the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to mortgage, charge

and / or otherwise encumber all or any of the properties of the Company, whether immovable or movable, and whether present or future and wheresoever the same may be situate, in favour of :

- (a) Axis Bank Limited (Axis) for a term loan upto Rs. 350 crore;
- (b) CITI Bank N.A (CITI) for a term loan upto Rs. 170 crore;
- (c) DBS Bank Limited (DBS) for a term loan upto Rs. 250 crore;

(Axis, CITI and DBS are hereinafter collectively referred to as 'Lenders')

- (d) IDBI Trusteeship Services Limited (ITSL) as Trustees for the holders of two series of Non-Convertible Debentures (NCDs) aggregating to Rs. 170 crore privately placed with CITI Bank N. A. and the holders of a separate series of NCDs of Rs. 300 crore privately placed with ICICI Bank Limited (ITSL hereafter referred to as 'Debenture Trustee')

to secure the aforesaid term loans and NCDs together with agreed interest, charges, expenses, front-end fees and all other monies payable by the Company to the Lenders and/ or the Debenture Trustee and/or the aforesaid debenture holders in terms of their facility agreement, hypothecation agreement, debenture trustee agreement or any other agreement or any amendments thereto entered into / to be entered into by the Company and/or the Lender and/ or the Debenture Trustee and / or the debenture holder(s) so that the mortgage and / or charge may be created by the Company over and in respect of its properties in favour of the Lenders/ Debenture Trustee, either singly or collectively, in such form and subject to such prior charges or with such pari passu or subservient ranking of charges as may be decided by the Board in consultation with one or more of the Lenders/ the Debenture Trustee / the aforesaid debenture holder(s).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute with all or any of the aforesaid Lenders/ Debenture Trustee / debenture holder(s) all such deeds and documents for creation of the said charge and / or mortgage and to do all such acts, deeds and things as may be deemed necessary by the Board for giving effect to the aforesaid Resolution."

#### 8. AS AN ORDINARY RESOLUTION

"RESOLVED THAT the remuneration of Rs. 7,00,000/- (plus applicable GST and out of pocket expenses) of Messrs Shome & Banerjee, Cost Accountants, (Firm Registration No. 000001) as Cost Auditors of the Company for the financial year ending 31 March 2021, as recommended by the Audit Committee of the Board of Directors of the Company ('the Board') and approved by the Board, be and is hereby ratified;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid Resolution."

By Order of the Board

Subhasis Mitra  
Company Secretary

Kolkata, 29 June 2020

(ICSI Membership No: ACS5376)

#### NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') in respect of the special business under items 4 to 8 of the Notice convening the Forty-second Annual General Meeting of the Members of the Company (AGM) is annexed hereto.

- 2 (A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 dated 8 April, 2020, 13 April, 2020 and 5 May, 2020 respectively issued by Ministry of Corporate Affairs (MCA), Government of India, and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May, 2020 issued by Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM during the calendar year 2020 through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

#### **(B) AGM through VC/OAVM**

- i) **Members are requested to join the AGM on Monday, 3 August, 2020 through VC/OAVM mode latest by 9.45 a.m. IST by clicking on the link <https://www.evoting.nsdl.com/> under members login, where the EVEN of the Company will be displayed, by using the remote evoting credentials and following the procedures mentioned later in these Notes. The said process of joining the AGM will commence from 9:00 a.m. IST and may be closed at 10:30 a.m. IST, or, soon thereafter.**
- ii) **The facility of attending the AGM will be made available to 1000 members on a first-come-first-served basis.**
- iii) **Members who would like to express any views, or, during the AGM ask questions may do so in advance by sending in writing their views or questions, as may be, along with their name, DP ID and Client ID number/ folio number, email id and mobile number, to reach the Company's email address at [cescagm2020@rpsg.in](mailto:cescagm2020@rpsg.in) latest by Saturday, 1 August, 2020 by 5.00 p.m. (IST).**
- iv) **When a pre-registered speaker is invited to raise at the AGM his/her questions, already emailed in advance as requested in para (iii) above, but he / she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions. Accordingly, all**

speakers are requested to get connected to a device with a video/ camera along with stable internet speed.

- v) **The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.**
3. SEBI has decided that securities of listed companies can be transferred only in dematerialized form and, therefore, members are advised to dematerialize as early as possible the shares of the Company held by them in physical form.
  4. The Register of members of the Company will remain closed from 27 July, 2020 to 3 August, 2020, both days inclusive.
  5. All documents referred to in the Notice are put up on the Company's website and can be accessed at <https://www.cesc.co.in>
  6. **Instructions for attending the AGM**
    - (i) In view of the outbreak of the COVID-19 pandemic, social distancing norm has to be followed and pursuant to the Circulars, physical attendance of the members at the AGM is not required and AGM has to be held through VC/OAVM. Hence, members can attend and participate in the ensuing AGM only through VC/OAVM as mentioned in Note 2(B) above as arranged by the Company with National Securities Depository Limited (NSDL).
    - (ii) Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
    - (iii) Since the AGM will be held through VC/ OAVM, where physical attendance of members has been dispensed with, there is no requirement of proxies and hence, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
    - (iv) The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include Large Members (i.e. members holding 2 % or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- (v) In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company or Central Depository Services (India)Limited / NSDL ("Depositories"). Members may note that the Notice and Annual Report for the year 2019-20 will also be available on the Company's website [www.cesc.co.in](http://www.cesc.co.in), websites of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and [www.cse-india.com](http://www.cse-india.com) respectively, and on the website of the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited ('Linkintime') at [www.linkintime.co.in](http://www.linkintime.co.in). Additionally, the Notice of the AGM will also be available at <https://www.evoting.nsdl.com>
  - (vi) Members whose email addresses are not registered as above can register the same in the following manner:
    - a. Members holding share(s) in physical mode are requested to send the following details for registration of their email id: Folio No., Name of shareholder, Mobile no., email id and self-attested scanned copy of PAN card by email to CESC Limited at [cescagm2020@rpsg.in](mailto:cescagm2020@rpsg.in) or to Linkintime at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or upload the same at [https://linkintime.co.in/emailreg/email\\_register.html](https://linkintime.co.in/emailreg/email_register.html)
    - b. Members holding share(s) in electronic mode are requested to register / update their e-mail addresses with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically
  - (vii) Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
  - (viii) Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
  - (ix) During the AGM, members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon logging to NSDL e-voting system at <https://www.evoting.nsdl.com>.
  - (x) Members who need assistance before or during the AGM with regard to use of technology, can:

- (a) Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800-22-990 or
- (b) Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone no. 022 2499 4545.
- (xi) Members are encouraged to join the Meeting through Laptops for better experience. When the meeting is in progress, please keep your device under 'Mute' mode, except when you have pre-registered yourself as a speaker and are invited to speak at the AGM.
- (xii) Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (xiii) Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM of the Company through VC/OAVM facility.

7. **Instructions for attending the Voting through electronic means:**

The remote e-voting period begins on Friday, 31 July, 2020 at 9 .00 A.M. IST and ends on Sunday, 2 August, 2020 at 5.00 P.M. IST. The remote e-voting module shall be disabled by NSDL for voting thereafter.

I. Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system during the meeting on the date of the AGM will also be provided by NSDL.

II. **How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

| <b>How to Log-in to NSDL e-Voting website?</b>  |   |
|---|---|
| <p>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</p> <p>2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.</p> <p>3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.</p> <p><i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i></p> |   |
| 4. Your User ID details are given below:  |   |
| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical  | Your User ID is:  |
| a) For Members who hold shares in demat account with NSDL   | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example: if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.  |
| b) For Members who hold shares in demat account with CDSL.  | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.   | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |
| 5. Your password details are given below:   |   |
| <p>a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.</p> <p>b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.</p>   |   |

- c) How to retrieve your 'initial password'?
- (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- (ii) If your email ID is not registered, please follow steps mentioned below in Section III
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are given below:

- How to cast your vote electronically on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
  3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- 2 It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- 3 In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre, Manager at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in) or at telephone no. 022 2499 4545.

III. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhar Card/Voter ID/Passport by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
2. In case shares are held in demat mode, please provide DPID-Client ID (16-digit DPID + Client ID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card self-attested scanned copy of Aadhar Card/Voter ID/Passport by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

Alternatively members may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by providing the details mentioned in Point (1) or (2) as the case may be.

IV. The Instructions for Members For E-Voting on the day of the AGM are as under:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in course of the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

V. Other Instructions:

1. The voting rights of the members shall be in proportion to their shares on the paid-up equity share capital of the Company as on the cut-off date of Monday, 27 July 2020.
2. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Monday, 27 July 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)
3. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
4. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
5. Mr. Anil Murarka, Practicing Company Secretary, (Membership No. FCS 3150) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.

6. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer's Report.
7. The Results of voting will be declared within 48 hours from the conclusion of AGM. The declared results along with the Scrutinizer's Report will be available forthwith on the website of the Company [www.cesc.co.in](http://www.cesc.co.in) and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company and shall be forwarded to the National Stock Exchange of India Limited, BSE Limited and Calcutta Stock Exchange Limited.

**PARTICULARS OF DIRECTORS PROPOSED TO BE APPOINTED / REAPPOINTED AT THE MEETING ARE GIVEN BELOW:**

**Dr. Sanjiv Goenka**

Dr. Sanjiv Goenka is the Chairman of the Company and also of Rs 44,000 crore RP Sanjiv Goenka Group which has over 45,000 employees and over 5,00,000 shareholders with annual revenue of more than Rs 26,000 crores.

Dr. Goenka was the youngest-ever President of the Confederation of Indian Industry (CII) and of the Indian Chamber of Commerce. He is also former President of the All India Management Association. He is presently the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur. This is the fourth time Dr. Goenka has been bestowed this honour. Dr. Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata.

Dr. Goenka is aged 59 years and is a Commerce Graduate from St. Xavier's College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.

Dr. Goenka is on the Board of the Company with effect from 29 April 1989 and is also the Chairman of the Board of Directors of Phillips Carbon Black Limited, Saregama India Limited (also Chairman of its Stakeholder Relationship Committee), Firstsource Solutions Limited, Spencers International Hotels Limited, Spencer & Co Limited, Haldia Energy Limited, Spencer's Retail Limited (member of its Nomination & Remuneration Committee and Stakeholders Relationship Committee) and CESC Ventures Limited (member of its Audit Committee, Nomination & Remuneration Committee and also Chairman of its Stakeholders Relationship Committee).

Dr. Goenka holds 1,34,794 equity shares in the Company and is related to Mr. Shashwat Goenka, his son. He is not related to any other director or key managerial personnel of the Company or their relatives.

Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

#### **Mr. Pradip Kumar Khaitan**

Mr. Pradip Kumar Khaitan, 79 years of age, is a well-known attorney-at-law (Bell chambers gold medalist). With an extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers, he is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws.

Mr. Khaitan is on the Board of the Company with effect from 20 October 1992 and is also on the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), Dhunseri Ventures Limited (Member of Nomination & Remuneration Committee and Chairman of CSR Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), Electrosteel Castings Limited (Chairman of the Board, Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Emami Limited, Firstsource Solutions Limited, Woodlands Multispeciality Hospital Limited (Chairman of the Board and member of Audit Committee and Nomination & Remuneration Committee) and Odisha Cement Limited.

Mr. Khaitan does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relative.

Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

#### **Mr. Shashwat Goenka**

Mr. Shashwat Goenka, 30 years of age, is a Director of the Company and is the Sector Head-Retail & FMCG of the RP-Sanjiv Goenka Group. Presently he is on the Board of Firstsource Solutions Limited, Spencer's Retail Limited, CESC Ventures Limited, Spencer's International Hotels Limited and Retailers Association of India. He is also the Founder of FMCG brand Too Yumm. Currently he is Chair for FICCI's Young Leaders Forum and Chair for CII's National Retail Committee on Retail. Mr. Goenka is also Past President of Indian Chamber of Commerce. He graduated from The Wharton School, University of Pennsylvania.

Mr. Goenka is a Director of Spencer International Hotels Ltd, Phillips CarbonBlack Limited (also Member of the CSR Committee), Spencer's Retail Limited (also Member of the Audit Committee, Stakeholders Relationship Committee and CSR Committee), Firstsource Solutions Limited (also Chairman of the CSR Committee, Risk Management Committee, Investment Committee and Strategy Committee) and CESC Ventures Limited (also Chairman of CSR committee and

member of the Stakeholders Relationship Committee).

Mr. Goenka holds 1,11,408 equity shares in the Company and is related to his father, Dr. Sanjiv Goenka. He is not related to any other Director or key managerial personnel of the Company or their relatives.

Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

#### **Mr. Sunil Mitra**

Mr. Sunil Mitra, aged 69 years, retired in June 2011 as the Revenue & Finance Secretary, Government of India. In his public service career spanning over three and a half decades, he successfully spearheaded important policy initiatives in public finance at the national level, including a new disinvestment policy and far-reaching taxation reforms. During his earlier appointments under the West Bengal Government, he is credited with the design and implementation of significant public policy reforms in the State-owned Public Sector Enterprises and in restructuring the State's power sector.

After completing his term of public service, Mr. Mitra chaired a Committee in the Planning Commission between October 2011 and August 2012 tasked with a comprehensive review of the different sectors of our economy and formulate recommendations that would foster a vibrant ecosystem for entrepreneurship in the country.

Mr. Mitra also served as member of a Technical Advisory Panel set up by the Government of India, to review an Indian Power Sector Diagnostic Study Report prepared by the World Bank.

Mr. Mitra is also a Director of Dollar Industries, Century Plyboards (India) Limited, Texmaco Rail & Engineering Limited (also Member of Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Compensation Committee), Firstsource Solutions Limited (also Member of Audit Committee), Magma HDI General Insurance Company Limited (also Chairman of Audit Committee and Nomination and Remuneration Committee and Member of Policyholders Protection Committee, IPE Global Limited (also Chairman of the Audit Committee), Sukeru Roads Limited Patton International Limited (also Member of Audit Committee Nomination and Remuneration Committee) and Sukeru Energy Limited.

Mr. Mitra is not related to any director or key managerial personnel of the Company or their relatives. He does not hold any share in the Company.

Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE FORTY-SECOND ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD THROUGH VC / OAVM ON MONDAY, 3 AUGUST, 2020 AT 10:00 AM, IST**

**Item No. 4**

Mr. Shashwat Goenka was appointed as an Additional Director by the Board of Directors of the Company ("the Board") with effect from 14 November 2019 pursuant to the provisions of Section 161 of the Companies Act 2013 ("the Act") read with Article 104 of the Articles of Association of the Company. The Board also designated Mr. Goenka as the Vice-Chairman.

Mr. Shashwat Goenka will hold office upto the date of forthcoming Annual General Meeting ("AGM") as per the aforesaid provisions. The Company has received a Notice in writing from a Member proposing the candidature of Mr. Goenka for the office of Director under the provisions of Section 160 of the Act.

Accordingly, in terms of the requirements of the provisions of the Act, approval of the members of the Company is required for the appointment of Mr. Goenka as a Director of the Company.

Brief profile of Mr. Shashwat Goenka is given in the accompanying Notice.

Apart from Mr. Shashwat Goenka and his father Dr. Sanjiv Goenka who may be deemed to be concerned or interested in this Resolution, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution under Item No. 4 in the said Notice.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Resolution as set out in item no. 4 of the Notice for approval of the Members.

**Item No. 5**

Mr. Sunil Mitra was appointed as an Additional Director by the Board of Directors of the Company ("the Board") with effect from 14 November 2019 pursuant to the provisions of Section 161 of the Companies Act 2013 ("the Act") read with Article 104 of the Articles of Association of the Company. Brief profile of Mr. Mitra is given elsewhere in the accompanying Notice.

Mr. Mitra will hold office upto the date of forthcoming Annual General Meeting as per the aforesaid provisions. The Company has received a Notice in writing from a Member proposing the candidature of Mr. Mitra for the office of Director under the provisions of Section 160 of the Act.

The Company has received from Mr. Mitra requisite consents and declarations in connection with his appointment as a Non-Executive Independent Director. In the opinion of the Board, Mr. Mitra fulfils the conditions specified in the Act and the Rules made thereunder for being appointed as an Independent Director and he

is independent of the management.

The Resolution set out under Item no. 5 of the Notice seeks approval of the Members for the appointment of Mr. Mitra as a Non-Executive Independent Director of the Company for a period of five consecutive years from 14 November, 2019 pursuant to Section 149 of the Act and Rules made thereunder.

A copy of the draft letter of appointment to be issued to Mr. Mitra setting out the terms and conditions of his said appointment is available for inspection by the Members on the Company's website.

Mr. Mitra is deemed to be concerned or interested in this resolution relating to his appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the said Resolution.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Resolution as set out in item no. 5 of the Notice for approval of the Members.

**Item No. 6**

Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, inter-alia provides that a listed company shall not appoint a person or continue the directorship of any person aged 75 years or more as a Non-Executive Director unless a special resolution is passed to that effect.

Mr. Pradip Kumar Khaitan, aged 79 years, is an Attorney-at-Law (Bell Chambers Gold Medalist, and is an eminent legal personality. Mr. Khaitan is an active participant in all important deliberations of the Board of Directors of the Company ("the Board") with his extensive hands-on experience in all branches of law. Brief profile of Mr. Khaitan is given elsewhere in the Notice.

The Board and its Nomination and Remuneration Committee have recommended continuation of Mr. Pradip Kumar Khaitan as a Non-Executive Director of the Company.

Mr. Khaitan may be deemed to be concerned or interested in this Resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the said Resolution in the accompanying Notice.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Special Resolution as set out in item no. 6 of the Notice for approval of the Members.

**Item No. 7:**

In order to finance a part of its capital expenditure requirements and for other financing purposes, the Company has

- (a) availed / proposes to avail of term loan assistance of Rs. 350 crores from Axis Bank Limited, Rs. 170 crores from CITI Bank N.A. (CITI) and Rs. 250 crores from DBS Bank Limited,

(b) also raised funds by private placement of Non-convertible Debentures of Rs. 170 crores from CITI and 300 crores from ICICI Bank Limited.

The above term loans and NCDs are required to be secured, inter alia, by creation of charge and / or equitable mortgage on the Company's movable and / or immovable properties with such ranking of charges as may be required under the respective terms of sanction.

The Special Resolution set out under Item No. 7 of the Notice is for seeking the approval of Members in terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create the aforesaid mortgage and / or charge.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said Resolution.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Special Resolution as set out in item no. 7 of the Notice for approval of the Members.

#### **Item No. 8**

The Board of Directors of the Company, on the recommendation of its Audit Committee, has approved the appointment and remuneration of Messrs Shome & Banerjee, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on 31 March 2021.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2021.

None of the Directors, key managerial personnel or their relatives is concerned or interested in the resolution.

The Board considers the aforesaid item of business to be urgent in nature and recommends the Resolution as set out in item no. 8 of the Notice for approval of the Members.

By Order of the Board

Registered Office:  
CESC House  
Chowringhee Square  
Kolkata – 700 001

Kolkata, 29 June 2020

Subhasis Mitra  
Company Secretary  
(ICSI Membership No.: ACS: A5376)

# Report of the Board of Directors



The Directors are pleased to present the Forty-second Annual Report on the business and operations of the Company along with the Audited Financial Statements for the year ended 31 March 2020.

## FINANCIAL RESULTS INR Crore

| Particulars                             | 2019-20 | 2018-19 |
|---|---------|---------|
| Revenue from operations                 | 7836    | 7754    |
| Other Income                            | 146     | 165     |
| Total Income                            | 7982    | 7919    |
| Profit before regulatory Income and Tax | 587     | 624     |
| Regulatory Income                       | 532     | 559     |
| Profit before tax                       | 1119    | 1183    |
| Taxation                                | (201)   | (246)   |
| Profit for the year                     | 918     | 937     |
| Other comprehensive income              | (33)    | (34)    |
| Total Comprehensive Income              | 885     | 903     |

## FINANCIAL

During the year, total income was Rs. 7982 crore as against Rs. 7919 crore for the previous year. Profit before tax was Rs. 1119 crore during the year (Previous year Rs.1183 crore). Profit after tax (PAT) for 2019-20 stands at Rs. 918 crore (Previous year Rs.937 crore). Total Comprehensive Income for the year was Rs. 885 crore. Retained earnings at the end of the year under report stood at Rs. 9620 crore (Previous year Rs. 9365 crore) after adjustments for dividend, unforeseen exigencies and miscellaneous items.

## DIVIDEND

During the year, your Company had paid an interim dividend of 200% i.e. Rs.20 per equity share involving an outgo of Rs. 319.60 crore including Dividend Distribution Tax (previous year Rs.279.66 cr). The above dividend is the highest in the Company's history and was declared in terms of the Dividend Distribution Policy approved by the Board of Directors of the Company at its meeting held on 14 September 2016 and available on the Company's website at [https://www.cesc.co.in/wp-content/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Dividend_Policy.pdf). The Notice convening the ensuing Annual General Meeting ("AGM") of the Members of the Company includes an item for confirmation of the said interim dividend.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is presented in a separate section, forming a part of this report (Annexure 'A').

## RESTRUCTURING SCHEME

As reported last year, the Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('the Act') involving the Company, some of its erstwhile and present subsidiaries and their respective shareholders ("Scheme") as previously approved by the Hon'ble National

Company Law Tribunal, Kolkata bench ("NCLT"), subject to the terms and conditions mentioned in NCLT's Order dated 28 March 2018, was implemented and CESC's non-power investments were demerged into two entities – retail and other business ventures. These two entities have since been listed with the stock exchanges.

However, it was later considered prudent and in the best interest of the Company, its shareholders and other stakeholders to no longer pursue the other parts of the Scheme involving the proposed transfer and vesting of CESC's Generation Undertaking into Haldia Energy Limited ("HEL"), a wholly-owned CESC subsidiary and matters related thereto. Accordingly, certain parts of the Scheme dealing with the aforesaid transfer and the other connected matters have become null and void and Generation Undertaking continues to be a part of the Company and HEL, a wholly owned CESC subsidiary.

## SUBSIDIARIES

As on 31 March 2020, the Company had eighteen subsidiaries including Eminent Electricity Distribution Limited which became a subsidiary of the Company during the year under review. Broad details of operations of the subsidiaries of the Company are given in Management Discussion & Analysis Report, which forms a part of this report.

A separate statement containing salient features of the financial statements of subsidiary companies, as per Section 129(3) of the Act, is attached to the consolidated financial statement.

## CONSOLIDATED FINANCIAL STATEMENT

In accordance with the provisions of the Act, applicable accounting standards and the Listing Regulations, consolidated financial statements of the Company with all its subsidiaries for the year 2019-20, audited by Messrs S. R. Batliboi & Co. LLP, the Company's auditors, form a part of the annual report and accounts and shall be laid before the ensuing Annual General Meeting (AGM) of the Company as required under the Act.

The audited financial statements including the consolidated financial statements of the Company and all other documents required to be attached thereto have been posted on the Company's website and can be accessed at [https://www.cesc.co.in/wp-content/uploads/annreport/CESC\\_AR\\_2019.pdf](https://www.cesc.co.in/wp-content/uploads/annreport/CESC_AR_2019.pdf). The financial statements of the subsidiaries, as required, are put up on the Company's website and can be accessed at <https://www.cesc.co.in/?cat=25>. The Company has formulated a Policy for determining Material Subsidiaries. The Policy is put up on the Company's website and can be accessed at [https://www.cesc.co.in/wp-content/uploads/policies/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.cesc.co.in/wp-content/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf).

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In terms of the provisions of Section 152 of the Act and Article 102 of the Articles of Association of the Company, Dr. Sanjiv Goenka retires as a Director of the Company at the forthcoming AGM and, being eligible, offers himself for re-appointment as a Director.

The Board of Directors, on recommendation of the Nomination and Remuneration Committee, at its meeting held on 14 November, 2019 appointed:

- i. Mr. Shashwat Goenka as an additional director, in the category of non-executive non-independent director, designated as Vice-Chairman of the Board of Directors; and
- ii. Mr. Sunil Mitra as an additional director, in the category of non-executive independent director for a period of five years.

Both the directors would hold office as such till the date of ensuing AGM of the Company.

The Company has received requisite notices from members proposing the candidatures of Mr. Shashwat Goenka and Mr. Sunil Mitra to the office of Directors of the Company in accordance with the relevant provisions of the Act.

It is also proposed to seek shareholders' approval by means of a Special Resolution for continuation of the appointment of Mr. Pradip Kumar Khaitan as a non-executive non-independent director of the Company in accordance with the requirement of Regulation 17(1A) of the Listing Regulations.

Notice for the forthcoming AGM includes appropriate Resolutions seeking shareholders' approvals in respect of all the above appointments.

The requisite disclosures regarding the above reappointments / appointments have been made in the Corporate Governance section which forms a part of this Report.

The details on Directors' appointments and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for Key Managerial Personnel and other employees forms a part of Corporate Governance Report of this Annual Report. During the year, performance evaluation of independent directors and other board members as well as committees of the Board was done in terms of the Act and the Listing Regulations.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and the Listing Regulations.

Five meetings of the Board of Directors were held during the year on 17 May 2019, 19 July 2019, 14 August 2019, 14 November 2019 and 11 February 2020. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and General Meeting.

During the year under report, the Company has been compliant with the applicable provisions relating to its Key Managerial Personnel.

#### **EQUITY CAPITAL AND DEBT STRUCTURE**

There was no change in the equity share capital of the Company during the year.

The equity shares of the Company continue to be listed at the BSE Limited (BSE), National Stock Exchange of India Ltd (NSE) and the Calcutta Stock Exchange Ltd (CSE). The Company has paid the requisite listing fees to the Stock Exchanges up to the financial year 2020-21.

During the year, the Company issued and allotted, secured non-convertible redeemable debentures ('NCDs') aggregating to Rs. 170 crore, and since close of the year, further NCDs aggregating Rs. 300 crore, for cash at par on private placement basis in compliance with the applicable regulations of Securities and Exchange Board of India on issue of debt securities by certain large companies. The Notice of the forthcoming AGM includes an appropriate resolution for creation of security in respect of the aforesaid NCDs.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors hereby state and confirm that:

- i) in the preparation of the accounts for the financial year ended 31 March, 2020, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of corporate governance and adhere to the related requirements set out in the Listing Regulations. The report on Corporate Governance (Annexure 'B') with Additional Shareholder Information (Annexure 'C') as stipulated under the Listing Regulations forms part of this Report alongwith the Auditors' Certificate thereon.

## **CORPORATE SOCIAL RESPONSIBILITY**

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures are annexed as a part of this Report. The CSR Policy is put up on the Company's website and can be accessed at [https://www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf). A detailed section on the activities in this behalf during the year under review is disclosed in Annexure 'D' which forms a part of this report.

## **BUSINESS RESPONSIBILITY REPORT**

As stipulated under the Listing Regulations, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective is attached as a part of the Annual Report ('Annexure 'E').

## **RELATED PARTY TRANSACTIONS**

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. There was no materially significant related party transaction that had a potential conflict with the interest of the Company. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is put up on the Company's website and can be accessed at [https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf).

Transactions with related parties entered into in the normal course of business are periodically placed before the Audit Committee of the Board for its approval. Members may please refer to Note 42 to the Standalone Financial Statement for requisite disclosure in respect of related parties and transactions entered into with them during the year.

## **RISK MANAGEMENT**

The Company has an elaborate Risk Management Framework, which is designed to enable risks to be identified, assessed and mitigated appropriately.

Risk Management Policy is aimed for identification, assessment and mitigation of various risks faced by the Company. Detailed discussion on risk management is covered in Management's Discussion and Analysis (Annexure 'A') and Report on Corporate Governance (Annexure 'B'), which forms a part of the Annual Report. Internal Financial Control are an integral part of the risk management process and the Board is of the opinion that it has been working effectively. In view of its importance, the Company makes efforts on an ongoing basis to strengthen the internal financial control system.

## **AUDITORS**

Messrs S R Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No.301003E/E300005) were appointed as Auditors of the Company for a term of five consecutive years, at the Thirty-ninth AGM of the Company.

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualification, reservation, adverse remark or disclaimer. The Auditors have not reported any instance of fraud referred to in Section 134(3)(ca) of the Act.

## **COST AUDITOR**

The Board had re-appointed Messrs Shome & Banerjee, Cost Accountants as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2019-20 under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014. Messrs Shome & Banerjee have since been appointed as Cost Auditors for the financial year 2020-21 and the Notice of the forthcoming AGM includes an appropriate resolution for ratification of their remuneration.

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and such accounts are made and maintained accordingly.

## **SECRETARIAL AUDITOR**

The Board had appointed Messrs S.M. Gupta & Co., Company Secretaries, as the Secretarial Auditor of the Company to conduct the secretarial audit for the year under review.

The Secretarial Audit Report for the financial year ended 31 March, 2020 is annexed (Annexure 'F') forming a part of this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

## **VIGIL MECHANISM**

The Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act and Listing Regulations for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct for directors, employees and stakeholders. The details of the said policy have been disclosed on the Company's website [www.cesc.co.in](http://www.cesc.co.in).

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

In terms of the provisions of the Section 186 (11) of the Act, the provisions of Section 186 (4) requiring disclosure in the financial statements of the full particulars of the loan given, investment made or guarantee given or security provided and the purpose for which such loan or guarantee or security is proposed to be

utilised by the recipient of the loan or guarantee or security are not applicable to the Company.

#### **FIXED DEPOSITS**

The Company, during the year, has not accepted any deposits and, as such no amount of principal or interest was outstanding as on the date of the Balance Sheet.

#### **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as required under Section 134 of Act read with the Companies (Accounts) Rules, 2014 is given in Annexure, forming a part of this Report (Annexure 'G').

#### **ANNUAL RETURN**

As required under Section 134(3)(a) of the Act, the Annual Return is put up on the Company's website and can be accessed at [www.cesc.co.in](http://www.cesc.co.in). An extract of the Annual Return as required to be attached is annexed and forms a part of this report (Annexure 'H').

#### **PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure - I. Details of employee remuneration as required under provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the aforesaid Rules are provided in the said Annexure-J. However, the Reports and Accounts are being mailed to the members excluding the aforesaid Annexure - J. Any member interested in obtaining the same may write to the Company Secretary at [cescagm2020@rpsg.in](mailto:cescagm2020@rpsg.in). None of the employees listed in the said Annexure-J are related to any Director of the Company.

The Company has in place a Remuneration Policy for Directors, key

managerial personnel and other employees duly recommended by the Nomination & Remuneration Committee and approved by the Board. Other details relating to remuneration paid during the year to directors and key managerial personnel are furnished in the Report on Corporate Governance which forms a part of this report.

#### **INDUSTRIAL RELATIONS**

Industrial relations in the Company, during the year, continued to be cordial. A detailed section on the Company's Human Resource initiatives is forming part of the Management Discussion & Analysis forming a part of this Report.

#### **PANDEMIC AND SUPER CYCLONE**

Reports on challenges during the COVID-19 related ongoing lockdown and the unprecedented recent fury caused by the super cyclone "Amphan" that soon followed alongwith measures taken by the Company to meet the consequential disruptions appear in the attached Management Discussion and Analysis Report.

#### **ACKNOWLEDGEMENT**

The Board of Directors wishes to place on record its deep sense of appreciation for the committed services by all the employees of the Company. They have displayed commendable sincerity in rallying together as a great team while meeting the recent challenges of an unprecedented scale. The Board of Directors would also like to express its sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, consumers and vendors during the year under review.

Your Directors are also grateful for your continued encouragement and support.

On behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

Kolkata, 29 June 2020

CESC Limited ('CESC' or 'the Company') is a flagship company of the RP-Sanjiv Goenka Group. It is engaged in electricity distribution with embedded generation facility, across 567 square kilometres of its licensed area in Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal. CESC supplies safe, cost-effective and reliable electricity to around 3.3 million customers. The Company, through its subsidiaries and an associate, also has a portfolio of independent power generation projects and distribution ventures in other parts of the country.

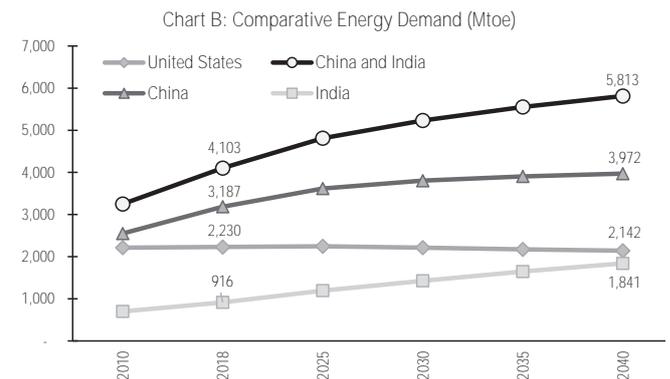
This chapter presents an overview of the energy sector as well as operational and financial performance of CESC. It also discusses important initiatives taken by the Company and its subsidiaries during the year to achieve its growth and performance objectives.

## ECONOMIC OVERVIEW

### Global Energy Scenario

Global energy markets reflect considerable contradictions. On the demand side, promise of energy for all still eludes close to a billion people in the developing world without access to electricity. Whereas, on the supply side, disruption in oil markets with shale output from USA, competing sources of fuels and technologies available to policy makers, and gaps between expectations and achievement in renewables-driven transition — all have profound implications on the structure of energy markets in the future. The uncertainty around long term trajectory of the sector is further exacerbated by growing interlinkages between geopolitics and energy choices of countries.

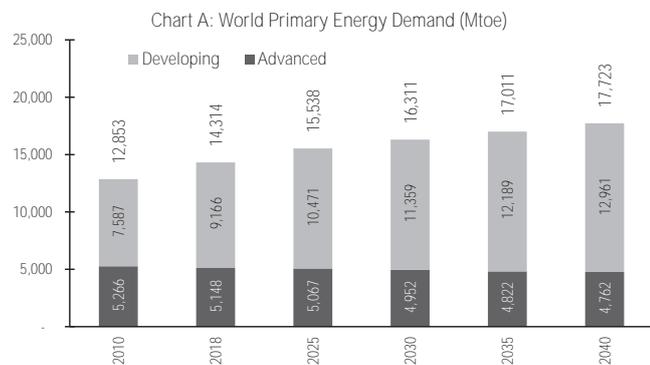
Chart B), outstripping demand from the entire advanced world. India's energy demand during this period will more than double from 916 Mtoe in 2018 to 1,841 Mtoe in 2040. Significantly, the increase in demand from India will be higher than that of China in absolute terms. Besides, these two countries alone will account for 32.8% of global energy demand in 2040, up from 15.8% in 2000 and 28.7% in 2018. China, the US and India will continue to be the top three consumers of energy in the world in 2040, with a share of 22.4%, 12.1% and 10.4%, respectively.



Source: Stated Policies Scenario, World Energy Outlook 2019, IEA

On the supply side, shale output in the US has disrupted the oil market — with production increasing from 8 million barrels per day (mb/d) in 2000 to 15.5 mb/d in 2018 — making it one of the largest oil and gas producers in the world. This is expected to increase further to around 21.7 mb/d in 2025, cementing its position as a net exporter in global oil trade.

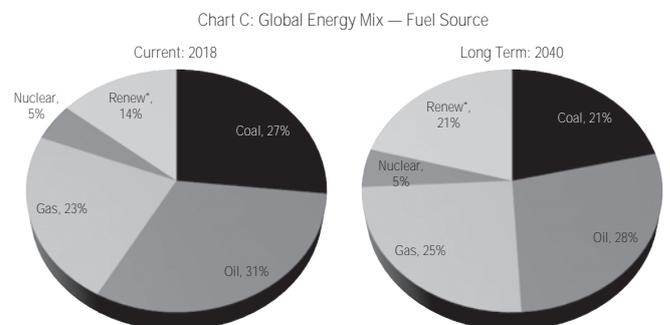
In terms of energy sources, fossil fuels — coal, oil and gas — continue to be dominant, meeting around 81% of current global energy demand (see Chart C). However, renewable technologies will supply around 50% of the increase in demand between 2018 and 2040. As shown in Chart C, share of renewable sources is expected to increase from 14% in 2018 to 21% in 2040. During the same period, while the dominance of fossil fuels will continue, its share is estimated to come down. More importantly, this decline is only due to the drop in share of coal and oil in the energy mix, as the share of gas is expected to increase from 23% in 2018 to 25% in 2040.



Source: Stated Policies Scenario, World Energy Outlook 2019, IEA

According to the *World Energy Outlook 2019*, world primary energy demand under the 'Stated Policies Scenario (SPS)' will grow by around 3,409 million tonnes of oil equivalent (Mtoe) between 2018 and 2040, at a compound annual growth rate (CAGR) of 1% (see Chart A). Advanced economies, which accounted for over half of global energy demand in 2000, will see their share decline to 27% by 2040. Demand from advanced economies will also come down in absolute terms from 5,148 Mtoe in 2018 to 4,762 Mtoe in 2040.

Over 50% of the increase in global demand between 2018 and 2040 will come from China and India. Their combined energy demand would grow from 4,103 Mtoe in 2018 to 5,813 Mtoe in 2040 (see

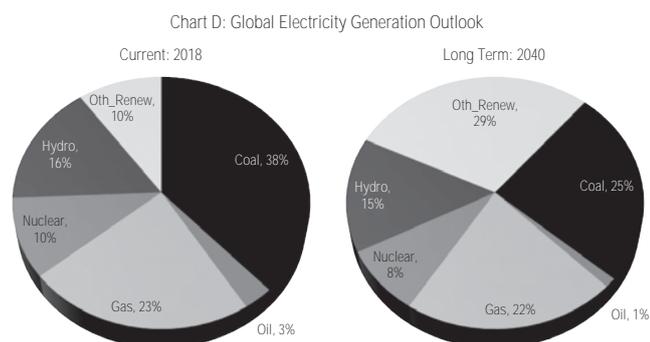


Source: Stated Policies Scenario, World Energy Outlook 2019, IEA

Another key aspect of global energy demand dynamic is electricity. Electricity demand will grow at more than twice the rate of overall

demand for energy — led by industrial and digital technologies, household appliances, cooling and electric vehicles. Almost half of the increase in energy demand between 2018 and 2040 is expected to be supplied by the power sector, which will involve capacity addition of 5,891 GW.

As shown in Chart D, dominance of fossil fuels shall come down significantly — from 64.1% in 2018 to 47.9% by 2040. Renewable sources will be the biggest beneficiary, accounting for over 43.7% of total power generation by 2040 — with most of the increase coming from Wind and Solar Photo Voltaic.



Source: Stated Policies Scenario, World Energy Outlook 2019, IEA

### India's Power Scenario

During 2019-20, India added 13.9 GW in power generation capacity, a growth of 3.9% over previous year. In line with the country's policy thrust, hydro and other renewable sources accounted for over two-thirds of this increase — with their share growing to 35.8% at the end of the year. With these additions, generation capacity in India stood at 370 GW. Table 1 gives the detail.

Table 1: Power Generation Capacity in India: 2019-20, By Fuel Source

| Fuel           | MW              | % Share       | Growth (%)  |
|----------------|-----------------|---------------|-------------|
| Coal & Lignite | 2,05,345        | 55.5%         | 2.3%        |
| Gas            | 24,955          | 6.7%          | 0.1%        |
| Diesel         | 510             | 0.1%          | -20.1%      |
| Thermal        | 2,30,810        | 62.4%         | 2.0%        |
| Nuclear        | 6,780           | 1.8%          | 0.0%        |
| Hydro          | 45,699          | 12.3%         | 0.7%        |
| Others         | 86,759          | 23.4%         | 11.7%       |
| <b>Total</b>   | <b>3,70,048</b> | <b>100.0%</b> | <b>3.9%</b> |

Source: Central Electricity Authority

Electricity demand grew by 1.3% during the year — from 1,275 billion units in 2018-19 to 1,291 billion units in 2019-20. During the year, the peak demand for power was 183.8 GW, whereas the actual power supply stood at 182.5 GW, reflecting a negligible peak demand-supply shortfall of 0.7% (See Table 2) at the all-India level.

Table 2: Power Demand and Deficit: 2019-20

| Region           | Peak Demand (MW) | Peak Met (MW)   | Deficit      | Deficit %   |
|------------------|------------------|-----------------|--------------|-------------|
|                  | Northern         | 66,559          |              |             |
| Western          | 59,416           | 59,416          | 0            | 0.0%        |
| Southern         | 53,579           | 53,465          | 114          | 0.2%        |
| Eastern          | 23,421           | 23,398          | 22           | 0.1%        |
| North-Eastern    | 2,989            | 2,878           | 111          | 3.7%        |
| <b>All India</b> | <b>1,83,804</b>  | <b>1,82,533</b> | <b>1,271</b> | <b>0.7%</b> |

Source: Central Electricity Authority

The current demand-supply deficit at the regional level is due to unsatisfactory situations in some states: Jammu & Kashmir and Ladakh (20%) and Uttar Pradesh (2.4%) in the northern region; Kerala (4.2%) in the southern region; Andaman and Nicobar (6.9%) in the eastern region; and Arunachal Pradesh (3.5%), Assam (10.8%), Manipur (3.6%), Nagaland (9.3%) and Tripura (2.7%) in the north-east. Other than these, none of the states/UTs had a peak power deficit exceeding 2%.

### Macroeconomic Outlook

The world economy slowed down considerably in 2019. According to the IMF, global growth is estimated at 2.9% in 2019, compared to 3.6% in 2018. India also witnessed a significant deceleration in growth during the year. According to the provisional estimates released by the Central Statistics Office (CSO), growth in India's Gross Domestic Product (GDP) for 2019-20 is estimated at 4.2%, compared to 6.1% in the previous year. This slowdown in economic growth, coupled with greater adoption of energy efficient technologies has also impacted demand for power, which has been growing at a slower pace in the last couple of years compared to the trend rate of 6% to 7%.

#### Box 1: The Covid-19 Pandemic and its Impact

The Covid-19 global pandemic gathered momentum in India in March 2020. Early protective measures by the Indian government to contain the health emergency in January were ramped-up, culminating into a strict nationwide lockdown starting 25 March 2020.

This crisis facing the world is unique in terms of the quantum of output loss as countries restricted mobility and economic activity to contain spread of the virus. Besides, there is severe uncertainty around the duration and intensity of the crisis, which will have a huge impact on the global economy, including the power sector in which CESC operates. As per Power System Operation Corporation (POSOCO) reports, India experienced a 25% dip in energy consumption between 25 March 2020 and 9 April 2020, which was the first phase of the lockdown. Although economic activity has gradually resumed since mid-May, it is still operating below pre-Covid levels, with considerable uncertainty on the time to normalcy.

As far as CESC's system demand is concerned, the dip was around 12% in March 2020, bringing down annual growth to 3%, which was otherwise projected at around 3.7%. As a result, while the Company's performance in 2019-20 was not affected much due to the timeline of events, future performance will depend on when normalcy returns and demand revives fully. Our approach during the lockdown and initiatives to mitigate associated risks are discussed in greater detail in the sections on 'Risks and Concerns'.

Considering the severe impact on economic activity due to the Covid-19 crisis, June 2020 projections of the International Monetary Fund's World Economic Outlook forecasts that the global economy will contract by 4.9% in calendar year 2020 — which is now 1.9 percentage points lower than the earlier estimate that it put out in April. According to IMF's June 2020 estimate, India's real GDP growth will reduce to -4.5%. This is a much worse forecast than that of April 2020. It is difficult to predict where India will be in 2020-21. However, two things can be stated with some certainty. First, April-June 2020 will be a washout, with most economic activities being shut-down; and the second quarter (July-September 2020) will also be difficult, what with the pandemic surging throughout various parts of India. Second, while most economists expect a turnaround in the second half of the financial year, the general sense is that India's GDP growth for 2020-21 will be probably lower than IMF's most recent projection — perhaps in the range of -5% to -6%.

Although a turnaround in economic performance is expected once the Covid-19 pandemic is over, 2020-21 will be a very tough year. As far as the power sector is concerned, a de-growth in 2020-21 appears imminent with April and May 2020 already recording a significant decline in industrial and commercial demand. However, with strong policy initiatives by the government to revive economic growth, focus on manufacturing, electric vehicles and universal access to electricity, the medium to longer term outlook for the sector remains positive, especially after 2020-21.

## BUSINESS PERFORMANCE

CESC's businesses comprise the Kolkata operations as well as other generation and distribution ventures:

- **Kolkata Operations:** Distribution of electricity, with embedded generation facilities, across its licensed area in Kolkata, Howrah, Hooghly, North and South 24 Parganas, West Bengal. Other than the 600 MW plant at Haldia, which is under its 100% subsidiary, Haldia Energy Limited, the operations are directly under CESC Limited.
- **Generation Projects:** Operational thermal and renewables projects with a cumulative generation capacity of over 800 MW. These are owned and operated by the various subsidiaries of CESC.
- **Distribution Ventures:** Existing operations include a distribution licence for Greater Noida (Uttar Pradesh); three distribution franchisees (DFs) in Kota, Bharatpur and Bikaner in Rajasthan; and its new DF in Malegaon, Maharashtra, which commenced operations in 2019-20. These are run by CESC's subsidiaries and an associate.

## KOLKATA OPERATIONS

### Generation

CESC has three generating stations at Budge Budge, Southern and Titagarh, with a cumulative capacity of 1,125 MW. In addition, Haldia

Energy Limited (HEL), a 100% subsidiary of the Company, operates a 600 MW generating station at Haldia. HEL has a long-term power purchase agreement (PPA) for selling its power to CESC. *During the year, total generation from these plants was 10,567 million units (MU). 96.8% of the total generation in 2019-20 — 10,228 MU out of 10,567 MU — came from Budge Budge and Haldia.*

**Table 3: Performance of Key Generating Stations**

| Plant                    | Capacity (MW) | 2019-20 |       |          | 2018-19 |       |          |
|--------------------------|---------------|---------|-------|----------|---------|-------|----------|
|                          |               | PAF%    | PLF%  | Gen (MU) | PAF%    | PLF%  | Gen (MU) |
| Budge Budge (BBGS), CESC | 3 x 250       | 94.3%   | 88.0% | 5,798    | 96.3%   | 91.6% | 6,015    |
| Haldia, HEL              | 2 x 300       | 96.9%   | 84.1% | 4,430    | 97.7%   | 87.8% | 4,615    |

PAF: Plant Availability Factor. PLF: Plant Load Factor.

Table 3 presents data on performance of the two key generating stations — Budge Budge (BBGS) and Haldia. There was a considerable decline in system demand in March 2020 due to the lockdown to contain the health emergency arising out of the Covid-19 pandemic (See Box 1). Despite this, both plants recorded industry leading performance in 2019-20. In fact, *BBGS achieved the seventh highest PLF among all thermal plants in India, whereas Haldia ranked fifteenth.*

Both Budge Budge and Haldia stations are ISO 9001 and ISO 14001 certified in respect of Quality Management Systems and Environmental Management Systems. They have consistently excelled in operating efficiencies, energy conservation, quality systems and processes. In recognition of its efforts, *BBGS was awarded 'Excellent Energy Efficient Unit in Power Sector' at the 20<sup>th</sup> National Award for Excellence in Energy Management 2019 organised by CII-Godrej GBC.*

CESC has set stringent environmental standards and continues to achieve 100% utilisation of ash in an environment friendly manner. During the year, BBGS developed a new medicinal herb garden with 17 types of herbs. It already has the distinction of having planted more than 1 lakh trees under its green belt drive. BBGS also has an automatic organic compost machine which produces manure for in-house plantations and gardens. In 2019-20, HEL established a rainwater harvesting pond with a capacity of 72,000 cubic metre and have increased the rainwater harvesting area to 4,000 square meter from existing 1,000 square meter on the roof top of various buildings within its premises. Other initiatives at HEL include planting of 10,000 saplings, development of a garden with 80 types of medicinal plants and a butterfly conservation park within the plant premises.

*The Company's initiatives in environment conservation has won it several awards. BBGS received the award for 'Excellence in Water Management' at the 13<sup>th</sup> CII National Awards 2019; the 'Global Water Conservation Award 2019' in Platinum category by Energy and Environment Foundation; and, the 'ICC Environmental Excellence Award' 2019 by Indian Chamber of Commerce.*

## Distribution

CESC's distribution infrastructure serves its 3.3 million customers in Kolkata, Howrah, Hooghly, North and South 24 Parganas, all in the state of West Bengal. However, the demand for power is quite variable, with the Company registering a peak demand higher than 2,300 MW and a lean demand as low as 445 MW.

During periods of high demand, CESC also imports power to complement its own generation (including HEL). Conversely, it exports surplus power, when possible. Banking of power is also done with other licensees in different parts of the country to facilitate availability of power during periods of high demand. *In 2019-20, the peak power demand was 2,337 MW. Total system demand during the year was 11,018 million units (MU), of which 9,704 MUs or 88% came from CESC's own generation, including HEL.*

During 2019-20, about 1.4 lakh meters were installed on account of new supplies and replacements. CESC undertakes continuous upgradation of its distribution infrastructure to maintain and enhance the quality and reliability of supply as well as to reduce downtime, overloads and management of distribution losses. *Distribution loss is an area constantly monitored by the Company. CESC won the award for developing "innovative business model for T&D loss reduction in loss prone pockets within licensed area" at IPPAI Power Awards 2019, organised by Independent Power Producers Association of India (IPPAI).*

CESC is at the forefront of deploying advanced technology and innovations to provide better services to its customers. The Company is also executing special projects to upgrade its distribution network and enhance its long-term capacity. Some of the key initiatives carried out during the year were:

- As a part of a longer term plan to augment CESC's capacity to import power, import points are being upgraded. Upgrade of one point was completed during the year. To effectively use this augmented capacity, it is also upgrading its internal networks and SCADA systems.
- Space consolidations is another focus area. Several measures have been implemented to optimise space requirement, as well as to upgrade and enhance capacities of existing substations. Besides, old and ageing equipment are regularly replaced.
- Self-healing networks were expanded for faster restoration: 33kV distribution stations with auto-restoration time less than one second; 6kV ring main units (RMUs) with auto-restoration time less than 10 seconds; and low tension (LT) changeover with auto-restoration time less than one second.
- Installation of Electric Vehicle Charging Stations (EVCS) for charging electric vehicles. The Company installed three EVCS in association with Kolkata Municipal Corporation.
- Using Smart Meters with RF Mesh communication technology for last mile communication for remote billing, smart and

proactive outage management systems. This has also been utilised for RMU automation. Around 9,000 smart meters were installed in 2019-20.

- Development of fault prediction tools for underground cables using artificial intelligence and machine learning techniques; trials on Real Time Condition-based Asset Monitoring and Internet of Things (IoT) projects for remote monitoring of assets; use of drones for surveillance.
- SCADA systems produce valuable data. Efforts were made to utilise such data to reduce costs and improve operational efficiencies.
- Use of augmented reality / virtual reality to monitor substations and take corrective action.

## Customer Service

As a customer centric organisation, CESC is committed to providing best-in-class services to its 3.3 million consumers through innovative processes, effective deployment of technology and mobility solutions. During 2019-20, it initiated several measures to strengthen customer service and enhance value for both consumer households and businesses. Some of the key developments were:

- **New Connections:** CESC provided around 88,000 new connections in 2019-20. The average time taken to provide a new connection was 1-2 days. Moreover, where premises have an existing connection, supply typically starts within 24 hours of payment and compliance. The online application process is working seamlessly, with 100% of new applications being received online.
- **Billing and Payment:** CESC has easy and user-friendly avenues for online payments covering all major payment technologies: mobile wallets, debit/credit cards, net banking and ECS, Bharat QR and UPI. During this year, it launched RBL Bank as an additional payment gateway and introduced provision to pay bills for new connections through NEFT/RTGS. Besides, all LT<sup>1</sup> consumers are auto-registered for NEFT/RTGS and their unique account details are printed every month on their monthly bills. *By the end of 2019-20, almost 51% of LT consumers were making online payments accounting for 55% of the revenue — a step-up from 45% and 50% respectively during the previous year.*
- **Customer Contact:** The Company's centralised 24x7 call centre acts as the primary touch point for all complaints and queries, with all calls docketed and routed to concerned department for quick resolution. A Key Account Manager initiative launched in 2018-19, which offers a single point contact for large corporate and institutional accounts has had the desired impact. During 2019-20, engagement levels on CESC's social media assets also increased. Its chatbot (E-Buddy), equipped with artificial intelligence, machine learning and natural language processing capabilities, has emerged as an effective

tool to assist consumers.

- **Supply Interruptions:** Over the years, various steps have been taken by CESC to ensure reliable supply and quicker restoration. Its 24x7 LT control room manned by engineers and placement of radio-linked as well as GPS-enabled mobile service vans at strategic locations have helped in restoring supply faster. Use of GIS and field force automation have also improved the efficiency of operations. All planned outages are proactively informed to bulk consumers and important LT consumers. The Company also uses automated out-bound dialling with pre-recorded voice messages based on outage information received from distribution transformers.
- **E-services:** Increasing the bouquet and adoption of e-services has been an ongoing process. During the year, new features include simplification of the AC application module. Besides, bills now contain information on number of ACs that can be installed based on the current meter's capacity, with meter upgradation taking no more than 48 hours, if required. During the year, it introduced 'Wondermail' to expand the reach for e-payments of bills (See Box 2). E-services penetration continued to increase during the year.

#### **Box 2: Special Initiatives During 2019-20**

CESC values customer feedback and is responsive to the requirements of its customers. Based on feedback received through its various engagement drives and capabilities in the deployment of tech-based solutions, it introduced several special initiatives to enhance customer satisfaction during the year. Some of these were:

- **Wondermail:** A novel bill payment platform where consumers can click on the link provided in the SMS sent on generation of bills to access bill details and make payments directly without using laptops or desktop computers. The platform is also capable of providing exciting offers, tips to improve quality of life and to receive customer feedback.
- **Electrician's App:** A user-friendly mobile app was launched to create awareness and promote best practices amongst electricians. Over 300 licensed electricians have been trained so far for effective use of the application, which will enable them to follow safe work practices while servicing consumers.
- **Promoting Green Technologies:** As a responsible corporate citizen, CESC has embarked on an initiative to promote use of green technologies such as electric vehicles, electric cooking, air purifiers, and star-rated appliances such as ACs, geysers and refrigerators. This has been done through communication drives using emails and social media, participation in trade fairs and events, and hosting advocacy videos on its website that highlight the benefits of these technologies. It has also been ramping-up enabling infrastructure in the form of electric vehicle charging stations to promote EVs. During the year, it achieved significant success in adoption of electric cooking among restaurants and consumer households through targeted initiatives.

During the lockdown after the Covid-19: CESC successfully maintained 24x7 uninterrupted supply, call centre services and breakdown operations at usual service levels, while remaining fully compliant with lockdown guidelines. Based on customer feedback, cheque drop-boxes were placed at multiple locations in the city to facilitate payments. A special instructional video on online payment was also created to aid customers. Besides, regular communications were sent through SMS, e-mail, newspaper and TV advertisements regarding services during lockdown.

#### **Challenges during Lockdown due to COVID-19**

Covid-19 pandemic has severely disrupted the Company's business in many ways. Serious challenges had to be encountered in all areas of operation like machine stability, manning the establishments, depressed demand, billing, collection constraint, theft control and so on. During the Covid-19 related lockdown period, CESC successfully maintained 24x7 stable Supply, and kept the call centre and break-down operations fully functional by planning inter-alia the following :-

- Continuously realigning the manpower planning and business processes while complying with social distancing guidelines issued by Government Authorities from time to time.
- Constantly updating consumers regarding the continuous changes in different processes dynamically, through various communication channels like SMS, Email, newspaper and TV advertisements. A special instructional video on online payment was also created to aid Customers.
- Regularly interacting with different Government agencies and adapting to various Government directives, both at Central as well as State Level.
- Doing fund planning proactively
- Upgrading digital services to support working from home, online payment by consumers, teleconferencing / Webinars etc.

#### **Operations during Amphan**

While the organisation was gradually coming to terms with the prevailing pandemic and the new way of doing business, the fury of Super Cyclone "Amphan" struck the city like a thunderbolt and seriously affected the Company's network, especially razing the overhead distribution network.

The restoration process gradually picked up its momentum once free access to sites was obtained, additional manpower was arranged and CESC was able to restore supply of 99% consumers within a week. For a devastation having its imprint in history only two time since 1736, the performance compares favourably with respect to international experience of similar natural calamities in the major countries around the Pacific and Atlantic regions.

However, the damage was so extensive that permanent repair works took some more time.

On a positive note, this critical situation has once again stretched the organisation to rise to the occasion and enhanced its trust in its own capabilities.

### Safety and Health

CESC is committed to maintaining high standards of industrial safety across its operations, and has a safety vision and policy, including a policy on use of personal protective equipment. Over the years, it has redefined its daily work management practices to create a culture of safety within the organisation. Both key generating stations — BBGS and Haldia — are certified for occupational health, and safety management systems through OHSAS 18001 and ISO 45001 respectively.

*During the year, Budge Budge Generating Station received 'Gold' award at the FICCI Safety System Excellence Awards; the 'Safety Innovation' award from the Institution of Engineers (India); the 'Gold' award at the Apex India OHS Awards; and, the 'Platinum' award at the Fame India OHS Awards. Haldia Energy Limited (HEL) received the 'Platinum' award at National Occupational Health and Safety Awards, 2019, organized by Indian Chamber of Commerce. HEL also secured the 2<sup>nd</sup> runners-up position at the Indian Safety Awards 2019 by the National Safety Council of India.*

The Central Safety Cell has been instrumental in implementing safe work procedures as well as monitoring and control of unsafe situations. CESC has a corporate safety manual and five sets of internal safety standards for critical work. During the year, two more internal safety standards were developed. The Company continued with its pilot project in the Howrah District to develop it as a 'Model Safe District'. A 'Safety Perception Survey' was carried out during the year for Howrah District to identify strengths and opportunities for further improvement, which are being acted upon. It has also initiated work to make BBGS a 'Model Safe Plant'.

The Safety Cell has also been providing in-house training to all its workers. Besides, officers have undergone safety-related training by institutions of international repute. Job site audits, communication meetings, safety workshops, hand-holding exercises at sites and company-wide observation of 'Safety Day' are other activities that have contributed to increased awareness and reduction of incidents. During the year, an organisation wide 'Safety Awareness Survey' was also carried out which showed significant improvement.

CESC has a structured communication system for coverage of its safety-related initiatives, which includes its bi-annual safety magazine 'Surakshabarta' (available in Bengali and Hindi) and a web-based monthly newsletter 'Safety Spotlight'. Besides, safety mailers are regularly sent to its consumers and seminars are organised to educate institutional and corporate customers on electrical and fire safety. For safety awareness among the public, it carried out tableau campaigns, enacted skits, conducted safety quizzes and distributed leaflets.

*To keep its facilities and workers safe in the Covid-19 pandemic, CESC has taken measures to generate awareness among employees on safety, hygiene and necessary precautions. While maintaining regular contact with government authorities and implementing their guidelines from time-to-time, steps were taken to practise social distancing, use of masks and sanitizers, use of PPE by its medical staff and regular sanitization of premises.*

CESC has a strong focus on health and well-being of its employees. It operates 28 well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities including major super-speciality hospitals, nursing homes and diagnostic clinics are available to the employees through tie-ups. It also conducts regular health check-up for all employees as a part of its occupational health initiative. It publishes a quarterly medical bulletin called 'Mediflash' for its employees. To emphasise wellness over the curative approach, CESC has developed several platforms for building awareness and better lifestyle management by its employees: monthly 'Unit-wise Awareness' sessions, periodic 'Special Awareness' sessions, annual 'Macro Health' sessions for female employees and a 'Mega Health Camp' for all employees and their families.

### GENERATION PROJECTS

Apart from plants catering to the Kolkata operations, CESC has built independent generation capacities to benefit from the opportunities in the sector and building capabilities in the renewable energy space. This includes two operational thermal power projects with a combined capacity of 640 MW as well as five operational wind and solar power projects with a combined capacity of 174 MW.

#### Thermal

**Chandrapur, Maharashtra:** This is a 2x300 MW thermal power project implemented by Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of CESC Limited. For power evacuation, Unit I is connected to the state grid, and Unit II to the central grid. This provides for flexibility in the sale of power to customers from both within and outside the state. DIL has a Fuel Supply Agreement (FSA) with South Eastern Coalfields Limited.

For Unit-II, DIL has long-term Power Purchase Agreements (PPAs) for supply of 100 MW power to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and 170 MW power to the Noida Power Company Limited (NPCL). *During 2019-20, Unit II maintained PLF of 80% like last year. In November 2019, DIL secured a power purchase agreement for 185 MW for one year, for which power will be supplied from Unit I. With this and other short term contracts, Unit I achieved PLF of 48%, compared to 43% in 2018-19.*

Further, to enhance its competitiveness in the short-term market, it has expanded its coal storage capacity coupled with the flexibility to accept coal transported through roads. Through its innovations and

efforts, DIL has achieved 100% ash utilisation and an outstanding record on health and safety. *Its commitment towards environment protection is also visible in its "Five Star Rating" received from Maharashtra Pollution Control Board, Mumbai in 2019. In 2019-20, DIL was adjudged winner in the thermal power sector for "Outstanding Achievements in Environment Management" from Greentech Foundation, New Delhi. It also received Fame Award-2019 for "Excellence in HR Best Practices" and was recognised by CII (Confederation of Indian Industry) for commendable efforts towards HR Excellence in the year 2019.*

**Asansol, West Bengal:** This is a 40 MW atmospheric fluidised bed combustion (AFBC) power plant using shale and washery rejects from the adjacent captive coal mine in Sarisatolli. The unit has been operational since July 2009. The power plant is owned by Crescent Power Limited, a CESC subsidiary, which operates in the merchant power market. *During the year, the plant generated 195 million units (MU) of power. During 2019-20, the plant won the Greentech Environment Award 2019.*

#### Wind

**Dangri, Rajasthan:** This was the Company's first venture into the wind power business. The 24 MW project was implemented by Surya Vidyut Limited (SVL), a wholly owned subsidiary of CESC. The project, commissioned in 2012-13, has two long-term power purchase agreements with Jaipur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam Limited, subsidiaries of Rajasthan Urja Vikas Nigam Limited. During 2019-20, it generated 24.8 MU of electricity.

**Surendranagar, Gujarat:** This is CESC's second wind power project. The 26 MW project, undertaken through SVL, was commissioned in December 2014. Power from this project is being sold to Gujarat Urja Vikas Nigam Limited under a long term power purchase agreement. In 2019-20, it generated 53.9 MU of electricity. Over the years, the power plant has consistently achieved a high capacity utilisation factor. *In recognition of this, it was presented with the 'Performance Excellence Award' at the CII Performance Excellence Awards 2019 for Solar and Wind Plants.*

**Nipaniya, Madhya Pradesh:** This is the third wind power project. The 36 MW project, also through SVL, was commissioned in March 2016. The power is being sold to the Madhya Pradesh Power Management Company Limited under a long term power purchase agreement. It generated 46.2 MU of electricity in 2019-20.

**Rojmal, Gujarat:** This is the Company's fourth wind power project. The 70 MW project, undertaken through SVL, became fully operational in 2017-18. Power is being sold to the Gujarat Urja Vikas Nigam Limited under the long term power purchase agreement. During 2019-20, it generated 144.5 MU of electricity, compared to 120.1 MU in the previous year.

*All four wind power projects are running successfully. During 2019-20, their combined generation was 269.4 MU (261.9 MU in 2018-19) with a capacity utilization factor of 19.72% (19.17% in 2018-19). Combined supply of electricity by the four plants stood at 256.80 MU in 2019-20 (249.03 MU in 2018-19).*

#### Solar

**Ramnathapuram, Tamil Nadu:** This is the Company's first venture into solar power. The 18 MW DC project has been undertaken through Crescent Power Limited, a subsidiary of CESC, and was commissioned in January 2016. Power is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement. *During 2019-20, it generated 27.7 MU of electricity, compared to 26.5 MU in the previous year. Over the years, the plant has consistently achieved a high capacity utilisation factor. In recognition of this, it was presented with the 'Performance Excellence Award' at the CII Performance Excellence Awards 2019 for Solar and Wind Plants.*

#### DISTRIBUTION VENTURES

CESC has been active in the private distribution space outside Kolkata since 1993 through the Noida Power Company Limited, its associate company that distributes power in Greater Noida, Uttar Pradesh. More recently, state distribution companies (DISCOMs) started using the distribution franchisee (DF) route to partially privatise operations and improve their financial health. In the last few years, CESC won bids for three DFs in Rajasthan: Kota and Bharatpur became operational in 2016-17, and Bikaner, became operational in 2017-18. In 2018-19, CESC had won the bid for Malegaon circle, close to Nashik in Maharashtra, which commenced operations in 2019-20.

**Greater Noida, Uttar Pradesh:** Noida Power Company Limited (NPCL), an associate company of CESC, started its operations in 1993-94 after it was granted distribution license by the Government of Uttar Pradesh. The license area covers 335 square kilometres including a mix of industrial establishments as well as 118 fully electrified villages. Currently, around 8% of its 98,000 customers comprise business establishments.

NPCL has implemented state-of-the-art technology and processes to deliver safe and reliable electricity along with highly customer-centric services, setting industry benchmarks in the process. It has a fully integrated GIS and a 100% SCADA compliant network. It has also piloted 'self-healing technology' for smart grids and deployment of drones for network surveillance.

In 2019-20, NPCL's peak load was 433 MW and its sales grew at 12.5% to 2,081 MUs, up from 1,850 MUs in the previous year. As a mature and efficient distribution business, its distribution losses continue to be stable in the range of 8% to 8.25% and collections at 100%. In 2019-20, over 70% of its collections came through digital modes of payment, compared to 65% in previous year.

*NPCL received several awards in 2019-20: four 'Excellence' and one 'Distinguished' Awards at National Convention on Quality Concepts by Quality Circle Forum of India (QCFI) 2019; six 'Gold' Awards in Chapter Convention for Quality Concepts (CCQC) by QCFI, three 'Star Performance Improvement Award' (2<sup>nd</sup> Rank) at ICC's 7<sup>th</sup> Innovation with Impact Award for DISCOMS (2019); award at 12<sup>th</sup> QCI - DL Shaw National Quality Award (2019); and was winner at the '6<sup>th</sup> CII 3M Competition, New Delhi' in the Mura Category.*

**Kota, Rajasthan:** Kota Electricity Distribution Limited (KEDL), a wholly owned subsidiary of CESC, took over operations in Kota on 1 September 2016 after signing of Distribution Franchisee Agreement with the Jaipur Vidyut Vitran Nigam Limited (JVVNL).

During the year, around 600 new distribution transformers and three CT banks for power factor compensation were installed. To prevent losses, armoured cables were used to replace open cables. Further, replacement of old JVVNL meters and gland sealing of meter boxes were also done. With these efforts and focus on limiting power theft through stringent surveillance, distribution losses came down from 32% at the time of take-over to 20.4% in 2019-20. KEDL also continued with its efforts in the deployment of customer centric processes during the year. *In 2019-20, around 15,700 customers were added, taking the total to 2.59 lakh at the end of the year. Sale of electricity remained stable at 1016 MU in 2019-20.*

**Bharatpur, Rajasthan:** Bharatpur Electricity Services Limited (BESL), a wholly owned subsidiary of CESC, took over the operations in Bharatpur on 1 December 2016 after the signing of Distribution Franchisee Agreement with JVVNL.

BESL's focus is on minimising AT&C losses, bring improvement in processes related to metering, billing and collection as well as enhance customer satisfaction by improving quality and reliability of service. Significant gains were made during the year, with distribution losses coming down to 12.3% in 2019-20, from 32% at the time of takeover of operations. *By the end 2019-20, the number of consumers increased to 70,000 and the sale of electricity grew to 247 MU, up from 230 MU in the previous year.*

**Bikaner, Rajasthan:** Bikaner Electricity Supply Limited (BKSEL), a wholly owned subsidiary of CESC, took over the operations in Bikaner in May 2017 after the signing of Distribution Franchisee Agreement with Jodhpur Vidyut Vitran Nigam Limited (JdVVNL).

As a part of its efforts to make the distribution network safe and robust, BKSEL has made considerable investments in deploying advanced technologies and upgrading the network. To prevent losses, open cables were replaced with armoured cables and new meters were installed. Besides, dedicated vigilance teams were set-up and operationalised. As a result, distribution losses came down from 28% at the time of takeover to around 14.4% in 2019-20. *By the end 2019-20, the number of consumers increased to 1.58 Lakh, up from 1.64 lakh at the end of previous year. Sale of electricity increased from 638 MU in 2018-19 to 683 MU in 2019-20.*

**Malegaon, Maharashtra:** In January 2019, CESC had won the bid floated by Maharashtra State Electricity Distribution Company

Limited (MSEDCL) for a 20-year appointment as a DF for Malegaon Corporation Area under Malegaon Circle of MSEDCL. The distribution area is spread across 57.6 square kilometres with around 1 lakh consumers. Approximately 75% of the load comes from the power loom sector.

Malegaon Power Supply Limited (MPSL), a wholly owned subsidiary of CESC, took over the operations in Malegaon on 1 March 2020. However, the Covid-19 pandemic and the resulting lockdown severely restricted the ability to achieve any immediate progress. Even so, the team at MSPL has diligently maintained operations and customer service levels. Given that Maharashtra has been one of the states most affected by the pandemic, both revenue and collection were seriously impacted. In 2019-20, MPSL had about 570 MU of sales and about 50.6% distribution losses. Going forward, focus will be on improvement of quality and reliability of supply, provisioning effective customer services and reduction of distribution losses.

## HUMAN RESOURCES (HR)

At CESC, people are its most valuable asset and its key differentiator. The HR practices are aimed at creating an environment that ensures growth, development and well-being of its employees. Accordingly, all HR strategies are formulated keeping employees at the core, and supporting them to contribute to the organisation. Processes are in place by way of engagement surveys and perception studies to get feedback from employees and align the Company with the changing business needs.

The emphasis on 'service excellence with cost leadership' along with building a high performance culture has been the cornerstone of the Company's talent sourcing strategy. Various measures of employee productivity continue to rise over the years. CESC strives to establish itself as an 'Employer of Choice' through its well-structured recruitment processes and engagement with campuses. 'Unmesh', the summer internship programme for students of premier engineering colleges and business schools, has played a major role in this direction. 'Anneswan', the annual induction process, has been highly effective in integrating new recruits.

Learning and development is another focus area. The Company has a robust process for conducting training and other learning interventions in line with an annual training plan. Curriculum based programmes and special courses in collaboration with premier institutes such as IIT Kharagpur, IIM Calcutta and XLRI Jamshedpur also play a major role in this regard. *During 2019-20, the Company carried out over 770 training programs totalling around 15,500 man days. To further enhance adoption of modern technology, CESC launched online training courses in collaboration with leading e-learning service providers.*

#### Box 3: Asia Institute of Power Management (AIPM)

Asia Institute of Power Management — the training and consulting wing of CESC — has established itself in training of power professionals. In 2019-20, AIPM offered 1,558 man-days training to executives working in power utilities in India and neighbouring countries. Topics included network planning and reliability, digitalisation and automation, renewable energy RE integration in the area of distribution; and, efficiency improvement, fuel optimisation, environment, best operations and maintenance practices and predictive analysis in generation.

AIPM conducted four courses to train 130 engineers on protection, critical operations and commercials under the aegis of ERPC. It also offered training to 20 executives of Powergrid on reliability and smart grid initiatives.

In the consultancy domain, AIPM successfully conducted a World Bank sponsored review project on “SCADA and RTU Requirement” for the Government of Andhra Pradesh. Presently, AIPM is concentrating on IT-OT backed smart applications which are going to be an integral part of generation and distribution sector.

CESC has always focused on quality of life and overall well-being of its employees. It engages with its employees and their family members through events such as ‘Ankur Samman’ to recognise and embrace the meritorious children of the employees and ‘Avishkar’, a talent search and promotion initiative for the employees and their family. In 2019-20, it also organised a mini marathon to raise awareness on the safe use of electricity. The annual ‘Employee Opinion Survey’ revealed a significant improvement in the employee satisfaction during the year.

*During 2019-20, CESC won the ‘Leadership in HR Excellence’ at the 10<sup>th</sup> CII National HR Excellence Award 2019 for the second time in a row which underscore its employee friendly HR practices. It also featured among the ‘Top 30 of India’s Best Workplaces in Manufacturing 2020’ by the prestigious Great Place to Work Institute.*

As on 31 March 2020, CESC had 7,886 employees on its payroll. Unions representing the employees continued to play a positive role in partnering with management to drive excellence in operations. CESC enjoys industrial harmony in its operations. There were no major incidents of service interruption due to industrial relations issues. The Company successfully signed a Memorandum of Settlement with the union for a period of six years.

#### Business Excellence & Quality (BEQ)

Quality has been intrinsic to CESC’s philosophy and is imbibed in a strong process driven business model. The established track record in customer centricity and operational excellence have already been

recognised in the CII EXIM Bank award for Business Excellence.

During the year, focus continued to be on reinforcement of qualitative, quantitative and motivational growth initiatives through Kaizens and 5S. Since 2015-16, number of Kaizens have increased three-fold and the assessment score for 5S also indicates continual improvement. This has resulted in improvements in workplace practices, making these safer and more productive. The best practices emerging from such initiatives were showcased at Quality Day — an annual event which saw enthusiastic participation from all levels of employees across departments. Going forward, focus will be on increasing the scope and coverage of these tools and principles through digital platforms.

#### Environment Social Governance (ESG)

CESC is conscious of the importance of environmental, social and governance (ESG) considerations for the overall well-being of the ecosystem and sustainable growth. As a part of the RP-Sanjiv Goenka Group, it has embraced the ESG principles, incorporating these into its strategic planning both as a risk mitigation tool and to support long-term growth and value creation.

As a company operating in the energy sector, CESC is required to comply with several regulations and environmental norms. But, its initiatives in this area go beyond the requirements emanating from existing statutes and reflect its voluntary commitment to responsible, ethical and sustainable business practices. Some of its areas of intervention are:

- **Environment:** energy efficiency and emission control; biodiversity and tree plantation; waste management, water resource management; promoting green buildings and solar rooftop; and, awareness campaigns.
- **Social:** employee rights, benefits, diversity and engagement; workplace safety; customer rights, engagement and satisfaction; supply chain management; CSR initiatives in education, health and sanitation, community engagement and development.
- **Governance:** Board composition and committees; ethics and code of conduct; whistle blower mechanism and anti-corruption; disclosures, reporting and transparency; and, shareholders’ rights and participation

Box 4 provides information on some key initiatives in the areas of Environment and Social, other than CSR initiatives, which are covered in greater detail in the subsequent section of this MDA Report. Further details on ESG initiatives can be found in the CSR Report, Business Responsibility Report and Report on Corporate Governance which form a part of this Annual Report.

#### Box 4: ESG Initiatives

##### Environment

- ISO 14001 certification; 3 UNFCCC and 3 CDM registered projects
- Energy efficiency and emission control: energy audits, real-time particulate emission data monitoring, flue gas conditioning, Ash Management Cell
- Biodiversity and tree plantation: medicinal plant garden, butterfly garden, sequestration green strips (Kolkata); over 1 lakh trees planted
- Waste management: root zone system (used in gardening), paper and plastic management
- Water management: cooling towers, emissions are temperature controlled, zero discharge system
- Green buildings and rooftop solar: CESC House (USGBC Gold), HEL admin building (IGBC Platinum), Chakmir sub-station (IGBC Platinum); solar PV on premises
- Awareness: Environment Management Cell

##### Social

- Featured among the 'Top 30 of India's Best Workplaces in Manufacturing 2020' by the prestigious Great Place to Work Institute
- Workplace safety: OHSAS 18001 certified, training, medical tie-ups, quarterly bulletins
- Employees: rights, benefits, diversity and engagement
- Customer: rights, engagement and satisfaction
- Sustainable sourcing: vendor sensitisation, preferential sourcing, local business development

These initiatives are communicated to stakeholders and the public at large through various documents and forums such as annual reports, investor communication and its website. CESC is planning to carry out an independent third-party audit to make a comprehensive assessment of its achievements and prepare an ESG roadmap for the future.

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a socially responsible organisation, CESC is committed to investing in the holistic and sustainable development of the communities where it operates. Through its CSR initiatives in the areas of education, health, environment and community development, the Company seeks to empower communities, particularly the underprivileged sections, to attain their potential.

Over the years, CESC has taken up, several CSR projects around its establishments, benefiting local communities in the area. Many of these projects are on-going in nature and have been discussed below. It has also been contributing a part of its CSR obligations to RP-Sanjiv Goenka Group CSR Trust which has taken up a project to set-up a school in the Alipore area of Kolkata and has purchased a 1.2 acre land for this purpose.

In 2019-20, CESC received the coveted Golden Peacock Award 2019 in recognition of its CSR initiatives and their impact on society. Apart from this, the Company received the ICC Social Impact Award 2020 for 'Suswasthya' Project, Grow Care India CSR Award 2019 for 'Roshni' Project, and Apex India CSR Excellence Award 2019 for 'Urja Chetana' Project.

#### Education Initiatives

Under its 'Nirmal Abhiyan' programme, carried out in partnership with City Level Programme of Action for Street and Working Children (CLPOA), the Company seeks to create a child-friendly environment in government schools by providing safe drinking water and sanitation facilities, improving their overall infrastructure and promoting hygiene. During 2019-20, infrastructural support was provided to three schools benefiting 580 students. Since its launch, the project has been implemented in 26 schools, benefiting 2,635 students, and has involved training of 52 teachers.

The 'School Build Programme' has been focusing on infrastructure development in government and municipal schools through repair and renovation of school buildings, provision of facilities such as playground, library, safe drinking water facility and benches. During 2019-20, the Company provided support to six schools under this programme.

'Roshni' aims at helping children in urban slums to acquire quality education with level-appropriate reading and writing ability, and mainstreaming drop-outs. The project is being implemented in Tiljala-Topsia area in partnership with Child in Need Institute (CINI). Approximately 4,917 households have been reached through this project, catering to 4,908 direct and 2,228 indirect beneficiaries

During the year, a focused programme was also conducted in 30 schools to make students aware of the dos and don'ts on electrical safety.

#### Health Initiatives

'Suswasthya', implemented in partnership with CLPOA, aims at ensuring improved health of women, children and adolescents by increasing health-seeking behaviour, improving awareness on health, nutrition and hygiene, and ensuring collective action on health for improving the quality of services in government health facilities. The project, which is implemented in Kamarhati Municipality, covers a population of 93,971 and is reaching out to 3,650 households with 5,260 beneficiaries.

Over the years, CESC has been supporting upgradation of the Titagarh Municipal Hospital by improving the maternity ward and operation theatre, setting up ENT, ophthalmology, dialysis unit and a neo-natal intensive care unit (NICU) at the hospital. In 2019-20, CESC supported the setting up of a pathological laboratory in the hospital. Apart from this, two general health camps and four eye camps were organised for underprivileged persons in slum areas, which directly benefited 1,084 persons.

## Environment Initiatives

'*Urja Chetana*', implemented in 26 schools in partnership with Centre for Environment Education, promotes education for sustainable development through awareness generation on energy and environment conservation, water conservation, protection of biodiversity, waste reduction, its reuse and recycling, and protection of traditional knowledge. This project has benefited 20,134 students directly and another 35,000 students indirectly. In 2019-20, food and paper waste was recycled in 13 schools and medicinal gardens were developed in nine schools.

The Company continued its partnership with the Kolkata Municipal Corporation for maintaining the green verges in certain areas of the city of Kolkata. In 2019-20, it developed a park for children suffering from thalassemia and other critical diseases at the Medical College & Hospital. Another green initiative was installation of pet bottle shredders at six Metro stations.

## Community Development Initiatives

'*Nirmal Sankalp*' is a comprehensive water and sanitation project at the Titagarh Municipality, which is implemented in partnership with Water Sanitation and Hygiene Institute. It seeks to improve availability, usage, quality and sustainability of water and sanitation facilities by involving community members as change agents. The project seeks to make the entire Titagarh Municipality 100% open defecation free. So far, it has been implemented in six municipal wards where 10 community sanitary complexes have been built benefiting more than 4,000 users.

'*Nirmal Kolkata*' is another sanitation Project in Chetla slum area in Kolkata, implemented in partnership with BTL EPC Limited. Under the project, 24 bio toilets were installed to prevent open defecation. The project has benefited 247 households comprising 878 beneficiaries.

'*Saksham*' is a skill development and employment generation programme for youth in Tiljala-Topsia area.

Two centres running under the project are providing training on basic computing with advance Excel, tailoring, beauty therapy, air conditioner repairing, and driving. Annually 300 youths are trained through these centres. A skill development programme on basic computing with advance Excel and retail sales management called '*Jagriti*' is also being implemented in Titagarh Municipality through which 60 youths are trained annually. Both projects are being implemented in partnership with NSHM Udaan Skills. In another skill development and livelihood generation project called '*Prayas*,' launched in partnership with CLPOA, two centres in Kamarhati and Howrah offer courses in basic computing, retail management and driving to over 300 youths annually.

'*Hamari Awaaz*' is a comprehensive community sensitisation project on child protection in urban slums, which is being implemented in the Tiljala area in partnership with CINI. The project aims at creating child friendly communities in urban slums by mobilising, sensitising and empowering communities to fight against child labour and

other forms of child abuse. The project has reached out to 9,580 households.

## FINANCIAL RESULTS

**Table 4 summarises the financial performance of CESC Limited both as a standalone and a consolidated entity.**

|                                   | Rs. Crore    |              |               |               |
|-----------------------------------|--------------|--------------|---------------|---------------|
|                                   | Standalone   |              | Consolidated  |               |
|                                   | 2019-20      | 2018-19      | 2019-20       | 2018-19       |
| Revenue from operations           | 7,836        | 7,754        | 11,014        | 10,664        |
| Other Income                      | 146          | 165          | 203           | 204           |
| <b>Total Income</b>               | <b>7,982</b> | <b>7,919</b> | <b>11,217</b> | <b>10,868</b> |
| Operating Costs                   | 4,534        | 4,575        | 5,730         | 5,552         |
| Employee Benefit Expenses         | 969          | 926          | 1,083         | 1,034         |
| Finance Costs                     | 544          | 466          | 1,357         | 1,325         |
| Depreciation                      | 447          | 433          | 781           | 764           |
| Other Expenses                    | 901          | 895          | 1,329         | 1,262         |
| <b>Total Expenses</b>             | <b>7,395</b> | <b>7,295</b> | <b>10,280</b> | <b>9,937</b>  |
| Regulatory Income/(Expense)       | 532          | 559          | 663           | 893           |
| Share of Profit in Associate      | -            | -            | 69            | 69            |
| <b>Profit Before Taxes (PBT)</b>  | <b>1,119</b> | <b>1,183</b> | <b>1,669</b>  | <b>1,893</b>  |
| Tax Expense                       | (201)        | (246)        | (363)         | (695)         |
| <b>Profit After Taxes (PAT)</b>   | <b>918</b>   | <b>937</b>   | <b>1,306</b>  | <b>1,198</b>  |
| Other comprehensive income        | (33)         | (34)         | (38)          | (47)          |
| <b>Total Comprehensive Income</b> | <b>885</b>   | <b>903</b>   | <b>1,268</b>  | <b>1,151</b>  |
| Diluted EPS (Rs.)                 | 69.23        | 70.69        | 98.24         | 89.32         |

### Standalone Performance

- Total income (including other income) of CESC was Rs.7,982 crore in 2019-20, up from Rs.7,919 crore in 2018-19.
- Overall operating expenses came down from to Rs.4,575 crore in 2018-19 to Rs.4,534 crore in 2019-20. After including depreciation and finance costs, increase in Total Expenses was contained at 1.4% to Rs.7,395 crore in 2019-20, compared to Rs.7,295 crore in the previous year.
- Profit before taxes (PBT), after incorporating Regulatory Income, stood at Rs.1,119 crore in 2019-20, compared to Rs.1,183 crore in 2018-19.
- Profit after taxes (PAT) for 2019-20 was Rs.918 crore, compared to Rs.937 crore in the previous year.
- Earnings per share (EPS) for the year was Rs.69.23 compared to Rs.70.69 in 2018-19.

### Consolidated Performance

- Total income (including other income) of CESC as a consolidated entity increased by 3.2% from Rs.10,868 crore in 2018-19 to Rs.11,217 crore in 2019-20.
- Overall operating expenses also grew by 3.2% to Rs.5,730 crore in 2019-20. After including depreciation and finance costs, Total

Expenses increased by 3.5% from Rs.9,937 crore in 2018-19 to Rs.10,280 crore in 2019-20.

- Profit before taxes (PBT), after incorporating Regulatory Income and share in profits of Associates, stood at Rs.1,669 crore in 2019-20.
- After accounting for tax expense of Rs.363 crore during the year, profit after taxes (PAT) grew by 9% from Rs.1,198 crore in 2018-19 to Rs.1,306 crore in 2019-20.
- Earnings per share (EPS) increased from Rs.89.32 in 2018-19 to Rs.98.24 in 2019-20.

#### Key Financial Ratios

None of the key financial ratios – Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin, Net Profit Margin for the Financial Year 2019-20 reflected a change of 25% or more compared to financial year 2018-19. Return on Net worth for the Financial Year 2019-20 and 2018-19 stood at 9.14% and 9.60% respectively.

#### INTERNAL CONTROLS

The Company's internal control systems are commensurate with its size and the nature of its operations. It has well documented policies, procedures and authorisation guidelines to ensure that all assets are safeguarded against unauthorised use or losses, all transactions are properly authorised, recorded and reported, and all applicable laws and regulations are complied with.

The effectiveness of internal control mechanism is tested and verified by the Internal Audit Department, covering all divisions and key areas of operation, based on an annual audit plan giving due weightage to the various risk parameters associated with the business. Major audit observations and follow-up actions are regularly reviewed and monitored by the Audit Committee and placed before the Board of Directors, where necessary. The Internal Audit Department also assesses the effectiveness of risk management and governance process.

#### RISKS AND CONCERNS

CESC's Risk Management Committee operates on a comprehensive risk management framework that the Company has put in place over time. The Committee is headed by Mr. P.K. Khaitan, Non-executive Director and comprises the entire senior management team. In addition, the Company has a Risk and Disaster Management cell to focus on risks emanating from fire hazards and natural disasters.

At CESC, risks are systematically evaluated, categorised and suitable actions are taken to mitigate these. Divisions identify operational and tactical risks and suggest measures for mitigation and control. Departmental heads manage risks at the departmental level, whereas the top leadership team supervises and monitors the risk identification and mitigation activities of each division. CESC has identified the following key areas of risks and concerns.

#### Box 5: Covid-19 Risks and Mitigation

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Company's business includes Generation and Distribution of power within its licensed area in the state of West Bengal, India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company, its subsidiaries, associate and joint venture except some lower demand and its consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Company has duly ensured compliance with specific regulatory directives issued in the related matter.

The Company is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees.

The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

The Company has also performed impairment assessment of its investment in subsidiaries, associate and joint venture and based on such assessment, no impairment is required be recognised in respect of such investments.

#### Macroeconomic and Market Risks

The global economy and India both witnessed significant deceleration in growth in 2019-20, which was followed by the Covid-19 crisis. This has impacted the outlook for the power sector. Availability of coal, coal quality and linkages for new projects continue to be issues of concern. Surplus power generation capacities in the short term exposes the industry to risks associated with difficulties in executing PPAs and adverse price movements in the short-term power market.

The Company believes that the medium term fundamentals of the Indian economy are strong. Power demand will increase in the future and any impact due to the Covid-19 crisis will be transitory. CESC's efforts to mitigate risks associated with the Covid-19 crisis has already been presented in Box 5. To mitigate the risk of availability and cost of coal, CESC has adopted a strategy of ensuring long-term coal linkages for its existing and future projects. Most of the Company's generation capacities have long-term PPAs. It is also well placed to access state and national grids to sell surplus power and is actively looking at long-term PPAs for Unit I of DIL to further mitigate this risk.

#### Operational Risks

As power plants age, their operating efficiencies reduce. Beyond a point in time, shutting down and replacement of these plants become imperative. If the Company cannot build replacement plants at favourable sites, the cost of evacuating and distributing power from far flung locations into the licensed area might

increase, impacting quality of service delivery and profitability. Other operational risks pertain to natural and man-made disasters such as earthquake, floods and fire that can affect the Company's ability to supply quality power to its customers. The super cyclone "Amphan" that struck Kolkata and nearby areas on 20 May 2020 is one such instance.

The medium to long term risks associated with generation sites, availability and quality of power have been alleviated with the new generation plant at Haldia. To mitigate disaster related risks, the Company has a comprehensive disaster management plan which classifies such risks into two categories: fire safety management and disaster management arising out of natural calamities with each having detailed SOPs to handle such events. Online health monitoring of fire safety systems has been implemented. Periodic mock drill on fire fighting and evacuation during emergency are part of the yearly training calendar. The "Amphan" super cyclone resulted in widespread disruption of CESC's distribution network, especially the overhead networks. The ability of the Company to restore 100% of the supply within a week, deploying additional manpower where required, even at the time when mobility was restricted due to the Covid-19 pandemic, is a testimony to its robust processes and strong work ethic as an organisation.

#### Regulatory Risks

Power is a highly regulated sector. This exposes the Company to risks with respect to changes in policies and regulations. Besides, given the nature of the industry, there is a risk of more stringent policies and norms aimed at addressing environmental concerns. This can make it more difficult to execute new projects as well as increase the cost of operations. Efficient managing and recycling of fly ash or order to install Flue Gas Desulphurisation (FGD) system in existing thermal power plants are such instances.

CESC is conscious of these risks. All the generating stations of the Company have achieved 100% ash utilisation and meet emission norms other than SO<sub>x</sub>. High renewable integration would entail network ability and grid stability issues as well as management of conventional generation performance for which effective monitoring of system, co-ordination with state level agencies for holistic development are continuously taken up. As explained earlier, CESC, through its subsidiaries, is also exploring opportunities in power generation using renewable sources to mitigate this class of environmental risks.

#### OUTLOOK

Global economic growth decelerated to 2.9% in 2019, compared to 3.6% in 2018. India, too, saw a significant slowdown in performance, with GDP growth coming down from 6.1% in 2018-19 to 4.2% in 2019-20. With the Covid-19 crisis, the outlook for next year is even more subdued. And, with severe uncertainty around the future course of the pandemic, it is difficult to quantify the time it will take for normalcy to return and the extent of impact.

This affects the outlook for the power sector in the short-term. But electricity is a growth sector globally, with its demand growing twice the rate of overall demand for energy. In India's case, fundamentals of the sector are strong and the long-term demand outlook is favourable. Robust policy initiatives by the government to revive economic growth, focus on manufacturing, electric vehicles and universal electricity access, should all contribute to significant growth in demand for electricity once the situation starts to improve.

This should augur well for CESC, which has sufficient expertise in both power generation and in operating distribution networks.

#### Cautionary Statement

*The financial statements appearing above are in conformity with accounting principles generally accepted in India. The statements in the report which may be considered 'forward looking statements' within the meaning of applicable laws and regulations, have been based upon current expectations and projection about future events. The management cannot, however, guarantee that these forward looking statements will be realised or achieved.*

On behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

Kolkata, 29 June, 2020

# Report on Corporate Governance

## (Annexure 'B' to the Report of the Board of Directors)



Corporate Governance meant for governing a corporate entity includes a set of systems, procedures and practices in order to ensure that the company maintains a valuable relationship of trust with all its stakeholders. It forms a part of business strategy which includes, inter alia, creating an organization intended to maximize wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards the entire community and society.

Fundamentals of corporate governance includes transparency, accountability and independence. For accomplishment of the objectives of ensuring fair corporate governance, the Government of India has put in place a framework based on stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standard etc. Corporate Governance has become a buzzword in the corporate world. Various factors such as globalization, diversity of shareholders, changing ownership structure, fast changing business dynamics etc. have made good corporate governance practices sine-qua-non of modern management.

### The Company's Philosophy on Corporate Governance

Commitment to good corporate governance practices serves as the foundation for long term success of CESC Limited ('CESC' or 'the Company'). CESC views corporate governance more as way of business life than a mere legal obligation. We consider stakeholders as partners in our success and we remain committed to maximizing stakeholders' value, be it shareholders, employees, suppliers, customers, investors or the community at large. 'Corporate Governance' is not an end, it is just a beginning towards growth of a Company for long term prosperity. The Company being a consumer-oriented power utility is committed to continuous upgradation of standards in its operations and services. Such commitment is embedded in its good corporate governance practices. These practices are driven by strong Board oversight, transparent policy framework and high levels of integrity in its decision-making process. The corporate responsibilities of the Company are adequately articulated to ensure strategic guidance, effective monitoring and accountability to accomplish targeted performance to establish fairness in dealings and enhance satisfaction of consumers and other stakeholders.

CESC strives to maintain the highest standards of Corporate Governance. It is the Company's constant endeavor to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge overall responsibilities and provide management with the strategic direction catering to exigency of long term shareholders value. Its initiatives towards adhering to highest standards of governance include self-governance, professionalization of the Board, fair and transparent process and reporting system. The corporate governance principles implemented by CESC endeavors to protect, recognize and facilitate shareholders' rights and ensure timely and accurate disclosures to them. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended ("Listing Regulations") by CESC for the year ended 31 March 2020.

## BOARD OF DIRECTORS

### COMPOSITION AND ATTENDANCE

As on 31 March 2020, CESC's Board of Directors ('the Board') consisted of ten Directors. Out of the above, Managing Director (Generation) and Managing Director (Distribution) are the two executive directors. There are also two non-executive promoter directors (the Chairman and the Vice Chairman), one non-executive non-independent director and five non-executive independent directors including one woman director. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

Composition of the Board and attendance record of the Directors are detailed in Table 1 below. None of the Directors is a member of more than ten Board-level Committees of public companies in which they are Directors or is a Chairman of more than five such Committees

**Table 1 : Composition of the Board of Directors as on 31 March 2020**

| Name of the Directors        | Category                | No. of other Directorships and Committee membership / Chairmanships in other Indian public companies |                     |                       | Attendance Particulars     |                                |                        |
|------------------------------|-------------------------|--|---------------------|-----------------------|----------------------------|--------------------------------|------------------------|
|                              |                         | Director <sup>1</sup>  | Member <sup>2</sup> | Chairman <sup>2</sup> | No. of Board Meetings Held | No. of Board Meetings Attended | Attendance at last AGM |
| Dr. Sanjiv Goenka            | Promoter, Non-Executive | 8  | 1                   | 3                     | 5                          | 5                              | Yes                    |
| Mr. Shashwat Goenka (Note 4) | Promoter, Non-Executive | 5  | 3                   | 0                     | 5                          | 1                              | NA                     |
| Mr. P. K. Khaitan            | Non- Independent        | 7  | 4                   | 2                     | 5                          | 5                              | Yes                    |
| Mr. C. K. Dhanuka            | Independent             | 8  | 8                   | 1                     | 5                          | 5                              | Yes                    |
| Ms. R. Sethi                 | Independent             | 5  | 3                   | 0                     | 5                          | 5                              | Yes                    |
| Mr. K. Jairaj                | Independent             | 7  | 2                   | 3                     | 5                          | 4                              | Yes                    |
| Mr. P. Chaudhuri             | Independent             | 8  | 4                   | 3                     | 5                          | 4                              | No                     |
| Mr. Sunil Mitra (Note 4)     | Independent             | 9  | 3                   | 2                     | 5                          | 1                              | NA                     |
| Mr. D. Banerjee              | Executive               | 2  | 0                   | 0                     | 5                          | 5                              | Yes                    |
| Mr. R. Chowdhury             | Executive               | 5  | 0                   | 0                     | 5                          | 5                              | Yes                    |

**Notes:**

1. Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
2. Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of public limited companies have been considered.
3. Except Dr. Sanjiv Goenka and Mr. Shashwat Goenka, none of the other Directors are related to each other.
4. Both Mr. Sunil Mitra and Mr. Shashwat Goenka were appointed on 14 November, 2019 by the Board of Directors
5. The details of the familiarisation programme for Independent Directors are disclosed on the Company's website at [https://www.cesc.co.in/wp-content/uploads/policies/Familiarization\\_Policy\\_&\\_Programmes.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Familiarization_Policy_&_Programmes.pdf)
6. The Independent Directors have confirmed that they meet the criteria of independence under section 149(6) of the Act and the Listing Regulations. The Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. Mr. Sunil Mitra, the independent director appointed during the year, has requisite integrity, expertise and experience. None of the Independent Directors resigned before the expiry of his /her tenure since the last Annual General Meeting of the Company and the maximum tenure of the Independent Directors is in compliance with the Act. The terms and conditions of the appointment of Independent Directors are available on the Company's website at :[https:// www.cesc.co.in/wp-content/uploads/policies/INDEPENDENT\\_DIRECTOR.PDF](https://www.cesc.co.in/wp-content/uploads/policies/INDEPENDENT_DIRECTOR.PDF)
7. Names of other listed entities where our Directors hold Directorship and their category of directorship

| Sl. No. | Name of the Directors | Directorship in Listed Entities   | Category                                |
|---------|-----------------------|---|---|
| 1.      | Dr. Sanjiv Goenka     | 1. Phillips Carbon Black Limited<br>2. Saregama India Limited<br>3. CESC Ventures Limited<br>4. Spencer's Retail Limited<br>5. Firstsource Solutions Limited        | Chairman/Non-Executive/Non- Independent |
| 2.      | Mr. Shashwat Goenka   | 1. Phillips Carbon Black Limited<br>2. Firstsource Solutions Limited<br>3. CESC Ventures Limited<br>4. Spencer's Retail Limited                                     | Non-executive / Non-Independent         |
| 3.      | Mr. P.K. Khaitan      | 1.Firstsource Solutions Limited   | Non-executive / Non-Independent         |
|         |                       | 2.Electrosteel Castings Limited<br>3.Emami Limited<br>4. Graphite India Limited<br>5. India Glycols Limited<br>6. Dalmia Bharat Limited                             | Non-Executive/Independent               |
| 4.      | Mr. C.K. Dhanuka      | 1. Emami Limited  | Non-Executive/Independent               |
|         |                       | 2.Dhunseri Ventures Limited<br>3. Dhunseri Tea & Industries Limited   | Executive/Non-Independent               |
|         |                       | 4. Dhunseri Investments Limited<br>5. Naga Dhunseri Group Limited<br>6. Mint Investments Limited  | Chairman/Non-Executive                  |
| 5.      | Ms. R. Sethi          | 1.Spencer's Retail Limited<br>2. Sun Pharmaceutical Industries Limited  | Non-Executive/Independent               |
| 6.      | Mr. K. Jairaj         | 1.Adani Transmission Limited<br>2. CESC Ventures Limited  | Non-Executive/ Independent              |
| 7.      | Mr. P. Chaudhuri      | 1.Visa Steel Limited<br>2.Quess Corp Limited<br>3.Spencer's Retail Limited<br>4.Cosmo Films Limited<br>5.Firstsource Solutions Limited<br>6.Muthoot Finance Limited | Non-Executive/Independent               |

| Sl. No. | Name of the Directors | Directorship in Listed Entities   | Category                  |
|---------|-----------------------|---|---------------------------|
| 8.      | Mr. Sunil Mitra       | 1. Dollar Industries Limited<br>2. Century Plyboards (India) Limited<br>3. Texmaco Rail & Engineering Limited<br>4. Firstsource Solutions Limited | Non-Executive/Independent |
| 9.      | Mr. R. Chowdhury      | Nil   | Nil                       |
| 10.     | Mr. D. Banerjee       | Nil   | Nil                       |

#### EXPERTISE AND COMPETENCE OF THE BOARD OF DIRECTORS

The Board of Directors of the Company comprises of ten Directors - two executive and eight being non-executive Directors. They are highly experienced in diverse fields and this enables them to contribute effectively to the deliberations of the Board and enhances the quality of the Boards' decision making process.

Dr. Sanjiv Goenka , Chairman, steers the deliberations of the Board with inputs from independent and non-independent directors. Mr. Debasish Banerjee (Managing Director – Distribution) and Mr. Rabi Chowdhury (Managing Director – Generation), the Executive Directors on the Board, are well qualified professionals with rich corporate level experience.

The Board has identified the following skills/expertise/competencies fundamental in the context of the Company's business and the industry or sector in which it operates.

|                               |   |
|-------------------------------|---|
| Business & Strategic Planning | Expert knowledge of the Company's business and understanding of the business environment in which it functions or operates, benefitting the Company and its business prospects.   |
| Financial Expertise           | Proficiency in financial management and reporting processes, capital allocation and understanding the financial policies.   |
| Leadership                    | Keeping the organisation focussed on its primary goals. Ability to motivate, inspire, analyse and bring in objectivity in decision making. Leading management teams help them to make decisions in present uncertain environments.  |
| Board Service and Governance  | Develop insights about maintaining board and management accountability. Encouraging, developing and observing good corporate governance practices, driving corporate ethics and values, serving towards the best interest of the stakeholders and maximising stakeholders' value. |
| Environment                   | Experience in leading the Sustainability and Environment, Social and Governance visions of the organisation to be able to integrate these into the strategy of the Company.   |

#### BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on the Company / business policies and strategy apart from other regular business matters. The Board/Committee Meetings are pre-scheduled and a tentative calendar of the Board and Committee Meetings circulated to all Directors and invitees in advance to enable them to plan their schedule and to ensure meaningful participation in the meetings. However in case of any special and urgent business need, the Board's approval is taken by passing resolution by circulation, for the matters permitted by law, which is noted and confirmed in the subsequent meetings of Board/Committee(s). Business Unit heads and senior management personnel make presentations to the Board as and when necessary. The Board is updated on the discussions held at the Committee meetings and the recommendations made by various Committees. The agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman, MDs/CFO and functional heads of the Company. The agenda is usually circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the directors to take an informed decision. Usually meetings of the Board are held at the Corporate Office of the Company at Kolkata.

Board meets at least once in a quarter to review the quarterly results, performance of the Company and other items on the agenda. Additional meetings are held when necessary on need basis. The Company also provides facility to the Directors to attend the meetings of the Board and its Committees through Video Conferencing mode and other audio visual means.

In 2019-20, the Board met five times on 17 May 2019, 19 July 2019, 14 August, 2019, 14 November 2019 and 11 February 2020. The maximum gap between any two Board meetings was less than one hundred and twenty days.

The Company Secretary is responsible for collation, review and distribution of all papers/documents submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of Agenda in consultation with the Chairman and MDs/

CFO and other functional heads of the Company and for convening the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the proceedings of the meetings.

#### **MEETINGS OF INDEPENDENT DIRECTORS**

During 2019-20, Independent Directors met on 11 February 2020 in order to, inter alia, review the performance of non-independent directors including that of the Chairman, assess the effectiveness of flow of information between the company management and the Board and other related matters. All the Independent Directors attended the meeting.

#### **INFORMATION PLACED BEFORE THE BOARD**

Along with the agenda papers, the Directors are presented with detailed notes including necessary information as required under the statute and in line with the guidelines on Corporate Governance. These papers are circulated to the Directors well in advance so that they can come prepared at the meetings. The Board periodically reviews compliance reports prepared by the Company regarding all laws applicable to the Company. There has not been any instance of any non-compliance.

Important operational matters are brought to the notice of the Board at its meetings and various divisional heads in charge of the Company's operations attend the Board Meetings to provide inputs and explain any queries pertaining to their respective areas of operation to enable the Board to take informed decisions.

#### **CODE OF CONDUCT**

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2019-20 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website [www.cesc.co.in](http://www.cesc.co.in).

#### **COMMITTEES OF THE BOARD**

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the proceedings of the meetings of all Committees are placed before the Board for its review.

The Board currently has five committees namely:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination & Remuneration Committee
4. Corporate Social Responsibility Committee and
5. Risk Management Committee

The terms of reference of the Board Committees are governed by relevant legislations and/or determined by the Board from time to time.

##### **1. AUDIT COMMITTEE**

###### **(i) Composition:**

During the year ended 31 March 2020, Audit Committee consisted of Dr. Sanjiv Goenka, Mr. P. Chaudhuri and Mr. C.K. Dhanuka, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

During the year, Ms. R Sethi was inducted as a member w.e.f. 14 November, 2019.

**(ii) Meetings:**

The Committee met four times during the year on 17 May 2019, 14 August 2019, 14 November 2019 and 11 February 2020. The attendance record of the Members at the Meeting is given below in Table 2.

**Table 2: Attendance Record of Audit Committee Meetings**

| Name of Members                       | Status   | Category                        | No. of Meetings |          |
|---------------------------------------|----------|---------------------------------|-----------------|----------|
|                                       |          |                                 | Held            | Attended |
| Dr. Sanjiv Goenka                     | Member   | Non-Executive / Non-Independent | 4               | 4        |
| Mr. C. K. Dhanuka                     | Chairman | Non-Executive / Independent     | 4               | 4        |
| Mr. P. Chaudhuri                      | Member   | Non-Executive / Independent     | 4               | 4        |
| Ms. R Sethi (w.e.f 14 November, 2019) | Member   | Non-Executive / Independent     | 4               | 1        |

The chief of finance and representatives of the statutory auditors, cost auditors and internal auditors are invited by the Audit Committee to its meetings. The auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company and auditors' views thereon. The Company Secretary is the secretary to the Committee.

**(iii) Terms of reference**

The functions of the Audit Committee of the Company include the following:

- A. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- C. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- D. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Act.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report, if any.
- E. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- F. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- G. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- H. Discussion with internal auditors any significant findings and follow up thereon.

- I. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- J. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- K. Reviewing the Company's risk management policies.
- L. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- M. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- N. Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- O. Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- P. Discuss any related issues with the internal and statutory auditors and the management of the Company.
- Q. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- R. Approve subsequent modification of transactions of the Company with related parties.
- S. Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- T. Oversee the vigil mechanism / whistle blower policy of the Company.
- U. Reviewing the utilisation of loans and / advances from investment by the Company in its subsidiaries for an amount exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances / investments.

The Company has systems and procedures in place to ensure that the Audit Committee reviews:

- I. Management discussion and analysis of financial position and results of operations.
- II. Statement of significant related party transactions, Management letters/letters of internal control weaknesses issued by the statutory auditors.
- III. Internal audit reports relating to internal control weaknesses.
- IV. The appointment, removal and terms of remuneration of the chief of internal audit function.
- V. Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

In addition, Audit Committee of the Board is also empowered to review the financial statements, in particular, investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of the Listing Regulations.

## **2. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

### **(i) Composition:**

During the year ended 31 March 2020, the Stakeholders Relationship Committee consisted of Dr. Sanjiv Goenka, the Chairman of the Committee, Mr. R. Chowdhury and Mr. P. Chaudhuri. Mr. S. Mitra, Company Secretary is the Compliance Officer reporting to the Committee.

**(ii) Meetings:**

The Committee met four times on 17 May 2019, 14 August, 2019, 13 November 2019, 11 February 2020. Table 3 below reports the attendance record of the Members at the Meeting.

**Table 3: Attendance Record of Stakeholders Relationship Committee Meetings**

| Name of Members   | Status   | Category                        | No. of Meetings |          |
|-------------------|----------|---------------------------------|-----------------|----------|
|                   |          |                                 | Held            | Attended |
| Dr. Sanjiv Goenka | Chairman | Non-Executive / Non-Independent | 4               | 4        |
| Mr. R. Chowdhury  | Member   | Executive                       | 4               | 4        |
| Mr. P. Chaudhuri  | Member   | Non-Executive / Independent     | 4               | 4        |

Details of the number and nature of complaints received and redressed during the financial year 2019-20 are given in the section titled "Additional Shareholder Information".

**(iii) Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee include looking into the redressal of grievances of shareholders and dealing with transfer and transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of duplicate share certificates and new certificates against requests for split/consolidation/renewal of share certificates. The Committee is also responsible for looking into various interest of the shareholders of the Company.

For expediting the above processes, the Board has delegated necessary power to the Company Secretary who is also the Compliance Officer.

**3. NOMINATION & REMUNERATION COMMITTEE**

**(i) Composition:**

During the year ended 31 March, 2020, the Nomination & Remuneration Committee comprised of Dr. Sanjiv Goenka, Mr. P.K. Khaitan, Mr. K. Jairaj and Mr. C.K. Dhanuka, being the Chairman of the Committee.

**(ii) Meetings:**

The Committee met four times on 17 May 2019, 14 August, 2019, 14 November 2019 and 11 February, 2020 to discuss the overall performance of the Directors. Table 4 below records the attendance record of the Members at the Meeting.

**Table 4: Attendance Record of Nomination and Remuneration Committee Meetings**

| Name of Members   | Status   | Category                         | No. of Meetings |          |
|-------------------|----------|----------------------------------|-----------------|----------|
|                   |          |                                  | Held            | Attended |
| Dr. Sanjiv Goenka | Member   | Non-Executive / Non- Independent | 4               | 4        |
| Mr. C. K. Dhanuka | Chairman | Non-Executive / Independent      | 4               | 4        |
| Mr. K. Jairaj     | Member   | Non-Executive / Independent      | 4               | 4        |
| Mr. P. K. Khaitan | Member   | Non-Executive / Non- Independent | 4               | 4        |

**(iii) Remuneration Policy:**

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company. The Committee is also responsible for recommending the fixation and periodic revision of remuneration of the Managing Director.

**(iv) Terms of Reference:**

The role of the Nomination & Remuneration Committee includes:

- A. To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals, where necessary;

- B. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- C. To evaluate the performance of every director, key managerial personnel and other employees;
- D. To devise a policy on Board diversity.
- E. To ascertain whether to extend or continue the term of appointment of an independent director, on the basis of the report of performance evaluation of independent directors.
- F. To recommend to the Board all remuneration, in whatever form, payable to senior management of the Company.

**(v) Performance Evaluation of Board, its Committees and Individual Directors :**

Annual performance evaluation of the Board, its committees and each director was carried out for the financial year 2019-20. The independent directors had met separately on February 11, 2020 without the presence of non-independent directors and the members of management and discussed, inter-alia, the performance of non-independent directors and the Board as a whole, the performance of the Chairman of the Company after taking into consideration the views of executive and non-executive directors and to assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board of Directors to effectively perform their duties. The performance evaluations of all the independent directors have been done by the entire Board, excluding the director being evaluated. On the basis of performance evaluation, the Board determines whether to extend or continue their term of appointment, whenever the respective term expires. The Directors expressed their satisfaction with evaluation process.

The performance evaluation criteria for Non-Executive including Independent Directors laid down by the Committee and taken on record by the Board includes:

- Attendance and participation in the Meetings
- Preparedness for the Meetings
- Understanding of the Company and the external environment in which it operates and contributes to strategic direction
- Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings
- Engaging with and challenging the management team without being confrontational or obstructionist.

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**(i) Composition:**

During the year ended 31 March 2020, the Corporate Social Responsibility Committee consisted of Dr. Sanjiv Goenka, Chairman of the Committee, Mr. C.K. Dhanuka and Mr. R. Chowdhury.

**(ii) Meetings :**

During the financial year, the Committee met on 17 May 2019. Table 5 below gives the attendance record of the Members at the Meeting.

**Table 5: Attendance Record of Corporate Social Responsibility Committee Meetings**

| Name of Members   | Status   | Category                         | No. of Meetings |          |
|-------------------|----------|----------------------------------|-----------------|----------|
|                   |          |                                  | Held            | Attended |
| Dr. Sanjiv Goenka | Chairman | Non- Executive / Non-Independent | 1               | 1        |
| Mr. C.K. Dhanuka  | Member   | Non-Executive / Independent      | 1               | 1        |
| Mr. R. Chowdhury  | Member   | Executive                        | 1               | 1        |

**(iii) Terms of reference:**

The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
2. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
3. Discharge such other responsibilities as required under the Act and the Rules made thereunder.

**RISK MANAGEMENT COMMITTEE**

**(i) Composition:**

During the year ended 31 March 2020, the Risk Management Committee consisted of Mr. P.K. Khaitan (Chairman), Mr. R. Chowdhury, and Mr. P. Chaudhuri. Besides, two senior executives viz. Executive Director (HR & Admin) and Executive Director & CFO also are invitees to the meeting of the committee.

**(ii) Meetings:**

During the financial year, the Committee met on 17 May 2019. Table 6 below gives the attendance record of the Members at the Meeting:

**Table 6: Attendance Record of Risk Management Committee Meetings**

| Name of Members   | Status   | Category                       | No. of Meetings |          |
|-------------------|----------|--------------------------------|-----------------|----------|
|                   |          |                                | Held            | Attended |
| Mr. P. K. Khaitan | Chairman | Non-Executive/ Non-Independent | 1               | 1        |
| Mr. P. Chaudhuri  | Member   | Non-Executive/ Non-Independent | 1               | 1        |
| Mr. R. Chowdhury  | Member   | Executive                      | 1               | 1        |

**(iii) Terms of reference:**

The Committee oversees the functions of Internal Risk Management Committee and provides necessary guidance to it in key operational areas such as risk identification, assessment and treatment exercises in respect of all divisions of the Company including in matters like fire prevention, power evacuation process, security control room functioning, disaster management, boiler management, turbine monitoring, system failure, anti-pilferage network, T&D loss reduction, adherence to regulatory standards, IT system, implementation of new projects etc. Functions of the Committee also includes ensuring cyber security.

**REMUNERATION OF DIRECTORS**

Payment of remuneration to Managing Directors is governed by the agreements executed with the Company and is governed by Board and Shareholders' resolutions. The remuneration structure comprises salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity. The details of all remuneration paid or payable to the Directors have been given below.

**Remuneration paid or payable to Non-Executive Directors for the year ended 31 March 2020:**

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2019-20 are as follows :

Dr. Sanjiv Goenka, Chairman - Rs 18,00,000, Mr. Shashwat Goenka, Vice Chairman – Rs 1,00,000, Mr. P. K. Khaitan - Rs 10,00,000, Mr. C. K. Dhanuka - Rs 15,00,000, Ms. R. Sethi - Rs 7,00,000, Mr. K. Jairaj - Rs 9,00,000, Mr. P. Chaudhuri - Rs 14,00,000 and Mr. Sunil Mitra - Rs 2,00,000. Sitting fees include payment for Board-level committee meetings.

After taking into account the Non-Executive Directors' contribution to the Company in formulating its policy matters, their qualifications, experience, time spent by them on strategic matters, the Company, with the due approval of the shareholders, made payment of commission during the year 2019-20 at the rate of 3% of net profits for the financial year 2018-19, calculated under the applicable provisions of the Act. A sum of Rs 3534 Lakh has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of Rs 50 lakh

was paid to the Non-Executive directors other than the Chairman who was paid the balance amount, as per the decision of the Board. Amount of the proposed commission for the Non-Executive Directors for the year 2019-20 on the same basis is Rs 3455 Lakh.

#### **Remuneration of the Managing Director:**

The remuneration of Mr. Debasish Banerjee - Managing Director (Distribution) during the year, in accordance with the Resolution passed by the Shareholders at the Fortieth Annual General Meeting held on 21 December, 2018 was : Salary – Rs 161 lakh, Contribution to Pension and Provident Fund and Gratuity – Rs 51 lakh, Estimated value of other benefits – Rs 280 lakh, Total: Rs 492 lakh. The remuneration of Mr. Rabi Chowdhury, Managing Director (Generation) is paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where also he is the Managing Director.

#### **Shares held by Non-Executive Directors:**

As on 31 March 2020, Dr. Sanjiv Goenka, Chairman and Non-Executive Director held 1,34,794 equity shares whereas Mr. Shashwat Goenka, Vice Chairman and Non – Executive Director held 1,11, 408 equity shares of the Company. No other Director holds any equity shares in CESC. As on 31 March 2020, no convertible instruments of the Company were outstanding.

#### **SUBSIDIARY COMPANIES**

As on 31 March 2020, CESC had 18 subsidiaries. Haldia Energy Limited (HEL) was the only material subsidiary of the Company during the year. Mr. K. Jairaj, Independent Director of the Company, is also a Director of HEL.

Web link of policy for determining material subsidiaries is given below:  
[https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

#### **MANAGEMENT**

##### **MANAGEMENT DISCUSSION AND ANALYSIS**

This Annual Report has a detailed chapter on Management Discussion and Analysis.

##### **DISCLOSURES BY MANAGEMENT TO THE BOARD**

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

#### **COMMITTEE RECOMMENDATIONS**

There were no instances of any recommendation by the Committees that was not accepted by the Board

##### **DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including accounting standards notified under Section 133 of the Act and the relevant provisions of the Act and the regulations under the Electricity Act, 2003 and regulations thereunder, to the extent applicable. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

#### **FEES PAID TO THE STATUTORY AUDITOR**

| <b>Services rendered</b>                             | <b>Fees paid (in Rs Cr)</b> |
|--|-----------------------------|
| Fees for Audit and Related Services                  | 3.73                        |
| Fees for other services                              | -                           |
| Reimbursement of expenses including applicable taxes | 0.80                        |
| Total  | 4.53                        |

#### **CODE FOR PREVENTION OF INSIDER TRADING PRACTICES**

The Company has in place a code – “Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company” in compliance

with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company's securities. The code clearly specifies, among other matters, that "Designated Persons" including Directors of the Company can trade in the Company's securities only when the 'Trading Window' is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the Code.

Apart from the above, the Company also has in place a "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" in terms of the aforesaid regulations. Company Secretary is the Compliance Officer who also heads the Investor Relation Functions. The above two codes are posted on the Company's website [www.cesc.co.in](http://www.cesc.co.in).

#### LIST OF ALL CREDIT RATINGS

The details of ratings obtained during the year under review are given below:

| Date      | Facility Type                                | Rating   | Rating Agency        |
|-----------|--|--|----------------------|
| 01-Apr-19 | Long-term Bank Facilities                    | CARE AA; Stable<br>(Double A; Outlook: Stable) | CARE Ratings Limited |
|           | Short-term Bank Facilities                   | CARE A1+<br>(A One Plus)                       |                      |
|           | Commercial Paper                             | CARE A1+<br>(A One Plus)                       |                      |
| 09-Apr-19 | Commercial Paper                             | CARE A1+(A One Plus),                          | CARE Ratings Limited |
| 05-Jul-19 | Long-term Bank Facilities                    | CARE AA; Stable<br>(Double A; Outlook: Stable) | CARE Ratings Limited |
|           | Short-term Bank Facilities                   | CARE A1+<br>(A One Plus)                       |                      |
|           | Commercial Paper                             | CARE A1+<br>(A One Plus)                       |                      |
| 03-Oct-19 | Long-term Bank Facilities                    | CARE AA; Stable<br>(Double A; Outlook: Stable) | CARE Ratings Limited |
|           | Short-term Bank Facilities                   | CARE A1+<br>(A One Plus)                       |                      |
| 07-Feb-20 | Long term – Non- Convertible Debenture Issue | CARE AA; Stable<br>(Double A; Outlook: Stable) | CARE Ratings Limited |
| 17-Mar-20 | Commercial Paper                             | [ICRA] A1+                                     | ICRA Limited         |

#### COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

(i) Risk Management Policy

Commodities form major part of the raw materials and input requirement of the Company, for the purpose of carrying out day to day activities and hence commodity price risk is one of important market risks of the Company. The Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from market volatility in terms of price and availability. Any commodity having exposure during a year exceeding 10% of the annual consolidated turnover as per the last audited financial statements considered to be material for the purpose of disclosure regarding commodity risk.

(ii) Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:

a. Total exposure of the listed entity to commodities: Rs 1546 cr

b. Exposure of the listed entity to various commodities:

| Commodity Name | Exposure in INR towards the particular commodity | Exposure in Qty towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          |       |
|----------------|--|--|---|----------|----------------------|----------|-------|
|                |  |  | Domestic market   |          | International market |          | Total |
|                |  |  | OTC   | Exchange | OTC                  | Exchange |       |
| Coal           | 1546 cr <sup>§</sup>                             | 3.62 Million MT                                  | NIL   | NIL      | NIL                  | NIL      | NIL   |

<sup>§</sup> Includes closing stock

c. Commodity risks faced by the listed entity during the year and how they have been managed:

The Company has three coal based power generating plants situated in and around the city of Kolkata. Coal is sourced from own Captive

Mine, by domestic long term linkage through Fuel Supply Agreements with Coal India Limited (CIL)/its subsidiaries and through Special Forward E-Auction conducted by CIL/subsidiaries. The domestic price of linkage coal and the reserve price of E-Auction Coal are governed as per rates notified by CIL. The Company operates under regulatory regime and, as aforesaid, the entire quantity of coal has been procured from domestic sources including own captive mine and from CIL and its subsidiaries. Accordingly, in view of the aforesaid arrangements, hedging has not been considered necessary.

#### **DETAILS OF UTILIZATION OF FUNDS**

The Company does not have any unutilized fund for reporting of its utilization in terms of Regulation 32(7A) of Listing Regulations.

#### **RELATED PARTY TRANSACTIONS**

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS) - 24 issued by the Institute of Chartered Accountants of India are disclosed in Note 42 to the financial statements for the year 2019-20. There has been no material transaction with any of the related parties which was in conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its Non-Executive Directors during the year. The Company's policy on dealing with Related Party Transactions is posted at: [https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

#### **WHISTLE BLOWER POLICY**

As required under the Act and Listing Regulations, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. No such case has been reported during the year and accordingly, the question of denying any personnel due access to audit committee does not arise.

#### **ANTI SEXUAL HARASSMENT POLICY**

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act") and Rules made there under, the Company has formed Internal Complaints Committee for various work places to address complaints pertaining to sexual harassment in accordance with the POSH Act. No complaint for any Sexual harassment has been received during the year.

Disclosure in relation to the Sexual Harassment of Women at Workplace:

|   |   |
|---|---|
| Number of complaints filed during the financial year  | 0 |
| Number of complaints disposed of during the financial year (filed during the previous year) | 1 |
| Number of complaints pending as on end of the financial year                                | 0 |

#### **CEO/CFO CERTIFICATION**

Certification by the CEO / CFO as to the financial statements for the year has been submitted to the Board of Directors, as required by the Listing Agreement.

#### **PRACTICING COMPANY SECRETARY CERTIFICATE ON DIRECTOR QUALIFICATION**

The Secretarial Auditor of the Company has confirmed that none of its Directors has been debarred or disqualified from being appointed or continuing on the Board as Directors of any company by any statutory authority.

#### **APPOINTMENT/RE-APPOINTMENT OF DIRECTORS**

Dr. Sanjiv Goenka retires at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for reappointment.

The Board and its Nomination and Remuneration Committee have recommended continuation of Mr. Pradip Kumar Khaitan as a Non-Executive Independent Director of the Company in terms of Sub- Regulation 17(1A), introduced with effect from 1 April 2019 under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2018. The Notice convening the ensuing Annual General Meeting includes the requisite Special Resolution for this purpose.

Mr. Sunil Mitra and Mr. Shashwat Goenka who were appointed by the Board as Additional Directors on 14 November 2019 shall hold office up to the date of the forthcoming Annual General Meeting. The Notice convening the ensuing Annual General Meeting includes appropriate resolutions for their appointments as required in terms of the Act.

The details of the directors, mentioned above, are given below:

|                      |   |
|----------------------|---|
| Name of the Director | Dr. Sanjiv Goenka   |
| Age                  | 59  |
| Brief Resume         | <p>Dr. Sanjiv Goenka is the Chairman of the Company and also of Rs 44,000 crore RP Sanjiv Goenka Group which has over 45,000 employees and over 5,00,000 shareholders with annual revenues of more than Rs 26,000 crores.</p> <p>Dr. Goenka was the youngest-ever President of the Confederation of Indian Industry (CII) and of the Indian Chamber of Commerce. He is also former President of the All India Management Association. He is presently the Chairman of the Board of Governors of the Indian Institute of Technology, Kharagpur. This is the fourth time Dr. Goenka has been bestowed this honour. Dr. Goenka is also the Chairman of the Board of Governors of International Management Institute, Delhi, Bhubaneswar and Kolkata.</p> <p>Dr. Goenka is aged 59 years and is a Commerce Graduate from St. Xavier's College, Kolkata. Dr. Sanjiv Goenka has received numerous awards and three Honorary Doctoral Degrees.</p> |
| Other Directorship   | Dr. Goenka is the Chairman of the Board of Directors of CESC Limited (member of Audit Committee, Nomination & Remuneration Committee and Chairman of Stakeholders Relationship Committee and CSR Committee), Phillips Carbon Black Limited, Saregama India Limited (Chairman of Stakeholders Relationship Committee), Firstsource Solutions Limited, Spencer's Retail Limited (member of Nomination & Remuneration Committee & Chairman of Stakeholders Relationship Committee and CSR Committee) Spencer International Hotels Limited, Spencer and Company Limited and Haldia Energy Limited.  |
| Shareholding         | 1,34,794  |

|                      |  |
|----------------------|--|
| Name of the Director | Mr. Pradip Kumar Khaitan   |
| Age                  | 79   |
| Brief Resume         | Mr. Khaitan is a well-known attorney-at-law (Bell chambers gold medalist). He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the Board of Directors of CESC since 1992.  |
| Other Directorship   | Mr. Khaitan is on the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), Dhunseri Ventures Limited (Member of Nomination & Remuneration Committee and Chairman of CSR Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), Electrosteel Castings Limited (Chairman of the Board, Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Emami Limited, Firstsource Solutions Limited, Woodlands Multispeciality Hospital Limited (Chairman of the Board and member of Audit Committee and Nomination & Remuneration Committee) and Odisha Cement Limited. |
| Shareholding         | Nil  |

|                      |   |
|----------------------|---|
| Name of the Director | Mr. Shashwat Goenka   |
| Age                  | 30 years  |
| Brief Resume         | Mr Shashwat Goenka is a Director of the Company and Sector Head-Retail & FMCG of the RP-Sanjiv Goenka Group . Presently he is on the Board of Firstsource Solutions Limited, Spencer’s Retail Limited, CESC Ventures Limited, Spencer’s International Hotels Limited and Retailers Association of India. He is also the Founder of FMCG brand Too Yumm. Currently he is Chair for FICCI’s Young Leaders Forum and Chair for CII’s National Retail Committee on Retail. He is also Past President of Indian Chamber of Commerce. He graduated from The Wharton School, University of Pennsylvania. |
| Other Directorship   | Mr. Goenka is also a Director of Spencer International Hotels Ltd, Phillips Carbon Black Limited (also Member of the CSR Committee), Spencer’s Retail Limited (also Member of the Audit Committee, Stakeholders Relationship Committee and CSR Committee), Firstsource Solutions Limited (also Chairman of the CSR Committee, Risk Management Committee, Investment Committee and Strategy Committee) and CESC Ventures Limited (also Chairman of CSR committee and member of the Stakeholders Relationship Committee).   |
| Shareholding         | 1,11,408  |

|                      |  |
|----------------------|--|
| Name of the Director | Mr. Sunil Mitra  |
| Age                  | 69   |
| Brief Resume         | Mr. Mitra is a retired Revenue and Finance Secretary, Government of India. In his long public service career, Mr. Mitra successfully spearheaded important policy initiatives in public finance at the national level. He has also held various senior positions under the Government of West Bengal   |
| Other Directorship   | Mr. Mitra is also a Director of Dollar Industries, Century Plyboards (India) Limited, Texmaco Rail & Engineering Limited (also Member of Stakeholders Relationship Committee, Nomination & Remuneration Committee, CSR Committee and Compensation Committee), Firstsource Solutions Limited (also Member of Audit Committee), Magma HDI General Insurance Company Limited (also Chairman of Audit Committee and Nomination and Remuneration Committee and Member of Policyholders Protection Committee , IPE Global Limited (also Chairman of the Audit Committee) , Sukeru Roads Limited Patton International Limited (also Member of Audit Committee Nomination and Remuneration Committee) and Sukeru Energy Limited. |
| Shareholding         | Nil  |

## COMMUNICATION TO SHAREHOLDERS

CESC puts forth key information about the Company and its performance, including quarterly results, official news releases and presentations to analysts, on its website [www.cesc.co.in](http://www.cesc.co.in) regularly for the benefit of its shareholders and the public at large.

During the year, the Company’s quarterly/half-yearly/yearly results have been published in leading English and Bengali newspapers i.e. Business Standard and Aajkal and the Annual Results have been posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results on receipt of a request from any Shareholder.

## GENERAL BODY MEETINGS

The date, time and venue of the last three annual general meetings are given below.

| Financial year | Date             | Time     | Venue   | Special Resolutions Passed |
|----------------|------------------|----------|---|----------------------------|
| 2016-17        | 28 July 2017     | 10.30 AM | CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064                                     | One                        |
| 2017-18        | 21 December 2018 | 03.00 PM | CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064                                     | Nine                       |
| 2018-19        | 19 July 2019     | 10:30 AM | SWISSOTEL Kolkata, City Centre Two, New Town Action Area 2 D, Plot No. 11/5, New Town, Rajarhat, Kolkata – 700157 | Four                       |

No special resolution passed at the above Annual General Meetings was required to be put through postal ballot. No resolution is proposed to be passed at the forthcoming Annual General Meeting through postal ballot.

## **COMPLIANCE**

### **MANDATORY REQUIREMENTS**

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations.

### **NON-MANDATORY REQUIREMENTS**

The details of compliance of the non-mandatory requirements are listed below.

### **SHAREHOLDER RIGHTS**

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

### **AUDIT QUALIFICATIONS**

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

## **CONFIRMATION**

1. The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report.
2. The Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
3. To the best of its knowledge, CESC has complied with all requirements of the regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

On behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

Kolkata, 29 June, 2020

## **Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

The Members of CESC Limited  
CESC Limited  
CESC House  
Chowringhee Square  
Kolkata-700001

1. The Corporate Governance Report prepared by CESC Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2020 as required by the Company for annual submission to the Stock exchange.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2020 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2019 to March 31, 2020:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);

- (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee;
  - (g) Independent director meeting
  - (h) Corporate Social Responsibility Committee
- v. Obtained necessary declarations from the directors of the Company including the independent directors.
- vi. Obtained and read the policy adopted by the Company for related party transactions.
- vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
- viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2020, referred to in paragraph 4 above.

#### **Other matters and Restriction on Use**

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**

Partner

Membership Number: 058652

UDIN: 20058652AAAABS5668

Place of Signature: Kolkata

Date: 29 June 2020

## Additional Shareholder Information (Annexure 'C' to the Report of the Board of Directors)



### ANNUAL GENERAL MEETING

|       |   |  |
|-------|---|--|
| Date  | : | 3 August, 2020                                       |
| Time  | : | 10:00 a.m.   |
| Venue | : | AGM by Video Conferencing / Other Audio Visual Means |

### FINANCIAL CALENDAR

: 1 April to 31 March

#### For the year ended 31 March 2020, results were announced on:

|                           |                   |
|---------------------------|-------------------|
| First quarter             | 14 August, 2019   |
| Second quarter            | 14 November, 2019 |
| Third quarter             | 11 February, 2020 |
| Fourth quarter and annual | 29 June, 2020     |

#### For the year ending on 31 March 2021, results will be announced by:

|                           |                          |
|---------------------------|--------------------------|
| First quarter             | Within 14 August 2020*   |
| Second quarter            | Within 14 November 2020* |
| Third quarter             | Within 14 February 2021* |
| Fourth quarter and annual | Within 30 May 2021*      |

\*The above dates are subject to any statutory extension if allowed in future

### DIVIDEND

The Board of Directors at its meeting held on 11 February, 2020 declared an interim dividend of Rs. 20 per equity share. The said interim dividend was paid on and from 20 February 2020. The said dividend was declared in terms of the Dividend Distribution Policy adopted by the Company in terms of the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended. The Policy is available on the website of the Company under the weblink [https://www.cesc.co.in/wp-content/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Dividend_Policy.pdf).

### LISTING

Equity shares of CESC are listed on The Calcutta Stock Exchange Limited, Kolkata, BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

### STOCK CODES

|          |  |                               |
|----------|--|-------------------------------|
| CSE      | 7, Lyons Range, Kolkata - 700001                       | PHYSICAL: 34; DEMAT: 10000034 |
| BSE      | Phiroze Jeejeeboy Tower, Dalal Street, Mumbai - 400001 | PHYSICAL: 84; DEMAT: 500084   |
| NSE      | Bandra Kurla Complex, Bandra (E), Mumbai - 400051      | CESC                          |
| ISIN No. | INE486A01013   |                               |

All listing and custodial fees to the stock exchanges and depositories have been duly paid.

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at the BSE limited (BSE) and the National Stock Exchange (NSE) for the year 2019-20 .

Table 1: High and Low Prices at the BSE and NSE (Rs.)

| Month           | Bombay Stock Exchange<br>(BSE) |        | National Stock Exchange<br>(NSE) |        |
|-----------------|--------------------------------|--------|----------------------------------|--------|
|                 | High                           | Low    | High                             | Low    |
| April, 2019     | 755.70                         | 668.95 | 755.00                           | 668.35 |
| May, 2019       | 757.00                         | 642.10 | 757.90                           | 642.60 |
| June, 2019      | 796.40                         | 740.10 | 797.25                           | 739.25 |
| July, 2019      | 812.30                         | 715.30 | 812.60                           | 714.70 |
| August, 2019    | 816.90                         | 722.00 | 817.15                           | 720.25 |
| September, 2019 | 854.90                         | 735.00 | 851.70                           | 735.00 |
| October, 2019   | 820.60                         | 725.00 | 821.00                           | 724.60 |
| November, 2019  | 845.85                         | 729.00 | 846.00                           | 729.55 |
| December, 2019  | 769.00                         | 710.45 | 769.70                           | 710.00 |
| January, 2020   | 783.90                         | 706.90 | 783.55                           | 706.35 |
| February, 2020  | 747.20                         | 632.00 | 747.90                           | 631.55 |
| March, 2020     | 655.95                         | 366.20 | 658.35                           | 365.25 |

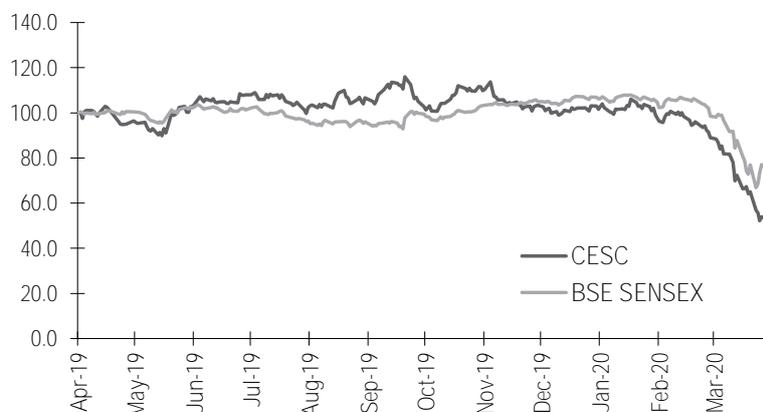
Note: There is no trading in the shares of the Company at CSE during the year.

Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2019 -20.

Table 2: Performance in Comparison to NSE, BSE Sensex, BSE 500 and BSE Power Index

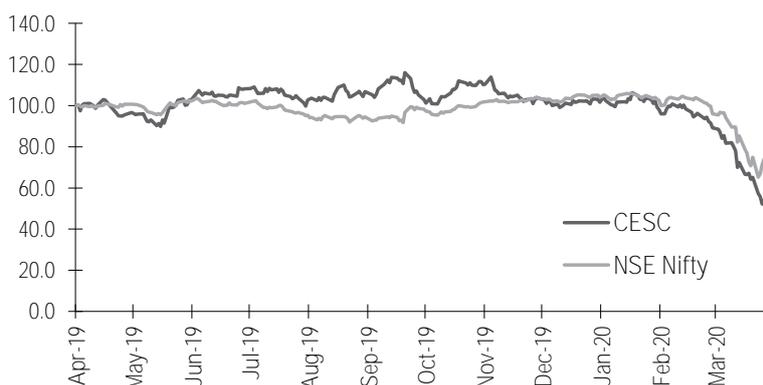
| As on close of last trading day for each month | CESC's Closing Price on NSE (Rs.) | NSE Nifty | BSE Sensex | BSE 500 Index | BSE Power Index |
|--|-----------------------------------|-----------|------------|---------------|-----------------|
| April, 2019                                    | 701.25                            | 11748.15  | 39031.55   | 15293.75      | 1969.54         |
| May, 2019                                      | 744.85                            | 11922.80  | 39714.20   | 15517.90      | 2010.12         |
| June, 2019                                     | 784.30                            | 11788.85  | 39394.64   | 15291.70      | 2093.86         |
| July, 2019                                     | 744.10                            | 11118.00  | 37481.12   | 14324.12      | 1966.31         |
| August, 2019                                   | 774.50                            | 11023.25  | 37332.79   | 14324.07      | 1887.96         |
| September, 2019                                | 746.05                            | 11474.45  | 38667.33   | 14810.02      | 1934.40         |
| October, 2019                                  | 798.30                            | 11877.45  | 40129.05   | 15387.13      | 1986.56         |
| November, 2019                                 | 751.10                            | 12056.05  | 40793.81   | 15567.67      | 1924.80         |
| December, 2019                                 | 736.80                            | 12168.45  | 41253.74   | 15667.44      | 1926.25         |
| January, 2020                                  | 710.25                            | 11962.10  | 40723.49   | 15649.81      | 1899.55         |
| February, 2020                                 | 646.95                            | 11201.75  | 38297.29   | 14627.62      | 1716.78         |
| March, 2020                                    | 408.55                            | 8597.75   | 29468.49   | 11098.23      | 1377.95         |

Chart A plots the movement of CESC's equity shares' adjusted closing prices compared to the BSE Sensex.



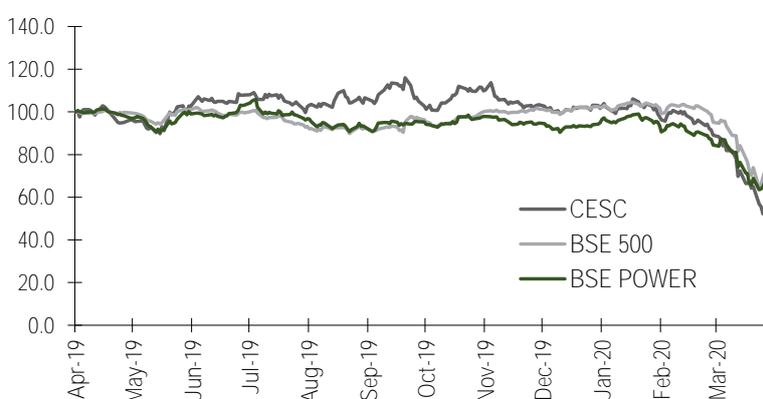
Note: Share price of CESC and BSE Sensex have been indexed to 100 on 1 April 2019.

Chart B plots the movement of CESC's equity shares' adjusted closing prices compared to the NSE NIFTY



Note: Share price of CESC and NSE NIFTY have been indexed to 100 on 1 April 2019.

Chart C plots the movement of CESC's equity shares' adjusted closing prices compared to the BSE 500 and BSE Power.



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on 1 April 2019.

## INVESTOR SERVICES

CESC processes share transfers through its registrar and share transfer agent, whose details are given below :

LINK INTIME INDIA PRIVATE LIMITED  
Vaishno Chamber , 5 Floor,  
Flat No 502 & 503  
6, Brabourne Road  
Kolkata – 700 001  
Tel No. : 40049728  
Fax No. : 40731698  
E-mail : [Kolkata@linkintime.co.in](mailto:Kolkata@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

Investors correspondence may be sent to the Company's registrar and share transfer agent at the above address or at the Company's registered address given below :

Secretarial Department  
CESC Limited  
CESC House  
Chowringhee Square  
Kolkata – 700 001  
Tel No. : 66340814  
Fax No. : 2236 3868  
E-mail : [secretarial@rpsg.in](mailto:secretarial@rpsg.in)

The Company during the year under review, issued and allotted in two tranches, secured, unlisted, non-convertible debentures ("NCDs") aggregating to Rs. 170 crore divided into 1,700 NCDs having face value of Rs. 10 lakh each, for cash at par, on private placement basis in accordance with the relevant provisions of the Companies Act, 2013 ("the Act"). The aforesaid NCDs are secured in favour of debenture trustee in terms of the relevant transaction documents. The details of the debenture trustee are given below:

IDBI Trusteeship Services Limited  
Asian Bldg., Ground Floor,  
17, R.Kamani Marg, Ballard Estate,  
Mumbai – 400 001  
Tel No. : 40807000  
Fax No. : 66311776  
E-mail : [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)  
Website : [www.idbitrustee.com](http://www.idbitrustee.com)

Mr. S. Mitra, Company Secretary, is the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

In compliance with the SEBI circular dated 27 December, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, CESC has established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its registrar and share transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects. The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

Securities and Exchange Board of India (SEBI) has decided that securities of listed companies can be transferred only in dematerialized form with effect from 1 April, 2019.

As on 31 March 2020, dematerialised shares accounted for 99.06% of total equity. There is no major subsisting court order or legal proceedings against CESC in any share transfer matter. Table 3 give details of the number and nature of complaints for the year 2019-20 :

Table 3: Complaints from Shareholders during 2019-20

| Particulars                 | Complaints                   |                         |   |        |       |
|-----------------------------|------------------------------|-------------------------|---|--------|-------|
|                             | Non receipts of certificates | Non-Receipt of Dividend | Non Receipt of Annual Reports / Non Receipt of Demat Credit | Others | Total |
| Received during the year    | 20                           | 10                      | 7   | 8      | 45    |
| Attended during the year    | 20                           | 10                      | 7   | 8      | 45    |
| Pending as on 31 March 2020 | -                            | -                       | -   | -      | -     |

## SHAREHOLDING PATTERN

Tables 4 and 5 give the pattern of shareholding by ownership and share class respectively.

Table 4: Pattern of Shareholding by Ownership as on 31 March 2020

| Category  | As on 31 March 2020 |            |
|---|---------------------|------------|
|   | Total No. of Shares | Percentage |
| 1. Management Group / Families                        | 6,61,72,209         | 49.92%     |
| 2. Institutional Investors                            |                     |            |
| a. Mutual Funds                                       | 2,45,77,729         | 18.54%     |
| b. Banks, Financial Institutions, Insurance Companies | 49,93,233           | 3.77%      |
| c. FIs  | 2,45,01,462         | 18.48%     |
| Total   | 540,72,424          | 40.79%     |
| 3. Others   |                     |            |
| a. Bodies Corporate                                   | 41,11,568           | 3.10 %     |
| b. Indian Public                                      | 56,85,636           | 4.29%      |
| c. NRIs   | 8,79,225            | 0.66%      |
| d. Others   | 16,35,981           | 1.23%      |
| Total   | 123,12,410          | 9.29 %     |
| Grand Total   | 132,557,043         | 100.00%    |

Table 5: Pattern of Shareholding by Share Class as on 31 March 2020

| Shareholding Class | No of shareholders | No of shares held | Shareholding % |
|--------------------|--------------------|-------------------|----------------|
| 1 to 500           | 53242              | 3270418           | 2.47           |
| 501 to 1,000       | 1161               | 873800            | 0.66           |
| 1,001 to 2,000     | 529                | 772794            | 0.58           |
| 2,001 to 3,000     | 175                | 430045            | 0.32           |
| 3,001 to 4,000     | 92                 | 324959            | 0.25           |
| 4,001 to 5,000     | 62                 | 290286            | 0.22           |
| 5,001 to 10,000    | 122                | 871817            | 0.66           |
| 10,001 and above   | 275                | 125722924         | 94.84          |
| Total              | 55658              | 13,25,57,043      | 100.00         |

## PLANT AND OTHER OFFICE LOCATIONS

CESC's generating stations are located at Budge Budge, Southern and Titagarh in and around the city of Kolkata. The details of regional and corporate office of the Company are mentioned elsewhere in the Annual Report.

## TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

### A. Details of due dates :

The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in the table below. Investors are requested to claim their unclaimed dividends before these due dates.

Table 6: The Dates of Payment, the Due Dates for Credit to IEPF and the Amounts

| Year    | Date of Declaration | Due Date for Credit to IEPF | Amount Lying Unpaid /Unclaimed as on 31 March 2020 (Rs.) |
|---------|---------------------|-----------------------------|--|
| 2012-13 | 26 July, 2013       | 22 September, 2020          | 5,181,492.21   |
| 2013-14 | 30 July, 2014       | 2 October ,2021             | 5,964,664.16,  |
| 2014-15 | 31 July, 2015       | 1 October, 2022             | 7,746,264.23   |
| 2015-16 | 11 March, 2016      | 09 May,2023                 | 8.081,454.65   |
| 2016-17 | 15 February 2017    | 14 April 2024               | 9,264,824.62   |
| 2017-18 | 28 February, 2018   | 6 May 2025                  | 9,514,191.48   |
| 2018-19 | 5 February, 2019    | 10 April 2026               | 13,043,324.83  |
| 2019-20 | 11 February 2020    | 10 April 2027               | 6,593,922.67   |

### B. Transfer of Unpaid Dividend to IEPF during 2019-20 :

| Particulars                           | Amount (Rs) | Date of Transfer   |
|---------------------------------------|-------------|--------------------|
| Unclaimed Equity dividend for 2011-12 | 3620315     | 26 September, 2019 |

### C. Transfer of shares to IEPF during 2019-20:

| Particulars   | No of Equity shares | Date of Transfer |
|---|---------------------|------------------|
| Equity Shares relating to Unclaimed Equity Dividend for 2011-12 | 13821               | 24 October, 2019 |

## UNCLAIMED SHARES

In terms of the Listing Regulations, 128940 equity shares were lying unclaimed, in “CESC Unclaimed Suspense Account”. These shares may be claimed back by the concerned shareholders on compliance of necessary formalities and as such some of these shares have been claimed back by the concerned shareholders during the year.

The status of equity shares lying in CESC Unclaimed Suspense Account is given below:

| Sl No | Particulars   | No of shareholders | No. of equity shares held |
|-------|---|--------------------|---------------------------|
| 1     | Aggregate number of shareholders and the outstanding shares transferred in the suspense account as on 1 April, 2019 | 137                | 1,30,111                  |
| 2     | No of shareholders who approached the Company for transfer of shares from the suspense account                      | 5                  | 458                       |
| 3.    | No of shareholders to whom shares were transferred from the suspense account  | 5                  | 458                       |
| 4     | Transfer to IEPF  | 3                  | 713                       |
| 5     | Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year    | 129                | 128940                    |

It may also be noted that all the corporate benefits accruing to the above shares shall also be credited to the said “CESC Unclaimed Suspense Account” and the voting rights of these shares shall remain frozen until the rightful owner claims the shares. Details of the said 128940 equity shares appear in the Company’s website so that the concerned shareholders can lodge claims for the said shares immediately.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka  
 Chairman  
 DIN: 00074796

Kolkata, 29 June 2020

## DECLARATION

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2019-20.

D. Banerjee  
 Managing Director (Distribution)  
 DIN: 06443204

R. Chowdhury  
 Managing Director (Generation)  
 DIN: 06601588

Kolkata, 29 June 2020

# Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended 31 March 2020  
(Annexure 'D' to the Report of the Board of Directors)



1. A brief outline of the Company's CSR policy etc. including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company is dedicated to the cause of providing access to basic services, empowering people, educating them and to improving their quality of life. The Company undertakes programmes based on the identified needs of the community such as:

- a) Provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps
- b) Promoting education including special education and empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development
- c) Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices
- d) Undertaking livelihood generation/promotion and women empowerment projects
- e) Undertaking / supporting sports activities and programmes of art & culture in various forms and
- f) Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society

The Company's policy on CSR is posted at [https://www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf)

The details of the projects undertaken during the year are stated in Management Discussion and Analysis which forms a part of the Director's Report.

2. Composition of CSR Committee: The CSR Committee consists of Dr. Sanjiv Goenka, Chairman, Mr. Chandra Kumar Dhanuka, Independent Director and Mr. Rabi Chowdhury, Managing Director (Generation)
3. Average net profit for the last three financial years: Rs 1092.16 cr
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) is Rs. 21.84 cr
5. (a) Total amount spent for the financial year 2019-20 is Rs. 22.15 cr  
(b) Unspent amount for financial year 2019-20 is Nil  
(c) Manner in which the amount was spent during the financial year is detailed below:

| 1       | 2  | 3                                      | 4   | 5  | 6   | 7   | 8   |
|---------|--|--|---|--|---|---|---|
| Sl. No. | CSR Project or activity identified   | Sector in which the Project is covered | Projects or programs<br>1) Local area or other<br>2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Rs) | Amount spent on the projects or programs Sub-heads;<br>1) Direct expenditure on projects or programs<br>2) Overheads (Rs) | Cumulative Expenditure upto the reporting period (Rs) | Amount spent: Direct or through implementing agency             |
| 1       | Maintenance of elevated green median strip in certain areas of the city of Kolkata | Environment                            | Kolkata (West Bengal)   | 3600000  | 3583750 (Direct)  | 3583750   | Through Implementing Agency (The Kolkata Municipal Corporation) |
| 2       | Urja Chetana   | Environment                            | Kolkata, North 24 Parganas District, South 24 Parganas District, Hooghly (West Bengal)  | 1850000  | 1851773 (Direct)  | 1851773   | Through Implementing Agency (Centre for Environment Education)  |

| 1       | 2   | 3  | 4   | 5  | 6   | 7   | 8  |
|---------|---|--|---|--|---|---|--|
| Sl. No. | CSR Project or activity identified                                | Sector in which the Project is covered       | Projects or programs<br>1) Local area or other<br>2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Rs) | Amount spent on the projects or programs Sub-heads;<br>1) Direct expenditure on projects or programs<br>2) Overheads (Rs) | Cumulative Expenditure upto the reporting period (Rs) | Amount spent: Direct or through implementing agency  |
| 3       | Suswasthya  | Health                                       | Kamarhati, North 24 Parganas (West Bengal)  | 1450000  | 1464751 (Direct)  | 1464751   | Through Implementing Agency (City Level Programme of Action for Street and Working Children) |
| 4       | Nirmal Abhiyan  | Education                                    | Kolkata (West Bengal)   | 2500000  | 2470491(Direct)   | 2470491   | Through Implementing Agency (City Level Programme of Action for Street and Working Children) |
| 5       | Jagriti   | Livelihood Promotion (Community Development) | Titagarh Municipality, North 24 Parganas District, (West Bengal)  | 462000   | 461807(Direct)  | 461807  | Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)                                    |
| 6       | Hamari Awaaz  | Child Protection (Community Development)     | Kolkata (West Bengal)   | 1215000  | 1214987 (Direct)  | 1214987   | Through Implementing Agency (Child In Need Institute)  |
| 7       | Saksham   | Livelihood Promotion (Community Development) | Kolkata (West Bengal)   | 1925000  | 1921761 (Direct)  | 1921761   | Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)                                    |
| 8       | Prayas Project  | Programme for Street and Working Children    | Kolkata, Kamarhati North 24 Parganas (West Bengal), Howrah  | 2000000  | 2130357(Direct)   | 2130357 (Direct)                                      | Direct   |
| 9       | Roshni  | Education                                    | Kolkata (West Bengal)   | 1200000  | 1170263 (Direct)  | 1170263   | Through Implementing Agency (Child In Need Institute)  |
| 10      | Udaan   | Skill Development                            | Kolkata (West Bengal)   | 1300000  | 1302575 (Direct)  | 1302575   | Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)                                    |
| 11      | Nirmal Sankalp  | Water and Sanitation (Community Development) | Titagarh Municipality, North 24 Parganas District, Kolkata (West Bengal)  | 5000000  | 4739457(Direct)   | 4739457   | Through Implementing Agency (Water, Sanitation and Hygiene Institute)                        |
| 12      | Health Camp   | Health                                       | Kolkata, North 24 Parganas District, South 24 Parganas  | 200000   | 184487(Direct)  | 184487  | Through Implementing Agency (Child in Need Institute)  |
| 13      | Nirmal Kolkata  | Water and Sanitation (Community Development) | Kolkata (West Bengal)   | 1275000  | 1274400 (Direct)  | 1274400   | Through Implementing Agency (BTL.EPC.LTD.)   |
| 14      | School Build Programme  | Education                                    | Kolkata, North 24 Parganas District, South 24 Parganas  |  |   |   |  |
|         | a. Library Books to Budge Budge Subhas Girls High School          |  |   | 32000  | 31950(Direct)   | 31950   | Direct   |
|         | b. Repair and Decoration at Titagarh Anglo Vernacular High School |  |   | 475000   | 471311(Direct)  | 471311  | Direct   |
|         | c. Renovation Nutrition Laboratory at Adi Mahakali Pathsala       |  |   | 200000   | 196207(Direct)  | 196207  | Direct   |
|         | d. Repair & Renovation work at Saheed Aminuddin Primary School    |  |   | 390000   | 394274(Direct)  | 394274  | Direct   |
|         | e. Supply of Benches at Kalipur Girls High School                 |  |   | 185000   | 183962 (Direct)   | 183962  | Direct   |
|         | f. Renovation at Titagarh Anglo Vernacular School                 |  |   | 475000   | 471433 (Direct)   | 471433  | Direct   |
|         | g. Renovation at Pujali Shiksha Niketan                           | 700000                                       | 710703 (Direct)   | 710703   | Direct  |   |  |

| 1       | 2   | 3   | 4   | 5  | 6   | 7   | 8  |
|---------|---|---|---|--|---|---|--|
| Sl. No. | CSR Project or activity identified  | Sector in which the Project is covered                      | Projects or programs<br>1) Local area or other<br>2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Rs) | Amount spent on the projects or programs Sub-heads;<br>1) Direct expenditure on projects or programs<br>2) Overheads (Rs) | Cumulative Expenditure upto the reporting period (Rs) | Amount spent: Direct or through implementing agency                                |
|         | h. Development of playground Kalinagar G.S.F.P School                           |   |   | 340000   | 341468 (Direct)   | 341468  | Direct   |
|         | i. Development of playground at Pujali, Raghunathpur School                     |   |   | 800000   | 826000 (Direct)   | 826000  | Direct   |
|         | j. Supply of Benches at Adi Mahakli Pathsala School and Chela Girls High School |   |   | 1500000  | 1438456 (Direct)  | 1438456   | Direct   |
| 15      | Computer Training   | Providing Computer Education                                | Kolkata, North 24 Parganas  | 45000  | 41090 (Direct)  | 41090   | Direct   |
| 16      | Community Sanitation Project  | Water and Sanitation (Community Development)                | Kolkata (West Bengal)   | 65000  | 66906(Direct)   | 66906   | Through Implementing Agency (BTL.EPC.LTD.)   |
| 17      | Water Supply Project  | Water and Sanitation (Community Development)                | Titagarh, North 24 Parganas   | 250000   | 245922 (Direct)   | 245922  |  |
| 18      | Setting up of an Institution of excellence                                      | Sector Permitted by Schedule-VII to the Companies Act, 2013 | Kolkata (West Bengal)   | 190000000  | 190000000 (Direct)  | 190000000   | Through Implementing Agency (RP-SG Group CSR Trust.)                               |
| 19      | Healthcare Project  | Support for Mental Health Project                           |   | 300000   | 300000  | 300000  | Through Implementing Agency (Sane & Enthusiast Volunteers Association of Calcutta) |
| 20      | Renovation of Birajlakshmi Health Centre  | Healthcare Project  |   | 250000   | 253376  | 253376  | Direct   |
| 21      | Miscellaneous Administrative Expenses   | -   | Kolkata (West Bengal)   | 1800000  | 1763053   | 1763053   | Direct   |
|         |   |   |   | <b>221784000</b>                                     | <b>221506970</b>  | <b>221506970</b>                                      |  |

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable
7. Responsibility Statement: It is stated that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Kolkata, 29 June 2020

Rabi Chowdhury  
 Managing Director (Generation) and Member, CSR Committee  
 DIN: 06601588

Dr. Sanjiv Goenka  
 Chairman, CSR Committee  
 DIN: 00074796

# Business Responsibility (BR) Report (Annexure 'E' to the Report of the Board of Directors)



## Section A : General Information about Company

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number  | L31901WB1978PLC031411  |
| 2  | Name of the Company  | CESC Limited   |
| 3  | Registered address   | CESC House, Chowringhee Square, Kolkata- 700 001                   |
| 4  | Website  | www.cesc.co.in   |
| 5  | Email  | secretarial@rpsg.in  |
| 6  | Financial Year Reported  | 2019-20  |
| 7  | Sectors engaged in   | Code 35102 – Power Generation                                      |
| 8  | Key products / services Company manufacturers                      | Electricity generation & distribution                              |
| 9  | Locations where business activities are undertaken by the Company. | Across 567 sq. km of licensed area in Kolkata and its neighborhood |
| 10 | Markets served by the Company                                      | Kolkata and its neighborhood in the state of West Bengal.          |

## Section B : Financial Details of the Company

|   |   |  |
|---|---|--|
| 1 | Paid-up Capital (in INR)                          | 133.22 crore                                     |
| 2 | Total Income (in INR)                             | 7981.81 crore                                    |
| 3 | Total profit after taxes (in INR)                 | 917.75 crore                                     |
| 4 | Total Spending on CSR as % profit after tax       | 2% of the average net profit of last three years |
| 5 | List of activities in which CSR expenses incurred | Please see Annexure – 'D' of Directors Report.   |

## Section C : Other Details

|   |   |   |
|---|---|---|
| 1 | Details on subsidiary companies   | As on 31 March 2020, the Company had eighteen subsidiaries.   |
| 2 | Participation of subsidiary companies in the BR initiatives of the parent Company                 | The Company and its subsidiaries are participating in various BR/CSR (Corporate Social Responsibility) initiatives in the respective local areas in which it operates. The Company along with its subsidiaries has been parties in setting up and is also regularly contributing to RP-Sanjiv Goenka Group CSR Trust in order to carry out CSR projects as may be decided by the Trust from time to time. |
| 3 | Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company | No other entity participates in BR initiatives of the Company.  |

## Section D : BR Information

|   |   |   |
|---|---|---|
| 1 | Details of Director / Directors responsible for BR                    | CSR Committee of the Board of Directors of the Company formed in terms of Section 135 of the Companies Act, 2013 inter alia also monitors the BR functions of the Company.  |
|   | a. Details of director responsible for implementation of BR policies. | The CSR Committee of the Board functions under the Chairmanship of Dr. Sanjiv Goenka with Mr. C. K. Dhanuka, Independent Director and Mr. R. Chowdhury, Managing Director (Generation) being the two other members of the Committee.  |
|   | b. Details of BR Head   | For the financial year 2019-20, Mr. R. Chowdhury, Managing Director (Generation) has been entrusted with the overall responsibility for BR activities. Details of Mr. R. Chowdhury are as under:<br>i) DIN :06601588<br>ii) Designation : Managing Director(Generation)<br>iii) Telephone No. :033 -22256040<br>iv) Email id :secretarial@rpsg.in |

## 2. Principle-wise BR policy - As per National Voluntary Guidelines

|     | Questions   | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|-----|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.  | Do you have a policy /policies for  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 2.  | Has the policy been formulated in consultation with the relevant stakeholders?  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3.  | Does the policy conform to any national/ international standards? If yes, specify   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 4.  | Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?                                   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 5.  | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of policy?                                      | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 6.  | Indicate the link for the policy to be viewed online?   | i) Code of conduct : <a href="https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf">https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf</a><br>ii) Whistle Blower Policy : <a href="https://www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf">https://www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf</a><br>iii) CSR Policy: <a href="https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf">https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf</a> |     |     |     |     |     |     |     |     |
| 7.  | Has the policy been formally communicated to all relevant internal and external stakeholders?   | Yes. Policies have been communicated to the key internal stakeholders. Communication is an ongoing process and hence intended to cover both internal and external stakeholders.   |     |     |     |     |     |     |     |     |
| 8.  | Does the Company have in-house structure to implement the policy/policies?  | Yes.  |     |     |     |     |     |     |     |     |
| 9.  | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies? | Yes. Stakeholders' Relationship Committee looks into the grievances of the Shareholders of the Company. Further, the Company also has in place a whistle blower mechanism to enable the Directors and employees of the Company to address their concerns about any instance of perceived irregularity, unethical practice and/or misconduct etc, to the Chairperson of the Audit Committee.   |     |     |     |     |     |     |     |     |
| 10. | Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                | The evaluation of CSR activities undertaken by CESC and its subsidiaries in line with the CSR policies formulated in that behalf by the Company is done by the respective CSR Committees set up in terms of the Act. Policies are reviewed periodically for their implementation based on inputs received from the stakeholders.  |     |     |     |     |     |     |     |     |

## 3. Governance related to BR

|     |   |  |
|-----|---|--|
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year | CSR Committee of the Board and senior management of the Company annually review the performance of respective policies covering the principles given in the Business Responsibility.     |
| (b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?  | Yes, annually<br>The same is available on the website of the Company. The link for viewing Business Responsibility Report is <a href="https://www.cesc.co.in">https://www.cesc.co.in</a> |

### Section E : Principle-Wise Performance Disclosure of Performance in Annual Report

#### Principle 1 : Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

For the members of the Board and Senior Management Officers, CESC has in place a "Code of Business Conduct and Ethics" to serve as a source of guiding principles for the Directors and the senior management team.

CESC employees are bound by "Ethics and Code of Conduct for RP-Sanjiv Goenka group employees" for taking part in activities outside

their jobs in a lawful and ethical manner and without any conflict with their responsibilities as employees. It is also intended for ensuring fair and ethical dealing with customers, suppliers and colleagues. Any violation of ethics, attracts appropriate disciplinary action.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No stakeholder complaint pertaining to the above Codes has been received during the last financial year. The Company did receive complaints from its Shareholders relating to their shareholdings from time to time and satisfactorily resolved the same. The details as to the number and nature of Shareholders' complaints received and resolved during the financial year have been separately shown in "Annexure -C" section of this Annual Report.

Principle2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

CESC is in the business of generation and distribution of electricity. All the assets engaged in generation and distribution of electricity are under regular surveillance through various maintenance practices and coverage of risk of fire through various fire detection and extinguishing mechanisms. The procurement, installation and commissioning of new assets as needed to cater to consumer demand, ensure adoption of safe O&M practices supported by adequate asset protection systems against fire and damage.

In line with the Vision and Mission of the Company, CESC is committed to provide safe and reliable power to the consumers under the licensed area. With a strong focus and commitment towards safety and occupational health of employees, all the thermal power plants of CESC are accredited with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards.

Various innovative projects have been implemented with an aim to reduce our carbon footprint and to conserve energy. Operating the thermal power plants by maintaining the emission level far below the statute, ensuring 100% recycling of process effluents in all the utilization of dry ash in value added products, have ensured safe and sustainable generation of electricity .

CESC has installed about 5225 nos. State-of-the-art technology SF6 Gas insulated RMUs (Ring Main Unit) for protection and operation of its primary distribution network (6 kV / 11 kV). CESC is also installing 220/132 kV Indoor GIS Substations & 33kV Distribution Stations with SF6 Gas Insulated Switchgears along with Modern protection systems for ensuring supply reliability and network redundancy. All the above initiatives have significantly contributed towards safety and sustainability of the products and services offered by CESC.

Replacement of around 21,800 (out of total 31,000+) Conventional Distribution Pillar Boxes with State-of-the-art Modified Pillar Boxes have been arranged to ensure safety of general public and our own employees engaged in various maintenance activities. Also, the total no. of Modified Pillar Boxes maintained under AMC and no. of OH Pole earthing checked and redone during FY 2019-20 are 3200 & 11000 respectively.

Keeping in mind the safety of general public and community at large, all the current installations of outdoor distribution transformers are of dry type (oil-free). Annual Failure Rate of Distribution Transformers has substantially reduced to 0.39% for around 8535 installed DTRs.

Apart from regular maintenance practices, CESC has been instrumental in taking special drives for its service installations in the areas with high population density, to ensure electrical safety at Nursing Homes & Hospitals and Slums. Some of the major activities are:

A. Nursing homes & hospitals related:

- Thorough checking of CESC's electrical installations at all Hospitals (both public & private) and the Nursing Homes with bulk HT supply within the licensed area, refurbishment of service points at 70 Hospitals done.

B. Slums related:

- Thorough checking and necessary overhauling of 460 nos large meter board (having fire history) with connected meters (15 to 25) are carried out.

Safety is given high importance and priority in the organization. An Apex Level Safety Committee formed with senior management team is actively involved to oversee the safety aspects in totality with structured systems and processes. There are Safety Committees headed by senior officers with participants from the levels of supervisors and experienced workers who effectively contribute in identification of still uncovered areas and training needs. Regular safety audits are undertaken with a focus on improved safety practices along with safe use of tools and tackles for the employees at field. Safety training for Officers, Supervisors, regular and contractual employees conducted round the year. Renowned external faculty and Govt. Institutes are partnered for specialized Safety Training. Safety Perception Survey and Safety

Awareness survey are conducted by renowned external institutes. Results of the perception survey and awareness survey are encouraging and helped defining our path forward.

To sensitize the consumers and general public at large, CESC is actively engaged in various social events. During important festivals, CESC participates in various social awareness initiatives, focusing on promotion of its digital services, safety, social responsibility and civic consciousness including energy conservation. Mailers & Videos on electrical safety, energy conservation and related aspects are shared with Consumers on a regular basis to increase awareness, through Social Media platforms, etc. Presence in the Kolkata Book Fair, Trade Fair, Food-Festivals etc. along with School Workshops and Meets with different consumer groups promotes awareness among the students and the community at large regarding safety & energy conservation. Clean & Safe Energy usage through adaptation of Electric Cooking & Electric Vehicles is promoted through focused communications via. Emailers, Social Media, etc. & the Company website.

The Company also lays emphasis on sustainable sourcing of resources and sensitize/ assess its suppliers/ vendors and contractors continuously on various aspects viz, ethics, compliances, safety, environment etc. in line with the Company's strategy. Around 80% of the total vendor base falls under local Micro, Small and Medium Entrepreneurs (MSME Units). Preferential sourcing from such local unit is done and opportunities are provided to competent vendors under this agreement for re-engineering/ developing critical items. Such initiatives create growth opportunities for local business associates, helping them for their expansion and engagement of more local manpower with prospects of their further future growth.

Principle 3 : Businesses should promote the well being of all employees

1. Please indicate the total number of employees.

Total number of permanent employees: 7886 (As on 31.3.2020)

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis

|                                    |                   |      |
|------------------------------------|-------------------|------|
| Total number of employees hired on | Temporary Basis   | 11   |
|                                    | Casual Basis      | 4    |
|                                    | Contractual Basis | 4597 |

3. Please indicate the Number of permanent women employees.

Total number of permanent women employees: 484

4. Please indicate the Number of permanent employees with disabilities.

Total number of employees with permanent disabilities: 4

5. Do you have an employee association that is recognized by management?

Most of the employees (except the management staff) are members of recognized trade union.

6. What percentage of your permanent employees is members of this recognized employee association?

As on 31 March 2020, around 92% of our permanent employees are members of a recognized trade union, with balance in Management cadre (including Junior Management Staff).

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| Category  | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---|--|--|
| Child labour/ forced labour/ involuntary labour | Not applicable                                   | Not Applicable   |
| Sexual harassment                               | NIL  | Not Applicable   |
| Discriminatory employment                       | NIL  | Not Applicable   |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

| % Safety training in the last year for undermentioned employees | No of persons<br>As on 31.3.2020 | % of Total Strength in<br>respective category |
|---|----------------------------------|---|
| Permanent Employees   | 3343                             | 42.42 %                                       |
| Permanent Women Employees                                       | NIL                              | -   |
| Casual/ Temporary/ Contractual Employees                        | 1588                             | 34.43 %                                       |
| Employees with Partial Disability                               | NIL                              | -   |

**Note:** The Technical category of employees engaged in the key business of Generation, Mains (HT & LT), Construction, System Control & Testing departments are the primary focus area for safety training. Total employees comprises of Non-technical & Clerical category also.

| % Skill upgradation training in the last year for under mentioned employees | No of persons<br>As on 31.3.2020 | % of Total Strength in respective<br>category |
|---|----------------------------------|---|
| Permanent Employees   | 2838                             | 36.01%  |
| Permanent Women Employees   | 153                              | 31.61%  |
| Casual/ Temporary/ Contractual Employees*                                   | 6209                             | > 100%  |
| Employees with Partial Disability   | NIL                              | NIL   |

\* **Note** – Repetitive training provided to this section of employees as per requirement.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

CESC has a detailed stakeholder mapping for its internal and external stakeholders, including segmented classification.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders.

CESC follows methods for capturing the feedback from the stakeholders at regular intervals.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Based on the survey feedback, as indicated above, action plans are drawn to address the issues raised by different stakeholders.

Principle 5 : Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/ NGOs/ Others?

The various aspects of human rights are embedded in Organizational values/ policies/ guidelines and are taken care of judiciously by the management.

| Existing Values / Policy / Guidelines | Aspect on Human Rights  | Applicability                     |
|---------------------------------------|---|-----------------------------------|
| Core values of CESC                   | • Humaneness  | All employees                     |
| Management Staff Regulations          | • Ethics & Code of Conduct<br>• Prevents acts of sexual harassment  | All Management Staff              |
| Standing Orders                       | • Right to a fair trial   | All workmen under Company payroll |
| MOS on Wages for Contracted workmen   | • Ensuring compliance to compensation & benefits  | All Contracted employees          |
| Recognizing Trade Unions              | • Right to freedom of expression & collective bargaining (Through elections as per West Bengal Trade Union Rules) | All permanent employees           |
| CSR Policy                            | • Promote employability<br>• Promote education, health, hygiene & environment                                     | Community beneficiaries           |
| Anti-Sexual Harassment Policy         | • Prevention of sexual harassment at workplace  | All employees                     |

| Existing Values / Policy / Guidelines | Aspect on Human Rights  | Applicability   |
|---------------------------------------|---|---|
| Safety Policy                         | • To safeguard occupational health & safety hazards                                       | All regular and contractual personnel including external stakeholders |
| Whistle Blower Policy                 | • Right to freedom of expression  | All employees   |
| Remuneration Policy                   | • Harmonizing the aspirations of human resources consistent with the goals of the Company | All employees   |
| Recruitment Policy                    | • No discrimination on the basis of caste, sex, creed & religion                          | Management staff & other employees                                    |
| Web Tendering                         | • Promote equal opportunity   | All Suppliers   |

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint relating to human rights matters was received during the financial year.

Principle 6 : Business should respect, protect, and make efforts to restore the environment

In line with the vision and mission of the Company, the efficient operation of all the key business processes are aligned to respect and protect the environment at large.

Regular energy audits are undertaken at various establishments of the Company and steps taken on an ongoing basis to improve energy efficiencies. CESC House, the registered office of the Company and the 132 KV Chakmir Substations are accredited with LEED Gold rating from U.S. Green Building Council in 2015 & with Platinum rating from IGBC in 2018 respectively.

CESC procures power from co-generation sources and is regularly responsive to consumers willing to install Roof Top Solar PV Sources as per applicable guidelines. Total capacity of grid connected Roof Top Solar PV Sources by the consumers is around 37.36 MWp (8.7 MWp added during 2019 – 20). CESC has also installed Roof Top Solar installations as a means to be energy conservative.

As a part of commitment towards environment and the community at large, 100% of the process effluents are recycled in all the power stations, by successful implementation of “Zero discharge System” for all of its power stations. The emission standard of the power plants are kept far below the stipulated norms set by WBPCB and CPCB, thereby ensuring safe generation of electricity. The Company has sustained its generation by ensuring 100% utilization of ash since 2000 and full utilization of dry ash produced by the generating stations in cement plants and in various value added products. All compliance reports and statements are submitted regularly to CEA, CPCB, WBPCB as well as Ministry of Environment, Forest & Climate Change (MoEFCC). Hazardous wastes like used oil, used resins and bio – medical wastes are disposed of through authorized recyclers.

Various studies, recommendation from Energy Audits reports, benchmarking similar utilities within and outside India, have resulted in conceptualization and implementation of various energy conservative projects by means of adoption of new technology and process improvisation leading to improvement of Auxiliary power consumption of the Generating stations. All the generating stations are accredited in ISO 14001 EMS standards.

In the area of distribution of electricity, the augmentation of Distribution infrastructure along with its O&M practices widely include adoption of quality management practices by following the ISO 9001 standards. While the asset creation group in CESC takes cares of energy conservation measures during its design, procurement, installation and commissioning stages in respect of augmentation of Distribution network, the O&M practices and measures are aligned to ensure various approaches in respect of energy conservation and protection of environment.

In addition, implementation of concepts of green building, installation of modern fire safety systems, organization wide tree transplantation, environment friendly disposal of hazardous and biological wastes, disposal of in-process scrap following WBPCB statute, introduction of various IT enabled systems and processes to reduce paper consumption in all major functions of CESC, bear the testimony of CESC’s commitment towards the environment. Various awareness campaign, observation of “World Environment Day” etc. are also being practiced across the organization to promote environmental consciousness amongst its employees.

Like other Discoms, CESC is also actively pursuing its efforts to contain its distribution losses. The subject having its unfavorable impact both in respect of conservation of energy as a part of national agenda and also on business bottom line, is under strict surveillance in CESC. Major initiatives on curtailment of misuse of power, arresting unauthorized use assume utmost importance in CESC. The Loss Control division along with CSR wing of CESC are working in tandem, to penetrate deep into the grass root levels at the identified high distribution loss areas for creating awareness of safety hazards arising out of such unauthorized power supplies, together with promoting social awareness and working on the socio-economic development factors beginning from school levels and reaching up to the community at large. Significant response could be noticed in the area as a result of sustained efforts from CESC.

CESC, being a responsible corporate citizen and in line with its Mission and Vision, has always ensured to respect and protect the environment as a part of its business strategy. With an effort to restore the environment, during the year, several awareness sessions with the commercial segment of customers for promoting “e-cooking” to replace conventional cooking system has resulted in approximate addition of 900 KW of electrical consumption. As a part of future preparedness for “usage of EV” as a means to curb environmental impact, CESC has installed 3 Electric Vehicle Charging Stations (EVCS) at strategic locations in city of Kolkata in association with KMC,. Furthermore, for captive usage, one EVCS has been installed at CESC House along with procurement of 2 EVs for own internal use.

No significant show cause / legal notices affecting its operations are pending against CESC as at the end of the financial year.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes

- (a) Indian Chamber of Commerce (ICC)
- (b) Bengal Chamber of Commerce and Industry (BCC&I)
- (c) Bengal National Chamber of Commerce and Industry (BNCCI)
- (d) Federation of Indian Chambers of Commerce & Industry (FICCI)
- (e) Confederation of Indian Industries (CII)
- (f) The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- (g) The Committee of International Council on Large Electric Systems, India (CIGRE)
- (h) India Smart Grid Forum (ISGF)
- (i) National Productivity Council (NPC)
- (j) National Safety Council (NSC)
- (k) Central Board of Irrigation & Power (CBIP)
- (l) All India Management Association (AIMA)
- (m) Calcutta Management Association (CMA)
- (n) Edison Electric, US (EEI)
- (o) National HRD Network (NHRDN)
- (p) Employers’ Federation of India (EFI)
- (q) Society of Human Resource Management (SHRM)
- (r) Administrative Staff College of India (ASCI)
- (s) British Council Limited (BCL)
- (t) Tracxn Technologies Private Limited
- (u) Global Compact Network India (GCNI)
- (v) Indian Energy Exchange (IEx)
- (w) Power Exchange of India Ltd (PIL)
- (x) Merchants Chamber of Commerce (MCC)
- (y) Association of Power Producers (APP)
- (z) Quality Circle Forum of India (QCFI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

CESC is in engagement with the above bodies for placing its views on many contemporary topics for the advancement or improvement of the society at large.

CESC is an active member of APP aiding the organization to interact with Government for policy advocacy on Coal supply and security for Independent Power Producers like CESC relating to Fuel linkages, transportation and Railway connectivity constraints.

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

The CSR policy of the Company is aimed to invest in a holistic and sustainable development of the communities where it operates. The Corporate Social Responsibility Committee – formed by the Board of Directors, is responsible to formulate the CSR Policy and reporting of CSR initiatives. CESC has been implementing several CSR projects in the areas of education, health, environment development and community development to support and facilitate development of the underprivileged and disadvantaged sections of the society. CSR

projects are undertaken after assessments of area-specific needs and in consultation with the stakeholders to ensure that they are relevant and respond to the needs of the community among which they are implemented.

2. Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO/government structures/any other organization?

CSR projects are mostly undertaken through external NGOs/implementing agencies. Some projects are implemented directly. The Company encourages its own employees to volunteer in various CSR projects. During last two years, a large number of employees of CESC engaged themselves with various CSR projects.

3. Have you done any impact assessment of your initiative?

Apart from regular monitoring and evaluation of CSR projects, baseline, mid-term and end line surveys are conducted for individual projects to measure impact against certain key parameters/ indicators. Annual perception surveys by third parties are also undertaken to assess beneficiary and stakeholder perception of the Company's CSR activities and their level of satisfaction.

4. What is your Company's direct contribution to community development projects - amount in INR and the details of the projects undertaken?

#### Education Projects

| Sl. No | Project Name           | Brief about the Project   | Amount (in INR) |
|--------|------------------------|---|-----------------|
| 1      | Nirmal Abhiyan         | Water and sanitation project in government schools                | 2470491         |
| 2      | Roshni                 | Integrated programme on child education, health, and nutrition    | 1170263         |
| 3      | School Build Programme | Infrastructure development of government/government-aided schools | 5065764         |

#### Health Projects:

| Sl. No | Project Name                             | Brief about the Project  | Amount (in INR) |
|--------|--|--|-----------------|
| 1      | Suswasthya                               | Project on maternal, child and adolescent health   | 1464751         |
| 2      | Health Camp                              | General health check-up and eye camps for underprivileged communities in Kolkata, North 24 Parganas and South Parganas | 184487          |
| 3      | Support for Mental Health Project        | Support of Mental Health Project - SEVAC   | 300000          |
| 4      | Renovation of Birajlakshmi Health Centre | Renovation of Birajlakshmi Health Centre   | 253376          |

#### Environment Projects:

| Sl. No | Project Name   | Brief about the Project  | Amount (in INR) |
|--------|--|--|-----------------|
| 1      | Urja Chetana   | Environment and energy education project in schools                                | 1851773         |
| 2      | Maintenance of elevated green median strip in certain areas of the city of Kolkata | Maintenance of elevated green median strip in certain areas of the city of Kolkata | 3583750         |

#### Community Development Projects:

| Sl. No | Project Name         | Brief about the Project  | Amount (in INR) |
|--------|----------------------|--|-----------------|
| 1      | Jagruti              | Skill Development and livelihood promotion for youth in Titagarh Municipality      | 461807          |
| 2      | Saksham              | Skill Development and livelihood promotion for youth in Tiljala – Topsia area      | 1921761         |
| 3      | Prayas Project       | Skill Development and livelihood promotion for youth in Kamarhati and Howrah       | 2130357         |
| 4      | Nirmal Sankalp       | Water and sanitation programme for urban slums in Titagarh Municipality            | 4739457         |
| 5      | Nirmal Kolkata       | A community sanitation programme being implemented in Chetla slum                  | 1274400         |
| 6      | Hamari Awaaz         | Community sensitization programme on child protection in Tiljala                   | 1214987         |
| 7      | Computer Training    | Skill development of police personnel under Barrackpore Police Commissionerate     | 41090           |
| 8      | Udaan                | Skill development and livelihood promotion for youth in Garden Reach & Khidderpore | 1302575         |
| 9      | Water Supply Project | Community Development in Titagarh  | 245922          |

Others:

| Sl. No | Project Name                               | Brief about the Project                                     | Amount (in INR) |
|--------|--|---|-----------------|
| 1      | Setting up of an Institution of excellence | Sector Permitted by Schedule-VII to the Companies Act, 2013 | 190000000       |

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Beneficiary committees/ groups have been formed in all the projects to empower them to participate in and contribute to their respective projects. This also ensures ownership and acceptability of the projects. Further, stakeholders' consultations are held at regular intervals for all the projects to ensure sustainability.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints / consumer cases is pending as on the end of financial year?

As on 31st March 2020, negligible percentage of customer complaints are pending. The Company's centralized 24x7 call centre to address Supply & Billing related issues acts as the primary touch point for all complaints and queries. We extended the 24-hour Call Centre for our HT Consumers as well. All calls are guided through Interactive Voice Recording System (IVR) and the docketed calls are routed to the concerned Department for quick resolution. Regular chat sessions with the Managing Director (Distribution) and senior leadership team continued with an overwhelming response. During 2019-20, engagement levels on CESC's social media network reflected an increasing trend.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

The Company is in the business of generation and distribution of electricity in its licensed area, hence labelling of its products is not applicable. Handling of electricity requires measures to ensure utmost safety and precautions. For improving safety awareness of consumers at large, 2 no tableau decorated with safety messages moved around the city roads and by lanes within our licensed boundary for over 2 months. Several skits on safe use of electricity, screening of animated safety films, safety quiz, giving away token prizes to winners, distribution of leaflets containing safety tips are some of the activities performed in the events.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behaviours during the last five years and pending as on end of financial year. If so, please provide details there of, in about 50 words or so.

There is no case spending with regard to unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour as on 31st March 2020.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Customer Satisfaction Surveys consist of indicators to measure levels of customer satisfaction with respect to Key Business Parameters. These surveys are conducted on a regular basis across all segments i.e. commercial, industrial and residential consumers. An Annual Perception and Digital survey is carried out by a renowned market research agency to arrive at Customer Satisfaction Scores. The Company has in place regular feedback mechanism which enables it to understand what its Customers want and whether they are satisfied with the existing services or not. Based on the feedback through multiple Channels, the Management identifies gaps & develops key improvement areas which are shared with the concerned Departments and accordingly necessary action is taken there on.

Further, based on the feedbacks & suggestions from the Customers and with a view to improve Customer satisfaction and reduce consumer complaints, CESC has launched a few special offerings like Chatbot, Outbound- Dialing during Power Outages & engaged senior Officers as dedicated Key Account Managers for large and important Customers who are critical from our Business perspective.

For and on behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN :00074796

Kolkata 29 June, 2020

Form No. MR-3 SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED – 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
CESC Limited  
Regd Office- CESC House,  
Chowringhee Square  
Kolkata-700 001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CESC LIMITED (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (a statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, physically and by way of remote audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2020 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;

2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company:- As reported to us, there were no FDI and ODI transactions in the Company during the year under review.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014: Not Applicable during the year.
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: No Delisting was done during the year.

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998: No buy – back was done during the year

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above including the following observations:

1. The Company had formed along with other companies of its group, a Trust known as RP – Sanjiv Goenka Group CSR Trust which was registered on 17th February, 2015 with the Additional Registrar of Assurance, Kolkata. A sum of Rs. 19 crores was contributed to the Trust towards CSR activities during the year.

Total amount required to be spent by the Company on CSR was Rs. 21.84 crores and the amount spent during the year under report was Rs. 22.15 crores.

2. Section 186 is not applicable to the Company as it is a Company engaged in the business of providing infrastructural facilities as provided in Section 186(11)(a) of the Companies Act, 2013.

We further report that as far as we have been able to ascertain -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings,

we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-

- (i) The Electricity Act, 2003 and the Electricity Rules, 2005.
- (ii) The Factories Act, 1948.
- (iii) The Payment of Bonus Act, 1965.
- (iv) The Industrial Disputes Act, 1947.
- (v) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- (vi) The Employees' State Insurance Act, 1948.

We further report that as informed to us, during the audit period, the Company has had the following specific events / updates:

1. Except for the Demerger of the generation undertaking of CESC Limited (the Company) and its transfer and vesting into Haldia Energy Limited, a wholly owned subsidiary of the company, "the said demerger" the composite scheme of arrangement amongst the company, Haldia Energy Limited and eight other companies and their respective shareholders has been made fully effective from 1<sup>st</sup> October, 2018.

However, "the said demerger" proposal with respect to the transfer and vesting of the generation undertaking of the company into Haldia Energy Limited has been withdrawn w.e.f. 14.11.2019 and hence it is no longer been pursued with the Kolkata Bench of the Hon'ble National Company Law Tribunal.

2. Eminent Electricity Distribution Limited has become a subsidiary of the company w.e.f. 1<sup>st</sup> July, 2019.
3. The Company has opened a new corporate office during the year under audit situated at 2/4, Judges Court Road, Kolkata 700027 and is keeping some of the books of Accounts, statutory registers and other relevant books and papers of the company at the said office.
4. The Company has allotted 1700 secured, redeemable, rated, unlisted, non-convertible debentures of the face value of Rs. 10,00,000/- each aggregating to Rs.170 Crore to Citibank N.A., Mumbai for cash at par on private placement basis on the terms and conditions as mentioned in the transaction documents. 1200 debentures were allotted on 05.03.2020 and 500 debentures on 27.03.2020 respectively. As informed to us other necessary compliances will be done within the requisite timeline in terms of the issue.
5. The company has created/modified/satisfied various charges with the Registrar of Companies during the year under audit.

6. This Report is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its officers for systems and mechanism set-up by the Company for compliances under applicable Laws. Our examination, on a test-check basis, was limited to procedures followed by the

Company for ensuring the compliance with the said provisions. 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 its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

Place: Kolkata  
Date: 29.06.2020

(S.M.Gupta)  
Partner  
S. M. Gupta & Co.,  
Company Secretaries  
Firm Registration No.: P1993WB046600  
Membership No.- FCS No:896  
C P No:2053  
Peer Review No: 718/2020  
UDIN: F000896B000397556

Encl: Annexure forming an integral part of this Report

“Annexure”

To,  
The Members,  
CESC Limited  
Registered Office- CESC House,  
Chowringhee Square  
Kolkata-700 001

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audits.
2. We have followed the audit practices and processes as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained Management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations is the responsibility of the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

(S. M. Gupta)

Partner

S. M. Gupta&Co.,

Company Secretaries

Firm Registration No.:P1993WB046600

Membership No. - FCS No:896

C P No. :2053

Peer Review No: 718/2020

UDIN: F000896B000397556

Place: Kolkata

Date: 29.06.2020

**Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March 2020**  
**(Annexure 'G' to the Report of the Board of Directors)**



**A. Conservation of Energy**

Following measures taken over the year have contributed to Energy Conservation & Reduction of Losses in the company's Distribution Network.

1. Reactive power compensation by way of installing Automatic Power Factor Controllers (APFC) at the secondary (400V) side of distribution transformers (DTs).
2. Standardization to higher rated UG cables, 1000 mm<sup>2</sup> at 33 kV & 300 mm<sup>2</sup> at 6/11 kV Distribution Network as an ongoing process.
3. Continued augmentation of substation plant capacity and laying new underground and overhead lines.
4. Induction of energy efficient Distribution Transformers with low losses by including Loss Capitalization as a bid evaluation criterion as an ongoing process.
5. Installing around 800 nos. Modified Pillar Boxes with HRCfuses.

**B. Additional investment/proposals**

1. During the year, several major plant & equipment and lines were commissioned. These include:
  - a. 15-Panel 220 kV GIS Board and 15-Panel 132 kV GIS Board at Eastern Metropolitan (South) Substation.
  - b. 9-Panel 132kV GIS Board at Princep Street Substation.
  - c. 11-Panel 33 kV GIS Board each at Majerhat Substation and Jadavpur Substation
  - d. 11 Panel 33 kV Containerised GIS at Mahestala Distribution Station.
  - e. One new 16 MVA Containerised Distribution Station named Belgachia D/S.
  - f. At the 33/11-6 kV Distribution Station level, 51MVA of capacity was added at various Distribution Stations.
  - g. 123 Nos Distribution Transformers (DTs ) aggregating 54.61 MVA were added during the year taking the installed base to 8535 DTs and 2908MVA.
  - h. Lengths of lines added at different voltage levels were:1.39 ckm at 220 kV, 1.81ckm at 132 kV, 17.39ckm at 33 kV, 92.42 ckm at 11 & 6 kV and 169.35ckm of LT lines. The overall lengths of lines at the different voltages at the end of financial year are shown in the Major Statistics attached with this Report.

**Impact of the measures**

Impact of the measures as outlined under Items above may be set out as follows:

1. Strengthen the Distribution Network to cope with the growing System Demand as well as provide quality and reliable supply to the consumers.
2. Reduce component of distribution loss, enhance safety and network operational simplicity, reduce downtime, reduce frequency of breakdown and improve customer service and system efficiency.

**C. Technology Absorption**

- Use of fully bio-degradable Ester Oil in place of conventional mineral oil based transformer oil in 33/11-6 KV Power Transformer for enhancing fire safety threshold and environment friendly transformer cooling medium.
- Portable Outdoor Power Distribution Centre (PDC) i.e. a containerized E-House at a Distribution Station for optimizing space utilization, cost and reduction of execution time has been planned for two distribution stations.
- AMI based smart metering done, around 9000 smart meters installed in 2019-20, taking the total population of Smart meter to around 25000.

- Installation of APFC controllers on DTRs continues for effective capacity utilization and loss reduction (about 20 nos APFC installed in this year).
  - Installation of centralized Video surveillance system in the power cable tunnel (constructed in 1931) under the river Hooghly and at different EHV substations.
  - Installation of SCADA through wireless at fringe area Distribution substations.
  - Online PD measurement technology using HFCT (High Frequency Current Transformer) technique (improved version) for monitoring live cables.
  - Real-time monitoring of hot spot in out-door yard using thermal cameras.
  - Drone based infra-red thermography of outdoor yard.
  - Drone based mapping of power corridor of all the existing overhead 132kV and 220kV lines.
  - Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.
  - Electric Vehicle Charging station installed at 3 different locations for charging public electric vehicles in association with Kolkata Municipal Corporation.
  - Incorporated Industrial IoT based Field Devices/Sensors for real-time condition monitoring of Power & Distribution Transformers.
  - PMU (Phasor Measurement Unit) has been commissioned for better visibility of disturbances in the entire EHT network through continuous monitoring which is helping in identification of cause of system disturbance quickly and making faster decision for restoration of supply.
  - Developed and implemented Push Notification through Mobile Application for getting alerts on-the-move from Protective Relaying Devices in the event of any tripping in HV/EHV network, to enable quick decision making & network restoration.
  - Implemented Field Force Automation for Metering complaint related Inspection Activity for handling Customer Complaints through Smart Tablet causing substantial reduction in Cycle Time of activities.
  - Registered applications for Patents for a few innovations / technology absorption.
- D.** Research and Development activities continued to be an area of focus for the Company for achieving constant improvements in various operational functions for enhancing quality, productivity and consumer satisfaction. The expenses on such activities have been Rs. 0.30 crore during the year. (previous year Rs 0.27 crore).

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There have been no foreign exchange earnings (previous year- Nil) during the year. The total foreign exchange outgo was Rs. 1.70 cr (previous year Rs. 6.14 cr).

For and on behalf of the Board of Directors

Kolkata, 29 June, 2020

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

**EXTRACT TO ANNUAL RETURN**  
(Annexure 'H' to the Report of the Board of Directors)



**Form No. MGT-9**

EXTRACT OF ANNUAL RETURN  
as of the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

|  |   |
|--|---|
| <b>I. REGISTRATION AND OTHER DETAILS</b>                               |   |
| i) CIN   | L31901WB1978PLC031411   |
| ii) Registration Date  | 28 March 1978   |
| iii) Name of the Company   | CESC Limited  |
| iv) Category / Sub-Category of the Company                             | A public company limited by shares  |
| v) Address of the Registered office and contact details                | CESC House, Chowringhee Square<br>Kolkata - 700001<br>Tel: +91 22256040<br>Fax: +91 22253495<br>E-mail: secretarial@rpsg.in<br>Website: www.cesc.co.in                              |
| vi) Whether listed company   | Yes   |
| vii) Name, Address and Contact details of Registrar and Transfer Agent | Link Intime India Private Limited Vaishno Chamber,<br>5th Floor, Flat Nos-502 & 503<br>6, Brabourne Road,<br>Kolkata - 700 001<br>Tel: +91 4004 9728 / 4073 1698 Fax: +91 4073 1698 |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company are given below: -

| Sl. No | Name and Description of main products/services | NIC Code of the product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Generation and Distribution of Electricity     | 35102                           | 100%                               |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

| Sr No | Name of the Company   | Address of the Company                                 | CIN / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|-------|---|--|-----------------------|----------------------------------|------------------|--------------------|
| 1     | Au Bon Pain Café India Limited  | Duncan House, 31 Netaji Subhas Road Kolkata -700001    | U15411WB2008PLC124062 | Subsidiary                       | 93.1             | 2(87)              |
| 2     | Haldia Energy Limited   | Barick Bhawan, 6th Floor, 8 C R Avenue, Kolkata 700072 | U74210WB1994PLC066154 | Subsidiary                       | 100              | 2(87)              |
| 3     | Dhariwal Infrastructure Limited   | CESC House Chowringhee Square Kolkata 700 001          | U70109WB2006PLC111457 | Subsidiary                       | 100              | 2(87)              |
| 4     | Surya Vidyut Limited  | CESC House Chowringhee Square Kolkata 700 001          | U40108WB2010PLC150712 | Subsidiary                       | 100              | 2(87)              |
| 5     | Malegoan Power Supply Limited (Formerly known as Nalanda Power Company Limited) | CESC House Chowringhee Square Kolkata 700 001          | U40104WB2008PLC125228 | Subsidiary                       | 100              | 2(87)              |

| Sr No | Name of the Company                         | Address of the Company   | CIN / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
|-------|---|--|-----------------------|----------------------------------|------------------|--------------------|
| 6     | CESC Projects Limited                       | CESC House Chowringhee Square Kolkata 700 001  | U74999WB2011PLC163658 | Subsidiary                       | 100              | 2(87)              |
| 7     | Bantal Singapore Pte Ltd                    | 38 Beach Road, # 29-11 South Beach Tower Singapore-189767                                  | Foreign Company       | Subsidiary                       | 100              | 2(87)              |
| 8     | Pachi Hydropower Projects Limited           | Thapar House, Second Floor, Western Wing Gate No 2, 124, Janpath, New Delhi 110001         | U40109DL2007PLC171032 | Subsidiary                       | 100              | 2(87)              |
| 9     | Papu Hydropower Projects Limited            | Thapar House, Second Floor, Western Wing Gate No 2, 124, Janpath, New Delhi 110001         | U40109DL2007PLC171035 | Subsidiary                       | 100              | 2(87)              |
| 10    | Ranchi Power Distribution Company Limited   | Barick Bhawan, 6th Floor, 8 C R Avenue, Kolkata 700072                                     | U40102WB2012PLC188244 | Subsidiary                       | 100              | 2(87)              |
| 11    | Crescent Power Ltd                          | 6 Church Lane, 1st Floor, P.S. Hare Street Kolkata 700001                                  | U70101WB2004PLC099945 | Subsidiary                       | 67.83            | 2(87)              |
| 12    | Kota Electricity Distribution Limited       | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2012PLC181283 | Subsidiary                       | 100              | 2(87)              |
| 13    | Bikaner Electricity Supply Limited          | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2012PLC181372 | Subsidiary                       | 100              | 2(87)              |
| 14    | Bharatpur Electricity Services Limited      | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2012PLC181314 | Subsidiary                       | 100              | 2(87)              |
| 15    | CESC Green Power Limited                    | CESC House Chowringhee Square Kolkata 700 001  | U74999WB2017PLC219352 | Subsidiary                       | 100              | 2(87)              |
| 16    | Jarong Hydro-Electric Power Company Limited | CESC House Chowringhee Square Kolkata 700 001  | U40101WB2011PLC157466 | Subsidiary                       | 100              | 2(87)              |
| 17    | Jharkhand Electric Company Limited          | CESC House Chowringhee Square Kolkata 700 001  | U40102WB1995PLC075937 | Subsidiary                       | 100              | 2(87)              |
| 18    | Eminent Electricity Distribution Limited    | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2019PLC230040 | Subsidiary                       | 100              | 2(87)              |
| 19    | Noida Power Company Limited                 | Electric Sub-station, Knowledge Park – IV, Greater Noida Gautam Buddha Nagar UP 201310     | U31200UP1992PLC014506 | Associate                        | 49.55            | 2(6)               |
| 20    | Mahuagarhi Coal Company Pvt. Ltd            | Vidyakamal Niketan (Ground Floor) B/324, Road No. 4 Ashok Nagar, Ranchi Jharkhand - 834002 | U10100JH2008PTC013086 | Joint Venture                    | 50               | 2(6)               |

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i) Category-wise Share Holding**

| Sr. No. | Category of Shareholders  | No of Shares held at the beginning of the year<br>(As on 01.04.2019) |          |           |                   | No of shares held at the end of the year<br>(As on 31.03.2020) |          |           |                   | % Change during the year |
|---------|---|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
|         |   | Demat  | Physical | Total     | % of Total Shares | Demat  | Physical | Total     | % of Total Shares |                          |
| (A)     | Promoters   |  |          |           |                   |  |          |           |                   |                          |
| [1]     | Indian  |  |          |           |                   |  |          |           |                   |                          |
|         | (a) Individuals / Hindu Undivided Family  | 284222   | -        | 284222    | 0.21              | 284222   | -        | 284222    | 0.21              | 0.00                     |
|         | (b) Central Government  | -  | -        | -         | -                 | -  | -        | -         | -                 | 0.00                     |
|         | (c) State Government(s)   | -  | -        | -         | -                 | -  | -        | -         | -                 | 0.00                     |
|         | (d) Bodies Corporate  | 65887987   | -        | 65887987  | 49.71             | 65887987   | -        | 65887987  | 49.71             | 0.00                     |
|         | (e) Financial Institutions / Banks  | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (f) Any Other (Specify)   | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | Sub Total (A)(1)  | 66172209   | -        | 66172209  | 49.92             | 66172209   | -        | 66172209  | 49.92             | 0.00                     |
| [2]     | Foreign   |  |          |           |                   |  |          |           |                   | 0.00                     |
|         | (a) NRIs Individuals  | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (b) Other - Individuals   | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (c) Bodies Corporate  | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (d) Banks / Financial Institutions  | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (e) Any Other (Specify)   | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | Sub Total (A)(2)  | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)                | 66172209   | -        | 66172209  | 49.92             | 66172209   | -        | 66172209  | 49.92             | 0.00                     |
| (B)     | Public Shareholding   |  |          |           |                   |  |          |           |                   |                          |
| [1]     | Institutions  |  |          |           |                   |  |          |           |                   |                          |
|         | (a) Mutual Funds  | 28431977   | 2735     | 28434712  | 21.45             | 24574994   | 2735     | 24577729  | 18.54             | -2.91                    |
|         | (b) Financial Institutions / Banks  | 405029   | 22865    | 427894    | 0.32              | 136242   | 22613    | 158855    | 0.12              | -0.20                    |
|         | (c) Central Government/ State Government(s)                                       | 8351   | 2152     | 10503     | 0.01              | 8351   | 2152     | 10503     | 0.01              | 0.00                     |
|         | (d) Venture Capital Funds   | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (e) Insurance Companies   | 3995329  | 5650     | 4000979   | 3.02              | 4829378  | 5000     | 4834378   | 3.65              | 0.63                     |
|         | (f) Foreign Portfolio Investor  | 17284747   | 6202     | 17290949  | 13.04             | 24495260   | 6202     | 24501462  | 18.48             | 5.44                     |
|         | (g) Foreign Venture Capital Investors   | -  | -        | -         | -                 | -  | -        | -         | -                 | -                        |
|         | (h) Any Other (Alternative Investment Funds)                                      | 690155   | -        | 690155    | 0.52              | 660000   | -        | 660000    | 0.50              | 0.02                     |
|         | Sub Total (B)(1)  | 50815588   | 39604    | 50855192  | 38.36             | 54704225   | 38702    | 54742927  | 41.30             | 2.93                     |
| [2]     | Non-Institutions  |  |          |           |                   |  |          |           |                   | 0.00                     |
|         | (a) Bodies Corporate -  |  |          |           |                   |  |          |           |                   | 0.00                     |
|         | (i) Indian  | 3266197  | 2945640  | 6211837   | 4.69              | 4071401  | 40167    | 4111568   | 3.10              | -1.58                    |
|         | (ii) Overseas   | -  | 97050    | 97050     | 0.07              | -  | 97050    | 97050     | 0.07              | 0.00                     |
|         | (b) Individuals   |  |          |           |                   |  |          |           |                   | 0.00                     |
|         | (i) Individual shareholders holding nominal share capital upto Rs 1 lakh          | 5590718  | 698687   | 6289405   | 4.74              | 4452266  | 609887   | 5062153   | 3.82              | -0.93                    |
|         | (ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 536783   | 26162    | 562945    | 0.42              | 596390   | 27093    | 623483    | 0.47              | -0.25                    |
|         | (c) Any Other (Specify)   |  | 0        |           |                   |  | 0        |           |                   | 0.00                     |
|         | (i) NRI/ OCBs   | 516608   | 424998   | 941606    | 0.71              | 473787   | 405438   | 879225    | 0.66              | -0.05                    |
|         | (ii) Clearing Member  | 233600   | 0        | 233600    | 0.18              | 256680   | 0        | 256680    | 0.19              | 0.02                     |
|         | (iii) Trusts  | 491583   | 0        | 491583    | 0.37              | 9730   | 0        | 9730      | 0.01              | -0.36                    |
|         | (iv) Foreign Nationals  | 17379  | 27480    | 44859     | 0.03              | 20420  | 27480    | 47900     | 0.04              | 0.00                     |
|         | (v) Hindu Undivided Family  | 314641   | -        | 314641    | 0.24              | 242695   | 0        | 242695    | 0.18              | -0.05                    |
|         | (vi) Unclaimed Shares   | 130111   | -        | 130111    | 0.10              | 128940   | 0        | 128940    | 0.10              | 0.00                     |
|         | (vii) IEPF  | 167862   | -        | 167862    | 0.13              | 181583   | 0        | 181583    | 0.14              | 0.01                     |
|         | (viii) NBFCs registered with RBI  | 36211  | -        | 36211     | 0.03              | 900  | 0        | 900       | 0.00              | -0.03                    |
|         | Sub Total (B)(2)  | 11301693   | 4220017  | 15521710  | 11.71             | 10434792   | 1207115  | 11641907  | 8.78              | -2.93                    |
|         | Total Public Shareholding (B)=(B)(1)+(B)(2)                                       | 62117281   | 4259621  | 66376902  | 50.07             | 65139017   | 1245817  | 66384834  | 50.08             | 0.01                     |
|         | Total (A)+(B)   | 128289490  | 4259621  | 132549111 | 99.99             | 131311226  | 1245817  | 132557043 | 100.00            | 0.01                     |
| (C)     | Shares held by Custodian for GDRs and ADRs  | 7932   | -        | 7932      | 0.01              | 0  | -        | 0         | 0.00              | -0.01                    |
|         | Total (A)+(B)+(C)   | 128297422  | 4259621  | 132557043 | 100.00            | 131311226  | 1245817  | 132557043 | 100.00            | 0.00                     |

## SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

## ii) Shareholding of Promoters

| Sr No | Shareholder's Name                | Shareholding at the beginning of the year<br>(As on 01.04.2019) |                                  |   | Shareholding at the end of the year<br>(As on 31.03.2020) |                                  |   |  |
|-------|-----------------------------------|---|----------------------------------|---|---|----------------------------------|---|--|
|       |                                   | No. of shares held  | % of total Shares of the company | % of shares pledged/ encumbered to total shares | No. of shares held  | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | % change in shareholding during the year |
| 1     | RAINBOW INVESTMENTS LIMITED       | 58796632  | 44.36                            | 0   | 58796632  | 44.36                            | 0   | 0.00%                                    |
| 2     | STEL HOLDINGS LIMITED             | 2493470   | 1.88                             | 0   | 2493470   | 1.88                             | 0   | 0.00%                                    |
| 3     | PHILIPS CARBON BLACK LIMITED      | 1686198   | 1.27                             | 0   | 1686198   | 1.27                             | 0   | 0.00%                                    |
| 4     | SAREGAMA INDIA LIMITED            | 1259988   | 0.95                             | 0   | 1259988   | 0.95                             | 0   | 0.00%                                    |
| 5     | INTEGRATED COAL MINING LIMITED    | 1075364   | 0.81                             | 0   | 1075364   | 0.81                             | 0   | 0.00%                                    |
| 6     | KOLKATA METRO NETWORKS LIMITED    | 285000  | 0.22                             | 0   | 285000  | 0.22                             | 0   | 0.00%                                    |
| 7     | SANJIV GOENKA                     | 134794  | 0.10                             | 0   | 134794  | 0.10                             | 0   | 0.00%                                    |
| 8     | SANJIV GOENKA (HUF)               | 12296   | 0.01                             | 0   | 12296   | 0.01                             | 0   | 0.00%                                    |
| 9     | DOTEX MERCHANDISE PRIVATE LIMITED | 41335   | 0.03                             | 0   | 41335   | 0.03                             | 0   | 0.00%                                    |
| 10    | PREETI GOENKA                     | 25223   | 0.02                             | 0   | 25223   | 0.02                             | 0   | 0.00%                                    |
| 11    | AVARNA JAIN                       | 501   | 0.00                             | 0   | 501   | 0.00                             | 0   | 0.00%                                    |
| 12    | SHASHWAT GOENKA                   | 111408  | 0.08                             | 0   | 111408  | 0.08                             | 0   | 0.00%                                    |
| 13    | CASTOR INVESTMENTS LIMITED        | 250000  | 0.19                             | 0   | 250000  | 0.19                             | 0   | 0.00%                                    |
|       | Total                             | 66172209  | 49.92                            | 0   | 66172209  | 49.92                            | 0   |  |

## iii) Change in Promoters shareholding

| Sr No. | Name & Type of Transaction        | Shareholding at the beginning of the year (As on 01.04.2019) |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year (As on 31.03.2020) |                                  |
|--------|-----------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                                   | No. of Shares Held   | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No. of Shares Held  | % of Total Shares of The Company |
| 1      | RAINBOW INVESTMENTS LIMITED       | 58796632   | 44.36                            | -                            | -             | 58796632  | 44.36                            |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 58796632  | 44.36                            |
| 2      | STEL HOLDINGS LIMITED             | 2493470  | 1.88                             | -                            | -             | 2493470   | 1.88                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 2493470   | 1.88                             |
| 3      | PHILLIPS CARBON BLACK LIMITED     | 1686198  | 1.27                             | -                            | -             | 1686198   | 1.27                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 1686198   | 1.27                             |
| 4      | SAREGAMA INDIA LIMITED            | 1259988  | 0.95                             | -                            | -             | 1259988   | 0.95                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 1259988   | 0.95                             |
| 5      | INTEGRATED COAL MINING LIMITED    | 1075364  | 0.81                             | -                            | -             | 1075364   | 0.81                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 1075364   | 0.81                             |
| 6      | KOLKATA METRO NETWORKS LIMITED    | 285000   | 0.22                             | -                            | -             | 285000  | 0.22                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 285000  | 0.22                             |
| 7      | CASTOR INVESTMENTS LIMITED        | 250000   | 0.19                             | -                            | -             | 250000  | 0.19                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 250000  | 0.19                             |
| 8      | SANJIV GOENKA                     | 134794   | 0.10                             | -                            | -             | 134794  | 0.10                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 134794  | 0.10                             |
| 9      | SHASHWAT GOENKA                   | 111408   | 0.08                             | -                            | -             | 111408  | 0.08                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 111408  | 0.08                             |
| 10     | DOTEX MERCHANDISE PRIVATE LIMITED | 41335  | 0.03                             | -                            | -             | 41335   | 0.03                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 41335   | 0.03                             |
| 11     | PREETI GOENKA                     | 25223  | 0.02                             | -                            | -             | 25223   | 0.02                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 25223   | 0.02                             |
| 12     | SANJIV GOENKA HUF                 | 12296  | 0.01                             | -                            | -             | 12296   | 0.01                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 12296   | 0.01                             |
| 13     | AVARNA JAIN                       | 501  | 0.00                             | -                            | -             | 501   | 0.00                             |
|        | AT THE END OF THE YEAR            |  |                                  | -                            | -             | 501   | 0.00                             |

## iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sr No. | Name & Type of Transaction                    | Shareholding at the beginning of the year (As on 01.04.2019) |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year (As on 31.03.2020) |                                  |
|--------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |   | No. of Shares Held   | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No of Shares Held   | % of Total Shares of The Company |
| 1      | HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND | 11930021   | 8.9999                           |                              |               | 11930021  | 8.9999                           |
|        | AT THE END OF THE YEAR                        |  |                                  |                              |               | 11930021  | 8.9999                           |
| 2      | MFS EMERGING MARKETS EQUITY FUND              | 1716948  | 1.2953                           |                              |               | 1716948   | 1.2953                           |
|        | Transfer                                      |  |                                  | 05 Apr 2019                  | 21643         | 1738591   | 1.3116                           |
|        | Transfer                                      |  |                                  | 26 Apr 2019                  | 11823         | 1750414   | 1.3205                           |
|        | Transfer                                      |  |                                  | 03 May 2019                  | 37148         | 1787562   | 1.3485                           |
|        | Transfer                                      |  |                                  | 10 May 2019                  | 28300         | 1815862   | 1.3699                           |
|        | Transfer                                      |  |                                  | 17 May 2019                  | 46164         | 1862026   | 1.4047                           |
|        | Transfer                                      |  |                                  | 24 May 2019                  | 55616         | 1917642   | 1.4467                           |
|        | Transfer                                      |  |                                  | 07 Jun 2019                  | 362914        | 2280556   | 1.7204                           |
|        | Transfer                                      |  |                                  | 14 Jun 2019                  | 165843        | 2446399   | 1.8455                           |
|        | Transfer                                      |  |                                  | 21 Jun 2019                  | 267662        | 2714061   | 2.0475                           |
|        | Transfer                                      |  |                                  | 29 Jun 2019                  | 462173        | 3176234   | 2.3961                           |
|        | Transfer                                      |  |                                  | 05 Jul 2019                  | 203952        | 3380186   | 2.5500                           |
|        | Transfer                                      |  |                                  | 12 Jul 2019                  | 70503         | 3450689   | 2.6032                           |
|        | Transfer                                      |  |                                  | 19 Jul 2019                  | 31919         | 3482608   | 2.6273                           |
|        | Transfer                                      |  |                                  | 09 Aug 2019                  | 50376         | 3532984   | 2.6653                           |
|        | Transfer                                      |  |                                  | 16 Aug 2019                  | 115658        | 3648642   | 2.7525                           |
|        | Transfer                                      |  |                                  | 23 Aug 2019                  | 54088         | 3702730   | 2.7933                           |
|        | Transfer                                      |  |                                  | 30 Aug 2019                  | 29212         | 3731942   | 2.8153                           |
|        | Transfer                                      |  |                                  | 06 Sep 2019                  | 36555         | 3768497   | 2.8429                           |
|        | Transfer                                      |  |                                  | 13 Sep 2019                  | 18780         | 3787277   | 2.8571                           |
|        | Transfer                                      |  |                                  | 04 Oct 2019                  | 28285         | 3815562   | 2.8784                           |
|        | Transfer                                      |  |                                  | 11 Oct 2019                  | 35208         | 3850770   | 2.9050                           |
|        | Transfer                                      |  |                                  | 18 Oct 2019                  | 15158         | 3865928   | 2.9164                           |
|        | Transfer                                      |  |                                  | 01 Nov 2019                  | 16327         | 3882255   | 2.9287                           |
|        | Transfer                                      |  |                                  | 08 Nov 2019                  | 20960         | 3903215   | 2.9446                           |
|        | Transfer                                      |  |                                  | 22 Nov 2019                  | 48428         | 3951643   | 2.9811                           |
|        | Transfer                                      |  |                                  | 29 Nov 2019                  | 19114         | 3970757   | 2.9955                           |
|        | Transfer                                      |  |                                  | 06 Dec 2019                  | 28254         | 3999011   | 3.0168                           |
|        | Transfer                                      |  |                                  | 13 Dec 2019                  | 25759         | 4024770   | 3.0363                           |
|        | Transfer                                      |  |                                  | 27 Dec 2019                  | 20723         | 4045493   | 3.0519                           |
|        | Transfer                                      |  |                                  | 03 Jan 2020                  | -73889        | 3971604   | 2.9961                           |
|        | Transfer                                      |  |                                  | 10 Jan 2020                  | 18869         | 3990473   | 3.0104                           |
|        | Transfer                                      |  |                                  | 17 Jan 2020                  | 23096         | 4013569   | 3.0278                           |
|        | Transfer                                      |  |                                  | 31 Jan 2020                  | 124005        | 4137574   | 3.1214                           |
|        | Transfer                                      |  |                                  | 07 Feb 2020                  | 113841        | 4251415   | 3.2072                           |
|        | Transfer                                      |  |                                  | 14 Feb 2020                  | 8354          | 4259769   | 3.2135                           |
|        | Transfer                                      |  |                                  | 21 Feb 2020                  | 40430         | 4300199   | 3.2440                           |
|        | Transfer                                      |  |                                  | 06 Mar 2020                  | -28246        | 4271953   | 3.2227                           |
|        | AT THE END OF THE YEAR                        |  |                                  |                              |               | 4271953   | 3.2227                           |
| 3      | BNK CAPITAL MARKETS LIMITED                   | 2902514  | 2.1896                           |                              |               | 2902514   | 2.1896                           |
|        | Transfer                                      |  |                                  | 12 Jul 2019                  | -137990       | 2764524   | 2.0855                           |
|        | Transfer                                      |  |                                  | 26 Jul 2019                  | 137990        | 2902514   | 2.1896                           |
|        | AT THE END OF THE YEAR                        |  |                                  |                              |               | 2902514   | 2.1896                           |
| 4      | LIFE INSURANCE CORPORATION OF INDIA           | 2211282  | 1.6682                           |                              |               | 2211282   | 1.6682                           |
|        | Transfer                                      |  |                                  | 06 Mar 2020                  | 185166        | 2396448   | 1.8079                           |
|        | Transfer                                      |  |                                  | 13 Mar 2020                  | 249693        | 2646141   | 1.9962                           |
|        | Transfer                                      |  |                                  | 20 Mar 2020                  | 114519        | 2760660   | 2.0826                           |
|        | AT THE END OF THE YEAR                        |  |                                  |                              |               | 2760660   | 2.0826                           |
| 5      | ICICI PRUDENTIAL LARGE & MID CAP FUND         | 4596482  | 3.4676                           |                              |               | 4596482   | 3.4676                           |

| Sr No. | Name & Type of Transaction   | Shareholding at the beginning of the year (As on 01.04.2019) |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year (As on 31.03.2020) |                                  |
|--------|--|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |  | No. of Shares Held   | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No of Shares Held   | % of Total Shares of The Company |
|        | Transfer   |  |                                  | 26 Apr 2019                  | 184642        | 4781124   | 3.6068                           |
|        | Transfer   |  |                                  | 17 May 2019                  | 34628         | 4815752   | 3.6330                           |
|        | Transfer   |  |                                  | 07 Jun 2019                  | -166093       | 4649659   | 3.5077                           |
|        | Transfer   |  |                                  | 14 Jun 2019                  | -200000       | 4449659   | 3.3568                           |
|        | Transfer   |  |                                  | 21 Jun 2019                  | -607316       | 3842343   | 2.8986                           |
|        | Transfer   |  |                                  | 29 Jun 2019                  | -683518       | 3158825   | 2.3830                           |
|        | Transfer   |  |                                  | 05 Jul 2019                  | -280267       | 2878558   | 2.1716                           |
|        | Transfer   |  |                                  | 12 Jul 2019                  | -150926       | 2727632   | 2.0577                           |
|        | Transfer   |  |                                  | 19 Jul 2019                  | -179790       | 2547842   | 1.9221                           |
|        | Transfer   |  |                                  | 09 Aug 2019                  | -187424       | 2360418   | 1.7807                           |
|        | Transfer   |  |                                  | 23 Aug 2019                  | -101054       | 2259364   | 1.7044                           |
|        | Transfer   |  |                                  | 30 Aug 2019                  | -100511       | 2158853   | 1.6286                           |
|        | Transfer   |  |                                  | 06 Sep 2019                  | -181057       | 1977796   | 1.4920                           |
|        | Transfer   |  |                                  | 20 Sep 2019                  | -222072       | 1755724   | 1.3245                           |
|        | Transfer   |  |                                  | 18 Oct 2019                  | -4447         | 1751277   | 1.3211                           |
|        | Transfer   |  |                                  | 25 Oct 2019                  | -275861       | 1475416   | 1.1130                           |
|        | Transfer   |  |                                  | 01 Nov 2019                  | -33494        | 1441922   | 1.0878                           |
|        | Transfer   |  |                                  | 08 Nov 2019                  | -103107       | 1338815   | 1.0100                           |
|        | Transfer   |  |                                  | 06 Dec 2019                  | 48545         | 1387360   | 1.0466                           |
|        | Transfer   |  |                                  | 13 Dec 2019                  | 23004         | 1410364   | 1.0640                           |
|        | Transfer   |  |                                  | 27 Dec 2019                  | 34            | 1410398   | 1.0640                           |
|        | Transfer   |  |                                  | 03 Jan 2020                  | 23200         | 1433598   | 1.0815                           |
|        | Transfer   |  |                                  | 10 Jan 2020                  | 26741         | 1460339   | 1.1017                           |
|        | Transfer   |  |                                  | 24 Jan 2020                  | -31466        | 1428873   | 1.0779                           |
|        | Transfer   |  |                                  | 31 Jan 2020                  | 297872        | 1726745   | 1.3026                           |
|        | Transfer   |  |                                  | 07 Feb 2020                  | 25033         | 1751778   | 1.3215                           |
|        | Transfer   |  |                                  | 14 Feb 2020                  | 30656         | 1782434   | 1.3447                           |
|        | Transfer   |  |                                  | 21 Feb 2020                  | 2400          | 1784834   | 1.3465                           |
|        | Transfer   |  |                                  | 28 Feb 2020                  | 107776        | 1892610   | 1.4278                           |
|        | Transfer   |  |                                  | 06 Mar 2020                  | 453468        | 2346078   | 1.7699                           |
|        | Transfer   |  |                                  | 13 Mar 2020                  | 36605         | 2382683   | 1.7975                           |
|        | Transfer   |  |                                  | 20 Mar 2020                  | 159620        | 2542303   | 1.9179                           |
|        | Transfer   |  |                                  | 27 Mar 2020                  | 76352         | 2618655   | 1.9755                           |
|        | Transfer   |  |                                  | 31 Mar 2020                  | 36187         | 2654842   | 2.0028                           |
|        | AT THE END OF THE YEAR   |  |                                  |                              |               | 2654842   | 2.0028                           |
| 6      | FRANKLIN INDIA PRIMA FUND  | 2393095  | 1.8053                           |                              |               | 2393095   | 1.8053                           |
|        | Transfer   |  |                                  | 25 Oct 2019                  | 200000        | 2593095   | 1.9562                           |
|        | Transfer   |  |                                  | 31 Jan 2020                  | 30000         | 2623095   | 1.9788                           |
|        | AT THE END OF THE YEAR   |  |                                  |                              |               | 2623095   | 1.9788                           |
| 7      | MFS INTERNATIONAL NEW DISCOVERY FUND   | 2391765  | 1.8043                           |                              |               | 2391765   | 1.8043                           |
|        | AT THE END OF THE YEAR   |  |                                  |                              |               | 2391765   | 1.8043                           |
| 8      | ABU DHABI INVESTMENT AUTHORITY - LGLINV  | 2124728  | 1.6029                           |                              |               | 2124728   | 1.6029                           |
|        | Transfer   |  |                                  | 05 Jul 2019                  | 52040         | 2176768   | 1.6421                           |
|        | Transfer   |  |                                  | 12 Jul 2019                  | 57555         | 2234323   | 1.6856                           |
|        | Transfer   |  |                                  | 06 Sep 2019                  | -14500        | 2219823   | 1.6746                           |
|        | Transfer   |  |                                  | 13 Sep 2019                  | -33200        | 2186623   | 1.6496                           |
|        | Transfer   |  |                                  | 20 Sep 2019                  | -132800       | 2053823   | 1.5494                           |
|        | Transfer   |  |                                  | 06 Dec 2019                  | -42027        | 2011796   | 1.5177                           |
|        | Transfer   |  |                                  | 13 Dec 2019                  | -39830        | 1971966   | 1.4876                           |
|        | AT THE END OF THE YEAR   |  |                                  |                              |               | 1971966   | 1.4876                           |
| 9      | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C<br>ADITYA BIRLA SUN LIFE EQUITY FUND | 1502350  | 1.1334                           |                              |               | 1502350   | 1.1334                           |

| Sr No. | Name & Type of Transaction    | Shareholding at the beginning of the year (As on 01.04.2019) |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year (As on 31.03.2020) |                                  |
|--------|-------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                               | No. of Shares Held   | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No of Shares Held   | % of Total Shares of The Company |
|        | Transfer                      |  |                                  | 24 May 2019                  | 34100         | 1536450   | 1.1591                           |
|        | Transfer                      |  |                                  | 07 Jun 2019                  | 22000         | 1558450   | 1.1757                           |
|        | Transfer                      |  |                                  | 21 Jun 2019                  | -8600         | 1549850   | 1.1692                           |
|        | Transfer                      |  |                                  | 29 Jun 2019                  | 150           | 1550000   | 1.1693                           |
|        | Transfer                      |  |                                  | 12 Jul 2019                  | -80000        | 1470000   | 1.1090                           |
|        | Transfer                      |  |                                  | 19 Jul 2019                  | 16000         | 1486000   | 1.1210                           |
|        | Transfer                      |  |                                  | 26 Jul 2019                  | -13600        | 1472400   | 1.1108                           |
|        | Transfer                      |  |                                  | 09 Aug 2019                  | 100000        | 1572400   | 1.1862                           |
|        | Transfer                      |  |                                  | 16 Aug 2019                  | -1600         | 1570800   | 1.1850                           |
|        | Transfer                      |  |                                  | 23 Aug 2019                  | -35700        | 1535100   | 1.1581                           |
|        | Transfer                      |  |                                  | 30 Aug 2019                  | 4000          | 1539100   | 1.1611                           |
|        | Transfer                      |  |                                  | 06 Sep 2019                  | 800           | 1539900   | 1.1617                           |
|        | Transfer                      |  |                                  | 20 Sep 2019                  | 4000          | 1543900   | 1.1647                           |
|        | Transfer                      |  |                                  | 30 Sep 2019                  | 17600         | 1561500   | 1.1780                           |
|        | Transfer                      |  |                                  | 04 Oct 2019                  | 6400          | 1567900   | 1.1828                           |
|        | Transfer                      |  |                                  | 18 Oct 2019                  | -38400        | 1529500   | 1.1538                           |
|        | Transfer                      |  |                                  | 25 Oct 2019                  | -1600         | 1527900   | 1.1526                           |
|        | Transfer                      |  |                                  | 08 Nov 2019                  | 6400          | 1534300   | 1.1575                           |
|        | Transfer                      |  |                                  | 22 Nov 2019                  | -16400        | 1517900   | 1.1451                           |
|        | Transfer                      |  |                                  | 07 Feb 2020                  | 92800         | 1610700   | 1.2151                           |
|        | AT THE END OF THE YEAR        |  |                                  |                              |               | 1610700   | 1.2151                           |
| 10     | DSP EQUITY OPPORTUNITIES FUND | 1627693  | 1.2279                           |                              |               | 1627693   | 1.2279                           |
|        | Transfer                      |  |                                  | 05 Apr 2019                  | 99846         | 1727539   | 1.3032                           |
|        | Transfer                      |  |                                  | 03 May 2019                  | 151760        | 1879299   | 1.4177                           |
|        | Transfer                      |  |                                  | 24 May 2019                  | -66919        | 1812380   | 1.3672                           |
|        | Transfer                      |  |                                  | 07 Jun 2019                  | -46704        | 1765676   | 1.3320                           |
|        | Transfer                      |  |                                  | 26 Jul 2019                  | 41660         | 1807336   | 1.3634                           |
|        | Transfer                      |  |                                  | 02 Aug 2019                  | 30917         | 1838253   | 1.3868                           |
|        | Transfer                      |  |                                  | 23 Aug 2019                  | -84201        | 1754052   | 1.3232                           |
|        | Transfer                      |  |                                  | 13 Sep 2019                  | -102071       | 1651981   | 1.2462                           |
|        | Transfer                      |  |                                  | 08 Nov 2019                  | -53110        | 1598871   | 1.2062                           |
|        | Transfer                      |  |                                  | 22 Nov 2019                  | -9500         | 1589371   | 1.1990                           |
|        | Transfer                      |  |                                  | 17 Jan 2020                  | 2400          | 1591771   | 1.2008                           |
|        | Transfer                      |  |                                  | 24 Jan 2020                  | -35000        | 1556771   | 1.1744                           |
|        | Transfer                      |  |                                  | 21 Feb 2020                  | -14425        | 1542346   | 1.1635                           |
|        | AT THE END OF THE YEAR        |  |                                  |                              |               | 1542346   | 1.1635                           |

v) Shareholding of Directors and Key Managerial Personnel

| Sr. No. | Directors and KMPs                           | Shareholding at the beginning of the year |                                  | Shareholding at the end of the year |                                  |
|---------|--|---|----------------------------------|-------------------------------------|----------------------------------|
|         |  | No. of shares                             | % of total shares of the company | No. of shares                       | % of total shares of the company |
| 1       | A) Name of the Director<br>Dr. Sanjiv Goenka | 134794                                    | 0.10                             | 134794                              | 0.10                             |
| 2       | Mr. Shashwat Goenka <sup>§</sup>             | 111408                                    | 0.08                             | 111408                              | 0.08                             |
| 3       | Mr. Rabi Chowdhury                           | 228                                       | 0.00                             | 228                                 | 0.00                             |
|         | B) Key managerial personnel (KMPs)           |   |                                  |                                     |                                  |
| 4       | Mr. Subhasis Mitra                           | 103                                       | 0.00                             | 103                                 | 0.00                             |
| 5       | Mr. Rajarshi Banerjee                        | 114                                       | 0.00                             | 114                                 | 0.00                             |
|         | At the End of the year                       |   |                                  | 246647                              | 0.18                             |

§ Appointed with effect from 11 February 2020

## V. INDEBTENDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

|   | Secured Loans<br>excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|-------------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the financial year |                                     |                 |          |                    |
| i) Principal Amount                                 | 4,762.94                            | 1,300.00        | -        | 6,062.94           |
| ii) Interest due but not paid                       | -                                   | -               | -        | -                  |
| iii) Interest accrued but not due                   | 14.11                               | 0.50            | -        | 14.61              |
| Total (i+ii+iii)                                    | 4,777.05                            | 1,300.50        | -        | 6,077.55           |
| Change in Indebtedness during the financial year    |                                     |                 |          |                    |
| · Addition  | 1,497.00                            | -               | -        | 1,497.00           |
| · Reduction   | -491.07                             | -600.00         | -        | -1,091.07          |
| Net Change  | 1,005.93                            | -600.00         | -        | 405.93             |
| Indebtedness at the end of the financial year       |                                     |                 |          |                    |
| i) Principal Amount                                 | 5,768.87                            | 700.00          | -        | 6,468.87           |
| ii) Interest due but not paid                       | -                                   | -               | -        | -                  |
| iii) Interest accrued but not due                   | 16.26                               | 1.35            | -        | 17.61              |
| Total (i+ii+iii)                                    | 5,785.13                            | 701.35          | -        | 6,486.48           |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Rs (cr)

| Sl. No. | Particulars of Remuneration   | Total Amount    |
|---------|---|-----------------|
|         |   | Mr. D. Banerjee |
| 1.      | Gross salary  |                 |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 4.40            |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.20            |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -               |
| 2.      | Stock Option  | -               |
| 3.      | Sweat equity  | -               |
| 4.      | Commission  | -               |
|         | - as % of profit  |                 |
|         | - others.   |                 |
| 5.      | Others – Contribution to Provident and Superannuation Fund                          | 0.32            |
|         | Total   | 4.92            |
|         | Ceiling as per the Act  | 58.79           |

**B. Remuneration to other directors:**

Rs (cr)

| Sl No | Particulars of Remuneration                        | Name of the Director |                 |              |          |             | Total Amount |
|-------|--|----------------------|-----------------|--------------|----------|-------------|--------------|
|       |  | CK Dhanuka           | Rekha Sethi     | P Chaudhuri  | K Jairaj | Sunil Mitra |              |
| 1     | Independent Directors                              | 0.15                 | 0.07            | 0.14         | 0.09     | 0.02        | 0.47         |
|       | (a) Fee for attending board and committee meetings |                      |                 |              |          |             |              |
|       | (b) Commission                                     | 0.1                  | 0.1             | 0.1          | 0.1      | -           | 0.4          |
|       | (c) Others   |                      |                 |              |          |             |              |
|       | Total(1)   | 0.25                 | 0.17            | 0.24         | 0.19     | 0.02        | 0.87         |
| 2     | Other Non Executive Directors                      | Sanjiv Goenka        | Shashwat Goenka | P.K. Khaitan |          |             |              |
|       | (a) Fee for attending board and committee meetings | 0.18                 | 0.01            | 0.1          |          |             | 0.29         |
|       | (b) Commission                                     | 34.84                | -               | 0.1          |          |             | 34.94        |
|       | (c) Others   |                      |                 |              |          |             |              |
|       | Total(2)   | 35.02                | 0.01            | 0.2          | 0        | 0           | 35.23        |
|       | Total(B)=(1+2)                                     |                      |                 |              |          |             | 36.10        |
|       | Total Managerial Remuneration                      |                      |                 |              |          |             | 41.02        |
|       | Overall Ceiling as per the Act                     |                      |                 |              |          |             | 138.05       |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Rs (cr)

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |      |       |
|---------|---|--------------------------|------|-------|
|         |   | Company Secretary        | CFO  | Total |
| 1.      | Gross salary  |                          |      |       |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2.67                     | 3.32 | 5.99  |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.13                     | 0.21 | 0.34  |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              |                          |      |       |
| 2.      | Stock Option  | -                        | -    | -     |
| 3.      | Sweat Equity  | -                        | -    | -     |
| 4.      | Commission  |                          |      |       |
|         | - as % of profit  |                          |      |       |
|         | - others  |                          |      |       |
| 5.      | Others – Contribution to Provident Fund and Superannuation Fund                     | 0.46                     | 0.60 | 1.06  |
|         | Total   | 3.26                     | 4.13 | 7.39  |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | NONE  |                            |                                    |
| Punishment                          |                              |                   | NONE  |                            |                                    |
| Compounding                         |                              |                   | NONE  |                            |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | NONE  |                            |                                    |
| Punishment                          |                              |                   | NONE  |                            |                                    |
| Compounding                         |                              |                   | NONE  |                            |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | NONE  |                            |                                    |
| Punishment                          |                              |                   | NONE  |                            |                                    |
| Compounding                         |                              |                   | NONE  |                            |                                    |

For and on behalf of the Board of Directors

 Dr. Sanjiv Goenka  
 Chairman  
 DIN: 00074796

Kolkata, 29 June 2020

**Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (appointment and remuneration of managerial personnel) Rules, 2014 (Annexure 'I' to the Report of the Board of Directors)**



(1) The ratio of the remuneration (including sitting fees) of the Directors- Mr. D. Banerjee, Mr. P. Chaudhuri, Mr. C. K. Dhanuka, Dr. Sanjiv Goenka, Mr. Shashwat Goenka, Mr. K. Jairaj, Mr. P. K. Khaitan, Mr. Sunil Mitra and Ms. R. Sethi to the median remuneration of the employees of the Company for the financial year 2019-20 and increase in their remuneration during the said financial year (percentage) is 52.42:1 (-4.64%), 2.56 : 1 (60%), 2.66 : 1 (19.05%), 373 : 1 (6.64%), 0.11 :1 (NA\*), 2.02 :1 (18.75%), 2.13 : 1 (0%), 0.21 : 1 (NA\*) and 1.81 : 1 (6.25 %) respectively. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 21.10% and 15.40% respectively. During the said financial year, there was an increase of 7.56 % in the median remuneration of employees on the rolls as at 31 March, 2020. There were 7886 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2019-20 the average increase in remuneration was 9.75% (3)The average percentage increase in the salaries of employees on roll as at 31.3.2020 other than the managerial personnel was 8.46 % in 2019-20 whereas the increase in the managerial remuneration for the same financial year was 12.36%. (4)It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

\*Figures are not comparable since appointment done during the year 2019-20

On behalf of the Board of Directors

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

Kolkata, 29 June, 2020

## Report on the Audit of the Standalone Ind AS Financial Statements

### Opinion

We have audited the accompanying standalone Ind AS financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement

of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

#### 1. **Accrual of regulatory income and corresponding asset / liability** (as described in note 39 of the standalone Ind AS financial statements)

##### Key Audit Matter:

The company recognizes regulatory income/ assets/ liability basis its understanding and interpretation of Tariff orders and regulations notified by the West Bengal Electricity Regulatory Commission (WBERC), which are subject matter of Annual Performance Review (APR) and will be adjusted in tariffs to be notified in the future years. Management exercises judgement in estimating such amounts using past experience from the issued Tariff/APR orders including interpretation of the regulations. Such regulatory deferral balances are discounted over an estimated period of recovery using an appropriate discounting rate.

In consideration of the significant value of regulatory balances, complexity and high degree of estimation involved in computation thereof and pending annual performance reviews, we identified accrual of regulatory balances as a key audit matter.

##### How our audit addressed the key audit matter:

Our audit procedures included the following:

- We considered the Company's accounting policies with respect to accrual for regulatory deferrals and assessing compliance with Ind AS 114 "Regulatory Deferral Accounts".
- We have understood and carried out testing of the design and implementation of key financial controls related to accounting, valuation and recoverability of such regulatory balances and its disclosure in the financial statements of the Company.
- We discussed with the management on the key assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, APR orders, Tariff orders and underlying records of the Company.
- We discussed with the management on the consistency of its key assumptions and basis of estimation for all the years for which APR assessments are pending to be completed and also verified the arithmetical accuracy of such workings.
- We enquired from the management for notifications and correspondences with the regulator on the pending APR assessments.

- We audited and discussed with the management the impact considered in the financial statements in respect of APR order received during the year.
  - We also assessed the discounting rate and the estimated period of recovery considered by the management with reference to the APR process and the tariff regulations.
  - We have assessed the disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".
2. **Investments in subsidiaries of the Company** (as described in note 7 of the standalone Ind AS financial statements)

### Key Audit Matter:

The company carries its investment in subsidiaries at cost, as per the applicable Ind-AS standard and performs an impairment assessment, wherever required.

For these assessments, the company involves a valuer to determine the recoverable value of such investments using the discounted cash flow method of valuation, which is highly sensitive to changes in inputs used in valuation and involves judgement due to inherent uncertainty in the assumptions used for forecasting the future cash flows.

Accordingly, the impairment assessment of investments in Subsidiary Companies was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.

### How our audit addressed the key audit matter:

Our audit procedures included the following:

- We evaluated the objectivity and competence of the external valuation specialist involved for such valuation and obtained confirmation of independence from them.
- We discussed with the management the methodology and assumptions used in the valuation including discount rates, expected growth rates and terminal growth rates.
- We obtained suitable management representation on the projections of future cash flows and the various assumptions used in the valuation.
- We read the audited financial statements of these subsidiary companies since the year of commencement of their operations. We discussed with the management the reported improvement in performance of these companies over the years.
- We tested the arithmetical accuracy of the financial projections.

We have determined that there are no other key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder Information, Report on CSR, Business Responsibility Report and Statement containing salient features of the financial statements of Subsidiaries / Associates / Joint Ventures, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

## Independent Auditors' Report (Contd.)

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer note 31 to the standalone Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in the standalone Ind AS financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place of Signature : Kolkata

Date: June 29, 2020

Membership Number: 058652

UDIN: 20058652AAAABQ4045

## Annexure '1' to Independent Auditors' Report

### Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report on even date

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets except those in distribution system for which we have been informed that physical verification is not possible, have been physically verified by the management according to phased programme designed to cover all items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company, except for land aggregating to Rs. 199.27 crore, of which the lease deeds have expired. As explained to us, the Company is in the process of renewal of expired lease deeds.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have substantially been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies

(Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation and distribution of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

| Name of the Statute             | Nature of the Dues      | Amount (Rs. In crores) | Period to which the amount relates | Forum where the dispute is pending                  |
|---------------------------------|-------------------------|------------------------|------------------------------------|---|
| West Bengal Sales Tax Act, 1962 | Sales Tax on Meter Rent | 0.30                   | 1992-93                            | Hon'ble High Court of Calcutta.                     |
| The Customs Act, 1962           | Customs Duty            | 19.38                  | 2011-12 and 2012-13                | Customs, Excise and Service Tax Appellate Tribunal. |

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing from banks. There was no repayment due to debenture holders during the year. The Company did not have any outstanding loans or borrowings in respect of a financial institution or Government during the year.

ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of non-convertible debentures and term loans for the

## Annexure '1' to Independent Auditors' Report (Contd.)



- purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**  
Partner

Place of Signature : Kolkata  
Date: June 29, 2020

Membership Number: 058652  
UDIN: 20058652AAAABQ4045

## Annexure '2' to Independent Auditors' Report

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF CESC LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CESC Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing

and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Annexure '2' to Independent Auditors' Report (Contd.)



### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Place of Signature : Kolkata  
Date: June 29, 2020

per **Kamal Agarwal**  
Partner  
Membership Number: 058652  
UDIN: 20058652AAAABQ4045

## Balance Sheet as at 31st March, 2020

| Particulars   | Note No.  | ₹ in crore                |                           |
|---|-----------|---------------------------|---------------------------|
|   |           | As at<br>31st March, 2020 | As at<br>31st March, 2019 |
| <b>ASSETS</b>   |           |                           |                           |
| <b>Non-current Assets</b>   |           |                           |                           |
| Property, Plant and Equipment   | 4         | 14,629.69                 | 14,553.23                 |
| Capital work-in-progress  |           | 89.28                     | 66.54                     |
| Investment Property   | 5         | 62.63                     | 56.03                     |
| Intangible Assets   | 6         | 117.51                    | 127.11                    |
| Financial Assets  |           |                           |                           |
| Investments   | 7         | 4,430.57                  | 4,429.57                  |
| Loans   | 8         | 40.07                     | 32.60                     |
| Others  | 9         | 75.17                     | 56.21                     |
| Other non-current assets  | 10        | 120.09                    | 141.95                    |
|   | (A)       | 19,565.01                 | 19,463.24                 |
| <b>Current Assets</b>   |           |                           |                           |
| Inventories   | 11        | 387.17                    | 382.63                    |
| Financial Assets  |           |                           |                           |
| Investments   | 12        | 15.01                     | 513.03                    |
| Trade receivables   | 13        | 991.19                    | 1,028.25                  |
| Cash and cash equivalents   | 14        | 1,050.23                  | 321.30                    |
| Bank balances other than cash and cash equivalents                                      | 15        | 362.61                    | 302.28                    |
| Others  | 16        | 89.47                     | 101.75                    |
| Other current assets  | 17        | 250.15                    | 330.16                    |
|   | (B)       | 3,145.83                  | 2,979.40                  |
| Regulatory deferral account balances  | (C)       | 4,240.80                  | 3,646.26                  |
| <b>TOTAL ASSETS</b>   | (A+B+C)   | 26,951.64                 | 26,088.90                 |
| <b>EQUITY AND LIABILITIES</b>   |           |                           |                           |
| <b>Equity</b>   |           |                           |                           |
| Equity Share capital  | 19        | 133.22                    | 133.22                    |
| Other Equity  | 20        | 9,904.81                  | 9,630.85                  |
|   | (D)       | 10,038.03                 | 9,764.07                  |
| <b>Liabilities</b>  |           |                           |                           |
| <b>Non-current Liabilities</b>  |           |                           |                           |
| Financial Liabilities   |           |                           |                           |
| Borrowings  | 21        | 3,688.46                  | 3,360.03                  |
| Trade Payables  |           |                           |                           |
| (a) Total outstanding dues to micro enterprise & small enterprises                      |           | -                         | -                         |
| (b) Total outstanding dues of creditors other than micro enterprise & small enterprises |           | 48.10                     | 43.63                     |
| Consumers' Security Deposits  | 45        | 1,622.67                  | 1,482.58                  |
| Others  | 22        | 238.82                    | 6.70                      |
| Provisions  | 23        | 409.35                    | 333.22                    |
| Deferred tax liabilities (net)  | 24        | 3,480.78                  | 3,474.98                  |
| Other non-current liabilities   | 25        | 189.11                    | 218.66                    |
|   | (E)       | 9,677.29                  | 8,919.80                  |
| <b>Current Liabilities</b>  |           |                           |                           |
| Financial Liabilities   |           |                           |                           |
| Borrowings  | 26        | 1,590.01                  | 1,485.44                  |
| Trade Payables  |           |                           |                           |
| (a) Total outstanding dues to micro enterprise & small enterprises                      | 27        | 13.83                     | 5.51                      |
| (b) Total outstanding dues of creditors other than micro enterprise & small enterprises |           | 583.66                    | 613.64                    |
| Others  | 28        | 2,863.60                  | 3,167.92                  |
| Other current liabilities   | 29        | 555.16                    | 582.40                    |
| Provisions  | 30        | 62.56                     | 63.18                     |
| Current tax liabilities (net)   |           | 103.15                    | 85.27                     |
|   | (F)       | 5,771.97                  | 6,003.36                  |
|   |           | 25,487.29                 | 24,687.23                 |
| Regulatory deferral account balances  | (G)       | 1,464.35                  | 1,401.67                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | (D+E+F+G) | 26,951.64                 | 26,088.90                 |
| Notes forming part of Financial Statements  | 1-55      |                           |                           |

This is the Balance Sheet referred to in our Report of even date.

For S.R.BATLIBOI & Co. LLP  
 Chartered Accountants  
 Firm Registration Number -301003E/E300005

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 29th June, 2020

For and on behalf of Board of Directors

Chairman Sanjiv Goenka DIN : 00074796  
 Managing Director -Generation Rabi Chowdhury DIN : 06601588  
 Managing Director- Distribution Debasish Banerjee DIN : 06443204  
 Company Secretary Subhasis Mitra  
 Executive Director & CFO Rajarshi Banerjee

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

| Particulars  | Note No. | ₹ in crore      |                 |
|--|----------|-----------------|-----------------|
|  |          | 2019-20         | 2018-19         |
| Revenue from operations  | 32       | 7,835.93        | 7,753.67        |
| Other income   | 33       | 145.88          | 164.91          |
| <b>Total Income</b>  |          | <b>7,981.81</b> | <b>7,918.58</b> |
| <b>Expenses</b>  |          |                 |                 |
| Cost of electrical energy purchased                                      |          | 2,965.99        | 2,999.22        |
| Cost of fuel   | 34       | 1,550.74        | 1,556.20        |
| Purchase of stock-in-trade   |          | 16.75           | 19.94           |
| Employee benefits expense  | 35       | 968.73          | 926.03          |
| Finance costs  | 36       | 544.23          | 466.36          |
| Depreciation and amortisation expense                                    | 37       | 447.65          | 432.62          |
| Other expenses   | 38       | 900.97          | 895.02          |
| <b>Total expenses</b>  |          | <b>7,395.06</b> | <b>7,295.39</b> |
| <b>Profit before regulatory Income/ (Expense) and tax</b>                |          | <b>586.75</b>   | <b>623.19</b>   |
| Regulatory Income/ (Expense) (net)                                       | 39       | 531.86          | 559.51          |
| <b>Profit before tax</b>   |          | <b>1,118.61</b> | <b>1,182.70</b> |
| <b>Tax expense</b>   |          |                 |                 |
| Current tax  |          | (195.06)        | (257.40)        |
| Deferred tax - income/ (expense)   |          | (5.80)          | 11.75           |
| <b>Profit for the year</b>   |          | <b>917.75</b>   | <b>937.05</b>   |
| <b>Other comprehensive loss</b>  |          |                 |                 |
| <i>Items that will not be reclassified to profit or loss</i>             |          |                 |                 |
| Remeasurement of defined benefit plan                                    |          | (40.20)         | (41.03)         |
| Income tax on above  |          | 7.02            | 8.84            |
| Gain/(Loss) on fair value of Investments                                 |          | 0.02            | (2.06)          |
| Deferred tax (charge)/credit on above                                    |          | (0.00)          | 0.48            |
| Regulatory Income/ (Expense) - deferred tax                              |          | 0.00            | (0.48)          |
| Other comprehensive loss for the year (net of tax)                       |          | (33.16)         | (34.25)         |
| <b>Total comprehensive income for the year</b>                           |          | <b>884.59</b>   | <b>902.80</b>   |
| Basic & Diluted Earnings per equity share ( Face value of ₹10 per share) | 47       | 69.23           | 70.69           |
| Notes forming part of Financial Statements                               | 1-55     |                 |                 |

This is the Statement of Profit and Loss referred to in our Report of even date.

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

|                                 |                   |                |
|---------------------------------|-------------------|----------------|
| Chairman                        | Sanjiv Goenka     | DIN : 00074796 |
| Managing Director -Generation   | Rabi Chowdhury    | DIN : 06601588 |
| Managing Director- Distribution | Debasish Banerjee | DIN : 06443204 |
| Company Secretary               | Subhasis Mitra    |                |
| Executive Director & CFO        | Rajarshi Banerjee |                |

# Statement of Cash Flow for the year ended 31st March, 2020



| Particulars   | ₹ in crore      |                 |
|---|-----------------|-----------------|
|   | 2019-20         | 2018-19         |
| <b>A. Cash flow from Operating Activities</b>                           |                 |                 |
| Profit before tax   | 1,118.61        | 1,182.70        |
| Adjustments for :   |                 |                 |
| Depreciation and amortisation expense                                   | 447.65          | 432.62          |
| Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net) | 5.02            | 2.84            |
| Gain on sale/fair valuation of current investments (net)                | (42.57)         | (38.08)         |
| Provision for Bad Debt  | 18.29           | 0.69            |
| Bad debts, advances, other receivables written off                      | 47.80           | 74.47           |
| Dividend Income   | (29.73)         | (15.00)         |
| Finance costs   | 544.23          | 466.36          |
| Interest Income   | (24.78)         | (33.85)         |
| Other non-operating income  | (18.09)         | (42.85)         |
| <b>Operating Profit before Working Capital changes</b>                  | <b>2,066.43</b> | <b>2,029.90</b> |
| Adjustments for change in:  |                 |                 |
| Trade & other receivables   | 203.12          | (86.02)         |
| Inventories   | (4.54)          | 4.34            |
| Net change in regulatory deferral account balances                      | (531.86)        | (559.03)        |
| Trade and other payables  | (286.21)        | 42.15           |
| <b>Cash Generated from Operations</b>                                   | <b>1,446.94</b> | <b>1,431.34</b> |
| Income Tax paid (net of refund)   | (164.60)        | (211.68)        |
| <b>Net cash flow from Operating Activities</b>                          | <b>1,282.34</b> | <b>1,219.66</b> |
| <b>B. Cash flow from Investing Activities</b>                           |                 |                 |
| Purchase of Property, Plant and Equipment / Capital Work-in-Progress    | (624.06)        | (644.59)        |
| Proceeds from Sale of Property, Plant and Equipment                     | 5.36            | 5.09            |
| Investment in subsidiaries including advance for share subscription     | (31.36)         | (84.10)         |
| Sale/(purchase) of Current Investments (net)                            | 542.60          | 12.80           |
| Income from investment property   | 7.19            | 13.31           |
| Net Movement in Bank Balances other than Cash and Cash Equivalents      | (60.33)         | (15.36)         |
| Dividend received   | 29.73           | 15.00           |
| Interest received   | 17.16           | 35.75           |
| <b>Net cash used in Investing Activities</b>                            | <b>(113.71)</b> | <b>(662.10)</b> |

# Statement of Cash Flow for the year ended 31st March, 2020



₹ in crore

| Particulars   | 2019-20         | 2018-19         |
|---|-----------------|-----------------|
| <b>C. Cash flow from Financing Activities</b>                       |                 |                 |
| Proceeds from Non-Current Borrowings                                | 1,497.00        | 1,138.00        |
| Repayment of Non-Current Borrowings                                 | (1,170.37)      | (1,240.74)      |
| Net movement in Cash credit facilities and other Current Borrowings | 104.57          | 192.51          |
| Payment of Lease Liabilities  | (25.81)         | -               |
| Finance Costs paid  | (526.29)        | (482.68)        |
| Dividend paid   | (264.31)        | (231.35)        |
| Dividend tax paid   | (54.49)         | (47.68)         |
| <b>Net Cash used in Financing Activities</b>                        | <b>(439.70)</b> | <b>(671.94)</b> |
| <b>Net increase / (decrease ) in cash and cash equivalents</b>      | <b>728.93</b>   | <b>(114.38)</b> |
| <b>Cash and Cash equivalents - Opening Balance [Refer Note 14]</b>  | <b>321.30</b>   | <b>435.68</b>   |
| <b>Cash and Cash equivalents - Closing Balance [Refer Note 14]</b>  | <b>1,050.23</b> | <b>321.30</b>   |

₹ in crore

| Changes in liabilities arising from financing activities | 1-Apr-19        | Cash Flows    | Others        | 31-Mar-20       |
|--|-----------------|---------------|---------------|-----------------|
| Current borrowings                                       | 1,485.44        | 104.57        | -             | 1,590.01        |
| Non-Current borrowings (including current maturities)    | 4,577.50        | 326.62        | (25.26)       | 4,878.86        |
| Lease Liabilities  | 65.68           | (25.81)       | 228.89        | 268.76          |
| <b>Total liabilities from financing activities</b>       | <b>6,128.62</b> | <b>405.38</b> | <b>203.63</b> | <b>6,737.63</b> |

| Changes in liabilities arising from financing activities | 1-Apr-18        | Cash Flows   | Others       | 31-Mar-19       |
|--|-----------------|--------------|--------------|-----------------|
| Current borrowings                                       | 1,292.93        | 192.51       | -            | 1,485.44        |
| Non-Current borrowings (including current maturities)    | 4,666.52        | (102.74)     | 13.72        | 4,577.50        |
| <b>Total liabilities from financing activities</b>       | <b>5,959.45</b> | <b>89.77</b> | <b>13.72</b> | <b>6,062.94</b> |

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

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

For and on behalf of Board of Directors

Chairman Sanjiv Goenka DIN : 00074796  
Managing Director -Generation Rabi Chowdhury DIN : 06601588  
Managing Director- Distribution Debasish Banerjee DIN : 06443204  
Company Secretary Subhasis Mitra  
Executive Director & CFO Rajarshi Banerjee

# Statement of changes in Equity for the year ended 31st March 2020



₹ in crore

## A Equity Share Capital

| Particulars   | Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|---|--|---|--|
| Equity Shares of ₹10 each issued, subscribed and fully paid |  |   |  |
| As at 31 March 2019   | 133.22   | -   | 133.22                                     |
| As at 31 March 2020   | 133.22   | -   | 133.22                                     |

## B Other Equity

| Particulars  | Reserves and Surplus * |                                |   | Total            |
|--|------------------------|--------------------------------|---|------------------|
|  | Retained Earnings      | Fund for unforeseen exigencies | Equity Instruments through Other Comprehensive Income |                  |
| <b>Balance as at 1 April, 2019</b>   | 9,364.93               | 260.43                         | 5.49  | <b>9,630.85</b>  |
| Profit for the year  | 917.75                 | -                              | -   | <b>917.75</b>    |
| Other Comprehensive loss for the year (net of tax)   | (33.18)                | -                              | 0.02  | <b>(33.16)</b>   |
| <b>Total</b>   | <b>10,249.50</b>       | <b>260.43</b>                  | <b>5.51</b>   | <b>10,515.44</b> |
| Dividends paid (including tax there on) [refer note 19(f)]   | (319.60)               | -                              | -   | <b>(319.60)</b>  |
| Transfer to/from retained earnings   | (18.67)                | 18.67                          | -   | -                |
| Withdrawal of additional depreciation during the year (refer note 49)  | (286.89)               | -                              | -   | <b>(286.89)</b>  |
| Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (refer note 49) | (4.14)                 | -                              | -   | <b>(4.14)</b>    |
| <b>Balance as at 31 March, 2020</b>  | <b>9,620.20</b>        | <b>279.10</b>                  | <b>5.51</b>   | <b>9,904.81</b>  |

| Particulars  | Reserves and Surplus * |                                |   | Total            |
|--|------------------------|--------------------------------|---|------------------|
|  | Retained Earnings      | Fund for unforeseen exigencies | Equity Instruments through Other Comprehensive Income |                  |
| Balance as at 1 April, 2018  | 9,062.75               | 244.17                         | 7.55  | 9,314.47         |
| Profit for the year  | 937.05                 | -                              | -   | 937.05           |
| Other Comprehensive loss for the year (net of tax)   | (32.19)                | -                              | (2.06)  | (34.25)          |
| <b>Total</b>   | <b>9,967.61</b>        | <b>244.17</b>                  | <b>5.49</b>   | <b>10,217.27</b> |
| Dividends paid (including tax there on)  | (279.66)               | -                              | -   | (279.66)         |
| Transfer to/ from retained earnings  | (16.26)                | 16.26                          | -   | -                |
| Withdrawal of additional depreciation during the year (refer note 49)  | (304.04)               | -                              | -   | (304.04)         |
| Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (refer note 49) | (2.72)                 | -                              | -   | (2.72)           |
| Balance as at 31 March, 2019   | 9,364.93               | 260.43                         | 5.49  | 9,630.85         |

\* (refer note 20)

This is the Statement of Changes in Equity referred to in our Report of even date.

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Managing Director -Generation Rabi Chowdhury DIN : 06601588  
Managing Director- Distribution Debasish Banerjee DIN : 06443204  
Company Secretary Subhasis Mitra  
Executive Director & CFO Rajarshi Banerjee

## Notes forming Part of Financial Statements

**NOTE-1** The operations of the Company are governed by the Electricity Act, 2003 and various Regulations and / or Policies framed thereunder by the appropriate authorities. Accordingly, in preparing the financial statements the relevant provisions of the said Act, Regulations etc. have been duly considered.

### **NOTE-2A SIGNIFICANT ACCOUNTING POLICIES**

The standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 and the regulations under the Electricity Act, 2003 to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

#### **(a) Basis of Accounting**

The financial statements have been prepared on the historical cost convention except for the following:

- i. Investments, except investment in subsidiaries, associates and joint ventures, are carried at fair value.
- ii. Certain financial assets and liabilities (including derivative instruments) are measured at fair value.

#### **(b) Use of estimates**

As required under the provisions of Ind AS for preparation of financial statements in conformity thereof, the management has made judgements, estimates and assumptions that affect the application of accounting policies, and the reported amount of assets, liabilities, income and expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **(c) Property, plant and equipment (PPE)**

##### **Tangible Assets and Depreciation**

Tangible Assets are stated either at deemed cost as considered on the date of transition to Ind- AS or at cost of acquisition / construction together with any incidental expenses related to acquisition and appropriate borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets, other than freehold land is provided on straight line method on a pro rata basis at the useful life specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Leasehold land is amortized over the unexpired period of the lease as appropriate. Additional charge of depreciation for the year on increase in value arising from fair valuation on date of transition to Ind AS, is recouped from Retained Earnings. Leasehold improvement is amortized over the unexpired period of the lease.

Useful Life of Tangible Assets is as follows:

| Particulars              | Useful Life of Assets |
|--------------------------|-----------------------|
| Buildings and Structures | 25-50 Years           |
| Plant and Equipment      | 5-25 Years            |
| Distribution System      | 25-35 Years           |
| Meters                   | 7-15 Years            |
| River Tunnel             | 50 Years              |
| Furniture and Fixtures   | 15 Years              |
| Office Equipment         | 5-15 Years            |
| Vehicles                 | 5 Years               |
| Railway Sidings          | 50 Years              |

#### **(d) Investment properties**

Property that is held for long term rental yields is classified as investment property. Carrying amount as per previous GAAP has been considered as deemed cost as on date of transition to Ind AS.

**(e) Intangible Assets and amortisation**

Intangible assets comprising computer software and mining rights, expected to provide future enduring economic benefits are stated either at deemed cost as considered on date of transition to Ind AS or at cost of acquisition / implementation / development less accumulated amortisation. The present value of the expected cost of restoration of the coal mine is included in its cost. An impairment loss is recognized where applicable, when the carrying value of intangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

Cost of intangible assets, comprising Computer Software related expenditure, are amortised in three years over its estimated useful life. Mining rights are also amortised over the estimated useful life of the assets of twenty years based on management's internal assessment.

**(f) Lease**

**Company as a lessee**

The Company's lease asset classes primarily consist of leases for land, plant & equipment, buildings and offices. The Company assesses whether a contract contains a lease, at the inception of a contract.

At the date of commencement of the lease, the Company recognizes a right of use asset (ROU) and a corresponding lease liability for all lease arrangements, in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), non lease components (like maintenance charges, etc.) and leases of low value assets.

For these short-term leases, non lease components and lease of low value assets, the Company recognizes the lease rental payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. An impairment loss is recognised where applicable, when the carrying value of ROU assets of cash generating units exceeds it fair value or value in use, whichever is higher.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of the future lease payments.

**Company as lessor**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For change in accounting policy, refer Note-3.

The Company has the following policy applicable till 31st March 2019 Ind As -17 "Leases".

A lease is classified as a finance or an operating lease as applicable.

**Company as lessee**

**Finance lease**

Finance leases are capitalised at present value of the minimum lease payments at the lease's inception and disclosed as leased property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

A leased asset is depreciated over the useful life of the asset.

**Operating lease**

Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

**Company as lessor**

**Operating lease**

Lease earnings under operating leases are recognised as an income on a straight line basis in the Statement of Profit and Loss over the lease term except where increase is in line with expected general inflation. The respective leased assets are included in the Balance Sheet based on their nature.

**(g) Financial asset**

The financial assets are classified in the following categories:

- 1) Financial assets measured at amortised cost.
- 2) Financial assets measured at fair value through profit and loss.
- 3) Equity instruments

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at their fair value

**Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

**Financial instruments measured at fair value through profit and loss (FVTPL)**

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in Statement of Profit and Loss. Investments in mutual funds are measured at fair value through profit and loss.

**Equity instruments**

Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. Investment in subsidiaries, associates and joint ventures are carried at cost or at deemed cost as considered on the date of transition to Ind-AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer Note 41). For trade receivables the simplified approach of expected life time losses has been used from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

**(h) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

Cost of commitment for borrowings of subsidiaries/associates are recognised as a liability at the time such commitment is issued. The liability is initially measured at fair value and subsequently at the amount initially recognised less cumulative amortisation.

**(i) Derivatives**

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives also give rise to regulatory income or expense which is recognised through Statement of Profit and Loss and would be considered in determining the Company's future tariff as per the tariff regulations.

**(j) Inventories**

Inventories of stores, fuel and traded goods are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

**(k) Foreign Currency Transactions**

The Company's financial statements are presented in INR which is also the functional currency of the Company. Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement/translation of monetary items is recognized in the Statement of Profit and Loss.

The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement also gives rise to regulatory income or expense which is recognised as refundable or recoverable, which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the derivative contracts entered into for managing risks thereunder.

### **(l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks, cash on hand and term deposits with original maturity of three months or less.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash, cheques and draft on hand, Balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

### **(m) Revenue from Operations**

Revenue from contracts with customers is recognised on supply of electricity or when services are rendered to the customers at an amount that reflects the consideration to which the company is entitled under appropriate regulatory framework.

Revenue to be earned from sale of electricity is regulated based on parameters set out in tariff regulations issued from time to time.

Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty collected from consumers and payable to the State Government.

The Company receives contribution from consumers in accordance with the Regulation, that is being used to construct or acquire items of property, plant and equipment in order to connect the consumer to the Company's distribution network. The Company recognises revenue in respect for such contributions so received from consumers in the year they are connected to the distribution network.

Income from meter rent is accounted for as per the approved rates.

### **(n) Other Income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, wherever applicable. Delayed Payment Surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers. Interest income arising from financial assets is accounted for using amortised cost method. Dividend Income is recognised when the right to receive is established.

### **(o) Employee Benefits**

The Company recognises contributions to provident fund, pension funds on an accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Company, impact of which is ascertained by way of actuarial valuation as at the year end. The Company, as per its schemes, extends employee benefits current and/or post retirement which are accounted for on accrual basis, and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, done by independent actuary. Actuarial gains and losses, where applicable, are recognised through Other Comprehensive Income. Compensation in respect of voluntary retirement scheme is charged to revenue.

### **(p) Finance Costs**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets up to the date, where such assets are ready for their intended use. The balance Finance Costs is charged off to Statement of Profit and Loss. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the derivative contracts entered into for managing risks thereof. Interest expense arising from financial liabilities is accounted for under effective interest rate method.

### (q) Taxes

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

The company reviews the MAT credit entitlement at each reporting date and recognises the credit against the tax payable to the extent that it is probable that it will be able to utilise the same against normal tax during the specified period.

Since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, as applicable.

### (r) Provisions and contingent liabilities

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

### (s) Business combination

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

### (t) Regulatory deferral account balances

The Company is a rate regulated entity and has elected to adopt Ind AS 114, Regulatory Deferral Accounts. Expenses/Income are recognized as Regulatory Income/Expenses in the Statement of Profit and Loss to the extent recoverable or payable in subsequent periods based on the Company's understanding of the provision of the applicable regulations framed by the West Bengal Electricity Regulatory Commission (WBERC) and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances, at their present value duly considering discounting methodology using such rates in consonance with the applicable regulations and prudence. Regulatory Deferral Account balances are adjusted from the year in which these crystallise.

### NOTE-2B Summary of significant judgements and assumptions

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :-

Estimated useful life of Intangible Assets -Note -2A (e)

Estimated Fair Valuation/Impairment assessment of certain Investments -Note-7 & Note-2 A (g)

Estimation of Regulatory Items - Note -18 & 39

Estimation of Restoration Liability- Note- 2A (e)

Impairment of Trade Receivables -Note - 2A (g)

Estimates used in Actuarial Valuation of Employee benefits -Note-35

Estimates used in Lease liabilities -Note-50

### **NOTE-3 Changes in Accounting Policy**

Effective 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied to lease contracts, existing on 1st April, 2019 using the modified retrospective method on the date of initial application. Pursuant to adoption of Ind AS 116, the Company recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets. The Company recorded the lease liability at the present value of the lease payments at the date of initial application and right-of-use asset at an amount equal to the lease liability adjusted for any prepayments/ accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

Pursuant to above, the Company recognised right-of-use asset and lease liability as at 1st April, 2019 amounting to ₹ 60.29 crore and ₹ 58.98 crore respectively and profit before tax for the year ended 31st March 2020 is decreased by ₹ 13.23 crore.

Other amendments and interpretations as outlined below apply for the year ending 31st March 2020, but do not have an impact on the financial statements.

- (a) Ind AS 12: Uncertainty over Income Tax Treatment
- (b) Ind AS 109: Prepayment Features with Negative Compensation
- (c) Ind AS 19: Plan Amendment, Curtailment or Settlement,
- (d) Ind AS 23: Borrowing Costs

The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

# Notes forming Part of Financial Statements (Contd.)

## NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS                                       | COST/ DEEMED COST     |                             |                                | DEPRECIATION / AMORTISATION |                             |                                | NET BLOCK              |                        |
|---|-----------------------|-----------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|------------------------|------------------------|
|   | As at 1st April, 2019 | Add: Additions/ Adjustments | Less: Withdrawals/ Adjustments | As at 1st April, 2019       | Add: Additions/ Adjustments | Less: Withdrawals/ Adjustments | As at 31st March, 2020 | As at 31st March, 2019 |
| Land  | 3,051.79              | 0.35                        | -                              | 79.43                       | 19.61                       | -                              | 2,953.10               | 2,972.36               |
| Buildings and Structures *                        | 745.35                | 270.97                      | -                              | 141.36                      | 43.34                       | -                              | 831.62                 | 603.99                 |
| Plant and Equipment                               | 5,692.50              | 201.64                      | 21.98                          | 1,287.60                    | 319.88                      | 15.05                          | 4,279.73               | 4,404.90               |
| Distribution System                               | 7,082.20              | 300.60                      | 14.98                          | 970.07                      | 283.56                      | 12.32                          | 6,126.51               | 6,112.13               |
| Meters and Other Apparatus on Consumers' Premises | 353.73                | 27.68                       | 10.74                          | 82.63                       | 39.86                       | 6.43                           | 254.61                 | 271.10                 |
| River Tunnel                                      | 2.78                  | -                           | -                              | 2.21                        | 0.55                        | -                              | 0.02                   | 0.57                   |
| Furniture and Fixtures                            | 35.51                 | 0.92                        | 0.31                           | 9.03                        | 2.30                        | 0.30                           | 25.09                  | 26.48                  |
| Office Equipment                                  | 103.33                | 8.94                        | 0.17                           | 33.78                       | 9.62                        | 0.09                           | 68.79                  | 69.55                  |
| Vehicles  | 11.35                 | 3.76                        | 1.64                           | 2.09                        | 2.15                        | 1.11                           | 10.34                  | 9.26                   |
| Railway Sidings                                   | 94.55                 | -                           | -                              | 11.66                       | 3.01                        | -                              | 79.88                  | 82.89                  |
| <b>Previous Year</b>                              | <b>17,173.09</b>      | <b>814.86</b>               | <b>49.82</b>                   | <b>2,619.86</b>             | <b>723.88</b>               | <b>35.30</b>                   | <b>14,629.69</b>       | <b>14,553.23</b>       |
|   | 16,519.97             | 692.10                      | 38.98                          | 1,925.94                    | 722.26                      | 28.34                          | 14,553.23              |                        |

\* Includes leasehold improvements

1. Additions/Adjustments includes right-of-use assets recognised upon adoption of Ind AS 116 (Refer Note 50).

2. The Company is in the process of renewing the lease agreement, in respect of certain leasehold land, having Gross Block ₹ 210.34 crore (31.03.2019: ₹ 210.34 crore) and Net Block ₹ 199.27 crore (31.03.2019: ₹ 201.46 crore)

**NOTE - 5 INVESTMENT PROPERTY**

| PARTICULARS     | COST / DEEMED COST    |                        | DEPRECIATION / AMORTISATION |                        | NET BLOCK              |                        |
|-----------------|-----------------------|------------------------|-----------------------------|------------------------|------------------------|------------------------|
|                 | As at 1st April, 2019 | As at 31st March, 2020 | As at 1st April, 2019       | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
| Land - Freehold | 56.03                 | 62.63                  | -                           | -                      | 62.63                  | 56.03                  |
|                 | <b>56.03</b>          | <b>62.63</b>           | -                           | -                      | <b>62.63</b>           | <b>56.03</b>           |
| Previous Year   | 56.03                 | 56.03                  | -                           | -                      | 56.03                  | -                      |

a) Income earned recognised in Statement of Profit and Loss ₹ 12.27 crore (previous year : ₹ 12.27 crore )

b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 279 crore (as on 31.03.19 : ₹ 288 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.

c) The lease term in respect of Investment Property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Company. This lease has been granted to Quest Properties India Limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said company. Incentive given by the Company by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year ₹ 12.26 crore (as on 31.03.19: ₹ 12.27 crore) later than one year but not later than five years ₹ 49.05 crore (as on 31.03.19: ₹ 49.05 crore) and later than five years ₹ 94.02 crore (as on 31.03.19: ₹ 106.28 crore).

**NOTE - 6 INTANGIBLE ASSETS**

| PARTICULARS       | COST / DEEMED COST    |                        | AMORTISATION          |                        | NET BLOCK              |                        |
|-------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
|                   | As at 1st April, 2019 | As at 31st March, 2020 | As at 1st April, 2019 | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
| Computer Software | 26.82                 | 27.88                  | 23.46                 | 26.38                  | 1.50                   | 3.36                   |
| Mining Rights     | 151.88                | 151.88                 | 28.13                 | 35.87                  | 116.01                 | 123.75                 |
|                   | <b>178.70</b>         | <b>179.76</b>          | <b>51.59</b>          | <b>62.25</b>           | <b>117.51</b>          | <b>127.11</b>          |
| Previous Year     | 174.47                | 178.70                 | 37.19                 | 51.59                  | 127.11                 | -                      |

## Notes forming Part of Financial Statements (Contd.)

### NOTE - 7 NON-CURRENT INVESTMENTS

|   | ₹ in Crore                 |                            |
|---|----------------------------|----------------------------|
|   | As at 31st.<br>March, 2020 | As at 31st.<br>March, 2019 |
| <b>a Investments in Equity Instruments, unquoted, fully paid up, carried at fair value through other comprehensive income (FVTOCI) :</b>                  |                            |                            |
| 3,250 (31.03.2019 : 3,250) Equity Shares of Integrated Coal Mining Limited of ₹10 each  | 5.52                       | 5.50                       |
| <b>b Investments in Mutual Funds, quoted, carried at fair value through profit &amp; loss (FVTPL) :</b>   |                            |                            |
| Nil (31.03.2019 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of Rs 10 each - (transferred to current investments) | -                          | 2.00                       |
| <b>c Investment in Subsidiary Companies, unquoted, fully paid up, carried at cost :</b>   |                            |                            |
| 7,35,00,000 (31.03.2019 : 13,50,000) Equity Shares of Malegaon Power Supply Limited (formerly Nalanda Power Company Limited) of ₹ 10 each                 | 7.64                       | 1.35                       |
| 3,91,50,000 (31.03.2019 : 3,68,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each*   | -                          | -                          |
| 13,55,05,800 (31.03.2019 : 13,55,05,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each   | 135.51                     | 135.51                     |
| 1,10,00,000 (31.03.2019 : 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each  | 1.85                       | 6.94                       |
| 2,87,00,000 (31.03.2019 : 2,77,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each *  | -                          | -                          |
| 28,23,615 (31.03.2019 : 28,20,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each*  | -                          | -                          |
| 44,20,983 (31.03.2019 : 44,17,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each *  | -                          | -                          |
| 26,40,80,000 (31.03.2019 : 26,40,80,000) Equity Shares of Kota Electricity Distribution Limited of ₹ 10 each @  | 266.36                     | 266.10                     |
| 12,00,50,000 (31.03.2019 : 12,00,50,000) Equity Shares of Bikaner Electricity Supply Limited of ₹ 10 each   | 121.49                     | 121.25                     |
| 2,00,50,000 (31.03.2019 : 2,00,50,000) Equity Shares of Bharatpur Electricity Services Limited of ₹ 10 each   | 20.56                      | 20.56                      |
| 4,07,00,000 (31.03.2019 : 4,07,00,000) Equity Shares of Crescent Power Limited of ₹ 10 each   | 71.91                      | 71.91                      |
| 1,20,34,41,049 (31.03.2019 : 1,20,34,41,049) Equity Shares of Haldia Energy Limited of ₹ 10 each  | 1,206.78                   | 1,206.61                   |
| 2,24,27,68,954 (31.03.2019 : 2,24,27,68,954) Equity Shares of Dhariwal Infrastructure Limited of ₹ 10 each @  | 2,561.27                   | 2,560.30                   |
| 3,40,50,000 (31.03.2019 : 3,20,50,000) Equity Shares of Jharkhand Electric Company Limited of ₹ 10 each *   | -                          | -                          |
| 20,53,000 (31.03.2019 : 20,50,000) Equity Shares of Jarong Hydro-Electric Power Company Limited of ₹ 10 each *  | -                          | -                          |
| 10,80,00,000 (31.03.2019 : 10,80,00,000 ) Equity Shares of Au Bon Pain Café India Limited of ₹10 each *   | -                          | -                          |
| 50,000 (31.03.2019 : Nil) Equity Shares of Eminent Electricity Distribution Limited of ₹ 10 each  | 0.05                       | -                          |
| 50,000 (31.03.2019 : 50,000) Equity Shares of CESC Green Power Limited of ₹ 10 each   | 0.05                       | 0.05                       |
| <b>d Investment in Associate, unquoted, fully paid up, carried at cost :</b>  |                            |                            |
| 2,97,28,500 (31.03.2019 : 2,97,28,500) Equity Shares of Noida Power Company Limited of ₹ 10 each  | 30.63                      | 30.63                      |
| <b>e Investment in Joint Venture, unquoted, fully paid up, carried at cost :</b>  |                            |                            |
| 24,29,800 (31.03.2019 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each *  | -                          | -                          |

## Notes forming Part of Financial Statements (Contd.)



|   | ₹ in Crore                 |                            |
|---|----------------------------|----------------------------|
|   | As at 31st.<br>March, 2020 | As at 31st.<br>March, 2019 |
| <b>f Investment in Preference Shares , unquoted, fully paid up, carried at fair value through Profit&amp;Loss (FVTPL) :</b> |                            |                            |
| 5,00,000 (31.03.2019 : 5,00,000) redeemable Preference Shares of face value ₹ 100 each issued by Spencer's Retail Limited.  | 0.95                       | 0.86                       |
|   | <b>4,430.57</b>            | <b>4,429.57</b>            |
| <b>Investment in quoted investments:</b>  |                            |                            |
| Aggregate Book value  | -                          | 2.00                       |
| Aggregate Market value  | -                          | 2.00                       |
| <b>Investment in unquoted investments:</b>  |                            |                            |
| Aggregate Book value  | 4,430.57                   | 4,427.57                   |
| <b>Aggregate provision for impairment in value of investments</b>   | <b>53.69</b>               | <b>43.30</b>               |
| * Fully impaired.   |                            |                            |
| @ Based on valuation carried out by an Independent third party, there is no impairment .                                    |                            |                            |
| <b>NOTE - 8 NON-CURRENT LOANS</b>   |                            |                            |
| Considered good - Unsecured   |                            |                            |
| a Security Deposit  | 36.94                      | 29.42                      |
| b Loan to employees   | 3.13                       | 3.18                       |
|   | <b>40.07</b>               | <b>32.60</b>               |
| <b>NOTE - 9 NON-CURRENT OTHER FINANCIAL ASSETS</b>  |                            |                            |
| a Share application money to subsidiary   | 20.00                      | -                          |
| b Lease Receivables   | 55.17                      | 56.21                      |
|   | <b>75.17</b>               | <b>56.21</b>               |
| <b>NOTE - 10 OTHER NON-CURRENT ASSETS</b>   |                            |                            |
| a. Capital advances   | 50.95                      | 49.62                      |
| b. Other advances   | 69.14                      | 92.33                      |
|   | <b>120.09</b>              | <b>141.95</b>              |
| <b>NOTE -11 INVENTORIES</b>   |                            |                            |
| a. Fuel (includes goods in transit 31.03.2020 : ₹ 61.49 crore ; 31.03.2019 : ₹ 62.89 crore)                                 | 208.54                     | 202.83                     |
| b. Stores and Spares  | 176.85                     | 177.40                     |
| c. Stock-in-trade   | 1.78                       | 2.40                       |
|   | <b>387.17</b>              | <b>382.63</b>              |

## Notes forming Part of Financial Statements (Contd.)



### NOTE -12 CURRENT INVESTMENTS

|  | ₹ in crore                 |                            |
|--|----------------------------|----------------------------|
|  | As at 31st.<br>March, 2020 | As at 31st.<br>March, 2019 |
| <b>Quoted</b>  |                            |                            |
| <b>Investments in Mutual Funds carried at fair value through profit and loss (FVTPL) :</b>   |                            |                            |
| Nil (31.03.2019 : 3,333,355.573 units of ₹ 300.4362 each) of Aditya Birla Sun Life Liquid Fund - Direct - Growth   | -                          | 100.15                     |
| Nil (31.03.2019 : 108,878.592 units of ₹ 3678.2855 each) of HDFC Liquid Fund - Direct - Growth   | -                          | 40.05                      |
| 442,780.675 units of ₹ 293.7816 each (31.03.2019 : 4,427,060.515 units of ₹ 276.4164 each) of ICICI Prudential Liquid Fund - Direct - Growth                   | 13.01                      | 122.37                     |
| Nil (31.03.2019 : 3,978,541.515 units of ₹ 251.7000 each) of Aditya Birla Sun Life Money Manager Fund - Direct - Growth  | -                          | 100.14                     |
| Nil (31.03.2019 : 47,829,954.944 units of ₹ 10.4744 each) of HDFC Ultra Short Term Fund - Direct - Growth  | -                          | 50.10                      |
| Nil (31.03.2019 : 3,852,050.446 units of ₹ 260.1610 each) of ICICI Prudential Money Market Fund - Direct - Growth  | -                          | 100.22                     |
| 20,00,000 (31.03.2019 : Nil) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹ 10 each - (transferred from non-current investments) | 2.00                       | -                          |
| <b>Unquoted</b>  |                            |                            |
| Investments in Commercial Paper carried at amortised cost*   | -                          | -                          |
|  | <b>15.01</b>               | <b>513.03</b>              |
| <b>Investment in quoted investments:</b>   |                            |                            |
| Aggregate Book value   | 15.01                      | 513.03                     |
| Aggregate Market value   | 15.01                      | 513.03                     |
| <b>Investment in unquoted investments:</b>   |                            |                            |
| Aggregate Book value   | -                          | -                          |
| <b>Aggregate provision for impairment in value of investments</b><br>* Fully impaired.   | <b>30.00</b>               | 30.00                      |

### NOTE -13 TRADE RECEIVABLES

|  |                 |                 |
|--|-----------------|-----------------|
| a. Considered good - Secured                 | 540.31          | 564.64          |
| b. Considered good - Unsecured               | 450.91          | 463.64          |
| c. Credit Impaired                           | 42.73           | 24.44           |
|  | <b>1,033.95</b> | <b>1,052.72</b> |
| Less : Allowances for bad and doubtful debts | 42.76           | 24.47           |
|  | <b>991.19</b>   | <b>1,028.25</b> |

Trade Receivables includes a sum of unbilled revenue of ₹ 28.93 crore.

## Notes forming Part of Financial Statements (Contd.)



### NOTE-14 CASH AND CASH EQUIVALENTS

₹ in crore

|                             | As at 31st.<br>March, 2020 | As at 31st.<br>March, 2019 |
|-----------------------------|----------------------------|----------------------------|
| a. Balances with banks      |                            |                            |
| - In current accounts       | 1,044.91                   | 316.32                     |
| b. Cheques , drafts on hand | 2.13                       | 3.35                       |
| c. Cash on hand             | 3.19                       | 1.63                       |
|                             | <u>1,050.23</u>            | <u>321.30</u>              |

### NOTE-15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

|   |               |               |
|---|---------------|---------------|
| Unpaid Dividend Account                                 | 6.54          | 5.74          |
| Bank Deposits with original maturity more than 3 months | 356.07        | 296.54        |
|   | <u>362.61</u> | <u>302.28</u> |

- a. Amount lying in deposit accounts with banks as at 31st March, 2020 includes ₹ 261.86 crore (31.03.2019: ₹ 246.86 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.
- b. Bank deposits with original maturity more than 3 months include ₹ 279.53 crore (31.03.2019 : ₹ 179.12 crore ) having original maturity more than 12 months as on the reporting date.

### NOTE-16 OTHER FINANCIAL ASSETS

#### Unsecured, considered good

|   |              |               |
|---|--------------|---------------|
| Receivable from Related Parties                 | 47.37        | 48.85         |
| Interest accrued on Bank Deposits               | 19.02        | 11.40         |
| Derivative financial instruments                | 22.50        | 40.96         |
| Receivable towards claims and services rendered | 0.58         | 0.54          |
|   | <u>89.47</u> | <u>101.75</u> |

### NOTE-17 OTHER CURRENT ASSETS

|  |               |               |
|--|---------------|---------------|
| Advances for goods and services                            | 108.60        | 206.73        |
| Others   | 141.55        | 123.43        |
| (Includes prepaid expenses etc and also refer Note 31 (c)) |               |               |
|  | <u>250.15</u> | <u>330.16</u> |

### NOTE-18 REGULATORY DEFERRAL ACCOUNT BALANCES

|  |                 |                 |
|--|-----------------|-----------------|
| Regulatory deferral account - debit balances | <u>4,240.80</u> | <u>3,646.26</u> |
| Regulatory deferral account -credit balances | <u>1,464.35</u> | <u>1,401.67</u> |

( Refer note no. 39 for details)

## Notes forming Part of Financial Statements (Contd.)



### NOTE -19 EQUITY

|  | ₹ in Crore                |                            |
|--|---------------------------|----------------------------|
|  | As at 31st.<br>March,2020 | As at 31st.<br>March, 2019 |
| a. Authorised Share Capital<br>315,60,00,000 Equity Shares of ₹ 10 each fully paid up (31.03. 2019 : 315,60,00,000) Equity Shares of ₹ 10 each fully paid up | <b>3,156.00</b>           | 3,156.00                   |
| b. Issued Capital<br>13,88,57,015 ( 31.03.2019 : 13,88,57,015) Equity Shares of ₹ 10/- each fully paid up  | <b>138.86</b>             | 138.86                     |
| c. Subscribed and paid up capital<br>13,25,57,043 (31.03.2019 :13,25,57,043) Equity Shares of ₹ 10/- each fully paid up                                      | <b>132.56</b>             | 132.56                     |
| d. Forfeited Shares (amount originally paid up)  | <b>0.66</b>               | 0.66                       |
|  | <b>133.22</b>             | 133.22                     |

e. Reconciliation of the shares outstanding at the beginning and at the end of the year.

| Particulars                  | As at 31st March, 2020 |                  | As at 31st March, 2019 |                  |
|------------------------------|------------------------|------------------|------------------------|------------------|
|                              | No. of shares          | Amount (₹ crore) | No. of shares          | Amount (₹ crore) |
| At the beginning of the year | <b>132,557,043</b>     | <b>132.56</b>    | 132,557,043            | 132.56           |
| Add : Change during the year | -                      | -                | -                      | -                |
| At the end of the year       | <b>132,557,043</b>     | <b>132.56</b>    | 132,557,043            | 132.56           |

For the period of five years immediately preceding 31st March,2020, no share was : - (i) allotted as fully paid up pursuant to any contract without payment being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 20/- per equity share (31.03.19: ₹ 17.50/- per equity share) has been paid during the year ended 31st March 2020. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

g. Details of shareholders holding more than 5% shares in the Company

| Name of shareholder                           | As at 31st March, 2020 |              | As at 31st March, 2019 |              |
|---|------------------------|--------------|------------------------|--------------|
|   | No. of shares          | % of holding | No. of shares          | % of holding |
| Rainbow Investments Limited [Refer Note 42 A] | <b>58,796,632</b>      | <b>44</b>    | 58,796,632             | 44           |
| HDFC Trustee Company Limited                  | <b>11,930,021</b>      | <b>9</b>     | 11,930,021             | 9            |

|   | ₹ in Crore                |                            |
|---|---------------------------|----------------------------|
|   | As at 31st.<br>March,2020 | As at 31st.<br>March, 2019 |
| A. Fund for unforeseen exigencies                     | <b>279.10</b>             | 260.43                     |
| Retained Earnings                                     | <b>9,620.20</b>           | 9,364.93                   |
| Equity Instruments through Other Comprehensive Income | <b>5.51</b>               | 5.49                       |
|   | <b>9,904.81</b>           | 9,630.85                   |

### NOTE -20 OTHER EQUITY

## Notes forming Part of Financial Statements (Contd.)



### NOTE -20 OTHER EQUITY ..Contd.

₹ in Crore

|  | As at 31st.<br>March,2020 | As at 31st.<br>March, 2019 |
|--|---------------------------|----------------------------|
| <b>B. i) Fund for unforeseen exigencies</b>  |                           |                            |
| At the beginning of the year   | 260.43                    | 244.17                     |
| Add : Transfer during the year from Retained Earnings  | 18.67                     | 16.26                      |
| At the end of the year   | <u>279.10</u>             | <u>260.43</u>              |
| <b>ii) Retained Earnings</b>   |                           |                            |
| Surplus at the beginning of the year   | 9,364.93                  | 9,062.75                   |
| Add : Profit for the year  | 917.75                    | 937.05                     |
| Less: Transfer to fund for unforeseen exigencies   | 18.67                     | 16.26                      |
| Less : Withdrawal on account of depreciation / amortisation of surplus on fair valuation (refer note 49)           | 286.89                    | 304.04                     |
| Less : Withdrawal of the residual surplus on fair valuation consequent to sale/disposal of assets ( refer note 49) | 4.14                      | 2.72                       |
| Less: Dividends  | 265.11                    | 231.98                     |
| Less: Dividend distribution tax on above   | 54.49                     | 47.68                      |
| Less: Items that will not be reclassified to profit or loss  |                           |                            |
| Remeasurement of defined benefit plan (Net of tax)   | 33.18                     | 32.19                      |
|  | <u>9,620.20</u>           | <u>9,364.93</u>            |
| <b>iii) Equity Instruments through Other Comprehensive Income</b>  |                           |                            |
| At the beginning of the year   | 5.49                      | 7.55                       |
| Add : Items that will not be reclassified to profit or loss  |                           |                            |
| Gain/(loss) on fair value of Investment  | 0.02                      | (2.06)                     |
| At the end of the year   | <u>5.51</u>               | <u>5.49</u>                |
|  | <u>9,904.81</u>           | <u>9,630.85</u>            |

### C. Nature and purpose of other reserves

Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.

### NOTE -21 NON-CURRENT BORROWINGS

#### a. Secured

|                                   |                 |                 |
|-----------------------------------|-----------------|-----------------|
| Non Convertible Debentures        | 170.00          | -               |
| Term Loans                        |                 |                 |
| Rupee Loans from Banks            | 4,252.32        | 3,656.57        |
| Foreign Currency Loans from Banks | 56.54           | 520.93          |
|                                   | <u>4,478.86</u> | <u>4,177.50</u> |

#### b. Unsecured

|                        |                 |                 |
|------------------------|-----------------|-----------------|
| Term loans             |                 |                 |
| Rupee Loans from Banks | 400.00          | 400.00          |
|                        | <u>4,878.86</u> | <u>4,577.50</u> |

|  |                 |                 |
|--|-----------------|-----------------|
| Less : Current maturities of long term debt transferred to Other Current Financial Liabilities (refer note 28) | 1,174.48        | 1,199.95        |
| Less : Unamortised front end fees  | 15.92           | 17.52           |
|  | <u>3,688.46</u> | <u>3,360.03</u> |

c. **Nature of Security :**

- i Debentures amounting to: ₹ 170.00 crore (31.03.2019 - Nil) are secured, ranking pari passu inter se, by equitable hypothecation of the movable fixed assets of the Company as a first charge. However, creation of the said security is in process.
- ii Out of the Term Loans in (a) above, loans amounting to:
  - (a) ₹ 3888.86 crore (31.03.2019 - ₹ 4137.50 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. (refer Note 4) as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal (refer Note 11) and other consumables, book debts, monies receivable (refer Note 13) and bank balances (refer-Note 14). However, creation of the said mortgage security in respect of eight Rupee Loans (Previous year: five Rupee Loans), aggregating ₹1255 crore (31.03.2019 - ₹ 755.50 crore) is in process
  - (b) ₹ 420.00 crore (31.03.2019- Nil) are secured, ranking pari passu inter se, by equitable hypothecation of the movable fixed assets of the Company as a first charge and
  - (c) Nil (31.03.2019- ₹ 40.00 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Company by way of a charge subservient to the charge of the first and second charge holders on the said assets.

d. Major terms of repayment of Non Current Borrowings :

₹ in Crore

| Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2020 | Debentures    | Rupee Term Loan from Banks | Foreign Currency Loans | Total           | Current Maturities |
|--|---------------|----------------------------|------------------------|-----------------|--------------------|
| Borrowings with maturity of upto 1 year                                      | -             | 439.50                     | -                      | 439.50          | 439.50             |
| Borrowings with maturity between 1 and 3 years                               | -             | 535.71                     | 56.54                  | 592.25          | 273.91             |
| Borrowings with maturity between 3 and 5 years                               | 170.00        | 1,148.02                   | -                      | 1,318.02        | 177.49             |
| Borrowings with maturity between 5 and 10 years                              | -             | 2,329.09                   | -                      | 2,329.09        | 268.58             |
| Borrowings with maturity beyond 10 years                                     | -             | 200.00                     | -                      | 200.00          | 15.00              |
| <b>Total</b>   | <b>170.00</b> | <b>4,652.32</b>            | <b>56.54</b>           | <b>4,878.86</b> | <b>1,174.48</b>    |

Interest rates on Rupee Term Loans from Banks are based on spread over respective lenders' benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. Interest rate on Debentures are based on spread over 364 days T-Bill rate. All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures of ₹ 55 crore, ₹ 55 crore and ₹60 crore are due for maturity on 02.02.2024, 10.02.2023 and 18.02.2022 respectively.

| Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2019 | Debentures | Rupee Term Loan from Banks | Foreign Currency Loans | Total           | Current Maturities |
|--|------------|----------------------------|------------------------|-----------------|--------------------|
| Borrowings with maturity of upto 1 year                                      | -          | 155.76                     | 433.89                 | 589.65          | 589.65             |
| Borrowings with maturity between 1 and 3 years                               | -          | 770.68                     | 87.04                  | 857.72          | 191.53             |
| Borrowings with maturity between 3 and 5 years                               | -          | 648.00                     | -                      | 648.00          | 160.50             |
| Borrowings with maturity between 5 and 10 years                              | -          | 2,039.13                   | -                      | 2,039.13        | 250.77             |
| Borrowings with maturity beyond 10 years                                     | -          | 443.00                     | -                      | 443.00          | 7.50               |
| <b>Total</b>   | <b>-</b>   | <b>4,056.57</b>            | <b>520.93</b>          | <b>4,577.50</b> | <b>1,199.95</b>    |

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective lenders' benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. All of the above are repayable in periodic instalments over the maturity period of the respective loans.

- e. Outstanding foreign currency loans as on 31st March, 2020 as disclosed above, stand fully hedged in Indian Rupees.

## Notes forming Part of Financial Statements (Contd.)



### NOTE -22 NON-CURRENT - OTHER FINANCIAL LIABILITIES

|                   | ₹ in Crore                |                            |
|-------------------|---------------------------|----------------------------|
|                   | As at 31st<br>March, 2020 | As at 31st.<br>March, 2019 |
| Lease liabilities | 238.82                    | 6.70                       |
|                   | <u>238.82</u>             | <u>6.70</u>                |

### NOTE -23 NON-CURRENT PROVISIONS

|                                    |               |               |
|------------------------------------|---------------|---------------|
| a. Provision for employee benefits | 373.59        | 300.16        |
| b. Restoration liabilities         | 35.76         | 33.06         |
|                                    | <u>409.35</u> | <u>333.22</u> |

#### Reconciliation of movement in Restoration Liabilities

|                              |              |              |
|------------------------------|--------------|--------------|
| Opening balance              | 33.06        | 30.42        |
| Add: Adjustment for the year | 2.70         | 2.64         |
| Closing balance              | <u>35.76</u> | <u>33.06</u> |

The Company has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.

### NOTE -24 DEFERRED TAX LIABILITIES (NET)

|   |                 |                 |
|---|-----------------|-----------------|
| Deferred Tax Liabilities  | 3,633.74        | 3,535.22        |
| Deferred Tax Assets   | (152.96)        | (60.24)         |
| Total Deferred Tax Liabilities (net)<br>(refer note 44 for further details) | <u>3,480.78</u> | <u>3,474.98</u> |

### NOTE -25 OTHER NON-CURRENT LIABILITIES

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Advance received from consumers | 79.45         | 129.32        |
| Others                          | 109.66        | 89.34         |
|                                 | <u>189.11</u> | <u>218.66</u> |

### NOTE -26 CURRENT - BORROWINGS

|  |                 |                 |
|--|-----------------|-----------------|
| a. <b>Secured</b>  |                 |                 |
| Loans repayable on demand from banks   | 1,290.01        | 585.44          |
| b. <b>Unsecured</b>  |                 |                 |
| Commercial Paper [including from banks 31.03.2020 : ₹ 300 crore, 31.03.2019 : ₹ 300 crore] | 300.00          | 900.00          |
|  | <u>1,590.01</u> | <u>1,485.44</u> |

#### c. **Nature of Security**

Working capital facilities from bank in (a) above are secured, ranking pari passu inter se, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables (refer note 11), book debts, monies receivable (refer note 13) and bank balances (refer note 14) as a first charge and, as a second charge, by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc (refer note 4). However, creation of the said security in respect of working capital facilities from banks aggregating ₹ 180.65 crore (31.03.2019: ₹ 30.65 crore) is in process.

## NOTE - 27 CURRENT - TRADE PAYABLES

₹ 0.07 crore (31.03.2019- ₹ 0.01 Crore), ₹ NIL ( 31.03.2019 - ₹ Nil ) , ₹ 0.40 crore (31.03.2019-₹0.58 crore) and ₹ 2.37 crore (31.03.2019- ₹ 1.97 crore), ₹NIL ( 31.03.2019 - ₹ Nil ) representing interest due on amount outstanding as at the year end, interest paid along with amount of payment made beyond the appointed day , interest due and payable for the period of delay in making payment during the year, amount of interest accrued and remaining unpaid at the year end, amount of further interest remaining due and payable in the succeeding years, respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act , 2006 on information available with the Company .

## NOTE- 28 OTHER FINANCIAL LIABILITIES

₹ in crore

|   | As at 31st<br>March, 2020 | As at 31st.<br>March, 2019 |
|---|---------------------------|----------------------------|
| a. Current maturities of long-term debt   | 1,174.48                  | 1,199.95                   |
| b. Interest accrued but not due   | 17.61                     | 14.61                      |
| c. Unclaimed dividends  | 6.54                      | 5.74                       |
| d. Others (refer Note - e )   | 1,664.97                  | 1,947.62                   |
|   | <b>2,863.60</b>           | <b>3,167.92</b>            |
| e. Others include current portion of consumer security deposit (including accrued interest thereon), employee related liabilities, liabilities on capital account, liabilities towards contractual obligations, lease liabilities ₹ 29.94 crore (31.03.2019: NIL) and ₹ 917.00 crore (31.03.2019: ₹ 1282.00 crore) payable to Haldia Energy Limited . |                           |                            |

## NOTE- 29 OTHER CURRENT LIABILITIES

|   |               |               |
|---|---------------|---------------|
| a. Receipt from consumers for jobs                | 178.61        | 146.54        |
| b. Liability towards statutory taxes, duties etc. | 360.74        | 355.28        |
| c. Advances received from Consumers               | 15.81         | 80.58         |
|   | <b>555.16</b> | <b>582.40</b> |

## NOTE -30 CURRENT PROVISIONS

|                                    |              |              |
|------------------------------------|--------------|--------------|
| a. Provision for employee benefits | 62.34        | 62.96        |
| b. Others                          | 0.22         | 0.22         |
|                                    | <b>62.56</b> | <b>63.18</b> |

## NOTE -31 CONTINGENT LIABILITIES AND COMMITMENTS

- a. Claims against the Company not acknowledged as debts:  
The West Bengal Taxation Tribunal had held meter rentals received by the Company from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹ 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹ 0.36 crore on account of interest. Against the above demand, the Company had deposited a sum of ₹ 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Company filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order was issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Company. Subsequently, the High Court vide order dated 9th January, 2020 released the said writ petition as withdrawn on the ground that writ is not maintainable before the Single Bench. Pursuant to above, the company has duly filed writ before the Division Bench of Calcutta High Court. The disposal of the case is still pending.
- b. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account and letter of comforts towards borrowing / financing obligations of subsidiaries from banks, not provided for amount to ₹ 76.73 crore (31.03.2019 : ₹ 97.65 crore) and ₹ 1458.96 crore ( 31.03.2019 : ₹ 1395.35 crore ) respectively. (refer note 42 for details )

- c The Ministry of Coal had encashed the bank guarantee of the Company amounting to ₹ 66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the Coal Mine Development and Production Agreement (CMDPA). Further, in terms of the above letter, the Ministry had directed the Company to top-up the bank guarantee with the aforesaid encashed amount. The Hon'ble High Court of Delhi while disposing the petition filed by the Company against the Ministry's letter dated 25.04.2018, stayed the operation of this letter and further directed the Company to approach the Tribunal. Company has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account
- d. The Company has given bank guarantee of ₹ 224.56 crore ( 31.03.2019 : ₹ 294.97 crore ) for procurement of coal , etc , which is outstanding as on the reporting date.
- e. The Company has ongoing commitment to extend support and provide equity to the subsidiaries, in respect of various projects and otherwise (where, in certain cases there are restriction on transfer of investments). The future cash outflow in respect of above cannot be ascertained at this stage.
- f. Commitments relating to leasing arrangement, refer note 4 and 50

## NOTE - 32 REVENUE FROM OPERATIONS

|                                     | ₹ in crore      |                 |
|-------------------------------------|-----------------|-----------------|
|                                     | 2019-20         | 2018-19         |
| a Earnings from sale of electricity | 7,645.64        | 7,557.73        |
| b Other Operating Revenue           |                 |                 |
| Meter Rent                          | 52.36           | 51.23           |
| Contribution from Consumers         | 100.29          | 111.45          |
| Earnings from sale of traded goods  | 20.06           | 22.94           |
| Others                              | 17.58           | 10.32           |
|                                     | <b>7,835.93</b> | <b>7,753.67</b> |

- c Earnings from sale of electricity are determined in accordance with the relevant orders of the Commission, to the extent applicable. The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month amounting to ₹ 94.12 crore ( previous year : ₹ 89.93 crore).

## NOTE- 33 OTHER INCOME

|   | ₹ in crore    |               |
|---|---------------|---------------|
|   | 2019-20       | 2018-19       |
| a Interest Income   | 24.78         | 33.85         |
| b Dividend Income   | 29.73         | 15.00         |
| c Gain on sale/ fair valuation of current investments (net) | 42.57         | 38.08         |
| d Income from financial assets at amortised cost            | 3.73          | 4.54          |
| e Other Non -operating Income *                             | 45.07         | 73.44         |
|   | <b>145.88</b> | <b>164.91</b> |

\* includes Delayed payment surcharge, Usance fee, liabilities written back , etc.

## NOTE -34 COST OF FUEL

- a Cost of Fuel includes freight ₹ 308.27 crore (previous year : ₹ 300.48 crore)
- b Consumption of fuel :

| Particulars             | UOM        | 2019-20   | 2018-19   |
|-------------------------|------------|-----------|-----------|
| (a) Consumption of coal |            |           |           |
| Quantity                | Tonnes     | 3,607,657 | 3,768,389 |
| Value                   | ₹ in crore | 1540.57   | 1545.20   |
| (b) Consumption of oil  |            |           |           |
| Quantity                | Kilolitres | 2,039.78  | 2,289.05  |
| Value                   | ₹ in crore | 10.17     | 11.00     |
| (c) Total Value         | ₹ in crore | 1550.74   | 1556.20   |

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE

|  | ₹ in crore      |          |
|--|-----------------|----------|
|  | 2019-20         | 2018-19  |
| a. Salaries, wages and bonus                   | 968.41          | 974.27   |
| b. Contribution to provident and other funds   | 105.69          | 96.87    |
| c. Employees' welfare expenses                 | 48.31           | 51.21    |
|  | <b>1,122.41</b> | 1,122.35 |
| Less : Transfer to PPE / CWIP etc.             | <b>113.48</b>   | 155.29   |
|  | <b>1,008.93</b> | 967.06   |
| Less : Transfer to Other Comprehensive Income* | <b>40.20</b>    | 41.03    |
|  | <b>968.73</b>   | 926.03   |

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit Plan has been recognised in Other Comprehensive Income.

### (i) Defined contribution plans

The Company makes contributions for provident fund and family pension schemes (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plan, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. The fund has the form of trust and is governed by the Board of Trustees. During the year, based on applicable rates, the Company has contributed and charged ₹ 71.67 crore (previous year : ₹ 58.08 crore) on this count in the Statement of Profit and Loss. Shortfall in earning of the trust compared to the statutory rate, if any is duly met by the Company.

The Company also sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The Company makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible funds for qualifying employees.

Liabilities at the year end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary.

### (ii) The amounts recognised in the Balance Sheet and the movements in the total defined benefit obligation over the year are as follows:

|  | ₹ in crore                  |                           |              |                             |                           |              |
|--|-----------------------------|---------------------------|--------------|-----------------------------|---------------------------|--------------|
|  | 2019-20                     |                           |              | 2018-19                     |                           |              |
| Gratuity (Funded)  | Present value of obligation | Fair value of plan assets | Total amount | Present value of obligation | Fair value of plan assets | Total amount |
| <b>Opening Balance</b>   | <b>438.03</b>               | <b>(405.74)</b>           | <b>32.29</b> | 417.03                      | (358.01)                  | 59.02        |
| Current service cost   | 19.31                       | -                         | 19.31        | 16.92                       | -                         | 16.92        |
| Interest expense/(income)  | 27.00                       | (29.01)                   | (2.01)       | 25.99                       | (29.91)                   | (3.92)       |
| Past Service Cost  | -                           | -                         | -            | -                           | -                         | -            |
| <b>Total amount recognised in profit and loss</b>                              | <b>46.31</b>                | <b>(29.01)</b>            | <b>17.30</b> | 42.91                       | (29.91)                   | 13.00        |
| <i>Remeasurements</i>  |                             |                           |              |                             |                           |              |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | (0.54)                    | (0.54)       | -                           | 1.30                      | 1.30         |
| (Gain)/loss from change in demographic assumptions                             | (2.01)                      | -                         | (2.01)       | -                           | -                         | -            |
| (Gain)/loss from change in financial assumptions                               | 18.64                       | -                         | 18.64        | 6.10                        | -                         | 6.10         |
| Experience (gains)/losses  | 0.62                        | -                         | 0.62         | 18.39                       | -                         | 18.39        |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>17.25</b>                | <b>(0.54)</b>             | <b>16.71</b> | 24.49                       | 1.30                      | 25.79        |
| Employer contributions   | -                           | (37.49)                   | (37.49)      | -                           | (65.52)                   | (65.52)      |
| Benefit payments   | (58.55)                     | 58.55                     | -            | (46.40)                     | 46.40                     | -            |
| <b>Closing Balance</b>   | <b>443.04</b>               | <b>(414.23)</b>           | <b>28.81</b> | 438.03                      | (405.74)                  | 32.29        |

₹ in crore

| Leave Obligation (Unfunded)                        | 2019-20                     | 2018-19                     |
|--|-----------------------------|-----------------------------|
|  | Present value of obligation | Present value of obligation |
| <b>Opening Balance</b>                             | <b>169.18</b>               | 145.05                      |
| Current service cost                               | 10.78                       | 10.13                       |
| Interest expense/(income)                          | 10.63                       | 10.50                       |
| <i>Remeasurements</i>                              |                             |                             |
| (Gain)/loss from change in demographic assumptions | (0.01)                      | -                           |
| (Gain)/loss from change in financial assumptions   | 10.91                       | 3.09                        |
| Experience (gains)/losses                          | (6.07)                      | 13.77                       |
| <b>Total amount recognised in profit and loss</b>  | <b>26.24</b>                | 37.49                       |
| Benefit payments                                   | (16.55)                     | (13.36)                     |
| <b>Closing Balance</b>                             | <b>178.87</b>               | 169.18                      |

|  | Post retirement medical benefit |         | Pension      |         |
|--|---------------------------------|---------|--------------|---------|
|  | 2019-20                         | 2018-19 | 2019-20      | 2018-19 |
| <b>Opening Balance</b>                                       | <b>86.12</b>                    | 77.86   | <b>75.53</b> | 58.44   |
| Current service cost   | 4.31                            | 1.34    | 0.41         | 0.25    |
| Interest expense/(income)                                    | 5.71                            | 5.20    | 5.54         | 4.00    |
| Past Service Cost  | 28.55                           | -       | 9.24         | 9.43    |
| <b>Total amount recognised in profit and loss</b>            | <b>38.57</b>                    | 6.54    | <b>15.19</b> | 13.68   |
| <i>Remeasurements</i>  |                                 |         |              |         |
| (Gain)/loss from change in demographic assumptions           | 1.19                            | -       | -            | -       |
| (Gain)/loss from change in financial assumptions             | 13.13                           | 2.16    | 5.64         | 1.29    |
| Experience (gains)/losses                                    | (3.28)                          | 3.23    | 6.80         | 8.56    |
| <b>Total amount recognised in other comprehensive income</b> | <b>11.04</b>                    | 5.39    | <b>12.44</b> | 9.85    |
| Benefit payments   | (3.64)                          | (3.67)  | (7.00)       | (6.44)  |
| <b>Closing balance</b>                                       | <b>132.09</b>                   | 86.12   | <b>96.16</b> | 75.53   |

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension are as follows:

|                                       | 1st year      | Between 2-5 years | Between 6-10 years | More than 10 years | Total           |
|---------------------------------------|---------------|-------------------|--------------------|--------------------|-----------------|
| <b>31-Mar-20</b>                      |               |                   |                    |                    |                 |
| Defined benefit obligation (gratuity) | 71.35         | 193.21            | 202.56             | 223.76             | <b>690.88</b>   |
| Leave obligation                      | 21.62         | 62.76             | 77.29              | 171.38             | <b>333.05</b>   |
| Post-employment medical benefits      | 6.15          | 35.02             | 65.30              | 337.46             | <b>443.93</b>   |
| Pension                               | 8.03          | 38.75             | 44.55              | 80.20              | <b>171.53</b>   |
| <b>Total</b>                          | <b>107.15</b> | <b>329.74</b>     | <b>389.70</b>      | <b>812.80</b>      | <b>1,639.39</b> |
| <b>31-Mar-19</b>                      |               |                   |                    |                    |                 |
| Defined benefit obligation (gratuity) | 72.36         | 199.19            | 218.54             | 220.25             | 710.34          |
| Leave obligation                      | 22.26         | 64.39             | 74.38              | 171.84             | 332.87          |
| Post-employment medical benefits      | 3.24          | 18.17             | 32.32              | 226.72             | 280.45          |
| Pension                               | 7.38          | 33.42             | 35.92              | 71.79              | 148.51          |
| <b>Total</b>                          | <b>105.24</b> | <b>315.17</b>     | <b>361.16</b>      | <b>690.60</b>      | <b>1,472.17</b> |

(iv) Sensitivity Analysis

₹ in crore

|  | Gratuity      |           | Post-employment medical benefits (PRMB) |           | Leave Obligation |           | Pension       |           |
|--|---------------|-----------|---|-----------|------------------|-----------|---------------|-----------|
|  | 31-Mar-20     | 31-Mar-19 | 31-Mar-20                               | 31-Mar-19 | 31-Mar-20        | 31-Mar-19 | 31-Mar-20     | 31-Mar-19 |
| DBO at 31st March with discount rate +1%             | <b>418.99</b> | 415.45    | <b>117.00</b>                           | 76.35     | <b>165.94</b>    | 157.81    | <b>89.50</b>  | 68.13     |
| Corresponding service cost                           | <b>17.96</b>  | 15.79     | <b>3.17</b>                             | 1.11      | <b>9.74</b>      | 9.19      | <b>0.37</b>   | 0.24      |
| DBO at 31st March with discount rate -1%             | <b>469.91</b> | 463.13    | <b>151.39</b>                           | 92.79     | <b>193.57</b>    | 182.07    | <b>103.72</b> | 77.64     |
| Corresponding service cost                           | <b>20.86</b>  | 18.19     | <b>5.02</b>                             | 1.55      | <b>12.03</b>     | 11.27     | <b>0.47</b>   | 0.31      |
| DBO at 31st March with +1% salary/benefit escalation | <b>455.23</b> | 452.03    | <b>140.98</b>                           | 88.10     | <b>196.80</b>    | 185.50    |               |           |
| Corresponding service cost                           | <b>20.16</b>  | 17.72     | <b>4.46</b>                             | 1.44      | <b>12.33</b>     | 11.55     |               |           |
| DBO at 31st March with -1% salary/benefit escalation | <b>429.37</b> | 422.22    | <b>124.40</b>                           | 79.85     | <b>163.38</b>    | 155.29    |               |           |
| Corresponding service cost                           | <b>18.45</b>  | 16.08     | <b>3.67</b>                             | 1.26      | <b>9.51</b>      | 8.99      |               |           |
| DBO at 31st March with +50% withdrawal rate          | <b>443.42</b> | 438.71    | <b>131.42</b>                           | 72.93     | <b>178.84</b>    | 169.49    |               |           |
| Corresponding service cost                           | <b>19.34</b>  | 16.96     | <b>3.95</b>                             | 1.32      | <b>10.79</b>     | 10.17     |               |           |
| DBO at 31st March with -50% withdrawal rate          | <b>442.70</b> | 437.37    | <b>133.14</b>                           | 73.61     | <b>178.74</b>    | 168.74    |               |           |
| Corresponding service cost                           | <b>19.28</b>  | 16.87     | <b>4.10</b>                             | 1.35      | <b>10.77</b>     | 10.10     |               |           |
| DBO at 31st March with +10% mortality rate           | <b>443.23</b> | 438.42    | <b>129.60</b>                           | 82.31     | <b>178.81</b>    | 169.35    | <b>93.09</b>  | 70.56     |
| Corresponding service cost                           | <b>19.32</b>  | 16.93     | <b>3.92</b>                             | 1.31      | <b>10.78</b>     | 10.15     | <b>0.41</b>   | 0.27      |
| DBO at 31st March with -10% mortality rate           | <b>442.90</b> | 437.66    | <b>135.11</b>                           | 85.42     | <b>178.77</b>    | 168.88    | <b>99.51</b>  | 81.31     |
| Corresponding service cost                           | <b>19.30</b>  | 16.89     | <b>4.13</b>                             | 1.36      | <b>10.78</b>     | 10.12     | <b>0.42</b>   | 0.24      |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) Major categories of total plan assets as per the Gratuity Trust Fund

|                         | 31-Mar-20     | 31-Mar-19 |
|-------------------------|---------------|-----------|
| <b>Gratuity</b>         |               |           |
| Cash & cash equivalents | <b>414.23</b> | 405.74    |
| Unquoted market price   | <b>414.23</b> | 405.74    |

(vi) Actuarial assumptions

| Particulars                    | 31-Mar-20  |  |  |  |
|--------------------------------|--|--|--|--|
|                                | Gratuity   | Leave obligation   | Medical  | Pension  |
| Discount rate current year (%) | 6.50%  | 6.50%  | 6.50%  | 6.50%  |
| Mortality rate                 | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) |

| 31-Mar-19                      |   |   |  |  |
|--------------------------------|---|---|--|--|
| Particulars                    | Gratuity  | Leave obligation                                  | Medical  | Pension  |
| Discount rate current year (%) | 7.34%   | 7.34%   | 7.34%  | 7.34%  |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08) ultimate | Indian Assured Lives Mortality (2006-08) ultimate | Before Separation- Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation- Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years |

| Expected Remaining Life | 2019-20 | 2018-19 |
|-------------------------|---------|---------|
| Employees Gratuity Fund | 6.90    | 7.02    |
| Executive Gratuity Fund | 6.96    | 6.62    |
| Leave Encashment        | 8.62    | 8.62    |
| PRMB - Non Cov          | 12.33   | 12.59   |
| PRMB - Cov              | 14.22   | 12.93   |
| Pension                 | 18.39   | 15.02   |

Expected contributions to be paid in next year for gratuity ₹ 48.26 crore.

Expected contributions to be paid for next year for leave obligation, medical & pension is nil.

(vii) **Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.**

|   | 2019-20 | 2018-19 |
|---|---------|---------|
| Actual return on plan assets (₹ in cr.) | 29.55   | 28.62   |

(viii) **Risk exposure**

The Plans in India typically expose the Company to some risks, the most significant of which are detailed below:

**Discount Rate Risk:** Decrease in discount rate will increase the value of the liability. However, this will partially offset by the increase in the value of plan assets.

**Demographic Risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Future Salary Increase Risk:** In case of gratuity & leave obligation the scheme cost is sensitive to the assumed future salary escalation rates for all last drawn salary linked defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB & pension are not dependant on future salary levels.

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 as amended up-to-date.

|                               |                                | ₹ in crore    |         |
|-------------------------------|--------------------------------|---------------|---------|
|                               |                                | 2019-20       | 2018-19 |
| <b>NOTE- 36 FINANCE COSTS</b> |                                |               |         |
| a)                            | Interest expense               | 535.56        | 471.96  |
| b)                            | Other Borrowing Costs          | 8.67          | 9.65    |
|                               |                                | <b>544.23</b> | 481.61  |
|                               | Less : Allocated to PPE / CWIP | -             | 15.25   |
|                               |                                | <b>544.23</b> | 466.36  |

## Notes forming Part of Financial Statements (Contd.)

|  | ₹ in crore    |               |
|--|---------------|---------------|
|  | 2019-20       | 2018-19       |
| <b>NOTE- 37 DEPRECIATION AND AMORTISATION EXPENSE</b>            |               |               |
| Depreciation/ amortisation of Property, Plant & Equipment        | 723.88        | 722.26        |
| Amortisation of intangible assets                                | 10.66         | 14.40         |
|  | <u>734.54</u> | <u>736.66</u> |
| Less : Recoupment from Retained Earnings (refer note 49)         | 286.89        | 304.04        |
|  | <u>447.65</u> | <u>432.62</u> |
| <b>NOTE-38 OTHER EXPENSES</b>                                    |               |               |
| a. Consumption of stores and spares                              | 84.12         | 80.29         |
| b. Repairs   |               |               |
| Building   | 13.12         | 16.68         |
| Plant and Machinery  | 74.65         | 67.81         |
| Distribution System  | 101.26        | 92.17         |
| Others   | 6.36          | 5.78          |
|  | <u>195.39</u> | <u>182.44</u> |
| c. Insurance   | 16.81         | 11.98         |
| d. Rent (including lease rent in previous year - ₹ 10.26 crore)  | 8.99          | 26.43         |
| e. Rates and taxes   | 8.60          | 8.28          |
| f. Bad debts / Advances made                                     | 37.42         | 38.37         |
| g. Provision for Bad Debts                                       | 18.29         | 0.69          |
| h. Loss on sale / disposal of Property , Plant & Equipment (net) | 5.02          | 2.84          |
| i. Interest on Consumers' Security Deposits                      | 106.04        | 107.28        |
| j. Foreign Exchange Restatement loss / (gain)                    | (25.26)       | 13.72         |
| k. Mark to Market loss / (gain) on derivatives                   | 18.46         | (19.82)       |
| l. Corporate social responsibility activities (refer note 51)    | 22.15         | 20.39         |
| m. Miscellaneous expenses  | 404.94        | 422.13        |
|  | <u>900.97</u> | <u>895.02</u> |
| <b>NOTE-39 REGULATORY INCOME</b>                                 | <u>531.86</u> | <u>559.51</u> |

Regulatory Income /(Expenses) arise to the Company pursuant to the regulatory provisions applicable to the Company under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the Company's various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments - income/(expenses), relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs and those having bearing on revenue account (c) Deferred Taxation estimate and (d) effect of exchange fluctuation including MTM gain as appropriate, based on the Company's understanding of the applicable regulatory provisions and applicable orders of the competent authorities, amounting to ₹ (81.14) crore [Previous year ₹ (79.64) crore], ₹ 614.00 crore [Previous year ₹ (657.00) crore], ₹ 5.80 crore [Previous year ₹ (11.75) crore] and ₹ (6.80) crore [Previous year ₹ (6.10) crore] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balances (refer Note 18).

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) exchange fluctuation (c) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 3480.78 crore (31.03.2019 : ₹ 3474.98 crore), ₹ 22.79 crore ( 31.03.2019 : ₹ 48.05 crore ) and ₹ 737.23 crore (31.03.2019 : ₹ 123.23 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, and (b) MTM Gain amounting to ₹ 1441.85 crore ( 31.03.2019 : ₹ 1360.71 crore ) and ₹ 22.50 crore ( 31.03.2019 : ₹ 40.96 crore) respectively.

During the year, the Company received the order from WBERC in respect of its Annual Performance Review (APR) for the year ended 31 March, 2014 which has determined an amount of ₹ 383 crores as adjustment for the year, to be suitably considered in subsequent tariff and/or other orders. The impact of such order has been considered in these financial statements including in Regulatory Income / (Expenses) for the year and also on the Regulatory Deferral Account balances as at 31 March 2020, based on the Company's understanding of the process pertaining to APR, for subsequent years also. These balances have been now recognised with discounting methodology, assuming recovery over a period of time using such rate in consonance with the applicable regulations and application of prudence.

Accordingly, the accurate quantification and disposal of the matters with regard to Regulatory Deferral Account balances, shall be given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Company effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

**NOTE-40 Fair value measurements**

a) The carrying value and fair value of financial instruments by categories as at end of the year are as follows:

₹ in crore

|  | 31-Mar-20                  |             |              | 31-Mar-19                  |             |               |
|--|----------------------------|-------------|--------------|----------------------------|-------------|---------------|
|  | Cost/<br>Amortized<br>cost | FVTOCI      | FVTPL        | Cost/<br>Amortized<br>cost | FVTOCI      | FVTPL         |
| <b>Financial assets</b>                            |                            |             |              |                            |             |               |
| Investments  |                            |             |              |                            |             |               |
| - Equity   | 4,424.10                   | 5.52        |              | 4,421.21                   | 5.50        |               |
| - Mutual funds                                     |                            |             | 15.01        |                            |             | 515.03        |
| - Preference Shares                                |                            |             | 0.95         |                            |             | 0.86          |
| Loans  | 40.07                      |             |              | 32.60                      |             |               |
| Trade Receivables                                  | 991.19                     |             |              | 1,028.25                   |             |               |
| Cash and cash equivalents                          | 1,050.23                   |             |              | 321.30                     |             |               |
| Bank balances other than cash and cash equivalents | 362.61                     |             |              | 302.28                     |             |               |
| Lease Receivables                                  | 55.17                      |             |              | 56.21                      |             |               |
| Receivable from Related parties                    | 67.37                      |             |              | 48.85                      |             |               |
| Interest accrued on Bank Deposit                   | 19.02                      |             |              | 11.40                      |             |               |
| Derivative Financial Instrument                    |                            |             | 22.50        |                            |             | 40.96         |
| Receivable towards claims and services rendered    | 0.58                       |             |              | 0.54                       |             |               |
| <b>Total financial assets</b>                      | <b>7,010.34</b>            | <b>5.52</b> | <b>38.46</b> | <b>6,222.64</b>            | <b>5.50</b> | <b>556.85</b> |
| <b>Financial liabilities</b>                       |                            |             |              |                            |             |               |
| Borrowings   | 6,452.95                   |             |              | 6,045.42                   |             |               |
| Trade Payables                                     | 645.59                     |             |              | 662.78                     |             |               |
| Interest accrued                                   | 17.61                      |             |              | 14.61                      |             |               |
| Unclaimed dividend                                 | 6.54                       |             |              | 5.74                       |             |               |
| Consumers' Security Deposits                       | 1,733.13                   |             |              | 1,594.03                   |             |               |
| Others   | 1,793.33                   |             |              | 1,842.87                   |             |               |
| <b>Total financial liabilities</b>                 | <b>10,649.15</b>           | <b>-</b>    | <b>-</b>     | <b>10,165.45</b>           | <b>-</b>    | <b>-</b>      |

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method.

₹ in crore

| Financial assets and liabilities measured at fair value | Level 1       | Level 2      | Level 3     | Total fair value | Total carrying amount |
|---|---------------|--------------|-------------|------------------|-----------------------|
| <b>As at 31 March 2020</b>                              |               |              |             |                  |                       |
| <b>Financial assets</b>                                 |               |              |             |                  |                       |
| Investment in equity shares                             |               |              | 5.52        | 5.52             | 5.52                  |
| Investment in liquid mutual fund units                  | 15.01         |              |             | 15.01            | 15.01                 |
| Investment in Preference Share                          |               |              | 0.95        | 0.95             | 0.95                  |
| Derivative financial instrument - cross currency swap   |               | 22.50        |             | 22.50            | 22.50                 |
| <b>Total</b>  | <b>15.01</b>  | <b>22.50</b> | <b>6.47</b> | <b>43.98</b>     | <b>43.98</b>          |
| <b>As at 31 March 2019</b>                              |               |              |             |                  |                       |
| <b>Financial assets</b>                                 |               |              |             |                  |                       |
| Investment in equity shares                             |               |              | 5.50        | 5.50             | 5.50                  |
| Investment in liquid mutual fund units                  | 515.03        |              |             | 515.03           | 515.03                |
| Investment in Preference Share                          |               |              | 0.86        | 0.86             | 0.86                  |
| Derivative financial instrument - cross currency swap   |               | 40.96        |             | 40.96            | 40.96                 |
| <b>Total</b>  | <b>515.03</b> | <b>40.96</b> | <b>6.36</b> | <b>562.35</b>    | <b>562.35</b>         |

The different levels have been defined below:

Level 1: financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is determined using the closing price. The mutual funds are valued using the closing NAV.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data.

**c) The following methods and assumptions were used to estimate the fair values**

- i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.
- ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
- iii. The fair value of preference share is determined on the basis of discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would result in decrease / increase in fair value of preference share by ₹ 0.07 crore. The fair value of equity share is determined on the basis of discounted cash flow (31.03.19 discounted cash flow). Significant unobservable input used is discount rate and growth rate and 0.50% increase / decrease in discount rate and growth rate would result in decrease / increase in fair value of equity share by ₹ 0.17 crore and ₹ 0.19 crore respectively
- iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, receivable from related parties, other bank balances, interest accrued payable/receivable, other receivables/payables, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- v. Loans, non-current borrowings, lease receivable/payable and security deposits are based on discounted cash flows using a current borrowing rate.
- vi. Fair Value of financial Instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.

**NOTE-41 Financial risk management and Capital Management**

The Company's operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the Company, being a licensee under the said statute, is subject to regulatory provisions/ guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications / matters by the authority.

The Company being the sole provider of electricity in the licenced area has been managing the operations keeping in view its profitability and liquidity in terms of above regulations. In order to manage credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority. Credit risk towards Investment of surplus funds is managed by obtaining support of credit rating and appraisal by external agencies and lending bodies. The Company extends financial support to its subsidiaries including that of letter of comforts etc. to their lenders.

The Company manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Company's market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through relevant regulations and availability of bulk commodity namely coal is generally sourced from own captive mine, domestic long term linkage and Special Forward E-Auction conducted by Coal India Limited and/or its subsidiaries.

While managing the capital, the Company ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

**NOTE-42 Related Parties and their Relationship**

**A. Parent- under de facto control as defined in Ind AS -110**

Rainbow Investments Limited

**B. Subsidiary/ Associates/ Joint Venture**

| Name   | Relationship  |
|--|---------------|
| Surya Vidyut Limited   | Subsidiary    |
| Malegaon Power Supply Limited ( Formerly known as Nalanda Power Company Limited) | Subsidiary    |
| CESC Projects Limited  | Subsidiary    |
| Bantal Singapore Pte. Limited  | Subsidiary    |
| Ranchi Power Distribution Company Limited  | Subsidiary    |
| Pachi Hydropower Projects Limited  | Subsidiary    |
| Papu Hydropower Projects Limited   | Subsidiary    |
| Au Bon Pain Café India Limited   | Subsidiary    |
| Haldia Energy Limited (HEL)  | Subsidiary    |
| Dhariwal Infrastructure Limited (DIL)  | Subsidiary    |
| Kota Electricity Distribution Limited (KEDL)                                     | Subsidiary    |
| Bikaner Electricity Supply Limited (BKESL)                                       | Subsidiary    |
| Bharatpur Electricity Services Limited (BESL)                                    | Subsidiary    |
| Crescent Power Limited (CPL)   | Subsidiary    |
| CESC Green Power Limited   | Subsidiary    |
| Jharkhand Electric Company Limited   | Subsidiary*   |
| Jarong Hydro-Electric Power Company Limited                                      | Subsidiary*   |
| Eminent Electricity Distribution Limited   | Subsidiary**  |
| Noida Power Company Limited  | Associate     |
| Mahuagarhi Coal Company Private Limited  | Joint Venture |

**C. Other Related Parties having transaction during the year**

**(i) Entities under common control**

|   |
|---|
| Integrated Coal Mining Limited  |
| RPG Power Trading Co Ltd  |
| Philips Carbon Black Ltd.   |
| Harrison Malayalam Limited  |
| STEL Holdings Limited   |
| Dotex Merchandise Pvt. Ltd.   |
| Castor Investment Limited   |
| Woodlands Multispeciality Hospital Limited  |
| Sarala Real Estate Limited  |
| Saregama India Ltd  |
| Open Media Network Ltd  |
| Bowlopedia Restuarants India Limited  |
| Omnipresent Retail India Pvt Ltd  |
| Accurate Commodeal Pvt Ltd  |
| Apricot Foods Pvt Ltd   |
| Guiltfree Industries Limited  |
| Nature's Basket Limited (w. e. f. 4th July 2019)                                  |
| Kolkata Metro Network Pvt Limited   |
| Kolkata Games and Sports Pvt Ltd (KGSPL)  |
| CESC Ventures Limited (formerly known as RP-SG Business Process Services Limited) |
| Spencer's Retail Limited (formerly known as RP-SG Retail Limited)                 |
| Quest Properties India Limited  |

(ii) **Key Management Personnel (KMP)**

| Name                  | Relationship  |
|-----------------------|---|
| Mr. S. Goenka         | Chairman  |
| Mr. Shashwat Goenka   | Vice-Chairman (w.e.f. 14th November 2019)             |
| Mr. P. Chaudhuri      | Director  |
| Mr. C .K Dhanuka      | Director  |
| Mr. K. Jairaj         | Director  |
| Mr. B .M Khaitan      | Director (upto 23rd May 2018)                         |
| Mr. P.K. Khaitan      | Director  |
| Ms. R.Sethi           | Director  |
| Mr. Sunil Mitra       | Director (w.e.f 14th November 2019)                   |
| Mr. Aniruddha Basu    | Managing Director (upto 27th May 2018)                |
| Mr. Debasish Banerjee | Managing Director-Distribution (w.e.f. 28th May 2018) |
| Mr. Rabi Chowdhury    | Managing Director-Generation (w.e.f. 28th May 2018)   |
| Mr. Subhasis Mitra    | Company Secretary                                     |
| Mr. Rajarshi Banerjee | Executive Director & Chief Financial Officer          |

(iii) **Other Related Parties**

|   |
|---|
| Ms.Preeti Goenka ( Shareholder and Relative of KMP)                     |
| Khaitan & Co LLP  |
| Khaitan & Co. (Mumbai)  |
| Khaitan & Co. AOR   |
| Khaitan & Co. (Kolkata)   |
| Khaitan & Co. (New Delhi)   |
| Khaitan Consultants Ltd.  |
| CESC Limited Provident Fund   |
| Calcutta Electric Supply Corporation (I) Ltd. Senior Staff Pension Fund |
| CESC Executive Gratuity Fund  |
| CESC Limited Employee's Gratuity Fund                                   |

\* Subsidiary from 1st October 2018

\*\* Subsidiary from 1st July 2019

# Notes forming Part of Financial Statements (Contd.)

| D. Details of transaction between the Company and related parties and status of outstanding balances |  |   |           |                               |           |                          |           |                       |           | ₹ in crore |           |
|--|--|---|-----------|-------------------------------|-----------|--------------------------|-----------|-----------------------|-----------|------------|-----------|
| Sl No  | Nature of Transactions                   | Parent having Control in terms of Ind AS -1.10, Subsidiaries, Joint Venture & Associate |           | Entities under common control |           | Key Management Personnel |           | Other Related Parties |           | Total      |           |
|  |  | 31-Mar-20   | 31-Mar-19 | 31-Mar-20                     | 31-Mar-19 | 31-Mar-20                | 31-Mar-19 | 31-Mar-20             | 31-Mar-19 | 31-Mar-20  | 31-Mar-19 |
| 1  | Acquisition of Investment                | 11.36   | 83.00     | -                             | -         | -                        | -         | -                     | -         | 11.36      | 83.00     |
| 2  | Advance for Share Subscription           | 20.00   | 0.10      | -                             | -         | -                        | -         | -                     | -         | 20.00      | 0.10      |
| 3  | Expense (Reimbursed)/ Recovered (net)    | 5.83  | 11.29     | 4.62                          | 50.55     | -                        | -         | -                     | -         | 10.45      | 61.84     |
| 4  | Income from Sales / Services             | 30.75   | 36.25     | 30.94                         | 27.27     | -                        | -         | -                     | -         | 61.69      | 63.52     |
| 5  | Dividend Income                          | 29.73   | 15.00     | -                             | -         | -                        | -         | -                     | -         | 29.73      | 15.00     |
| 6  | Cost of Power Purchase                   | 2,256.78  | 2,279.80  | 121.98                        | 174.57    | -                        | -         | -                     | -         | 2,378.76   | 2,454.37  |
| 7  | Expenses / Services Received             | 15.58   | 16.73     | 399.02                        | 349.22    | -                        | -         | 5.51                  | 6.74      | 420.11     | 372.69    |
| 8  | Provident Fund & Retiral funds           | -   | -         | -                             | -         | -                        | -         | 253.58                | 264.71    | 253.58     | 264.71    |
| 9  | Balances written off /Provided           | 10.39   | 6.10      | -                             | -         | -                        | -         | -                     | -         | 10.39      | 6.10      |
| 10   | Security Deposit Received                | -   | -         | 0.05                          | 0.03      | -                        | -         | -                     | -         | 0.05       | 0.03      |
| 11   | Dividend paid                            | 117.59  | 102.89    | 14.18                         | 12.41     | 0.49                     | 0.24      | 0.08                  | 0.26      | 132.34     | 115.80    |
| 12   | Remuneration of Key Managerial Personnel |   |           |                               |           |                          |           |                       |           |            |           |
|  | Short Term Employee Benefits             | -   | -         | -                             | -         | 10.93                    | 10.11     | -                     | -         | 10.93      | 10.11     |
|  | Post Employment Benefits                 | -   | -         | -                             | -         | 1.70                     | 2.42      | -                     | -         | 1.70       | 2.42      |
| 13   | Remuneration of Directors                | -   | -         | -                             | -         | 35.31                    | 35.94     | -                     | -         | 35.31      | 35.94     |
|  | Outstanding Balance                      |   |           |                               |           |                          |           |                       |           |            |           |
| 1  | Debit                                    | -   | -         | 21.53                         | 46.56     | -                        | -         | -                     | -         | 21.53      | 46.56     |
| 2  | Credit                                   | 1,313.14  | 1,637.66  | -                             | -         | 34.55                    | 35.34     | 68.97                 | 15.85     | 1,416.66   | 1,688.85  |

- Shares allotted during the year in respect of Share Application money paid to subsidiaries Nil ( 31.03.19 : ₹ 160 crore).
- Refer Note. 31(b) relating to commitments (letter of comfort) provided to banks towards borrowing obligations as on 31.03.2020 in respect of subsidiary companies.
- Outstanding balances are unsecured and settlement occurs in cash.

## Notes forming Part of Financial Statements (Contd.)

**NOTE-43** Miscellaneous expenses shown in Note no. 38 (m), include Auditors' Remuneration and expenses :

|  | ₹ in crore |         |
|--|------------|---------|
|  | 2019-20    | 2018-19 |
| As Statutory Auditors :                              |            |         |
| Statutory audit and Limited reviews                  | 2.76       | 3.16    |
| Other services                                       | 0.85       | 0.77    |
| As a Tax Auditor                                     | 0.12       | 0.11    |
| Others   | -          | 0.18    |
| Reimbursement of expenses including applicable taxes | 0.80       | 0.88    |

**NOTE- 44** The major components of Deferred Tax Assets / (Liabilities) based on the temporary difference are as under :

**Deferred tax assets and liability (Net)**

Deferred tax relates to the following:

|  | April 1,<br>2019  | Recognised<br>through P&L | Recognised<br>through OCI | March 31,<br>2020 |
|--|-------------------|---------------------------|---------------------------|-------------------|
| <b>Liabilities</b>   |                   |                           |                           |                   |
| Difference in WDV of Property, Plant and Equipment                         | (3,510.94)        | (92.28)                   | -                         | <b>(3,603.22)</b> |
| Fair Valuation of Equity Investment as per IND AS                          | (1.28)            | -                         | (0.00)                    | <b>(1.28)</b>     |
| Others   | (23.00)           | (6.24)                    | -                         | <b>(29.24)</b>    |
| <b>Assets</b>  |                   |                           |                           |                   |
| Items covered under section 43B of Income Tax Act, 1961                    | 4.62              | 0.45                      | -                         | <b>5.07</b>       |
| Others including items covered under section 35DDA of Income Tax Act, 1961 | 55.62             | 92.27                     | -                         | <b>147.89</b>     |
| <b>Total Deferred Tax Liabilities (Net)</b>                                | <b>(3,474.98)</b> | <b>(5.80)</b>             | <b>(0.00)</b>             | <b>(3,480.78)</b> |

|  | April 1,<br>2018  | Recognised<br>through P&L | Recognised<br>through OCI | March 31,<br>2019 |
|--|-------------------|---------------------------|---------------------------|-------------------|
| <b>Liabilities</b>   |                   |                           |                           |                   |
| Difference in WDV of Property, Plant and Equipment                         | (3,519.57)        | 8.63                      | -                         | (3,510.94)        |
| Fair Valuation of Equity Investment as per IND AS                          | (1.76)            | -                         | 0.48                      | (1.28)            |
| Others   | (25.29)           | 2.29                      | -                         | (23.00)           |
| <b>Assets</b>  |                   |                           |                           |                   |
| Items covered under section 43B of Income Tax Act, 1961                    | 4.61              | 0.01                      | -                         | 4.62              |
| Others including items covered under section 35DDA of Income Tax Act, 1961 | 54.80             | 0.82                      | -                         | 55.62             |
| <b>Total Deferred Tax Liabilities (Net)</b>                                | <b>(3,487.21)</b> | <b>11.75</b>              | <b>0.48</b>               | <b>(3,474.98)</b> |

**a) Tax expense**

**i) Tax recognised in Statement of profit and loss**

|                                  | March 31,<br>2020 | March 31,<br>2019 |
|----------------------------------|-------------------|-------------------|
| <b>Current tax expense</b>       | <b>(195.06)</b>   | (257.40)          |
| <b>Deferred tax expense</b>      |                   |                   |
| Deferred tax- Income / (expense) | <b>(5.80)</b>     | 11.75             |
| <b>Total tax expense</b>         | <b>(200.86)</b>   | (245.65)          |

| ii) Tax recognised in OCI                      |                | ₹ in crore     |  |
|--|----------------|----------------|--|
|  | March 31, 2020 | March 31, 2019 |  |
| <b>Current tax expense</b>                     |                |                |  |
| Remeasurement of defined benefit plan          | 7.02           | 8.84           |  |
| <b>Deferred tax expense</b>                    |                |                |  |
| Deferred Tax (charge)/ credit                  | (0.00)         | 0.48           |  |
| Regulatory Income / (expense) -deferred tax    | 0.00           | (0.48)         |  |
| <b>Total tax expense relating to OCI items</b> | <b>7.02</b>    | <b>8.84</b>    |  |

**b) Reconciliation of tax expense and accounting profit**

|   | March 31, 2020 | March 31, 2019 |
|---|----------------|----------------|
| <b>Accounting profit before tax after Comprehensive income</b>  | <b>1078.41</b> | 1141.67        |
| Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)  | 376.84         | 398.95         |
| Tax effect of amounts adjustable in calculating taxable income/expenses not considered for tax purpose including difference in depreciation | (76.34)        | (102.83)       |
| Incentive, deduction etc. allowed under Income Tax  | (76.53)        | (56.13)        |
| MAT Adjustment etc.*  | (30.13)        | (3.18)         |
| <b>Tax Expense</b>  | <b>193.84</b>  | 236.81         |

\* includes unrecognised credit of MAT related to earlier years

**NOTE- 45** Liability in respect of the security deposit collected by the Company, in terms of applicable regulations of the WBERC, has been classified as non – current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

**NOTE- 46** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Company's business includes Generation and Distribution of power within its licensed area in the state of West Bengal, India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company, its subsidiaries, associate and joint venture except some lower demand and its consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Company has duly ensured compliance with specific regulatory directives issued in the related matter.

The Company is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees.

The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

The Company has also performed impairment assessment of its investment in subsidiaries, associate and joint venture and based on such assessment, no impairment is required to be recognised in respect of such investments.

**NOTE- 47 Earnings per share:**

(i) **Computation of Earnings per share (net of tax)**

| Particulars  |     | 2019-20     | 2018-19     |
|--|-----|-------------|-------------|
| Profit after tax (₹ in Crore)                                    | (A) | 917.75      | 937.05      |
| Weighted Average no. of shares for Earnings per share            | (B) | 132,557,043 | 132,557,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹) |     | 69.23       | 70.69       |

(ii) **Computation of Earnings per share (net of tax)**

| Particulars  |     | 2019-20     | 2018-19     |
|--|-----|-------------|-------------|
| Profit After Tax excluding regulatory income (₹ in Crore)        | (A) | 478.80      | 501.14      |
| Weighted Average no. of shares for Earnings per share            | (B) | 132,557,043 | 132,557,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹) |     | 36.12       | 37.81       |

The Company operates within the framework of Electricity Act, 2003 where tax on profits forms part of chargeable expenditure under the applicable regulations framed thereunder. Accordingly, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, as applicable, by way of considering equivalent regulatory income/(expense) as the case may be, which hitherto have been shown under the tax expenses till previous year. Based on an opinion issued by the Expert Advisory Committee of The Institute of Chartered Accountants of India, the presentation of such regulatory income/(expense), in respect of deferred tax, has now been included in the above "Regulatory income/ (expense) (net)". Consequent to the above, Regulatory income / (expense) (net) and Tax expenses has decreased by ₹ 12 crore for the year ended 31st March 2019. Consequently, EPS without Regulatory income/(expense) (net) for the year ended 31st March 2019 has increased by ₹ 0.93.

**NOTE- 48** The Company is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is within India.

The Company is also running a single retail store in state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.

**NOTE- 49** Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Company's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Company continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relating to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹ 286.89 crore (31.03.19 : ₹ 304.04 crore) and corresponding withdrawal of ₹ 4.14 crore ( 31.03.19 : ₹ 2.72 crore ) consequent to sale / disposal of such assets and the same will be followed in subsequent years .

**NOTE- 50** Property, Plant and Equipment of the Company includes right-of-use assets in the opening balance as on 01.04.2019, additions, depreciation and closing balance for the year ended 31.03.2020 amounting to ₹ 663.97 crore, ₹ 278.74 crore, ₹ 53.99 crore and ₹ 888.72 crore respectively. Carrying Value of right of use assets as at 31.3.2020 in respect of land, building, plant & machinery and vehicles amount to ₹ 478.80 crore, ₹ 382.23 crore, ₹ 27.64 crore and ₹ 0.05 crore respectively and its related depreciation/ amortisation expense for the year ended 31.03.2020 in respect of land, building, plant & machinery and vehicles amount to ₹ 19.61 crore, ₹ 28.44 crore, ₹ 5.92 crore and ₹ 0.02 crore respectively.

| The movement in lease liabilities for the year is as below  | ₹ in crore |
|---|------------|
| Operating lease commitments as at March 31, 2019  | 24.47      |
| Discounted operating lease commitments as at April 1, 2019  | 14.86      |
| Lease liabilities in respect of assets not included in operating lease commitments as at March 31, 2019 | 44.12      |
| Commitments of leases previously classified as Finance Leases   | 6.70       |
| Lease liabilities as at April 1, 2019   | 65.68      |
| Additions   | 212.54     |
| Finance cost expense (refer note 36)  | 16.35      |
| Payment during the year (includes interest ₹ 16.35 crore)   | (25.81)    |
| Balance as on 31st March 2020   | 268.76     |

Future minimum lease payments during next one year ₹ 29.94 crore, later than one year but not later than five years ₹ 143.82 crore and later than five years ₹ 95 crore applying 10% as weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 2.56 crore and low-value assets of ₹ 0.70 crore, net of applicable taxes.

**NOTE- 51** In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending for the year works out to ₹ 21.84 crore ( previous year: ₹ 20.16 crore). The said requirement of CSR spending was met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 19.00 crore (previous year : ₹ 18.00 crore ) and ₹ 3.15 crore (₹ 2.23 crore) respectively.

## Notes forming Part of Financial Statements (Contd.)



**NOTE- 52** The composite Scheme of Arrangement amongst the Company and nine other companies and their respective shareholders has been made effective from 1st October, 2017 except for the demerger of the Generation Undertaking of CESC Limited into Haldia Energy Limited, a wholly owned subsidiary of CESC Limited ("the said Demerger") . However, the said Demerger proposal has been withdrawn with effect from 14 November 2019 and Haldia Energy Ltd continues to be a wholly owned subsidiary of the Company.

**NOTE- 53** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 146.54 crore, out of which ₹ 27.36 crore has been dealt with in the revenue account during the year, on satisfaction of performance obligation. The balance of the said contract liability as at the year-end stood at ₹ 178.61 crore pending satisfaction of the performance obligation.

**NOTE - 54 Quantitative information :**

(Million kWh)

|  | 2019-20 | 2018-19 |
|--|---------|---------|
| (a) Total number of units generated during the year                            | 6137    | 6298    |
| (b) Total number of units consumed in Generating Stations                      | 477     | 488     |
| (c) Total number of units sent out   | 5660    | 5810    |
| (d) Total number of units purchased during the year                            | 5632    | 5581    |
| (e) Total number of units through Unscheduled Interchange (Net)                | 23      | 22      |
| (f) Total number of units delivered  | 11315   | 11413   |
| (g) Total number of units sold as per meter readings                           | 9991    | 9706    |
| (h) Total number of units sold to persons other than own consumers and WBSEDCL | 291     | 684     |
| (i) Total number of units consumed in Company's premises                       | 42      | 37      |
| (j) Total number of Units sold to WBSEDCL                                      | 8       | 12      |

The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2020 was 1125000 kW (31st March, 2019 : 1125000 kW).

**NOTE- 55** The Company has reclassified previous year's figures to conform to this year's classification along with other regrouping / rearrangement wherever necessary.

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

For and on behalf of Board of Directors

|                                 |                   |                |
|---------------------------------|-------------------|----------------|
| Chairman                        | Sanjiv Goenka     | DIN : 00074796 |
| Managing Director -Generation   | Rabi Chowdhury    | DIN : 06601588 |
| Managing Director- Distribution | Debasish Banerjee | DIN : 06443204 |
| Company Secretary               | Subhasis Mitra    |                |
| Executive Director & CFO        | Rajarshi Banerjee |                |

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



## Report on the Audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of CESC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance Sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, associate and joint venture, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2020, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate

opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

#### 1. **Accrual of regulatory income and corresponding asset / liability (as described in note 40 of the consolidated Ind AS financial statements)**

##### Key Audit Matter:-

The company recognizes regulatory income / assets / liability basis its understanding and interpretation of Tariff orders and regulations notified by the West Bengal Electricity Regulatory Commission (WBERC), which are subject matter of Annual Performance Review (APR) and will be adjusted in tariffs to be notified in the future years. Management exercises judgement in estimating such amounts using past experience from the issued Tariff/ APR orders including interpretation of the regulations. Such regulatory deferral balances are discounted over an estimated period of recovery using an appropriate discounting rate.

In consideration of the significant value of regulatory balances, complexity and high degree of estimation involved in computation thereof and pending annual performance reviews, we identified accrual of regulatory balances as a key audit matter.

##### How our audit addressed the key audit matter:

Our audit procedures included the following:-

- We considered the Company's accounting policies with respect to accrual for regulatory deferrals and assessing compliance with Ind AS 114 "Regulatory Deferral Accounts"
- We have understood and carried out testing of the design and implementation of key financial controls related to accounting, valuation and recoverability of such regulatory balances and its disclosure in the financial statements of the Company.
- We discussed with the management on the key assumptions and estimates used for recognition of these

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



regulatory balances and corroborated them with the applicable regulatory provisions, APR orders, Tariff orders and underlying records of the Company.

- We discussed with the management on the consistency of its key assumptions and basis of estimation for all the years for which APR assessments are pending to be completed and also verified the arithmetical accuracy of such workings.
  - We enquired from the management for notifications and correspondences with the regulator on the pending APR assessments.
  - We audited and discussed with the management the impact considered in the financial statements in respect of APR order received during the year.
  - We also assessed the discounting rate and the estimated period of recovery considered by the management with reference to the APR process and the tariff regulations.
  - We have assessed the disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".
2. **Valuation of non-current investment** (as described in note 8(a) of the consolidated Ind AS financial statements)

## Key Audit Matter:-

As reported by the auditor of a subsidiary company, the subsidiary company has investments in the equity and preference shares of an entity, which is carried at fair value through Other Comprehensive Income (OCI). The said investments were valued as at 31 March 2020 by an independent valuer using discounted cash flow ("DCF") method.

Management's determination of fair valuation of investments is complex and requires estimation and judgement around assumptions used which include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure and any change in these assumptions could significantly affect the fair values.

The application of significant judgement in this matter required substantial involvement of senior personnel on the audit engagement.

Accordingly, considering the materiality of balances, complexity of valuation and significance of judgement involved, fair valuation of aforesaid investments has been considered to be a key audit matter for current year's audit.

## How the auditor addressed the Key Audit Matter:

The auditor of the subsidiary company has performed the following procedures:

- Obtained an understanding of management's processes and controls for determining the fair valuation of investments.
- Evaluated the design of and tested the operating effectiveness of the key controls around the fair valuation of investment.
- Evaluated the independent valuation specialist's competencies, expertise and objectivity.
- Assessed the appropriateness of the valuation methodology used to arrive at the estimated fair value of the investments and reasonableness of the assumptions such as discount rates using an auditor's expert.
- Tested the accuracy of the input data provided by the management to the valuation specialist.
- Tested the reasonableness of the key assumptions used in the cash flow projections and fair valuation, such as growth rates, targeted savings, discount rate, etc considering our understanding of the business, industry and relevant key factors.
- Performed sensitivity analysis on aforesaid key assumptions to determine impact of estimation uncertainty on the fair valuation.
- Tested the mathematical accuracy of the cash flow projections and fair valuation computation.
- Evaluated the appropriateness of disclosures made in the financial statement in relation to such investments as required by applicable accounting standards.

## Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, Management Discussion and Analysis, Report on corporate governance, Additional shareholder information, Report on CSR, Business Responsibility Report and Statement containing salient features of the financial statement of Subsidiaries / Associate / Joint Venture, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed,

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that

an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

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

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 18 subsidiaries, whose Ind AS financial statements include total assets of ₹13,740.88 crore as at March 31, 2020, and total revenues of ₹5,448.64 crore and net cash outflows of ₹18.62 crore for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹69.33 crore for the year ended March 31, 2020, as considered in the consolidated Ind AS financial statements, in respect of an associate and a joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid

subsidiaries, associate and joint venture, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, associate and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, associate and joint venture, none of the directors of the Group's companies, its associate and joint venture, incorporated in India, is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, associate and joint venture, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, associate and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company, its subsidiaries, associate and joint venture incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associate and joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated Ind AS financial statements – Refer Note 32 to the consolidated Ind AS financial statements;
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries associate and joint venture, incorporated in India during the year ended March 31, 2020.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**  
Partner

Place of Signature : Kolkata  
Date: June 29, 2020

Membership Number: 058652  
UDIN: 20058652AAAABR4030

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CESC LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of CESC Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of CESC Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, its associate and its joint venture, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT



### Opinion

In our opinion, the Holding Company, its subsidiary companies, its associate and its joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 17 subsidiary companies, an associate and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, associate and joint venture incorporated in India.

For **S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

**per Kamal Agarwal**  
Partner  
Place of Signature : Kolkata  
Date: June 29, 2020  
Membership Number: 058652  
UDIN: 20058652AAAAABR4030

# Consolidated Balance Sheet as at 31st March, 2020



| Particulars  | Note No.  | ₹ in crore             |                        |
|--|-----------|------------------------|------------------------|
|  |           | As at 31st March, 2020 | As at 31st March, 2019 |
| <b>ASSETS</b>  |           |                        |                        |
| <b>Non-current Assets</b>  |           |                        |                        |
| Property, Plant and Equipment  | 5         | 23,376.70              | 23,434.61              |
| Capital work-in-progress   |           | 146.77                 | 161.44                 |
| Investment Property  | 6         | 62.63                  | 56.03                  |
| Intangible Assets  | 7         | 147.24                 | 157.90                 |
| Investment accounted under equity method   | 51        | 507.16                 | 473.88                 |
| <b>Financial Assets</b>  |           |                        |                        |
| Investments  | 8         | 163.10                 | 198.54                 |
| Loans  | 9         | 39.18                  | 30.98                  |
| Others   | 10        | 55.72                  | 56.31                  |
| Other Non-current assets   | 11        | 145.86                 | 178.34                 |
|  | (A)       | 24,644.36              | 24,748.03              |
| <b>Current Assets</b>  |           |                        |                        |
| Inventories  | 12        | 718.36                 | 700.45                 |
| <b>Financial Assets</b>  |           |                        |                        |
| Investments  | 13        | 15.01                  | 513.03                 |
| Trade receivables  | 14        | 1,881.82               | 1,738.85               |
| Cash and cash equivalents  | 15        | 1,212.87               | 502.56                 |
| Bank balances other than cash and cash equivalents   | 16        | 578.09                 | 528.11                 |
| Loans  | 17        | 16.93                  | 17.14                  |
| Others   | 18        | 148.04                 | 103.97                 |
| Current tax assets (Net)   |           | 24.06                  | 30.84                  |
| Other current assets   | 19        | 407.94                 | 587.41                 |
|  | (B)       | 5,003.12               | 4,722.36               |
| Regulatory deferral account balances   | (C)       | 4,724.59               | 3,999.27               |
|  | (A+B+C)   | 34,372.07              | 33,469.66              |
| <b>TOTAL ASSETS</b>  |           |                        |                        |
| <b>EQUITY AND LIABILITIES</b>  |           |                        |                        |
| <b>Equity</b>  |           |                        |                        |
| Equity Share capital   | 20        | 133.22                 | 133.22                 |
| Other Equity   | 21        | 9,494.22               | 8,840.62               |
| Non-controlling interest   | 41        | 85.78                  | 82.06                  |
| <b>Total Equity</b>  | (D)       | 9,713.22               | 9,055.90               |
| <b>Liabilities</b>   |           |                        |                        |
| <b>Non-current Liabilities</b>   |           |                        |                        |
| <b>Financial Liabilities</b>   |           |                        |                        |
| Borrowings   | 22        | 9,760.11               | 10,225.34              |
| Trade Payables   |           |                        |                        |
| (a) Total outstanding dues to micro enterprises and small enterprises                      |           | -                      | -                      |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |           | 138.60                 | 147.92                 |
| Consumers' Security Deposits   | 55        | 1,628.00               | 1,487.04               |
| Others   | 23        | 278.57                 | 6.70                   |
| Provisions   | 24        | 424.67                 | 344.27                 |
| Deferred tax liabilities (Net)   | 43        | 4,005.32               | 3,942.10               |
| Other Non-Current liabilities  | 25        | 195.39                 | 230.04                 |
|  | (E)       | 16,430.66              | 16,383.41              |
| <b>Current Liabilities</b>   |           |                        |                        |
| <b>Financial Liabilities</b>   |           |                        |                        |
| Borrowings   | 26        | 2,421.49               | 2,386.93               |
| Trade Payables   |           |                        |                        |
| (a) Total outstanding dues to micro enterprises and small enterprises                      | 27        | 19.32                  | 16.65                  |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 27        | 637.52                 | 555.69                 |
| Others   | 28        | 2,645.80               | 2,579.78               |
| Other current liabilities  | 29        | 584.59                 | 661.91                 |
| Provisions   | 30        | 65.65                  | 66.85                  |
| Current tax liabilities (Net)  |           | 113.86                 | 85.26                  |
|  | (F)       | 6,488.23               | 6,353.07               |
| Regulatory deferral account balances   | (G)       | 1,739.96               | 1,677.28               |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | (D+E+F+G) | 34,372.07              | 33,469.66              |
| Notes forming part of Consolidated Financial Statements                                    | 1-58      |                        |                        |

This is the Consolidated Balance Sheet referred to in our Report of even date.

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Managing Director -Generation Rabi Chowdhury DIN : 06601588  
Managing Director- Distribution Debasish Banerjee DIN : 06443204  
Company Secretary Subhasis Mitra  
Executive Director & CFO Rajarshi Banerjee

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2020

| Particulars   | Note No. | ₹ in crore       |                  |
|---|----------|------------------|------------------|
|   |          | 2019-20          | 2018-19          |
| Revenue from operations   | 33       | 11,014.58        | 10,664.14        |
| Other income  | 34       | 202.51           | 204.30           |
| <b>Total Income</b>   |          | <b>11,217.09</b> | <b>10,868.44</b> |
| <b>Expenses</b>   |          |                  |                  |
| Cost of electrical energy purchased                                       |          | 2,263.66         | 2,105.91         |
| Cost of fuel  | 35       | 3,448.67         | 3,426.40         |
| Purchases of stock-in-trade   |          | 16.75            | 19.94            |
| Employee benefits expense   | 36       | 1,082.95         | 1,033.81         |
| Finance costs   | 37       | 1,357.36         | 1,324.72         |
| Depreciation and amortisation expense                                     | 38       | 781.42           | 763.78           |
| Other expenses  | 39       | 1,329.68         | 1,262.61         |
| <b>Total expenses</b>   |          | <b>10,280.49</b> | <b>9,937.17</b>  |
| <b>Profit before share in profit of associate and tax</b>                 |          | <b>936.60</b>    | <b>931.27</b>    |
| Share in net profit of associate  |          | 69.33            | 69.28            |
| <b>Profit before regulatory income/(expense) and tax</b>                  |          | <b>1,005.93</b>  | <b>1,000.55</b>  |
| Regulatory Income/(Expense) (net)   | 40       | 662.64           | 892.50           |
| <b>Profit before tax</b>  |          | <b>1,668.57</b>  | <b>1,893.05</b>  |
| <b>Tax expense</b>  |          |                  |                  |
| Current tax   |          | 293.25           | 362.08           |
| Deferred tax  |          | 69.47            | 332.90           |
| <b>Total Tax expenses</b>   |          | <b>362.72</b>    | <b>694.98</b>    |
| <b>Profit after Tax</b>   |          | <b>1,305.85</b>  | <b>1,198.07</b>  |
| <b>Other comprehensive loss</b>   |          |                  |                  |
| <i>Items not to be reclassified to profit or loss</i>                     |          |                  |                  |
| Remeasurement of defined benefit plan                                     |          | (41.64)          | (42.06)          |
| Income tax on above   |          | 7.22             | 8.93             |
| Gain / (loss) on fair valuation of Investment                             |          | (3.52)           | (16.14)          |
| Deferred Tax (charge) / credit on above                                   |          | (0.03)           | 2.29             |
| Regulatory Income/(expense) - deferred tax                                |          | -                | (0.48)           |
|   |          | <b>(37.97)</b>   | <b>(47.46)</b>   |
| <i>Items to be reclassified to profit or loss</i>                         |          |                  |                  |
| Exchange difference on translation of foreign operations                  |          | 0.07             | 0.05             |
|   |          | <b>0.07</b>      | <b>0.05</b>      |
| <b>Other Comprehensive loss for the year (net of tax)</b>                 |          | <b>(37.90)</b>   | <b>(47.41)</b>   |
| <b>Total comprehensive income for the year</b>                            |          | <b>1,267.95</b>  | <b>1,150.66</b>  |
| <b>Profit attributable to</b>   |          |                  |                  |
| Owners of the equity  |          | 1,302.05         | 1,183.98         |
| Non-controlling interest  |          | 3.80             | 14.09            |
|   |          | <b>1,305.85</b>  | <b>1,198.07</b>  |
| <b>Other Comprehensive loss attributable to</b>                           |          |                  |                  |
| Owners of the equity  |          | (37.82)          | (45.99)          |
| Non-controlling interest  |          | (0.08)           | (1.42)           |
|   |          | <b>(37.90)</b>   | <b>(47.41)</b>   |
| <b>Total Comprehensive Income attributable to</b>                         |          |                  |                  |
| Owners of the equity  |          | 1,264.23         | 1,137.99         |
| Non-controlling interest  |          | 3.72             | 12.67            |
|   |          | <b>1,267.95</b>  | <b>1,150.66</b>  |
| Basic & Diluted Earnings per equity share ( Face value of ₹ 10 per share) | 45       | 98.24            | 89.32            |
| Notes forming part of Consolidated Financial Statements                   | 1-58     |                  |                  |

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Managing Director -Generation Rabi Chowdhury DIN : 06601588  
Managing Director- Distribution Debasish Banerjee DIN : 06443204  
Company Secretary Subhasis Mitra  
Executive Director & CFO Rajarshi Banerjee

# Consolidated Statement of Cash flow for the year ended 31st March, 2020



|   | ₹ in Crore      |                 |
|---|-----------------|-----------------|
|   | 2019-20         | 2018-19         |
| <b>A. Cash flow from Operating Activities</b>                             |                 |                 |
| Profit before tax   | 1,668.57        | 1,893.05        |
| Adjustments for :   |                 |                 |
| Depreciation and amortisation expense                                     | 781.42          | 763.78          |
| Loss on sale / disposal of property, plant and equipment (net)            | 5.06            | 2.88            |
| Gain on sale/fair valuation of current investments (net)                  | (45.71)         | (41.56)         |
| Dividend Income   | (12.57)         | (17.15)         |
| Allowances for doubtful debts / Advances made / Security deposits         | 19.51           | 0.80            |
| Bad debts, advances, other receivables written off                        | 37.42           | 77.62           |
| Finance Costs   | 1,357.36        | 1,324.72        |
| Interest Income   | (37.97)         | (49.00)         |
| Effect of Foreign Currency Transactions / Translation (net)               | 0.07            | 0.05            |
| Other Operating/Non Operating Income                                      | (19.16)         | (45.35)         |
| <b>Operating Profit before Working Capital changes</b>                    | <b>3,754.00</b> | <b>3,909.84</b> |
| Adjustments for change in :   |                 |                 |
| Trade and other receivables   | (71.00)         | (954.92)        |
| Net change in regulatory deferral account balances                        | (662.64)        | (866.77)        |
| Inventories   | (17.91)         | (117.86)        |
| Trade and other payables  | 246.94          | 640.45          |
| <b>Cash Generated from Operations</b>                                     | <b>3,249.39</b> | <b>2,610.74</b> |
| Income Tax paid (net of refund)   | (246.07)        | (316.81)        |
| <b>Net cash flow from Operating Activities</b>                            | <b>3,003.32</b> | <b>2,293.93</b> |
| <b>B. Cash flow from Investing Activities</b>                             |                 |                 |
| Purchase of Property, Plant & Equipment / Capital Work-in-Progress        | (746.40)        | (837.84)        |
| Proceeds from sale of Property, Plant & Equipment                         | 5.38            | 6.10            |
| Income from investment property   | 7.19            | 13.31           |
| Sale/(purchase) of Current Investments (net)                              | 546.66          | 46.67           |
| Sale of Non-current Investments   | 30.00           | -               |
| Dividend received   | 12.57           | 17.15           |
| Interest received   | 31.46           | 33.95           |
| Net Movement in Bank Balances not considered as Cash and Cash Equivalents | (49.98)         | 33.68           |
| <b>Net cash used in Investing Activities</b>                              | <b>(163.12)</b> | <b>(686.98)</b> |

# Consolidated Statement of Cash flow for the year ended 31st March, 2020 (Contd.)



₹ in Crore

|  | 2019-20           | 2018-19           |
|--|-------------------|-------------------|
| <b>C. Cash flow from Financing Activities</b>                              |                   |                   |
| Proceeds from Non-Current Borrowings                                       | 1,777.75          | 1,599.54          |
| Repayment of Non-Current Borrowings  | (2,266.90)        | (1,910.61)        |
| Payment of Lease Liabilities   | (25.94)           | -                 |
| Net movement in Cash Credit facilities and other Current Borrowings        | 34.56             | 186.45            |
| Finance Costs paid   | (1,330.56)        | (1,333.59)        |
| Dividends paid   | (264.31)          | (231.35)          |
| Dividend tax paid  | (54.49)           | (47.68)           |
| <b>Net Cash used in Financing Activities</b>                               | <b>(2,129.89)</b> | <b>(1,737.24)</b> |
| <b>Net increase / (decrease) in cash and cash equivalents</b>              | <b>710.31</b>     | <b>(130.29)</b>   |
| <b>Cash and Cash equivalents - Opening Balance [Refer Note 15]</b>         | <b>502.56</b>     | <b>632.17</b>     |
| <b>Cash and Cash equivalents - Pursuant to Acquisition during the year</b> | <b>-</b>          | <b>0.68</b>       |
| <b>Cash and Cash equivalents - Closing Balance [Refer Note 15]</b>         | <b>1,212.87</b>   | <b>502.56</b>     |

## Changes in liabilities arising from financing activities

₹ in crore

| Particulars   | 1-Apr-19         | Cash flows      | Other         | 31-Mar-20        |
|---|------------------|-----------------|---------------|------------------|
| Current borrowings                                    | 2,386.93         | 34.56           | -             | 2,421.49         |
| Non-Current borrowings (including Current Maturities) | 12,150.93        | (489.15)        | (33.17)       | 11,628.61        |
| Lease Liabilities                                     | 75.42            | (25.94)         | 261.05        | 310.53           |
| <b>Total liabilities from financing activities</b>    | <b>14,613.28</b> | <b>(480.53)</b> | <b>227.88</b> | <b>14,360.63</b> |

₹ in crore

| Particulars   | 1-Apr-18         | Cash flows      | Other        | 31-Mar-19        |
|---|------------------|-----------------|--------------|------------------|
| Current borrowings                                    | 2,200.48         | 186.45          | -            | 2,386.93         |
| Non-Current borrowings (including Current Maturities) | 12,446.62        | (311.07)        | 15.38        | 12,150.93        |
| <b>Total liabilities from financing activities</b>    | <b>14,647.10</b> | <b>(124.62)</b> | <b>15.38</b> | <b>14,537.86</b> |

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

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Managing Director -Generation Rabi Chowdhury DIN : 06601588  
Managing Director- Distribution Debasish Banerjee DIN : 06443204  
Company Secretary Subhasis Mitra  
Executive Director & CFO Rajarshi Banerjee

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2020



| A Equity Share Capital  |  | ₹ in crore                                      |  |  |
|---|--|---|--|--|
| Particulars   | Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |  |
| Equity Shares of ₹ 10 each issued, subscribed and fully paid up |  |   |  |  |
| As at 31 March 2019   | 133.22   | -   | 133.22                                     |  |
| As at 31 March 2020   | 133.22   | -   | 133.22                                     |  |

| B Other Equity  |                                | Reserves and Surplus * |   |   |              | Non Controlling Interest | Total |
|---|--------------------------------|------------------------|---|---|--------------|--------------------------|-------|
| Particulars   | Fund for unforeseen exigencies | Retained Earnings      | Equity Instruments through Other Comprehensive Income | Exchange differences on translating the financial statements of a foreign operation |              |                          |       |
| <b>Balance as at 1 April, 2019</b>  | 260.43                         | 8,558.08               | 9.35  | 12.76   | 82.06        | <b>8,922.68</b>          |       |
| Profit for the year   | -                              | 1,302.05               | -   | -   | 3.80         | <b>1,305.85</b>          |       |
| Other Comprehensive Income /(expense) for the year (net of tax)   | -                              | (34.34)                | (3.55)  | 0.07  | (0.08)       | <b>(37.90)</b>           |       |
| <b>Total</b>  | <b>260.43</b>                  | <b>9,825.79</b>        | <b>5.80</b>   | <b>12.83</b>  | <b>85.78</b> | <b>10,190.63</b>         |       |
| Dividends paid (including tax there on) (Note 20(f))  | -                              | (319.60)               | -   | -   | -            | <b>(319.60)</b>          |       |
| Transfer to/from retained earnings  | 18.67                          | (18.67)                | -   | -   | -            | -                        |       |
| Adjustments during the year   | -                              | -                      | -   | -   | -            | -                        |       |
| Withdrawal of additional depreciation during the year (Refer Note 47)                                       | -                              | (286.89)               | -   | -   | -            | <b>(286.89)</b>          |       |
| Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (Refer Note 47) | -                              | (4.14)                 | -   | -   | -            | <b>(4.14)</b>            |       |
| <b>Balance as at 31 March, 2020</b>   | <b>279.10</b>                  | <b>9,196.49</b>        | <b>5.80</b>   | <b>12.83</b>  | <b>85.78</b> | <b>9,580.00</b>          |       |

|   |                                | Reserves and Surplus * |   |   |              | Non Controlling Interest | Total |
|---|--------------------------------|------------------------|---|---|--------------|--------------------------|-------|
| Particulars   | Fund for unforeseen exigencies | Retained Earnings      | Equity Instruments through Other Comprehensive Income | Exchange differences on translating the financial statements of a foreign operation |              |                          |       |
| <b>Balance as at 1 April, 2018</b>  | 244.17                         | 8,006.39               | 23.68   | 12.71   | 69.39        | 8,356.34                 |       |
| Profit for the year   | -                              | 1,183.98               | -   | -   | 14.09        | 1,198.07                 |       |
| Other Comprehensive Income /(expense) for the year (net of tax)   | -                              | (31.71)                | (14.33)   | 0.05  | (1.42)       | <b>(47.41)</b>           |       |
| <b>Total</b>  | <b>244.17</b>                  | <b>9,158.66</b>        | <b>9.35</b>   | <b>12.76</b>  | <b>82.06</b> | <b>9,507.00</b>          |       |
| Dividends paid (including tax there on)   | -                              | (279.66)               | -   | -   | -            | <b>(279.66)</b>          |       |
| Transfer to/from retained earnings  | 16.26                          | (16.26)                | -   | -   | -            | -                        |       |
| Adjustments during the year   | -                              | 2.10                   | -   | -   | -            | 2.10                     |       |
| Withdrawal of additional depreciation during the year (Refer Note 47)                                       | -                              | (304.04)               | -   | -   | -            | <b>(304.04)</b>          |       |
| Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (Refer Note 47) | -                              | (2.72)                 | -   | -   | -            | <b>(2.72)</b>            |       |
| <b>Balance as at 31 March, 2019</b>   | <b>260.43</b>                  | <b>8,558.08</b>        | <b>9.35</b>   | <b>12.76</b>  | <b>82.06</b> | <b>8,922.68</b>          |       |

\* refer note 21

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

Chairman Sanjiv Goenka DIN : 00074796  
Managing Director -Generation Rabi Chowdhury DIN : 06601588  
Managing Director- Distribution Debasish Banerjee DIN : 06443204  
Company Secretary Subhasis Mitra  
Executive Director & CFO Rajarshi Banerjee

## NOTE-1 Significant accounting policies

These Consolidated financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 and the regulations under the Electricity Act, 2003 to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

### Basis of Accounting

The financial statements have been prepared on a historical cost convention, except for the following:

- a) Investments are carried at fair value, other than investments in associate and joint venture;
- b) Certain financial assets and liabilities (including derivative instruments) are measured at fair value.

### (a) Principles of consolidation and equity accounting

#### (i) Subsidiaries

Subsidiaries are all entities over which the Parent Company has control. The Parent Company controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is acquired by the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, expenses and cash flows. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and balance sheet respectively.

#### (ii) Associates

Associate is an entity over which the group has significant influence but no control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in the associate is accounted for using the equity method of accounting (see (iv) below), after initially being recognized at cost.

#### (iii) Joint arrangements

Under Ind AS 111 *Joint arrangements*, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligation of each investor, rather than the legal structure of the joint arrangement.

The Group has interest only in one joint venture.

Interest in joint venture is accounted for using equity method (see (iv) below), after initially being recognized at cost in the consolidated balance sheet.

#### (iv) Equity method

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the group’s share of the post-acquisition profits or losses of the investee in profit and loss, and the group’s share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associate and joint venture is recognized as a reduction in the carrying amount of investment.

When the group’s share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in paragraph 1(g) below.

#### **(v) Changes in ownership interests**

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **(b) Use of estimates**

As required under the provision of Ind AS for preparation of financial statements in conformity thereof, the management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **(c) Property, plant and equipment (PPE)**

##### **Tangible Assets and Depreciation**

Tangible assets are stated either at deemed cost as considered on the date of transition to IndAS or at cost of acquisition/construction together with any incidental expenses related to acquisition and appropriate borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

For the Parent and one of its subsidiary company in terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a prorata basis at the useful life specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year. Additional charge of depreciation for the year on increase in value arising from fair valuation on the date of transition to Ind AS, is recouped from Retained Earnings. Leasehold land is amortized over the unexpired period of the lease as appropriate. Leasehold improvement is amortized over the unexpired period of the lease.

In case of others, depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used. These useful lives are different in some cases than those indicated in Schedule II of the Companies Act 2013, which are disclosed below:

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Useful Life of Tangible Assets**

| Particulars              | Useful Life of Assets |
|--------------------------|-----------------------|
| Buildings and Structures | 3-60 Years            |
| Plant and Equipment      | 5-50 Years            |
| Distribution System      | 25-40 Years           |
| Meters                   | 7-15 Years            |
| River Tunnel             | 50 Years              |
| Furniture and Fixtures   | 2-15 Years            |
| Office Equipment         | 2-15 Years            |
| Vehicles                 | 5-10 Years            |
| Railway Sidings          | 15-50 Years           |

**(d) Investment properties**

Property that is held for long term rental yields is classified as investment property. Carrying amount as per previous GAAP has been considered as deemed cost as on date of transition to Ind AS.

**(e) Intangible Assets and Amortisation**

Intangible assets comprising Computer Software, Licences and mining rights, expected to provide future enduring economic benefits are stated either at deemed cost as considered on date of transition to Ind AS or at cost of acquisition / implementation / development less accumulated amortisation. The present value of the expected cost of restoration of the coal mine is included in its cost. An impairment loss is recognized where applicable, when the carrying value of intangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

Cost of intangible assets are amortised over its estimated useful life based on managements' external or internal assessment. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets. The useful life of Intangible is as follows:

**Useful Life of Intangible Assets**

| Particulars       | Useful Life of Assets |
|-------------------|-----------------------|
| Licences          | 25 Years              |
| Computer Software | 3 Years               |
| Mining Rights     | 20 Years              |

**(f) Lease****Group as lessee**

The Group's lease asset classes primarily consist of leases for land, plant & equipment, buildings and offices. The Group assesses whether a contract contains a lease, at the inception of a contract.

At the date of commencement of the lease, the Group recognizes a right of use asset (ROU) and a corresponding lease liability for all lease arrangements, in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), non lease components (like maintenance charges, etc.) and leases of low value assets.

For these short-term leases, non lease components and lease of low value assets, the Group recognizes the lease rental payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. An impairment loss is recognised where applicable, when the carrying value of ROU assets of cash generating units exceeds it fair value or value in use, whichever is higher.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of the future lease payments.

#### **Group as lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For change in accounting policy, refer Note-3

The Group has the following policy applicable till 31st March 2019 Ind AS - 17 "Leases"

A lease is classified as a finance or an operating lease as applicable.

#### **Group as lessee**

##### **Finance Lease**

Finance leases are capitalised at present value of the minimum lease payments at the lease's inception and disclosed as leased property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

A leased asset is depreciated over the useful life of the asset.

##### **Operating Lease**

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

#### **Group as lessor**

##### **Operating Lease**

Lease earnings under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where increase is in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

#### **(g) Financial asset**

The financial assets are classified in the following categories:

1. Financial assets measured at amortised cost,
2. Financial assets measured at fair value through profit and loss, and
3. Equity instruments

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value.

##### **Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

##### **Financial instruments measured at fair value through profit and loss (FVTPL)**

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

Investments in mutual funds are measured at fair value through profit and loss.

## **Equity Instruments**

Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

## **Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer note 46).

For trade receivables the simplified approach of expected lifetime losses has been used from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

## **(h) Financial Liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

## **(i) Derivatives**

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives also give rise to regulatory income or expense which is recognised through Statement of Profit and Loss and would be considered in determining the Parent's future tariff as per the tariff regulations.

## **(j) Inventories**

Inventories of stores and fuel are stated at the lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

## **(k) Foreign currency translation**

### **(i) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the Group and its Indian subsidiaries whereas the functional currency of foreign subsidiary is the currency of its country of domicile.

### **(ii) Transaction and balances**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations of monetary items are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

In case of the Parent and one of its subsidiary the outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement also gives rise to regulatory income or expense which is recognised as refundable or recoverable, which will be taken into consideration in determining the Parent's future tariff in respect of the amount settled duly considering as appropriate, the impact of the derivative contracts entered into for managing risks thereunder.

### **(iii) Foreign Operations**

The translation of financial statements of the foreign subsidiary to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity.

When a subsidiary is disposed off in full or the parent ceases the control, the relevant amount in foreign currency translation reserve is transferred to net profit in the statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

### **(l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and cash on hand and term deposits with original maturity of three months or less.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash, cheques and draft on hand, balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the balance sheet.

### **(m) Revenue from Operations**

Revenue from Contracts with Customers is recognised on supply of electricity or when services are rendered to the customers at an amount that reflects the consideration to which the Group is entitled to under applicable regulatory framework.

Revenue to be earned from sale of electricity is regulated based on parameters set out in tariff regulations issued from time to time. Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty collected from consumers and payable to the State Government.

The Group receives contribution from consumers in accordance with the applicable Regulation that is being used to construct or acquire items of property, plant and equipment in order to connect the consumers to the distribution network. Revenue is recognised in respect for such contributions so received from consumers in the year they are connected to the distribution network.

Income from meter rent is accounted for as per the approved rates.

### **(n) Other Income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, wherever applicable. Delayed Payment Surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers. Interest income arising from financial assets is accounted for using amortised cost method. Dividend income is recognised when right to receive is established.

### **(o) Employee Benefits**

The Group recognises Contributions to Provident Fund and Pension Funds on an accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Group, impact of which is ascertained by way of actuarial valuation as at the year end.

The Group, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on an accrual basis and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, done by independent actuary.

Actuarial gains and losses where applicable are recognised through Other Comprehensive Income.

Compensation in respect of voluntary retirement scheme is charged off to Statement of Profit and Loss.

## **(p) Finance Costs**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date, where such assets are ready for their intended use. The balance Finance Costs is charged off to Statement of Profit and Loss. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the derivative contracts entered into for managing risks, therefore, interest expense arising from financial liabilities is accounted for under effective interest rate method.

## **(q) Taxes**

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period in the country where the Parent and its subsidiaries and associates operate and generate taxable income.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related Deferred Tax Asset (DTA) is realised or the Deferred Tax Liability (DTL) is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

The Group reviews the MAT credit entitlement at each reporting date and recognises the credit against the tax payable to the extent that it is probable that it will be able to utilise the same against normal tax during the specified period.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

In case of the Parent and one of the subsidiary namely, Haldia Energy Limited tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, as applicable.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be recognized and there is a reasonable certainty for such tax credit benefit will be taken in the period(s) till which it is available.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## **(r) Provisions and contingent liabilities**

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

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

## **(s) Business combination**

### **Other than under common control**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

#### **Under common control**

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

#### **(t) Regulatory deferral accounts balances**

The Parent and one of the subsidiary company engaged in power business are rate regulated entity and applies Ind AS 114, Regulatory Deferral Accounts. Expenses/ income recognized as Regulatory Income/Expenses in the Statement of Profit & Loss to the extent recoverable or payable in subsequent periods based on the Group's understanding of the provision of the applicable regulations framed by the West Bengal Electricity Regulatory Commission (WBERC) and/or their pronouncements/orders, with corresponding balances shown in the Balance-Sheet as Regulatory Deferral Account balances at their present value duly considering discounting methodology using such rates in consonance with the applicable regulations and prudence. Regulatory Deferral Accounts balances are adjusted from the year in which these crystallise.

#### **NOTE-2 Summary of significant judgements and assumptions**

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :-

Estimation of Restoration liability - Refer Note 1(e)

Impairment of Trade Receivables - Refer Note 1(g)

Estimates used in actuarial valuation of employee benefits -Refer Note 36

Estimates of useful life of intangible assets -Refer Note 1(e)

Estimation of Regulatory Items - Note 31 and 40

Impairment assessment of Investment - Refer Note 1(g)

Estimates used in lease liabilities - Note 48

#### **NOTE-3 Changes in Accounting Policy**

Effective 1st April, 2019, the Group has adopted Ind AS 116 "Leases" and applied to lease contracts, existing on 1st April, 2019 using the modified retrospective method on the date of initial application. Pursuant to adoption of Ind AS 116, the Group recognised right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets. The Group recorded the lease liability at the present value of the lease payments at the date of initial application and right-of-use asset at an amount equal to the lease liability adjusted for any prepayments/ accruals recognised in the balance sheet as on 31st March, 2019. There is no impact on retained earnings as on 1st April, 2019.

Pursuant to above, the Group recognised right-of-use asset and lease liability as at 1st April, 2019 amounting to Rs. 70.03 crore and Rs. 68.72 crore respectively and profit before tax for the year ended 31st March 2020 has decreased by Rs. 15.82 crore.

Other amendments and interpretations as outlined below apply for the year ending 31st March 2020, but do not have an impact on the financial statements.

- (a) Ind AS 12: Uncertainty over Income Tax Treatment
- (b) Ind AS 109: Prepayment Features with Negative Compensation
- (c) Ind AS 19: Plan Amendment, Curtailment or Settlement,
- (d) Ind AS 23: Borrowing Costs

The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

**NOTE-4** The subsidiaries, associate and joint venture considered in the preparation of the Consolidated Financial Statements are:

| Sl. No. | Name of Subsidiaries, Associate and Joint Venture                      | Country of Incorporation | Percentage of ownership interest as at 31st March, 2020 | Percentage of ownership interest as at 31st March, 2019 |
|---------|--|--------------------------|---|---|
| 1       | Haldia Energy Limited (HEL)  | India                    | 100.00  | 100.00  |
| 2       | Dhariwal Infrastructure Limited (DIL)                                  | India                    | 100.00  | 100.00  |
| 3       | Surya Vidyut Limited (SVL)   | India                    | 100.00  | 100.00  |
| 4       | Malegaon Power Supply Limited (formerly Nalanda Power Company Limited) | India                    | 100.00  | 100.00  |
| 5       | CESC Projects Limited *  | India                    | 100.00  | 100.00  |
| 6       | Bantal Singapore Pte Limited   | Singapore                | 100.00  | 100.00  |
| 7       | Pachi Hydropower Projects Limited *                                    | India                    | 100.00  | 100.00  |
| 8       | Papu Hydropower Projects Limited *                                     | India                    | 100.00  | 100.00  |
| 9       | Ranchi Power Distribution Company Limited *                            | India                    | 100.00  | 100.00  |
| 10      | Crescent Power Limited (CPL)   | India                    | 67.83   | 67.83   |
| 11      | Kota Electricity Distribution Limited (KEDL)                           | India                    | 100.00  | 100.00  |
| 12      | Bikaner Electricity Supply Limited (BKSL)                              | India                    | 100.00  | 100.00  |
| 13      | Bharatpur Electricity Services Limited (BESL)                          | India                    | 100.00  | 100.00  |
| 14      | CESC Green Power Limited *   | India                    | 100.00  | 100.00  |
| 15      | Eminent Electricity Distribution Limited * #                           | India                    | 100.00  | 0.00  |
| 16      | Noida Power Company Limited (NPCL) (49.55% Associate)                  | India                    | 49.55   | 49.55   |
| 17      | Jharkhand Electric Company Limited * @                                 | India                    | 100.00  | 100.00  |
| 18      | Jarong Hydro-Electric Power Company Limited * @                        | India                    | 100.00  | 100.00  |
| 19      | Au Bon Pain Café India Limited   | India                    | 93.10   | 93.10   |
| 20      | Mahuagarhi Coal Company Private Limited (50% joint venture)            | India                    | 50.00   | 50.00   |

\* Yet to commence their commercial operations

@ Subsidiary from 01.10.2018

# Subsidiary from 01.07.2019

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE - 5 PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS                                       | COST / DEEMED COST    |  |                                |                        | DEPRECIATION / AMORTISATION |  |                                |                        | NET BLOCK              |                        |
|---|-----------------------|--|--------------------------------|------------------------|-----------------------------|--|--------------------------------|------------------------|------------------------|------------------------|
|   | As at 1st April, 2019 | Add: Additions/ Adjustments on Acquisition | Less: Withdrawals/ Adjustments | As at 31st March, 2020 | As at 1st April, 2019       | Add: Additions/ Adjustments on Acquisition | Less: Withdrawals/ Adjustments | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
|   |                       |  |                                |                        |                             |  |                                |                        |                        |                        |
| Land  | 3,218.01              | -  | 8.05                           | 3,226.06               | 85.61                       | -  | 21.25                          | 106.86                 | 3,119.20               | 3,132.40               |
| Buildings and Structures *                        | 1,693.39              | -  | 324.94                         | 2,018.33               | 281.11                      | -  | 75.39                          | 356.50                 | 1,661.83               | 1,412.28               |
| Plant and Equipment                               | 13,771.40             | -  | 217.26                         | 13,966.68              | 2,366.32                    | -  | 578.68                         | 2,929.95               | 11,036.73              | 11,405.08              |
| Distribution System                               | 7,775.13              | -  | 392.40                         | 8,152.55               | 1,035.92                    | -  | 305.22                         | 1,328.82               | 6,823.73               | 6,739.21               |
| Meters and Other Apparatus on Consumers' Premises | 424.09                | -  | 52.95                          | 466.30                 | 85.79                       | -  | 43.84                          | 123.20                 | 343.10                 | 338.30                 |
| River Tunnel                                      | 2.78                  | -  | -                              | 2.78                   | 2.21                        | -  | 0.55                           | 2.76                   | 0.02                   | 0.57                   |
| Furniture and Fixtures                            | 47.68                 | -  | 1.58                           | 48.91                  | 12.17                       | -  | 3.27                           | 15.13                  | 33.78                  | 35.51                  |
| Office Equipment                                  | 122.68                | -  | 9.90                           | 132.38                 | 41.39                       | -  | 11.57                          | 52.85                  | 79.53                  | 81.29                  |
| Vehicles  | 16.66                 | -  | 5.00                           | 19.95                  | 4.74                        | -  | 3.14                           | 6.73                   | 13.22                  | 11.92                  |
| Railway Sidings                                   | 319.98                | -  | 0.74                           | 320.72                 | 41.93                       | -  | 13.23                          | 55.16                  | 265.56                 | 278.05                 |
| <b>Previous Year</b>                              | <b>27,391.80</b>      | <b>-</b>                                   | <b>1,012.82</b>                | <b>28,354.66</b>       | <b>3,957.19</b>             | <b>-</b>                                   | <b>1,056.14</b>                | <b>4,977.96</b>        | <b>23,376.70</b>       | <b>23,434.61</b>       |
|   | 26,561.52             | 2.55                                       | 867.33                         | 27,391.80              | 2,933.37                    | 0.27                                       | 1,052.02                       | 3,957.19               | 23,434.61              |                        |

\* includes leasehold improvements

Note:

- Additions/Adjustments includes right of use assets recognised upon adoption of IndAs 116 (Refer Note 48)
- The Parent is in the process of renewing the lease agreement in respect of certain leasehold land having Gross Block ₹ 210.34 crore (31.03.2019: ₹ 210.34 crore) and Net Block ₹ 199.27 crore (31.03.2019: ₹ 201.46 crore)

**NOTE - 6 INVESTMENT PROPERTY**

| PARTICULARS     | COST/ DEEMED COST     |                        | DEPRECIATION / AMORTISATION |                        | NET BLOCK              |                        |
|-----------------|-----------------------|------------------------|-----------------------------|------------------------|------------------------|------------------------|
|                 | As at 1st April, 2019 | As at 31st March, 2020 | As at 1st April, 2019       | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
| Land - Freehold | 56.03                 | 62.63                  | -                           | -                      | 62.63                  | 56.03                  |
| Previous Year   | 56.03                 | 62.63                  | -                           | -                      | 62.63                  | 56.03                  |

a) Income earned recognised in Statement of Profit and Loss ₹ 12.27 crore (31.03.2019 : ₹ 12.27 crore)

b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 279 crore (as on 31.03.2019 : ₹ 288 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.

c) The lease term in respect of Investment Property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Parent. This lease has been granted to Quest Properties India Limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said company. Incentive given by the Parent by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year ₹ 12.26 crore (as on 31.03.2019 : ₹ 12.27 crore) later than one year but not later than five years ₹ 49.05 crore (as on 31.03.2019 : ₹ 49.05 crore) and later than five years ₹ 94.02 crore (as on 31.03.2019 : ₹ 106.28 crore).

**NOTE - 7 INTANGIBLE ASSETS**

| PARTICULARS       | COST/DEEMED COST      |                        | AMORTISATION          |                        | NET BLOCK              |                        |
|-------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
|                   | As at 1st April, 2019 | As at 31st March, 2020 | As at 1st April, 2019 | As at 31st March, 2020 | As at 31st March, 2020 | As at 31st March, 2019 |
| Licences          | 33.86                 | 33.86                  | 4.22                  | 1.35                   | 28.29                  | 29.64                  |
| Computer Software | 28.18                 | 29.69                  | 23.67                 | 3.08                   | 2.94                   | 4.51                   |
| Miming Rights     | 151.88                | 151.88                 | 28.13                 | 7.74                   | 116.01                 | 123.75                 |
| Previous Year     | 209.57                | 213.92                 | 40.22                 | 15.80                  | 147.24                 | 157.90                 |

# Notes forming Part of Consolidated Financial Statements (Contd.)



## NOTE - 8 NON CURRENT - INVESTMENTS

|  | ₹ in Crore                   |                              |
|--|------------------------------|------------------------------|
|  | As at 31st<br>March,<br>2020 | As at 31st<br>March,<br>2019 |
| <b>a. Investments carried at fair value through other comprehensive income (FVTOCI)</b>  |                              |                              |
| <b>(i) Investments in Equity Instruments - Quoted, fully paid up</b>   |                              |                              |
| 1,21,95,122 (31.03.2019 : 1,21,95,122) Equity Shares of Resource Generation Limited  | 2.56                         | 7.53                         |
| 3,84,608 (31.03.2019 : 3,84,608) Equity Shares of ₹ 5 each of ICICI Securities Limited   | 10.63                        | 9.31                         |
| <b>(ii) Investments in Equity Instruments - Unquoted, fully paid up</b>  |                              |                              |
| 13,000 (31.03.2019 : 13,000) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each  | 22.08                        | 21.96                        |
| <b>(iii) Investments in Preference Shares - Unquoted, fully paid up</b>  |                              |                              |
| 12,68,80,000 (31.03.2019 : 15,68,80,000) 9% Preference Shares of Integrated Coal Mining Limited of ₹ 10 each   | 126.88                       | 156.88                       |
| <b>b. Investments carried at fair value through profit and loss (FVTPL)</b>  |                              |                              |
| <b>(i) Investments in Mutual Funds - Quoted</b>  |                              |                              |
| Nil (31.03.2019 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹ 10 each (transferred to Current Investments) | -                            | 2.00                         |
| <b>(ii) Investments in Preference Shares - Unquoted, fully paid up</b>   |                              |                              |
| 5,00,000 (31.03.2019 : 5,00,000) 0.01% redeemable Preference shares of face value ₹ 100 each issued by Spencers' Retail Limited                        | 0.95                         | 0.86                         |
|  | <b>163.10</b>                | <b>198.54</b>                |
| <b><u>Investment in quoted investments:</u></b>  |                              |                              |
| Aggregate Book value   | 13.19                        | 18.84                        |
| Aggregate Market value   | 13.19                        | 18.84                        |
| <b><u>Investment in unquoted investments:</u></b>  |                              |                              |
| Aggregate Book value   | 149.91                       | 179.70                       |

## NOTE - 9 NON CURRENT - LOANS

Considered Good - Unsecured

|                       |              |              |
|-----------------------|--------------|--------------|
| a. Security Deposit   | 34.40        | 27.03        |
| b. Loans to employees | 4.78         | 3.95         |
|                       | <b>39.18</b> | <b>30.98</b> |

## NOTE -10 NON CURRENT - OTHER FINANCIAL ASSETS

|                      |              |              |
|----------------------|--------------|--------------|
| a. Lease Receivables | 55.17        | 56.21        |
| b. Others            | 0.55         | 0.10         |
|                      | <b>55.72</b> | <b>56.31</b> |

# Notes forming Part of Consolidated Financial Statements (Contd.)



|   | ₹ in crore                |                            |
|---|---------------------------|----------------------------|
|   | As at 31st<br>March, 2020 | As at 31st.<br>March, 2019 |
| <b>NOTE -11 OTHER NON-CURRENT ASSETS</b>  |                           |                            |
| a. Capital advances   | 53.92                     | 56.28                      |
| b. Others advances<br>(Includes amount incurred by the group for setting up power projects to be transferred to the specific project on completion of the same, prepaid expenses etc. ) | 91.94                     | 122.06                     |
|   | <b>145.86</b>             | <b>178.34</b>              |
| <b>NOTE -12 INVENTORIES</b>   |                           |                            |
| a. Fuel (includes goods in transit 31.03.2020 : ₹ 61.73 crore; 31.03.2019 : ₹ 71.71 crore)  | 434.66                    | 422.83                     |
| b. Stores and Spares  | 281.92                    | 275.22                     |
| c. Stock- in- trade   | 1.78                      | 2.40                       |
|   | <b>718.36</b>             | <b>700.45</b>              |
| <b>NOTE -13 CURRENT INVESTMENTS</b>   |                           |                            |
| <b>Quoted</b><br>Investment in Mutual funds carried at fair value through profit and loss   | 15.01                     | 513.03                     |
| <b>Unquoted</b><br>Investments in Commercial Paper carried at amortised cost *  | -                         | -                          |
|   | <b>15.01</b>              | <b>513.03</b>              |
| <b>Investment in quoted investments:</b>  |                           |                            |
| Aggregate Book value  | 15.01                     | 513.03                     |
| Aggregate Market value  | 15.01                     | 513.03                     |
| <b>Investment in unquoted investments:</b>  |                           |                            |
| Aggregate Book value  | -                         | -                          |
| <b>Aggregate provision for impairment in value of investments</b><br>* Fully impaired   | 30.00                     | 30.00                      |
| <b>NOTE -14 TRADE RECEIVABLES</b>   |                           |                            |
| a. Considered good - Secured  | 540.31                    | 564.64                     |
| b. Considered good - Unsecured  | 1,341.53                  | 1,174.24                   |
| c. Credit Impaired  | 43.96                     | 24.44                      |
|   | <b>1,925.80</b>           | <b>1,763.32</b>            |
| Less : Allowances for bad and doubtful debts  | 43.98                     | 24.47                      |
|   | <b>1,881.82</b>           | <b>1,738.85</b>            |
| Trade Receivables includes a sum of unbilled revenue of ₹ 28.93 crore.  |                           |                            |
| <b>NOTE-15 CASH AND CASH EQUIVALENTS</b>  |                           |                            |
| a. Balances with banks  |                           |                            |
| - In current accounts   | 1,186.89                  | 434.16                     |
| - Bank Deposits with original maturity upto 3 months  | 7.98                      | 62.12                      |
| b. Cheques, drafts on hand  | 14.60                     | 4.11                       |
| c. Cash on hand   | 3.40                      | 2.17                       |
|   | <b>1,212.87</b>           | <b>502.56</b>              |
| <b>NOTE-16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>   |                           |                            |
| Unpaid Dividend Account   | 6.54                      | 5.74                       |
| Escrow accounts*  | 116.62                    | 114.85                     |
| Bank Deposits with original maturity more than 3 months   | 454.93                    | 407.52                     |
|   | <b>578.09</b>             | <b>528.11</b>              |

\* As security for payment of the secured obligation in accordance with Distribution Franchisee Agreement in respect of certain subsidiaries in the capacity of Distribution Franchisee.

- Amount lying in deposit accounts with banks as at 31st March, 2020 includes ₹ 261.86 crore (31.03.2019 : ₹ 246.86 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.
- Bank deposits with original maturity more than 3 months include ₹ 367.55 crore (31.03.2019 : ₹ 179.13 crore) having original maturity more than 12 months as on the reporting date.

# Notes forming Part of Consolidated Financial Statements (Contd.)



## NOTE-17 LOANS

|                             | ₹ in crore                |                            |
|-----------------------------|---------------------------|----------------------------|
|                             | As at 31st<br>March, 2020 | As at 31st.<br>March, 2019 |
| Considered Good - Unsecured |                           |                            |
| a. Security Deposit         | 16.48                     | 16.53                      |
| b. Loans to employees       | 0.45                      | 0.61                       |
|                             | <b>16.93</b>              | <b>17.14</b>               |

## NOTE-18 OTHER FINANCIAL ASSETS

|   |               |               |
|---|---------------|---------------|
| Unsecured, Considered Good                      |               |               |
| Receivable from Related Party                   | 14.37         | 7.19          |
| Interest accrued on Bank Deposits               | 19.73         | 13.24         |
| Derivative financial instruments                | 22.50         | 53.02         |
| Receivable towards claims and services rendered | 43.30         | 22.63         |
| Miscellaneous advances to Bodies Corporate      | 41.65         | 3.00          |
| Others  | 6.49          | 4.89          |
|   | <b>148.04</b> | <b>103.97</b> |

## NOTE-19 OTHER CURRENT ASSETS

|  |               |               |
|--|---------------|---------------|
| Advances for goods and services  | 172.76        | 410.73        |
| Prepaid Expenses   | 4.95          | 15.59         |
| Others (includes deferred rent, advance to employees etc. and also refer note 32(e)) | 230.23        | 161.09        |
|  | <b>407.94</b> | <b>587.41</b> |

## NOTE -20 EQUITY

|   |                 |          |
|---|-----------------|----------|
| <b>a. Authorised Share Capital</b>  |                 |          |
| 3,15,60,00,000 (31.03.2019: 3,15,60,00,000) Equity Shares of ₹ 10 each              | <b>3,156.00</b> | 3,156.00 |
| <b>b. Issued Capital</b>  |                 |          |
| 13,88,57,015 ( 31.03.2019 : 13,88,57,015 ) Equity Shares of ₹ 10 each fully paid up | <b>138.86</b>   | 138.86   |
| <b>c. Subscribed and paid up capital</b>  |                 |          |
| 13,25,57,043 (31.03.2019 :13,25,57,043) Equity Shares of ₹ 10 each fully paid up    | <b>132.56</b>   | 132.56   |
| <b>d. Forfeited Shares (amount originally paid up)</b>                              | <b>0.66</b>     | 0.66     |
|   | <b>133.22</b>   | 133.22   |

### e. Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars                  | As at 31st March, 2020 |                  | As at 31st March, 2019 |                  |
|------------------------------|------------------------|------------------|------------------------|------------------|
|                              | No. of shares          | Amount (₹ crore) | No. of shares          | Amount (₹ crore) |
| At the beginning of the year | 132,557,043            | 132.56           | 132,557,043            | 132.56           |
| Add : Change during the year | -                      | -                | -                      | -                |
| At the end of the year       | <b>132,557,043</b>     | <b>132.56</b>    | 132,557,043            | 132.56           |

For the period of five years immediately preceding 31 March,2020, no shares were : - (i) allotted as fully paid up pursuant to any contract without consideration being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

### f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 20 per equity share (31.03.19 : ₹ 17.50 per equity share) has been paid during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes forming Part of Consolidated Financial Statements (Contd.)



| ₹ in crore  |                        |              |                        |              |
|---|------------------------|--------------|------------------------|--------------|
| g. Details of shareholders holding more than 5% shares in the Company |                        |              |                        |              |
| Name of shareholder   | As at 31st March, 2020 |              | As at 31st March, 2019 |              |
|   | No. of shares          | % of holding | No. of shares          | % of holding |
| Rainbow Investments Limited<br>[ refer note 54 (a) ]                  | 58,796,632             | 44           | 58,796,632             | 44           |
| HDFC Trustee Company Limited  | 11,930,021             | 9            | 11,930,021             | 9            |

## NOTE -21 OTHER EQUITY

|   | As at 31st March, 2020 | As at 31st March, 2019 |
|---|------------------------|------------------------|
| A. Fund for unforeseen exigencies                     | 279.10                 | 260.43                 |
| Foreign Currency Translation Reserve                  | 12.83                  | 12.76                  |
| Equity Instruments through Other Comprehensive Income | 5.80                   | 9.35                   |
| Retained Earnings                                     | 9,196.49               | 8,558.08               |
|   | <b>9,494.22</b>        | <b>8,840.62</b>        |

### B. Nature and purpose of other reserves

Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income. Foreign Currency Translation Reserve represents exchange difference relating to translation of Group's foreign operation from their functional currencies to Group's presentation currency.

## NOTE -22 NON-CURRENT BORROWINGS

| ₹ in Crore  |                           |                           |
|---|---------------------------|---------------------------|
|   | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
| A. <b>Secured</b>   |                           |                           |
| Non Convertible Debentures  | 170.00                    | -                         |
| Term Loans  |                           |                           |
| (i) Rupee loans from banks  | 10,157.07                 | 9,869.48                  |
| (ii) Rupee loans from financial institutions  | 720.00                    | 1,074.75                  |
| (iii) Foreign Currency loans from banks   | 56.54                     | 601.70                    |
|   | <b>11,103.61</b>          | <b>11,545.93</b>          |
| B. <b>Unsecured</b>   |                           |                           |
| Term Loans  |                           |                           |
| (i) Rupee loans from banks  | 525.00                    | 605.00                    |
| <b>Total</b>  | <b>11,628.61</b>          | <b>12,150.93</b>          |
| Less: Current maturities of long term debt transferred to Other Current Financial Liabilities (refer note 28) | 1,809.26                  | 1,859.85                  |
| Less: Unamortised front end fees  | 59.24                     | 65.74                     |
|   | <b>9,760.11</b>           | <b>10,225.34</b>          |

### C. Nature of Security :

- (i) Debentures in (A) above in respect of the Parent, ₹ 170.00 crore (31.03.2019 - Nil) are secured, ranking pari passu inter se, by equitable hypothecation of the movable fixed assets of the Parent as a first charge. However creation of the said security is in process.
- (ii) Out of the Term Loans in (A) above in respect of the Parent, ₹ 3888.86 crore (31.03.2019: ₹ 4137.50 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent including its land, building and any other constructions thereon, plant and machinery etc (refer note 5) as a first charge and as a second charge, by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15). However, creation of the said mortgage security in respect of eight Rupee Loans (31.03.2019 - five Rupee loans) aggregating ₹ 1255 crore (31.03.2019 - ₹ 755.50 crore) is in process.

- (iii) ₹ 420.00 crore (31.03.2019 - Nil) in (A) above, in respect of the Parent, are secured, ranking pari passu inter se, by equitable hypothecation of the movable fixed assets of the Parent as a first charge.
- (iv) Nil (31.03.2019: ₹ 40.00 crore), in (A) above, in respect of the Parent, are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Parent by way of a charge subservient to the charge of the first and second charge holders on the said assets.
- 2 Out of the Term Loan in (A) above, ₹3127.15 crore (31.03.2019: ₹3343.21 crore) in respect of a subsidiary are secured with first charge by way of mortgage / hypothecation of fixed assets and current assets of the subsidiary including its land, buildings, any other construction thereon where exists, plant and machinery etc (refer note 5).
- 3 (i) Out of the Term Loan in (A) above, ₹2332.13 crore (31.03.2019- ₹2593.56 crore) in respect of a subsidiary are secured, with first charge by way of mortgage / hypothecation of subsidiary's fixed assets and current assets including its land, buildings and the construction thereon where exists, plant and machinery etc (refer note 5) loans amounting to ₹ 221.25 crore (31.03.2019- ₹ 375.25 crore) are secured with second charge on all assets of the subsidiary.
- (ii) Out of the Term Loan in (A) above, loan of ₹155.56 crore (31.03.2019- ₹ 177.78 crore) in respect of the above subsidiary are secured with subservient charge on all current and movable fixed assets of the subsidiary.
- 4 In respect of one of the subsidiaries, the Term Loans of ₹526.96 crore (31.03.2019- ₹ 590.16 crore) in (A) above are secured / to be secured by an exclusive charge by way of mortgage/hypothecation in respect of the fixed assets of the subsidiary including its land, building, plant & machinery etc. (refer note 5) and by way of hypothecation of current assets of the subsidiary, with respect to the project for which the loan was availed.
- 5 (i) Term loan of ₹ 82.51 crore (31.03.2019 - ₹ 149.38 crore) in (A) above , in respect of a subsidiary, is secured by hypothecation of current assets of the subsidiary including its stock of stores, coal (refer note 12) and other movable, book debts, monies receivables (refer note 14) and bank balances (refer note 15) and equitable mortgage / hypothecation of the subsidiary's fixed assets including its land, building and all constructions thereon and plant and machinery (refer note 5), both present and future with respect to the 40 MW AFBC Thermal Power project of the subsidiary near Asansol, West Bengal. The security mentioned above ranks pari passu inter se and with the security for overdraft working capital facilities from banks.
- (ii) Term loan of ₹ 62.63 crore (31.03.2019 - ₹ 68.78 crore) in (A) above, in respect of the above subsidiary, is secured by an exclusive charge by way of mortgage/hypothecation in respect of fixed assets including its land, building, constructions thereon where exist, plant and machinery etc.(refer note 5) and by way of hypothecation of current assets of including book debts, receivables,(refer note 14) projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathapuram, Tamilnadu.
- 6 Out of the Term Loan in (A) above, ₹96.56 crore (31.03.2019- ₹ 70.31 crore) in respect of a subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL).
- 7 Out of the Term Loan in (A) above, ₹20.00 crore (31.03.2019- Nil) in respect of another subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL).

D. Major terms of repayment of Non Current Borrowings :

| Maturity profile of Non Current Borrowings outstanding as at 31st March, 2020 | ₹ in crore                 |   |                            |                        |                  |                    |
|---|----------------------------|---|----------------------------|------------------------|------------------|--------------------|
|   | Rupee Term Loan from Banks | Rupee Term Loan from Financial Institutions | Non Convertible Debentures | Foreign Currency Loans | Total            | Current Maturities |
| Borrowings with maturity of upto one year                                     | 564.50                     | -   | -                          | -                      | 564.50           | 564.50             |
| Borrowings with maturity between 1 and 3 years                                | 876.27                     | -   | -                          | 56.54                  | 932.81           | 386.97             |
| Borrowings with maturity between 3 and 5 years                                | 1,573.83                   | -   | 170.00                     | -                      | 1,743.83         | 286.82             |
| Borrowings with maturity between 5 and 10 years                               | 2,849.12                   | -   | -                          | -                      | 2,849.12         | 330.79             |
| Borrowings with maturity beyond 10 years                                      | 4,818.35                   | 720.00                                      | -                          | -                      | 5,538.35         | 240.18             |
| <b>Total</b>  | <b>10,682.07</b>           | <b>720.00</b>                               | <b>170.00</b>              | <b>56.54</b>           | <b>11,628.61</b> | <b>1,809.26</b>    |

Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. Interest rate on Debentures are based on spread over 364 days T-Bill rate. All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures of ₹ 55 crores, ₹ 55 crores and ₹ 60 crores are due for maturity on 02.02.2024, 10.02.2023 and 18.02.2022 respectively.

| Maturity profile of Non Current Borrowings as at outstanding 31st March, 2019 | ₹ in crore                 |   |                            |                        |                  |                    |
|---|----------------------------|---|----------------------------|------------------------|------------------|--------------------|
|   | Rupee Term Loan from Banks | Rupee Term Loan from Financial Institutions | Non Convertible Debentures | Foreign Currency Loans | Total            | Current Maturities |
| Borrowings with maturity of upto one year                                     | 360.77                     | -   | -                          | 433.89                 | <b>794.66</b>    | 794.66             |
| Borrowings with maturity between 1 and 3 years                                | 829.37                     | -   | -                          | 87.04                  | <b>916.41</b>    | 206.23             |
| Borrowings with maturity between 3 and 5 years                                | 1,456.56                   | -   | -                          | 80.77                  | <b>1,537.33</b>  | 320.98             |
| Borrowings with maturity between 5 and 10 years                               | 2,499.32                   | -   | -                          | -                      | <b>2,499.32</b>  | 303.74             |
| Borrowings with maturity beyond 10 years                                      | 5,328.46                   | 1,074.75                                    | -                          | -                      | <b>6,403.21</b>  | 234.24             |
| <b>Total</b>  | <b>10,474.48</b>           | <b>1,074.75</b>                             | -                          | <b>601.70</b>          | <b>12,150.93</b> | <b>1,859.85</b>    |

Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that of Foreign Currency Loan are based on spread over LIBOR.  
All of the above are repayable in periodic instalments over the maturity period of the respective loans.

E. Outstanding foreign currency loans as on 31 March, 2020 as disclosed above, stand fully hedged in Indian Rupees.

**NOTE -23 NON CURRENT- OTHER FINANCIAL LIABILITIES**

|                      | ₹ in Crore             |                        |
|----------------------|------------------------|------------------------|
|                      | As at 31st March, 2020 | As at 31st March, 2019 |
| a. Lease liabilities | <b>278.57</b>          | 6.70                   |
|                      | <b>278.57</b>          | 6.70                   |

**NOTE -24 NON CURRENT- PROVISIONS**

|  |               |        |
|--|---------------|--------|
| a. Provision for employee benefits                           | <b>388.91</b> | 311.21 |
| b. Restoration liabilities                                   | <b>35.76</b>  | 33.06  |
|  | <b>424.67</b> | 344.27 |
| <b>Reconciliation of movement in Restoration liabilities</b> |               |        |
| Opening balance  | <b>33.06</b>  | 30.42  |
| Add : Adjustment for the year                                | <b>2.70</b>   | 2.64   |
| Closing balance  | <b>35.76</b>  | 33.06  |

The Group has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.

**NOTE -25 OTHER NON CURRENT LIABILITIES**

|                                 |               |        |
|---------------------------------|---------------|--------|
| Advance received from consumers | <b>94.54</b>  | 142.89 |
| Others                          | <b>100.85</b> | 87.15  |
|                                 | <b>195.39</b> | 230.04 |

# Notes forming Part of Consolidated Financial Statements (Contd.)



## NOTE -26 CURRENT- BORROWINGS

|   | ₹ in Crore                |                           |
|---|---------------------------|---------------------------|
|   | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
| <b>A Secured</b>  |                           |                           |
| Loans repayable on demand from banks  | 1,921.49                  | 1,086.93                  |
| <b>B Unsecured</b>  |                           |                           |
| Loans repayable on demand   |                           |                           |
| (i) Short term loan from banks  | 200.00                    | 100.00                    |
| (ii) Commercial Paper [including from banks 31.03.2020: ₹ 300 crore; 31.03.2019: ₹ 300 crore] | 300.00                    | 1,200.00                  |
|   | <b>2,421.49</b>           | <b>2,386.93</b>           |

### C Nature of Security

- Working capital facilities from banks in respect of the Parent amounting to ₹ 1290.01 crore (31.03.2019: ₹ 585.44 crore) in (A) above are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15) as a first charge and as a second charge by equitable mortgage/ hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc (refer note 5). However, creation of the said security in respect of working capital facilities from banks aggregating ₹ 180.65 crore (31.03.2019: ₹ 30.65 crore) is in process (refer note 5).
- Working capital facilities from banks in respect of one of the subsidiaries amounting to ₹ 81.70 Crore (31.03.2019: ₹ 145.76 crore) in (A) above, is secured with first charge by way of mortgage/hypothecation of the subsidiary's fixed and current assets including its land and buildings, the construction thereon where exists, plant and machinery etc (refer note 5) and loans amounting to ₹ 97.90 crore (31.03.2019: Nil) are secured by hypothecation of entire current assets and loan amounting to Nil (31.03.2019: ₹ 125 crore) are secured by second pari passu charge by hypothecation over entire current assets and movable fixed assets of the subsidiary.
- Working capital facilities from banks in respect of certain subsidiaries amounting to ₹ 30.22 crore (31.03.2019: Nil) in (A) above, was secured by pari passu charge on movable and immovable fixed assets (refer note 5) of the subsidiary and charge over escrow account for routing of cash flows pertaining to 40 MW AFBC Thermal Power project of the subsidiary.
- Working capital facilities from banks in respect of one of the subsidiary amounting to ₹ 249.24 crore (31.03.2019 : ₹ 50.05 crore) in (A) above, is secured with first charge by way of mortgage / hypothecation of fixed assets and current assets of the subsidiary including its land, building, the construction thereon where exists, plant and machinery etc (refer note 5).
- Working capital facilities from banks in respect of certain subsidiaries amounting to ₹ 172.42 crore (31.03.2019: ₹ 180.68 crore) in (A) above, is secured ranking pari passu inter se, by hypothecation of respective subsidiary's current assets as a second charge.

## NOTE - 27 TRADE PAYABLES

|  | ₹ in Crore                |                           |
|--|---------------------------|---------------------------|
|  | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
| a. Total outstanding dues to micro enterprise & small enterprises                      | 19.32                     | 16.65                     |
| b. Total outstanding dues of creditors other than micro enterprise & small enterprises | 637.52                    | 555.69                    |
|  | <b>656.84</b>             | <b>572.34</b>             |

## NOTE- 28 OTHER FINANCIAL LIABILITIES

|   |                 |                 |
|---|-----------------|-----------------|
| a. Current maturities of long-term debt | 1,809.26        | 1,859.85        |
| b. Interest accrued but not due         | 20.02           | 17.02           |
| c. Unclaimed dividends                  | 6.54            | 5.74            |
| d. Others (refer note e)                | 809.98          | 697.17          |
|   | <b>2,645.80</b> | <b>2,579.78</b> |

- e. Others include current portion of consumer security deposit (including accrued interest thereon), employee related liabilities, liabilities on capital account, liabilities towards contractual obligations, lease liabilities, etc.

## NOTE- 29 OTHER CURRENT LIABILITIES

# Notes forming Part of Consolidated Financial Statements (Contd.)



|   | ₹ in Crore                |                           |
|---|---------------------------|---------------------------|
|   | As at 31st<br>March, 2020 | As at 31st<br>March, 2019 |
| a. Liabilities towards statutory taxes, duties etc. | 370.06                    | 364.40                    |
| b. Advances received from Consumers                 | 15.81                     | 80.58                     |
| c. Receipt from consumers for jobs                  | 178.61                    | 146.54                    |
| d. Others   | 20.11                     | 70.39                     |
|   | <b>584.59</b>             | <b>661.91</b>             |

## NOTE - 30 CURRENT PROVISIONS

|                                    |              |              |
|------------------------------------|--------------|--------------|
| a. Provision for employee benefits | 65.43        | 66.63        |
| b. Others                          | 0.22         | 0.22         |
|                                    | <b>65.65</b> | <b>66.85</b> |

## NOTE-31 REGULATORY DEFERRAL ACCOUNT BALANCES

|  |                 |                 |
|--|-----------------|-----------------|
| <b>REGULATORY DEFERRAL ACCOUNT BALANCES -CREDIT BALANCES</b> | <b>1,739.96</b> | <b>1,677.28</b> |
| <b>REGULATORY DEFERRAL ACCOUNT BALANCES -DEBIT BALANCES</b>  | <b>4,724.59</b> | <b>3,999.27</b> |

(Refer Note 40 for details)

## NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS

### a. Claims against the group not acknowledged as debts:

The West Bengal Taxation Tribunal had held meter rentals received by the Parent from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹ 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹ 0.36 crore on account of interest. Against the above demand, the Parent had deposited a sum of ₹ 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Parent filed a writ petition in the Calcutta High Court and prayed for an interim order, interalia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order was issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Parent. Subsequently, the High Court vide order dated 9th January, 2020 released the said writ petition as withdrawn on the ground that writ is not maintainable before the Single Bench. Pursuant to the above, the Parent has duly filed writ before the Division Bench of Calcutta High Court. The disposal of the case is still pending.

- b. An Appeal under the Electricity Act, 2003 has been filed before the Hon'ble Appellate Tribunal for Electricity (APTEL) by two Appellants against the Hon'ble Uttar Pradesh Electricity Regulatory Commission's (UPERC) Order dated April 20, 2016, wherein the Hon'ble UPERC has approved the Power Purchase Agreement between one of the subsidiary and Noida Power Company Limited (NPCL) for supply of 170 MW power for a period of 25 years. Similarly another Appeal before the Hon'ble APTEL has been filed against the Order dated 05 February 2019 passed by the Hon'ble UPERC whereby the tariff for supply of power for the period FY 2016-19 from the subsidiary to NPCL has been determined by the Hon'ble UPERC. Filing of pleadings in both the cases are complete. The final arguments in the matter have commenced and as the matters are currently pending adjudication, the financial impact, if any, cannot be ascertained at this stage.

### c. Other matters for which the Group is contingently liable (including share in Associate):

₹ in crore

| Particulars                     | 31st March, 2020 | 31st March, 2019 |
|---------------------------------|------------------|------------------|
| – Income Tax (refer Note below) | –                | 0.01             |
| – Bank Guarantees               | 543.63           | 683.39           |

Note :

Income Tax demands under appeal, pending in different forums, in respect of which the associate do not expect any unfavorable outcome.

- d. Commitments of the Group on account of estimated amount of contracts remaining to be executed on capital account not provided for amount to ₹ 126.39 crore (31.03.2019: ₹ 156.28 crore)

- e. The Ministry of Coal had encashed the bank guarantee of the Parent amounting to ₹ 66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the Coal Mine Development and Production Agreement (CMDPA). Further, in terms of the above letter, the Ministry had directed the Parent to top-up the bank guarantee with the aforesaid encashed amount. The Hon'ble High Court of Delhi while disposing the petition filed by the Parent against the Ministry's letter dated 25.04.2018, stayed the operation of this letter and further directed the Parent to approach the Tribunal. The Parent has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Parent expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account.
- f. Commitments relating to leasing arrangement, refer note 5 and 48

**NOTE - 33 REVENUE FROM OPERATIONS**

|                                      | ₹ in crore       |                  |
|--------------------------------------|------------------|------------------|
|                                      | 2019-20          | 2018-19          |
| a. Earnings from sale of electricity | 10,760.96        | 10,396.37        |
| b. Other Operating Revenue           |                  |                  |
| Meter Rent                           | 52.36            | 51.23            |
| Contribution from Consumers          | 105.60           | 139.48           |
| Earnings from sale of traded goods   | 20.06            | 22.94            |
| Others                               | 75.60            | 54.12            |
|                                      | <b>11,014.58</b> | <b>10,664.14</b> |

- c. Earnings from sale of electricity in respect of the Parent and one of the subsidiary are determined in accordance with the relevant orders of the Commission, to the extent applicable. The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month amounting to ₹ 110.75 crore ( previous year : ₹ 102.85 crore).

**NOTE- 34 OTHER INCOME**

|   | ₹ in crore    |               |
|---|---------------|---------------|
|   | 2019-20       | 2018-19       |
| a. Interest Income  | 37.97         | 49.00         |
| b. Dividend Income  | 12.57         | 17.15         |
| c. Gain on sale/fair valuation of current investments (net) | 45.71         | 41.56         |
| d. Profit on sale of property, plant and equipment (net)    | -             | 0.03          |
| e. Other Non-operating Income *                             | 106.26        | 96.56         |
|   | <b>202.51</b> | <b>204.30</b> |

\* includes delayed payment surcharge, usance fee, liabilities written back etc

**NOTE 35 COST OF FUEL**

- a) Cost of Fuel includes freight ₹ 956.61 crore (previous year : ₹ 928.68 crore)
- b) Cost of Fuel net off gain of Nil (previous year: gain of ₹ 0.99 crore) due to exchange fluctuations.

c) Consumption of fuel:

| Particulars             | ₹ in Crore      |                 |
|-------------------------|-----------------|-----------------|
|                         | 2019-20         | 2018-19         |
| (a) Consumption of coal | 3,432.85        | 3,409.12        |
| (b) Consumption of oil  | 15.82           | 17.28           |
| (c) Total (a+b)         | <b>3,448.67</b> | <b>3,426.40</b> |

**NOTE-36 EMPLOYEE BENEFIT EXPENSE**

|   | ₹ in crore      |                 |
|---|-----------------|-----------------|
|   | 2019-20         | 2018-19         |
| a. Salaries, wages and bonus                    | 1,115.62        | 1,117.94        |
| b. Contribution to provident and other funds    | 111.06          | 101.84          |
| c. Employees' welfare expenses                  | 52.97           | 55.20           |
|   | <b>1,279.65</b> | <b>1,274.98</b> |
| Less : Transfer to PPE/ CWIP etc.               | <b>155.06</b>   | <b>199.11</b>   |
|   | <b>1,124.59</b> | <b>1,075.87</b> |
| Less : Transfer to Other Comprehensive Income * | <b>41.64</b>    | <b>42.06</b>    |
|   | <b>1,082.95</b> | <b>1,033.81</b> |

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit plan has been recognised in Other Comprehensive Income.

(i) **Defined Contribution Plans**

The Group makes contribution for Provident Fund towards defined contribution retirement benefit plan for eligible employees. Under the plan, the group is required to contribute a specific percentage of the employees' salaries to fund the benefit. The fund has the form of trust and is governed by the Board of Trustees. The Parent also contributes for family pension schemes (including for superannuation) and shortfall in earning of the trust compared to the statutory rate, if any is duly met.

During the year, based on applicable rates, the group has contributed and charged ₹ 75.92 crore (previous year: ₹ 64.25 crore) on this account in the Statement of Profit and Loss.

The Group also sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The Group makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible funds for qualifying employees.

Liabilities at the year end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary.

(ii) **The amounts recognised in the Balance Sheet and the movements in the total defined benefit obligation over the year are as follows:**

| Gratuity (Funded)  | 2019-20                     |                           |              | 2018-19                     |                           |              |
|--|-----------------------------|---------------------------|--------------|-----------------------------|---------------------------|--------------|
|  | Present value of obligation | Fair value of plan assets | Total amount | Present value of obligation | Fair value of plan assets | Total amount |
| <b>Opening Balance</b>   | <b>450.04</b>               | <b>(409.91)</b>           | <b>40.13</b> | 427.21                      | (361.32)                  | 65.89        |
| Current service cost   | 20.44                       | -                         | 20.44        | 18.64                       | -                         | 18.64        |
| Interest expense/(income)  | 27.50                       | (29.13)                   | (1.63)       | 26.75                       | (30.41)                   | (3.66)       |
| Past service cost  | 0.10                        | -                         | 0.10         | 0.08                        | -                         | 0.08         |
| <b>Total amount recognised in profit and loss</b>                              | <b>48.04</b>                | <b>(29.13)</b>            | <b>18.91</b> | 45.47                       | (30.41)                   | 15.06        |
| <i>Remeasurements</i>  |                             |                           |              |                             |                           |              |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | (0.54)                    | (0.54)       | -                           | 1.37                      | 1.37         |
| (Gain)/loss from change in demographic assumptions                             | (2.01)                      | -                         | (2.01)       | -                           | -                         | -            |
| (Gain)/loss from change in financial assumptions                               | 18.83                       | -                         | 18.83        | 6.16                        | -                         | 6.16         |
| Experience (gains)/losses  | 1.71                        | 0.02                      | 1.73         | 19.28                       | 0.02                      | 19.30        |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>18.53</b>                | <b>(0.52)</b>             | <b>18.01</b> | 25.44                       | 1.39                      | 26.83        |
| Employer contributions   | -                           | (37.71)                   | (37.71)      | -                           | (67.57)                   | (67.57)      |
| Benefit payments   | (59.88)                     | 58.62                     | (1.26)       | (48.08)                     | 48.00                     | (0.08)       |
| <b>Closing Balance</b>   | <b>456.73</b>               | <b>(418.65)</b>           | <b>38.08</b> | 450.04                      | (409.91)                  | 40.13        |

₹ in crore

| Leave Obligation (Unfunded)  | 2019-20                     | 2018-19                     |
|--|-----------------------------|-----------------------------|
|  | Present value of obligation | Present value of obligation |
| <b>Opening Balance</b>   | <b>176.07</b>               | 150.65                      |
| Current service cost   | 11.93                       | 11.00                       |
| Interest expense/(income)  | 11.17                       | 10.95                       |
| Past service cost  | 0.03                        | 0.02                        |
| <i>Remeasurements</i>  |                             |                             |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | -                           |
| (Gain)/loss from change in demographic assumptions                             | (0.01)                      | -                           |
| (Gain)/loss from change in financial assumptions                               | 11.06                       | 3.20                        |
| Experience (gains)/losses  | (4.84)                      | 14.43                       |
| <b>Total amount recognised in profit and loss</b>                              | <b>29.34</b>                | 39.60                       |
| (Gain)/loss from change in financial assumptions                               | -                           | -                           |
| Experience (gains)/losses  | -                           | -                           |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>-</b>                    | -                           |
| Employer contributions   | -                           | -                           |
| Benefit payments   | (17.38)                     | (14.18)                     |
| <b>Closing Balance</b>   | <b>188.03</b>               | 176.07                      |

₹ in crore

|  | Post retirement medical benefit (PRMB) |         | Pension      |         |
|--|--|---------|--------------|---------|
|  | 2019-20                                | 2018-19 | 2019-20      | 2018-19 |
| <b>Opening Balance</b>                                       | <b>86.12</b>                           | 77.86   | <b>75.53</b> | 58.44   |
| Current service cost   | 4.31                                   | 1.34    | 0.41         | 0.25    |
| Interest expense/(income)                                    | 5.71                                   | 5.20    | 5.54         | 4.00    |
| Past Service Cost  | 28.55                                  | -       | 9.24         | 9.43    |
| <b>Total amount recognised in profit and loss</b>            | <b>38.57</b>                           | 6.54    | <b>15.19</b> | 13.68   |
| <i>Remeasurements</i>  |  |         |              |         |
| (Gain)/loss from change in demographic assumptions           | 1.19                                   | -       | -            | -       |
| (Gain)/loss from change in financial assumptions             | 13.13                                  | 2.16    | 5.64         | 1.29    |
| Experience (Gains)/Losses                                    | (3.28)                                 | 3.23    | 6.80         | 8.56    |
| <b>Total amount recognised in other comprehensive income</b> | <b>11.04</b>                           | 5.39    | <b>12.44</b> | 9.85    |
| Employer contributions                                       | -                                      | -       | -            | -       |
| Benefit payments   | (3.64)                                 | (3.67)  | (7.01)       | (6.44)  |
| <b>Closing Balance</b>                                       | <b>132.09</b>                          | 86.12   | <b>96.15</b> | 75.53   |

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension are as follows:

₹ in crore

|                                  | 1st year      | Between 2-5 years | Between 6-10 years | More than 10 years | Total           |
|----------------------------------|---------------|-------------------|--------------------|--------------------|-----------------|
| <b>31-Mar-20</b>                 |               |                   |                    |                    |                 |
| Gratuity                         | 72.53         | 194.57            | 206.66             | 240.07             | <b>713.83</b>   |
| Leave obligation                 | 23.57         | 64.17             | 80.25              | 186.22             | <b>354.21</b>   |
| Post-employment medical benefits | 6.15          | 35.02             | 65.30              | 337.46             | <b>443.93</b>   |
| Pension                          | 8.03          | 38.75             | 44.55              | 80.20              | <b>171.53</b>   |
| <b>Total</b>                     | <b>110.28</b> | <b>332.51</b>     | <b>396.76</b>      | <b>843.95</b>      | <b>1,683.50</b> |
| <b>31-Mar-19</b>                 |               |                   |                    |                    |                 |
| Gratuity                         | 73.89         | 199.84            | 220.86             | 232.23             | <b>726.82</b>   |
| Leave obligation                 | 24.07         | 65.25             | 76.65              | 185.07             | <b>351.04</b>   |
| Post-employment medical benefits | 3.24          | 18.17             | 32.32              | 226.72             | <b>280.45</b>   |
| Pension                          | 7.38          | 33.42             | 35.92              | 71.79              | <b>148.51</b>   |
| <b>Total</b>                     | <b>108.58</b> | <b>316.68</b>     | <b>365.75</b>      | <b>715.81</b>      | <b>1,506.82</b> |

(iv) Sensitivity Analysis

₹ in crore

|  | Gratuity      |           | Leave Obligation |           | Post-employment medical benefits (PRMB) |           | Pension       |           |
|--|---------------|-----------|------------------|-----------|---|-----------|---------------|-----------|
|  | 31-Mar-20     | 31-Mar-19 | 31-Mar-20        | 31-Mar-19 | 31-Mar-20                               | 31-Mar-19 | 31-Mar-20     | 31-Mar-19 |
| DBO at 31st March with discount rate +1%             | <b>427.59</b> | 421.12    | <b>175.39</b>    | 164.09    | <b>117.00</b>                           | 76.35     | <b>89.50</b>  | 68.13     |
| Corresponding service cost                           | <b>18.15</b>  | 15.92     | <b>9.95</b>      | 9.33      | <b>3.17</b>                             | 1.11      | <b>0.37</b>   | 0.24      |
| DBO at 31st March with discount rate -1%             | <b>480.63</b> | 470.05    | <b>205.22</b>    | 189.71    | <b>151.39</b>                           | 92.79     | <b>103.72</b> | 77.64     |
| Corresponding service cost                           | <b>21.11</b>  | 18.35     | <b>12.31</b>     | 11.45     | <b>5.02</b>                             | 1.55      | <b>0.47</b>   | 0.31      |
| DBO at 31st March with +1% salary/benefit escalation | <b>465.86</b> | 458.92    | <b>208.46</b>    | 193.15    | <b>140.98</b>                           | 88.10     |               |           |
| Corresponding service cost                           | <b>20.41</b>  | 17.88     | <b>12.61</b>     | 11.74     | <b>4.46</b>                             | 1.44      |               |           |
| DBO at 31st March with -1% salary/benefit escalation | <b>438.02</b> | 427.91    | <b>172.80</b>    | 161.55    | <b>124.40</b>                           | 79.85     |               |           |
| Corresponding service cost                           | <b>18.64</b>  | 16.21     | <b>9.71</b>      | 9.13      | <b>3.67</b>                             | 1.26      |               |           |
| DBO at 31st March with +50% withdrawal rate          | <b>453.01</b> | 444.97    | <b>189.32</b>    | 176.41    | <b>131.42</b>                           | 72.93     |               |           |
| Corresponding service cost                           | <b>19.56</b>  | 17.10     | <b>11.03</b>     | 10.33     | <b>3.95</b>                             | 1.32      |               |           |
| DBO at 31st March with -50% withdrawal rate          | <b>452.26</b> | 443.60    | <b>189.18</b>    | 175.61    | <b>133.14</b>                           | 73.61     |               |           |
| Corresponding service cost                           | <b>19.50</b>  | 17.00     | <b>11.01</b>     | 10.26     | <b>4.10</b>                             | 1.35      |               |           |
| DBO at 31st March with +10% mortality rate           | <b>452.80</b> | 444.67    | <b>189.26</b>    | 176.26    | <b>129.60</b>                           | 82.31     | <b>93.09</b>  | 70.56     |
| Corresponding service cost                           | <b>19.54</b>  | 17.07     | <b>11.02</b>     | 10.31     | <b>3.92</b>                             | 1.31      | <b>0.41</b>   | 0.27      |
| DBO at 31st March with -10% mortality rate           | <b>452.37</b> | 443.90    | <b>189.22</b>    | 175.77    | <b>135.11</b>                           | 85.42     | <b>99.51</b>  | 81.31     |
| Corresponding service cost                           | <b>19.52</b>  | 17.01     | <b>11.02</b>     | 10.27     | <b>4.13</b>                             | 1.36      | <b>0.42</b>   | 0.24      |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compare to the prior period

(v) **Major categories of total plan assets as per the Gratuity Trust Fund**

₹ in crore

|                          | 31-Mar-2020 | 31-Mar-2019 |
|--------------------------|-------------|-------------|
| <b>Gratuity</b>          |             |             |
| Cash and cash equivalent | 418.65      | 409.91      |
| Unquoted market price    | 418.65      | 409.91      |

(vi) **Actuarial assumptions**

| 31-Mar-20                      |  |  |  |  |
|--------------------------------|--|--|--|--|
| Particulars                    | Gratuity   | Leave obligation   | Medical  | Pension  |
| Discount rate current year (%) | 4.58-6.67%   | 4.58-6.67%   | 6.50%  | 6.50%  |
| Mortality rate                 | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) | Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14) |

| 31-Mar-19                      |   |   |  |  |
|--------------------------------|---|---|--|--|
| Particulars                    | Gratuity  | Leave obligation                                  | Medical  | Pension  |
| Discount rate current year (%) | 6.95-7.65%  | 6.95-7.71%  | 7.34%  | 7.34%  |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08) ultimate | Indian Assured Lives Mortality (2006-08) ultimate | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years |

| Expected Remaining Life | 2019-20 | 2018-19 |
|-------------------------|---------|---------|
| Employees Gratuity Fund | 6.90    | 7.02    |
| Executive Gratuity Fund | 6.96    | 6.62    |
| Leave Encashment        | 8.62    | 8.62    |
| PRMB - Non Cov          | 12.33   | 12.59   |
| PRMB - Cov              | 14.22   | 12.93   |
| Pension                 | 18.39   | 15.02   |

Expected contributions to be paid in next year for gratuity fund ₹ 48.26 crore

Expected contributions to be paid for next year for leave obligation, medical & pension is nil

(vii) **Plan assets consist of funds maintained with LIC, ICICI prudential, Birla Sun Life and HDFC Standard Life.**

|  | 2019-20 | 2018-19 |
|--|---------|---------|
| Actual return on plan assets (₹ crore) | 29.55   | 28.62   |

(viii) **Risk exposure**

The Plans in India typically expose the Group to some risks, the most significant of which are detailed below:

**Discount Rate Risk:** Decrease in discount rate will increase the value of the liability. However, this will partially offset by the increase in the value of plan assets.

**Future Salary Increase Risk:** In case of gratuity & leave the scheme cost is sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB & pension are not dependant on future salary levels.

**Demographic Risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

**NOTE- 37 FINANCE COSTS**

|   | ₹ in crore      |          |
|---|-----------------|----------|
|   | 2019-20         | 2018-19  |
| a. Interest expense   | 1,313.30        | 1,291.32 |
| b. Other Borrowing Costs  | 44.79           | 48.70    |
| c. Applicable net loss on foreign currency transactions and translation | (0.73)          | (0.05)   |
|   | <b>1,357.36</b> | 1,339.97 |
| Less : Allocated to PPE/ CWIP   | -               | 15.25    |
|   | <b>1,357.36</b> | 1,324.72 |

**NOTE- 38 DEPRECIATION AND AMORTISATION EXPENSE**

|   |                 |          |
|---|-----------------|----------|
| Depreciation/ amortisation of property, plant & equipment | 1,056.14        | 1,052.02 |
| Amortisation of intangible assets                         | 12.17           | 15.80    |
|   | <b>1,068.31</b> | 1,067.82 |
| Less : Recoupment from Retained Earnings (refer Note 47)  | 286.89          | 304.04   |
|   | <b>781.42</b>   | 763.78   |

**NOTE-39 OTHER EXPENSES**

|   |                 |          |
|---|-----------------|----------|
| a. Power and Fuel   | 6.61            | 3.08     |
| b. Consumption of stores and spares                             | 131.66          | 127.43   |
| c. Repairs  |                 |          |
| Building  | 13.82           | 17.36    |
| Plant and Machinery   | 179.15          | 157.23   |
| Distribution System   | 135.97          | 132.91   |
| Others  | 12.98           | 13.55    |
|   | <b>341.92</b>   | 321.05   |
| d. Insurance  | 36.01           | 27.15    |
| e. Rent   | 11.49           | 30.44    |
| f. Rates and taxes  | 10.26           | 9.81     |
| g. Bad debts / Advances made                                    | 37.42           | 39.51    |
| h. Loss on sale / disposal of Property, Plant & Equipment (net) | 5.06            | 2.91     |
| i. Provision for Bad Debts                                      | 19.51           | 0.80     |
| j. Interest on Consumers' Security Deposits                     | 106.04          | 107.28   |
| k. Foreign Exchange Restatement loss / (gain)                   | (25.26)         | 13.73    |
| l. Corporate social responsibility activities                   | 46.45           | 21.50    |
| m. Mark to Market loss / (gain) on derivatives                  | 18.46           | (19.82)  |
| n. Miscellaneous expenses                                       | 584.05          | 577.74   |
|   | <b>1,329.68</b> | 1,262.61 |

**NOTE - 40 REGULATORY INCOME**

- a. Regulatory Income / (Expenses) arise to the Parent and a subsidiary pursuant to the regulatory provisions applicable to the Parent and the subsidiary under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments - income/(expenses), relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs and those having bearing on revenue account (c) Deferred Taxation estimate, as appropriate, and (d) effect of exchange fluctuation including MTM, gain based on the understanding of the applicable regulatory provisions and applicable orders of the competent authorities, amounting to ₹ (81.14 crore) [Previous year ₹ (79.64 crore)], ₹ 614.00 crore (Previous year ₹ 657.00 crore), ₹ 136.58 crore (Previous year ₹ 321.24 crore) and ₹ (6.80 crore) [Previous year ₹ (6.10 crore)] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balances (refer Note 31).

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) exchange fluctuation and (c) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 3,964.57 crore ( 31.03.2019 : ₹ 3,827.99 crore) , ₹ 22.79 crore ( 31.03.2019 : ₹ 48.05 crore ) and ₹ 737.23 crore ( 31.03.2019 : ₹ 123.23 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, and (b) MTM Gain amount to ₹ 1717.46 crore (31.03.2019 : ₹ 1,636.32 crore ), and ₹ 22.50 crore ( 31.03.2019 : ₹ 40.96 crore) respectively.

During the year, the Parent received the order from WBERC in respect of its Annual Performance Review (APR) for the year ended March 31, 2014 which has determined an amount of ₹ 383 crore as adjustment for the year, to be suitably considered in subsequent tariff and/or other orders. The impact of such order has been considered in these financial statements including in Regulatory Income / (Expenses) for the year and also on the Regulatory Deferral Account balances as at 31 March 2020, based on the Parent's understanding of the process pertaining to APR, for subsequent years also. These balances have been now recognised with discounting methodology, assuming recovery over a period of time using such rate in consonance with the applicable regulations and application of prudence.

Accordingly, the accurate quantification and disposal of the matters with regard to Regulatory Deferral Account balances, shall be given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Parent effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

**Note -41 Non Controlling Interest (NCI)**

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

| Summarised Balance Sheet                    | ₹ in crore             |               |                                |               |
|---|------------------------|---------------|--------------------------------|---------------|
|   | Crescent Power Limited |               | Au Bon Pain Café India Limited |               |
|   | 31 March 2020          | 31 March 2019 | 31 March 2020                  | 31 March 2019 |
| Non Current assets                          | 403.83                 | 435.19        | -                              | 0.01          |
| Current assets                              | 114.96                 | 116.38        | 1.01                           | 1.22          |
| <b>Total Assets</b>                         | <b>518.79</b>          | <b>551.57</b> | <b>1.01</b>                    | <b>1.23</b>   |
| Non current liabilities                     | 171.90                 | 231.34        | -                              | -             |
| Current liabilities                         | 80.25                  | 65.17         | 0.70                           | 0.80          |
| <b>Total Liabilities</b>                    | <b>252.15</b>          | <b>296.51</b> | <b>0.70</b>                    | <b>0.80</b>   |
| <b>Net Assets</b>                           | <b>266.64</b>          | <b>255.06</b> | <b>0.31</b>                    | <b>0.43</b>   |
| <b>Accumulated Non Controlling Interest</b> | <b>85.78</b>           | <b>82.06</b>  | *                              | *             |

\* Negative hence not disclosed

| Summarised Statement of Profit and Loss                          | ₹ in crore             |               |                                |               |
|--|------------------------|---------------|--------------------------------|---------------|
|  | Crescent Power Limited |               | Au Bon Pain Café India Limited |               |
|  | 2019-20                | 2018-19       | 2019-20                        | 2018-19       |
| Revenue  | 142.15                 | 180.01        | 0.11                           | 0.86          |
| Profit / (Loss) after tax  | 11.82                  | 44.41         | (0.11)                         | (2.17)        |
| <b>Total Other Comprehensive Income for the year, net of tax</b> | <b>(0.24)</b>          | <b>(4.43)</b> | -                              | -             |
| <b>Total Comprehensive Income for the year</b>                   | <b>11.58</b>           | <b>39.98</b>  | <b>(0.11)</b>                  | <b>(2.17)</b> |
| <b>Profits allocated to NCI</b>                                  | <b>3.72</b>            | <b>12.86</b>  | *                              | *             |

\* Negative hence not disclosed

# Notes forming Part of Consolidated Financial Statements (Contd.)



| Summarised Cash Flows                                     | ₹ in crore             |              |                                |             |
|---|------------------------|--------------|--------------------------------|-------------|
|   | Crescent Power Limited |              | Au Bon Pain Café India Limited |             |
|   | 2019-20                | 2018-19      | 2019-20                        | 2018-19     |
| Cash flow from Operating Activities                       | (15.71)                | 73.72        | (0.16)                         | (0.59)      |
| Cash Flow from Investing Activities                       | 35.84                  | 44.14        | 0.07                           | 0.50        |
| Cash Flow from Financing Activities                       | (64.10)                | (102.52)     | 0.00                           | 0.10        |
| <b>Net Increase/Decrease in Cash and cash Equivalents</b> | <b>(43.97)</b>         | <b>15.34</b> | <b>(0.09)</b>                  | <b>0.01</b> |

**Note -42** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 146.54 crore, out of which ₹ 27.36 crore has been dealt with in the revenue account during the year, on satisfaction of performance obligation. The balance of the said contract liability as at the year end stood at ₹ 178.61 crore pending satisfaction of the performance obligation.

**NOTE-43** The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference are as under :

| Deferred Tax Liabilities                          | ₹ in crore        |                        |                        |             |                   |
|---|-------------------|------------------------|------------------------|-------------|-------------------|
|   | April 1, 2019     | Recognised through P&L | Recognised through OCI | Others      | March 31, 2020    |
| <b>Liabilities</b>                                |                   |                        |                        |             |                   |
| Excess of tax depreciation over book depreciation | (4,404.19)        | (64.36)                | -                      | 6.28        | (4,462.27)        |
| Financial Instruments at Fair Value through OCI   | (4.30)            | -                      | (0.03)                 | -           | (4.33)            |
| Other Timing difference                           | (28.25)           | (5.79)                 | -                      | -           | (34.04)           |
| <b>Assets</b>                                     |                   |                        |                        |             |                   |
| Business loss and Unabsorbed depreciation         | 431.87            | (128.73)               | -                      | -           | 303.14            |
| Other Timing Differences                          | 62.77             | 129.41                 | -                      | -           | 192.18            |
| <b>Net Deferred Tax Liability</b>                 | <b>(3,942.10)</b> | <b>(69.47)</b>         | <b>(0.03)</b>          | <b>6.28</b> | <b>(4,005.32)</b> |

| Deferred Tax Liabilities                          | ₹ in crore        |                        |                        |              |                   |
|---|-------------------|------------------------|------------------------|--------------|-------------------|
|   | April 1, 2018     | Recognised through P&L | Recognised through OCI | Others       | March 31, 2019    |
| <b>Liabilities</b>                                |                   |                        |                        |              |                   |
| Excess of tax depreciation over book depreciation | (4,348.35)        | (84.20)                | -                      | 28.36        | (4,404.19)        |
| Financial Instruments at Fair Value through OCI   | (6.59)            | -                      | 2.29                   | -            | (4.30)            |
| Other Timing difference                           | (29.33)           | 1.08                   | -                      | -            | (28.25)           |
| <b>Assets</b>                                     |                   |                        |                        |              |                   |
| Business loss and Unabsorbed depreciation         | 682.32            | (250.45)               | -                      | -            | 431.87            |
| Other Timing Differences                          | 62.10             | 0.67                   | -                      | -            | 62.77             |
| <b>Net Deferred Tax Liability</b>                 | <b>(3,639.85)</b> | <b>(332.90)</b>        | <b>2.29</b>            | <b>28.36</b> | <b>(3,942.10)</b> |

**NOTE-44 Tax expense**

a. i) Tax recognised in Statement of Profit and Loss

|                                 | ₹ in crore     |                |
|---------------------------------|----------------|----------------|
|                                 | March 31, 2020 | March 31, 2019 |
| <b>Current tax expense</b>      | <b>293.25</b>  | <b>362.08</b>  |
| <b>Deferred tax</b>             |                |                |
| Deferred tax expense            | 69.47          | 332.90         |
| <b>Total income tax expense</b> | <b>362.72</b>  | <b>694.98</b>  |

ii) Tax recognised in Other Comprehensive Income (OCI)

|  | ₹ in crore     |                |
|--|----------------|----------------|
|  | March 31, 2020 | March 31, 2019 |
| <b>Current tax expense</b>                       |                |                |
| Remeasurement of defined benefit plan            | (7.22)         | (8.93)         |
| <b>Deferred tax</b>                              |                |                |
| Deferred Tax on Gain on fair value of Investment | 0.03           | (2.29)         |
| Regulatory ( Income ) / expense deferred tax     | -              | 0.48           |
| <b>Total Tax expense relating to OCI items</b>   | <b>(7.19)</b>  | <b>(10.74)</b> |

## b. Reconciliation of tax expense and accounting profit

|  | ₹ in crore        |                   |
|--|-------------------|-------------------|
|  | March 31,<br>2020 | March 31,<br>2019 |
| <b>Accounting profit before tax after comprehensive income</b>                             | <b>1,623.48</b>   | 1,834.90          |
| Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%) | <b>567.31</b>     | 641.19            |
| Income/expenses not considered for tax purpose including difference in depreciation        | <b>(139.42)</b>   | (152.48)          |
| Incentive & deduction allowed under Income Tax including MAT Adjustments*                  | <b>(151.45)</b>   | (72.46)           |
| Other adjustments  | <b>79.09</b>      | 267.99            |
| <b>Tax Expense</b>   | <b>355.53</b>     | 684.24            |

\* includes unrecognised credit of MAT related to earlier years.

**NOTE-45 Earnings per share:**

## (i) Computation of Earnings per share

| Particulars   | 2019-20            | 2018-19     |
|---|--------------------|-------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) | <b>1302.05</b>     | 1183.98     |
| B. Weighted Average no. of shares for Earnings per share              | <b>132,557,043</b> | 132,557,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)      | <b>98.24</b>       | 89.32       |

## (ii) Computation of Earnings per share - excluding regulatory (income)/ expense (net )

| Particulars   | 2019-20            | 2018-19     |
|---|--------------------|-------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) | <b>755.17</b>      | 414.59      |
| B. Weighted Average no. of shares for Earnings per share              | <b>132,557,043</b> | 132,557,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)      | <b>56.99</b>       | 31.28       |

In respect of the Parent and one of its subsidiary operating within the framework of Electricity Act, 2003 where tax on profits forms part of chargeable expenditure under the applicable regulations framed thereunder. Accordingly, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, as applicable, by way of considering equivalent regulatory income/ (expense) as the case may be, which hitherto have been shown under the tax expenses. Based on an opinion issued by the Expert Advisory Committee of The Institute of Chartered Accountants of India, the presentation of such regulatory income/ (expense), in respect of deferred tax, has now been included in the above "Regulatory income/ (expense) (net)". Consequent to the above, Regulatory income / (expense) (net) and Tax expenses has increased by ₹ 321 crore and EPS without Regulatory income / (expense) (net) has decreased by ₹ 24.23 for the year ended 31 March 2019.

**NOTE-46 Financial risk management and Capital Management :**

The regulated operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the parent, being a licensee under the said statute, is subject to regulatory provisions/guidelines and issues evolving therefrom, having a bearing on the Parent's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications /matters by the authority.

The Group being the provider of electricity in the licensed area has been managing the operations keeping in view its profitability and liquidity in terms of the above regulations. In order to manage the credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority (for consumers providing utility service), credit rating and appraisal by external agencies and lending bodies.

The Group manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Group market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through applicable regulations, long term sale contracts and availability of bulk commodity namely coal is generally sourced from own captive mine, domestic long term linkage and Special Forward E-Auction conducted by Coal India Limited and/or its subsidiaries.

While managing the capital, the Group ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

**NOTE- 47** Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an Act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Parent's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Parent continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relatable to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹ 286.89 crore ( 31.03.2019 : ₹ 304.04 crore) and corresponding withdrawal of ₹ 4.14 crore ( 31.03.2019 : ₹ 2.72 crore ) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

**NOTE-48** Property, Plant and Equipment of the Group includes right-of-use assets in the opening balance as on 01.04.2019, additions, depreciation and closing balance for the year ended 31.03.2020 amounting to ₹ 754.06 crore, ₹ 320.94 crore, ₹ 57.01 crore and ₹ 1017.99 crore respectively. Carrying Value of right of use assets as at 31.3.2020 in respect of land, building, plant & machinery and vehicles amount to ₹ 478.80 crore, ₹ 382.23 crore, ₹ 27.64 crore and ₹ 0.05 crore respectively and its related depreciation/ amortisation expense for the year ended 31.03.2020 in respect of land, building, plant & machinery and vehicles amount to ₹ 19.61 crore, ₹ 28.44 crore, ₹ 5.92 crore and ₹ 0.02 crore respectively.

| The movement in lease liabilities for the year is as below :  | ₹ in crore |
|---|------------|
| Operating lease commitments as at March 31, 2019  | 24.47      |
| Discounted operating lease commitments as at April 1, 2019  | 14.86      |
| Lease liabilities in respect of assets not included in operating lease commitments as at March 31, 2019 | 53.86      |
| Commitments of leases previously classified as Finance Leases   | 6.70       |
| Lease liabilities as at April 1, 2019   | 75.42      |
| Additions   | 242.14     |
| Finance cost expense (refer note 37)  | 18.91      |
| Payment during the year (including interest ₹ 18.91 crore)  | (25.94)    |
| Balance as on 31st March 2020   | 310.53     |

Future minimum lease payments during next one year ₹ 31.27 crore, later than one year but not later than five years ₹ 152.07 crore and later than five years ₹ 127.19 crore applying 10% as weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 2.69 crore and low-value assets of ₹ 0.73 crore, net of applicable taxes.

**NOTE-49** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Group's business includes Generation and Distribution of power in India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Group except some lower demand and its, consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Group has duly ensured compliance with specific regulatory directives issued in the related matter.

The Group is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees.

The Group is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

The Group has also performed impairment assessment of its assets and based on such assessment; no impairment is required be recognised in respect of such assets.

# Notes forming Part of Consolidated Financial Statements (Contd.)



**NOTE-50** Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in subsidiary companies / Associates / Joint Venture for the year ended 31 March 2020

₹ in crore

| Sl No. | Name of the Entities  | Country of Incorporation | 31-Mar-20       |                                 | 2019-20         |                                     | 2019-20                             |   | 2019-20                             |                                    |
|--------|---|--------------------------|-----------------|---------------------------------|-----------------|-------------------------------------|-------------------------------------|---|-------------------------------------|------------------------------------|
|        |   |                          | Net Assets      | As % of Consolidated Net Assets | Profit          | As % of Consolidated Profit/ (Loss) | Share in Other Comprehensive Income | As % of Consolidated Other Comprehensive Income | Share in Total Comprehensive Income | As % of Total Comprehensive Income |
|        | <b>Parent</b>   |                          |                 |                                 |                 |                                     |                                     |   |                                     |                                    |
|        | CESC Limited  | India                    | 10,038.03       | 104.26%                         | 917.75          | 70.49%                              | (33.16)                             | 87.68%  | 884.59                              | 69.97%                             |
|        | <b>Subsidiaries - Indian</b>  |                          |                 |                                 |                 |                                     |                                     |   |                                     |                                    |
| 1      | Haldia Energy Limited (HEL)   | India                    | 2,587.03        | 26.87%                          | 317.72          | 24.40%                              | 0.91                                | (2.41%)   | 318.63                              | 25.20%                             |
| 2      | Dhariwal Infrastructure Limited   | India                    | 413.00          | 4.29%                           | (9.72)          | (0.75%)                             | (0.43)                              | 1.14%   | (10.15)                             | (0.80%)                            |
| 3      | Surya Vidyut Limited (SVL) (70% CESC, 30% HEL)                          | India                    | 294.42          | 3.06%                           | 14.44           | 1.11%                               | 0.11                                | (0.29%)   | 14.55                               | 1.15%                              |
| 4      | Malegaon Power Supply Limited (formerly Nalanda Power Company Limited ) | India                    | 6.37            | 0.07%                           | (19.64)         | (1.51%)                             | -                                   | 0.00%   | (19.64)                             | (1.55%)                            |
| 5      | CESC Projects Limited   | India                    | 5.25            | 0.05%                           | (1.64)          | (0.13%)                             | (0.03)                              | 0.08%   | (1.67)                              | (0.13%)                            |
| 6      | Pachi Hydropower Projects Limited                                       | India                    | 1.58            | 0.02%                           | (0.01)          | (0.00%)                             | -                                   | 0.00%   | (0.01)                              | (0.00%)                            |
| 7      | Papu Hydropower Projects Limited  | India                    | 0.78            | 0.01%                           | (0.01)          | (0.00%)                             | -                                   | 0.00%   | (0.01)                              | (0.00%)                            |
| 8      | Ranchi Power Distribution Company Limited                               | India                    | (3.41)          | (0.04%)                         | (0.83)          | (0.06%)                             | 0.01                                | (0.03%)   | (0.82)                              | (0.06%)                            |
| 9      | Kota Electricity Distribution Limited                                   | India                    | 45.62           | 0.47%                           | (50.57)         | (3.88%)                             | (0.07)                              | 0.19%   | (50.64)                             | (4.01%)                            |
| 10     | Bharatpur Electricity Services Limited                                  | India                    | 19.56           | 0.20%                           | 6.73            | 0.52%                               | (0.02)                              | 0.05%   | 6.71                                | 0.53%                              |
| 11     | Bikaner Electricity Supply Limited                                      | India                    | 80.30           | 0.83%                           | 5.90            | 0.45%                               | (0.02)                              | 0.05%   | 5.88                                | 0.47%                              |
| 12     | Crescent Power Limited (CPL) (67.83% CESC)                              | India                    | 266.64          | 2.77%                           | 11.82           | 0.91%                               | (0.24)                              | 0.63%   | 11.58                               | 0.92%                              |
| 13     | CESC Green Power Limited  | India                    | 0.05            | 0.00%                           | (0.00)          | (0.00%)                             | -                                   | 0.00%   | (0.00)                              | (0.00%)                            |
| 14     | Jharkhand Electric Company Limited                                      | India                    | 30.46           | 0.32%                           | (1.73)          | (0.13%)                             | 0.07                                | (0.19%)   | (1.66)                              | (0.13%)                            |
| 15     | Jarong Hydro Electric Power Company Limited                             | India                    | 1.55            | 0.02%                           | (0.01)          | (0.00%)                             | -                                   | 0.00%   | (0.01)                              | (0.00%)                            |
| 16     | Eminent Electricity Distribution Limited                                | India                    | 0.05            | 0.00%                           | (0.00)          | (0.00%)                             | -                                   | 0.00%   | (0.00)                              | (0.00%)                            |
| 17     | Au Bon Pain Café India Limited (93.1% subsidiary of CESC)               | India                    | 0.30            | 0.00%                           | (0.11)          | (0.01%)                             | -                                   | 0.00%   | (0.11)                              | (0.01%)                            |
|        | <b>Subsidiaries - Foreign</b>   |                          |                 |                                 |                 |                                     |                                     |   |                                     |                                    |
| 18     | Bantal Singapore Pte Limited  | Singapore                | 3.17            | 0.03%                           | (0.18)          | (0.01%)                             | (4.90)                              | 12.96%  | (5.08)                              | (0.40%)                            |
|        | Non Controlling interest  |                          | (85.78)         | (0.89%)                         | (3.80)          | (0.29%)                             | 0.08                                | (0.21%)   | (3.72)                              | (0.29%)                            |
|        | <b>Investment in Associates (Equity Method)</b>                         |                          |                 |                                 |                 |                                     |                                     |   |                                     |                                    |
| 19     | Noida Power Company Limited   | India                    | 506.49          | 5.26%                           | 69.33           | 5.32%                               | (0.15)                              | 0.40%   | 69.18                               | 5.47%                              |
|        | <b>Investment in Joint Venture (Equity Method)</b>                      |                          |                 |                                 |                 |                                     |                                     |   |                                     |                                    |
| 20     | Mahuagarhi Coal Company Private Limited                                 | India                    | -               | 0.00%                           | -               | 0.00%                               | -                                   | 0.00%   | -                                   | 0.00%                              |
|        | Adjustment  |                          | (4,584.02)      | (47.61%)                        | 46.61           | 3.58%                               | 0.02                                | (0.05%)   | 46.63                               | 3.69%                              |
|        |   |                          | <b>9,627.44</b> | <b>100%</b>                     | <b>1,302.05</b> | <b>100%</b>                         | <b>(37.82)</b>                      | <b>100%</b>                                     | <b>1,264.23</b>                     | <b>100%</b>                        |

## Note -51 Investment in Associate and Joint Venture

- 1 The Group holds 49.55% stake in Noida Power Company Limited accounted for in Equity method amounting to ₹ 507.16 crore (31.03.19 : ₹ 473.88 crore)

The table below provides summarised financial information for Noida Power Company Limited. The information disclosed reflects the amount presented in the financial statements of Noida Power Company Limited and not group's share of those amount

₹ in Crore

| Summarised Balance Sheet                    | Noida Power Company Limited |                 |
|---|-----------------------------|-----------------|
|   | 31 March 2020               | 31 March 2019   |
| Non Current assets                          | 1,178.80                    | 1,075.25        |
| Current assets                              | 365.34                      | 320.05          |
| <b>Total Asset</b>                          | <b>1,544.14</b>             | <b>1,395.30</b> |
| Non current liabilities                     | 259.69                      | 254.89          |
| Current liabilities                         | 435.97                      | 384.61          |
| <b>Total Liabilities</b>                    | <b>695.66</b>               | <b>639.50</b>   |
| <b>Regulatory Deferral Account Balances</b> | <b>210.66</b>               | <b>243.01</b>   |

For Commitment and Contingency - Refer note 32

₹ in Crore

| Summarised Statement of Profit and Loss   | Noida Power Company Limited |                 |
|---|-----------------------------|-----------------|
|   | 31 March 2020               | 31 March 2019   |
| Income from Operations  | 1,729.79                    | 1,535.52        |
| Other Income  | 11.52                       | 10.54           |
| <b>Revenue</b>  | <b>1,741.31</b>             | <b>1,546.06</b> |
| <b>Profit after tax before net movement in Regulatory deferral account balances</b> | <b>172.28</b>               | <b>125.97</b>   |
| Net Movement in Regulatory deferral & related Deferred Tax                          | (32.36)                     | 13.82           |
| <b>Profit after net movement in Regulatory deferral account balances</b>            | <b>139.92</b>               | <b>139.79</b>   |
| <b>Total Other Comprehensive Income for the year, net of tax</b>                    | <b>(0.31)</b>               | <b>(0.05)</b>   |
| <b>Total Comprehensive Income for the year</b>                                      | <b>139.61</b>               | <b>139.74</b>   |
| <b>Group share in profit in associate for the year</b>                              | <b>69.33</b>                | <b>69.28</b>    |
| <b>Group share in OCI in associate for the year</b>                                 | <b>(0.15)</b>               | <b>(0.02)</b>   |
| <b>Dividend Received by Parent</b>  | <b>29.73</b>                | <b>15.00</b>    |

- 2 The Group's interests in jointly controlled entity (incorporated joint venture) remains in Mahuagarhi Coal Company Private Limited, which was incorporated in India on 4th April, 2008 and percentage of ownership interest as at 31st March, 2020 stands at 50%. The company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom. However the entity, being not material related disclosure has not been given.

**NOTE-52 Fair value measurements**

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

₹ in crore

|  | 31-Mar-20             |               |              | 31-Mar-19             |               |               |
|--|-----------------------|---------------|--------------|-----------------------|---------------|---------------|
|  | Cost / Amortized cost | FVTOCI        | FVTPL        | Cost / Amortized cost | FVTOCI        | FVTPL         |
| <b>Financial assets</b>                            |                       |               |              |                       |               |               |
| Investments  |                       |               |              |                       |               |               |
| - Equity #   | -                     | 35.27         | -            | -                     | 38.80         | -             |
| - Preference shares                                | -                     | 126.88        | 0.95         | -                     | 156.88        | 0.86          |
| - Mutual funds                                     | -                     | -             | 15.01        | -                     | -             | 515.03        |
| Loans  | 56.11                 | -             | -            | 48.12                 | -             | -             |
| Trade Receivables                                  | 1,881.82              | -             | -            | 1,738.85              | -             | -             |
| Cash and cash equivalents                          | 1,212.87              | -             | -            | 502.56                | -             | -             |
| Bank balances other than cash and cash equivalents | 578.09                | -             | -            | 528.11                | -             | -             |
| Derivative Financial Instrument                    | -                     | -             | 22.50        | -                     | -             | 53.02         |
| Other financial assets                             | 181.26                | -             | -            | 107.26                | -             | -             |
| <b>Total financial assets</b>                      | <b>3,910.15</b>       | <b>162.15</b> | <b>38.46</b> | <b>2,924.90</b>       | <b>195.68</b> | <b>568.91</b> |
| <b>Financial liabilities</b>                       |                       |               |              |                       |               |               |
| Borrowings   | 13,990.86             | -             | -            | 14,472.12             | -             | -             |
| Trade Payables                                     | 795.44                | -             | -            | 720.26                | -             | -             |
| Security Deposit                                   | 1,628.00              | -             | -            | 1,487.04              | -             | -             |
| Others   | 1,115.11              | -             | -            | 726.63                | -             | -             |
| <b>Total financial liabilities</b>                 | <b>17,529.41</b>      | -             | -            | <b>17,406.05</b>      | -             | -             |

# excludes investments accounted under equity method

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method.

₹ in crore

| Financial assets and liabilities measured at fair value | Level 1       | Level 2      | Level 3       | Total fair value | Total carrying amount |
|---|---------------|--------------|---------------|------------------|-----------------------|
| <b>As at 31 March 2020</b>                              |               |              |               |                  |                       |
| <b>Financial assets</b>                                 |               |              |               |                  |                       |
| Investment in equity shares                             | 13.19         | -            | 22.08         | 35.27            | 35.27                 |
| Investment in preference shares                         | -             | -            | 127.83        | 127.83           | 127.83                |
| Investment in liquid mutual fund units                  | 15.01         | -            | -             | 15.01            | 15.01                 |
| Derivative financial instrument - cross currency swap   | -             | 22.50        | -             | 22.50            | 22.50                 |
| <b>Total financial assets</b>                           | <b>28.20</b>  | <b>22.50</b> | <b>149.91</b> | <b>200.61</b>    | <b>200.61</b>         |
| <b>As at 31 March 2019</b>                              |               |              |               |                  |                       |
| <b>Financial assets</b>                                 |               |              |               |                  |                       |
| Investment in equity shares                             | 16.84         | -            | 21.96         | 38.80            | 38.80                 |
| Investment in preference shares                         | -             | -            | 157.74        | 157.74           | 157.74                |
| Investment in liquid mutual fund units                  | 515.03        | -            | -             | 515.03           | 515.03                |
| Derivative financial instrument - cross currency swap   | -             | 53.02        | -             | 53.02            | 53.02                 |
| <b>Total financial assets</b>                           | <b>531.87</b> | <b>53.02</b> | <b>179.70</b> | <b>764.59</b>    | <b>764.59</b>         |

The different levels have been defined below:

Level 1: financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price. The mutual funds are valued using the closing NAV.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

**c) The following methods and assumptions were used to estimate the fair values**

- i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date. The fair value of equity shares are based on net asset value of entity as at reporting date.
- ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
- iii. The fair value of preference share is determined basis discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would result in decrease / increase in fair value of preference share by ₹ 0.07 crore. The fair value of equity share is determined basis discounted cash flow (31.03.19 net asset value). Significant unobservable input used is discount rate and growth rate and 0.50% increase / decrease in discount rate and growth rate would result in decrease / increase in fair value of equity share by ₹ 0.70 crore and ₹ 0.75 crore respectively.
- iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, other bank balances, interest accrued payable/receivable, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- v. Loans, non-current borrowings, lease receivable and security deposits are based on discounted cash flows using a current borrowing rate.
- vi. Fair value of financial Instruments which is determined on the basis of discounted cash flow analysis , considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.

**d)** Ind AS requires all financial assets / liabilities to be carried at fair value. Accordingly the difference between fair value and transaction value has been recognised as per applicable Ind AS.

**NOTE-53** Miscellaneous expenses includes goodwill writeoff amounting to Nil (previous year : ₹ 2 crores )

**NOTE-54 Related Party and their relationship**

**a) Parent- under de facto control as defined in Ind AS -110**

Rainbow Investments Limited

**b)**

**(i) Entities under common control**

| Name  |
|---|
| Integrated Coal Mining Limited  |
| RPG Power Trading Co Ltd  |
| Philips Carbon Black Ltd.   |
| Harrison Malayalam Limited  |
| STEL Holdings Limited   |
| Dotex Merchandise Pvt. Ltd.   |
| Castor Investment Limited   |
| Spencer's Retail Limited (formerly known as RP-SG Retail Limited)                 |
| Woodlands Multispeciality Hospital Limited  |
| Sarala Real Estate Limited  |
| Saregama India Ltd  |
| Open Media Network Ltd  |
| Omnipresent Retail India Pvt Ltd  |
| Accurate Commodeal Pvt Ltd  |
| Apricot Foods Pvt Ltd   |
| Guiltfree Industries Limited  |
| Nature's Basket Limited (w. e. f. 4th July, 2019)                                 |
| Kolkata Games & Sports Private Limited (KGSPL)                                    |
| Kolkata Metro Network Pvt. Limited  |
| Bowlopedia Restaurants India Limited  |
| CESC Ventures Limited (formerly known as RP-SG Business Process Services Limited) |
| Quest Properties India Limited  |
| Noida Power Company Limited (Associate of Parent)                                 |

**(ii) Key Management Personnel**

| Name                  | Relationship   |
|-----------------------|--|
| Mr. S. Goenka         | Chairman   |
| Mr. Shashwat Goenka   | Vice-Chairman (w.e.f. 14th November, 2019)             |
| Mr. P. Chaudhuri      | Director   |
| Mr. C .K Dhanuka      | Director   |
| Mr. K. Jairaj         | Director   |
| Mr. B .M. Khaitan     | Director (upto 23rd May, 2018)                         |
| Mr. P.K. Khaitan      | Director   |
| Ms. R.Sethi           | Director   |
| Mr. Sunil Mitra       | Director (w.e.f. 14th November, 2019)                  |
| Mr. Aniruddha Basu    | Managing Director (upto 27th May, 2018)                |
| Mr. Debasish Banerjee | Managing Director-Distribution (w.e.f. 28th May, 2018) |
| Mr. Rabi Chowdhury    | Managing Director-Generation (w.e.f. 28th May, 2018)   |
| Mr. Subhasis Mitra    | Company Secretary                                      |
| Mr. Rajarshi Banerjee | Executive Director & Chief Financial Officer           |

**(iii) Other Related Parties**

| Name  |
|---|
| Ms.Preeti Goenka ( Shareholder and Relative of KMP)                     |
| Khaitan & Co LLP  |
| Khaitan & Co. (Mumbai)  |
| Khaitan & Co. (New Delhi)   |
| Khaitan & Co. AOR   |
| Khaitan & Co. (Kolkata)   |
| Khaitan Consultants Ltd.  |
| CESC Limited Provident Fund   |
| Calcutta Electric Supply Corporation (I) Ltd. Senior Staff Pension Fund |
| CESC Executive Gratuity Fund  |
| CESC Limited Employee's Gratuity Fund                                   |

NOTE 54 Related Party and their relationship.....contd

c) Details of transaction between the Company and related parties and status of outstanding balance

₹ in Crore

| Sl No | Nature of Transactions                  | Parent having Control in terms of Ind AS -110 |           | Entities under common control |           | Key Management Personnel |           | Other Related Parties |           | Total     |           |
|-------|---|---|-----------|-------------------------------|-----------|--------------------------|-----------|-----------------------|-----------|-----------|-----------|
|       |   | 31-Mar-20                                     | 31-Mar-19 | 31-Mar-20                     | 31-Mar-19 | 31-Mar-20                | 31-Mar-19 | 31-Mar-20             | 31-Mar-19 | 31-Mar-20 | 31-Mar-19 |
| 1     | Redemption of Preference Share          | -   | -         | 30.00                         | 30.00     | -                        | -         | -                     | -         | 30.00     | 30.00     |
| 2     | Expense (Reimbursed) /Recovered (net)   | -   | -         | 4.07                          | 70.58     | -                        | -         | -                     | -         | 4.07      | 70.58     |
| 3     | Income from sale / services             | -   | -         | 688.77                        | 663.68    | -                        | -         | -                     | -         | 688.77    | 663.68    |
| 4     | Dividend Received                       | -   | -         | 12.18                         | 16.86     | -                        | -         | -                     | -         | 12.18     | 16.86     |
| 5     | Expenses / Services Received            | -   | -         | 536.58                        | 540.30    | -                        | -         | 5.50                  | 6.74      | 542.08    | 547.04    |
| 6     | Provident Fund & Retiral funds          | -   | -         | -                             | -         | -                        | -         | 253.58                | 264.71    | 253.58    | 264.71    |
| 7     | (Sale) /Purchase of Assets              | -   | -         | (0.01)                        | (0.19)    | -                        | -         | -                     | -         | (0.01)    | (0.19)    |
| 8     | Dividend paid                           | 117.59  | 102.89    | 14.18                         | 12.41     | 0.49                     | 0.24      | 0.08                  | 0.26      | 132.34    | 115.80    |
| 9     | Security Deposit Received               | -   | -         | 0.05                          | 0.03      | -                        | -         | -                     | -         | 0.05      | 0.03      |
| 10    | Remuneration of Key Mangerial Personnel |   |           |                               |           |                          |           |                       |           |           |           |
|       | Short Term Employee Benefits            | -   | -         | -                             | -         | 14.67                    | 13.09     | -                     | -         | 14.67     | 13.09     |
|       | Post Employment Benefits                | -   | -         | -                             | -         | 1.99                     | 2.91      | -                     | -         | 1.99      | 2.91      |
| 11    | Remuneration of Directors               | -   | -         | -                             | -         | 51.76                    | 48.79     | -                     | -         | 51.76     | 48.79     |
|       | <b>Outstanding Balance:</b>             |   |           |                               |           |                          |           |                       |           |           |           |
| 1     | Debit                                   | -   | -         | 185.02                        | 163.54    | -                        | -         | -                     | -         | 185.02    | 163.54    |
| 2     | Credit                                  | -   | -         | -                             | -         | 50.95                    | 48.19     | 68.97                 | 15.85     | 119.92    | 64.04     |

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

**NOTE-55** Liability in respect of the security deposit collected by the Parent Company, in terms of applicable regulations, has been classified as non-current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

**NOTE-56** The composite Scheme of Arrangement amongst the Parent and nine other companies and their respective shareholders has been made effective from 1st October, 2017 except for the demerger of the Generation Undertaking of CESC Limited into Haldia Energy Limited, a wholly owned subsidiary of CESC Limited ("the said Demerger") . However, the said Demerger proposal has been withdrawn with effect from 14th November 2019 and Haldia Energy Limited continues to be a wholly owned subsidiary of the Parent.

**NOTE-57** The Group is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. The Parent is also running a single retail store in the state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.

The Group primarily operates in India and has all significant assets in India. No disclosure given for geographical segment as it is not material for CODM.

**NOTE-58** The Group has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

For and on behalf of Board of Directors

For S.R.BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 29th June, 2020

|                                 |                   |                |
|---------------------------------|-------------------|----------------|
| Chairman                        | Sanjiv Goenka     | DIN : 00074796 |
| Managing Director -Generation   | Rabi Chowdhury    | DIN : 06601588 |
| Managing Director- Distribution | Debasish Banerjee | DIN : 06443204 |
| Company Secretary               | Subhasis Mitra    |                |
| Executive Director & CFO        | Rajarshi Banerjee |                |

## Major Statistics: 2019 - 2020

|   |                                |                             |
|---|--------------------------------|-----------------------------|
| <b>Generating Capacity</b>                | Budge Budge Generating Station | 750 MW                      |
|   | Southern Generating Station    | 135 MW                      |
|   | Titagarh Generating Station    | 240 MW                      |
| <b>220/132/33 KV Substations</b>          | Installed Capacity             | 1440 MVA                    |
| <b>132/33 KV Substations</b>              | Installed Capacity             | 3027 MVA                    |
| <b>Distribution Stations</b>              | No. of Stations                | 117                         |
|   | Transformer Capacity           | 3893 MVA                    |
| <b>LT Substations</b>                     | No. of AC Substations          | 8535                        |
|   | Transformer Capacity           | 2908 MVA                    |
| <b>Package Substations (PSS)</b>          | No. of Substations             | 115                         |
|   | Installed Capacity             | 109 MVA                     |
| <b>Distribution Network (Circuit Km.)</b> |                                |                             |
|   | 220 KV UG                      | 46 Ckt. Km.                 |
|   | 220 KV OH                      | 221 Ckt. Km.                |
|   | 132 KV UG                      | 313 Ckt. Km.                |
|   | 132 KV OH                      | 81 Ckt. Km.                 |
|   | 33 KV UG                       | 1551 Ckt. Km.               |
|   | 33 KV OH                       | 92 Ckt. Km.                 |
|   | 20 KV UG                       | 50 Ckt. Km.                 |
| <b>HT Distribution</b>                    | 11 & 6 KV UG                   | 6886 Ckt. Km.               |
|   | 11 & 6 KV OH                   | 87 Ckt. Km.                 |
|   | 3.3 KV UG                      | 21 Ckt. Km.                 |
| <b>LT Distribution</b>                    | UG                             | 7989 Ckt. Km.               |
|   | OH                             | 5540 Ckt. Km.               |
| <b>HT Capacitor</b>                       | 132 & 33 KV                    | 640 MVAR                    |
|   | 6 & 11 KV                      | 273 MVAR                    |
| <b>LT Capacitor (APFC)</b>                | 0.4 KV                         | 204 MVAR                    |
| <b>Additions During the Year</b>          |                                |                             |
| 220/132/33 KV Substations                 | 0.0 MVA                        | LT UG Mains 108.57 Ckt. Km. |
| 132/33 KV Substations                     | 0.0 MVA                        | LT OH Mains 60.78 Ckt. Km.  |
| Distribution Stations                     | 51.0 MVA                       | 220 KV UG 1.39 Ckt. Km.     |
| LTAC Substations                          | 54.6 MVA                       | 220 KV OH NIL               |
| Package Substations (PSS)                 | 1.0 MVA                        | 132 KV UG 1.81 Ckt. Km.     |
| No. of LT Services                        | 11829 Nos                      | 33 KV UG 17.39 Ckt. Km.     |
| No. of HT Services                        | 24 Nos                         | 6 & 11 KV UG 92.42 Ckt. Km. |

### **Abbreviations**

MW - Megawatt, MVA - Megavoltampere, KV - Kilovolt, UG -Underground, OH - Overhead, Ckt. Km. - Circuit Kilometre.

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES**  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014)

Part A: Subsidiaries

| Sr No | Name of the Subsidiary                      | Reporting Period | Share Capital | Other Equity / Reserve & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit Before Taxation | Provision for taxation | Profit after Taxation | Proposed Dividend | % of shareholding |
|-------|---|------------------|---------------|----------------------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| 1     | Surya Vidyut Limited                        | April- March     | 251.91        | 42.51                            | 828.37       | 828.37            | -           | 130.34   | 17.55                  | 3.11                   | 14.44                 | -                 | 100               |
| 2     | Malegaon Power Supply Limited               | April- March     | 7.35          | (0.98)                           | 44.72        | 44.72             | -           | 23.14    | (19.64)                | -                      | (19.64)               | -                 | 100               |
| 3     | CESC Projects Limited                       | April- March     | 39.15         | (33.90)                          | 6.21         | 6.21              | -           | -        | (1.64)                 | -                      | (1.64)                | -                 | 100               |
| 4     | Bantala Singapore Pte. Limited \$           | April- March     | 56.68         | (53.51)                          | 3.26         | 3.26              | 2.57        | -        | (0.18)                 | -                      | (0.18)                | -                 | 100               |
| 5     | Ranchi Power Distribution Company Limited   | April- March     | 28.70         | (32.11)                          | 2.55         | 2.55              | -           | -        | (0.83)                 | -                      | (0.83)                | -                 | 100               |
| 6     | Pachi Hydropower Projects Limited           | April- March     | 4.42          | (2.84)                           | 2.59         | 2.59              | -           | -        | (0.01)                 | -                      | (0.01)                | -                 | 100               |
| 7     | Papu Hydropower Projects Limited            | April- March     | 2.82          | (2.05)                           | 0.78         | 0.78              | -           | -        | (0.01)                 | -                      | (0.01)                | -                 | 100               |
| 8     | Au Bon Pain Café India Limited              | April- March     | 116.00        | (115.68)                         | 1.01         | 1.01              | -           | -        | (0.11)                 | -                      | (0.11)                | -                 | 93.10             |
| 9     | Haldia Energy Limited                       | April- March     | 1,203.44      | 1,383.59                         | 7,265.93     | 7,265.93          | 127.03      | 2258.14  | 543.50                 | 225.78                 | 317.72                | -                 | 100               |
| 10    | Dharawal Infrastructure Limited             | April- March     | 2,242.77      | (1,829.77)                       | 4,205.54     | 4,205.54          | -           | 1302.60  | (9.72)                 | -                      | (9.72)                | -                 | 100               |
| 11    | Kota Electricity Distribution Limited       | April- March     | 264.08        | (218.46)                         | 454.47       | 454.47            | -           | 869.56   | (50.57)                | -                      | (50.57)               | -                 | 100               |
| 12    | Bikaner Electricity Supply Limited          | April- March     | 120.05        | (39.75)                          | 262.61       | 262.61            | -           | 544.24   | 5.90                   | -                      | 5.90                  | -                 | 100               |
| 13    | Bharatpur Electricity Services Limited      | April- March     | 20.05         | (0.49)                           | 109.68       | 109.68            | -           | 211.39   | 7.37                   | 0.64                   | 6.73                  | -                 | 100               |
| 14    | Crescent Power Limited                      | April- March     | 60.00         | 206.64                           | 518.78       | 518.78            | 143.45      | 109.24   | 11.56                  | (0.26)                 | 11.82                 | -                 | 67.83             |
| 15    | CESC Green Power Limited                    | April- March     | 0.05          | (0.00)                           | 0.05         | 0.05              | -           | -        | (0.00)                 | -                      | (0.00)                | -                 | 100               |
| 16    | Jharkhand Electric Company Limited          | April- March     | 34.05         | (3.59)                           | 32.69        | 32.69             | -           | -        | (1.73)                 | -                      | (1.73)                | -                 | 100               |
| 17    | Jarong Hydro-Electric Power Company Limited | April- March     | 2.05          | (0.50)                           | 1.57         | 1.57              | -           | -        | (0.01)                 | -                      | (0.01)                | -                 | 100               |
| 18    | Eminent Electricity Distribution Limited    | April- March     | 0.05          | (0.00)                           | 0.05         | 0.05              | -           | -        | (0.00)                 | -                      | (0.00)                | -                 | 100               |

**Notes:**

\$ Converted to Indian Rupees at the Exchange Rate, 1 USD=INR 69.63

For and on behalf of Board of Directors

|                                 |                   |                |
|---------------------------------|-------------------|----------------|
| Chairman                        | Sanjiv Goenka     | DIN : 00074796 |
| Managing Director -Generation   | Rabi Chowdhury    | DIN : 06601588 |
| Managing Director- Distribution | Debasish Banerjee | DIN : 06443204 |
| Company Secretary               | Subhasis Mitra    |                |
| Executive Director & CFO        | Rajarshi Banerjee |                |

Kolkata, 29th June, 2020

**Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**Part B : Associates and Joint Ventures**

| <b>Name of Associates / Joint Ventures</b>   | <b>Noida Power Company Limited</b> | <b>Mahuagarhi Coal Company Private Limited</b> |
|--|------------------------------------|--|
| Latest audited Balance Sheet Date  | 31/03/2020                         | 31/03/2020                                     |
| Shares of Associate/Joint Ventures held by the company on the year end               | 29728500                           | 2429800  |
| Amount of Investment in Associates/Joint Venture (Rs Crore)                          | 30.63                              | 2.43*  |
| Extend of Holding %  | 49.55%                             | 50%  |
| Description of how there is significant influence                                    | By way of shareholding             | By way of shareholding                         |
| Reason why the associate/joint venture is not consolidated                           | NA                                 | NA   |
| Networth attributable to shareholding as per latest audited Balance Sheet (Rs Crore) | 506.49                             | -  |
| Profit / Loss for the year (Rs Crore)  | 139.92                             |  |
| Considered in Consolidation  | 69.33                              | -  |
| Not Considered in Consolidation  | Nil                                | Nil  |

\* Fully provide for

For and on behalf of Board of Directors

|                                 |                   |                |
|---------------------------------|-------------------|----------------|
| Chairman                        | Sanjiv Goenka     | DIN : 00074796 |
| Managing Director -Generation   | Rabi Chowdhury    | DIN : 06601588 |
| Managing Director- Distribution | Debasish Banerjee | DIN : 06443204 |
| Company Secretary               | Subhasis Mitra    |                |
| Executive Director & CFO        | Rajarshi Banerjee |                |

Kolkata, 29th June, 2020

## List of Establishments

### GENERATING STATIONS

#### Budge Budge

Vill. & P.O. - Pujali, P.S. Budge Budge  
24 Parganas (S), Pin : 700138  
Phone : 2482 1113, 2482 1709  
2482 2957, 2482 1708

#### Southern

28 Garden Reach Road  
Kolkata 700 024  
Phone : 2469 7558, 2469 6886  
2469 3608, 2469 7557

#### Titagarh

B. T. Road, P.O. Khardah, Titagarh  
24 Parganas (N), Pin : 700119  
Phone: 2501 1042, 2501 1180, 2553 3392

### REGIONAL OFFICES Central

CESC House  
Chowringhee Square  
Kolkata 700 001  
Phone : 2225 6040 (10 lines)

#### Howrah

433/1G. I Road (N)  
Howrah 711 101  
Phone: 2676 5700

#### North

226 A & B APC Road  
Kolkata 700 004  
Phone: 2509 6100

#### North Suburban

32 B. T. Road  
(Opp. Sagar Dutta Hospital)  
Kolkata 700 058  
Phone : 6645 4300

#### South

6 Mandeville Gardens  
Kolkata 700 019  
Phone: 2485 6100

#### South-West

P-18 Taratolla Road  
Kolkata 700 088  
Phone: 2420 5000

In case of supply breakdown billing and  
payment assistance please contact

**1912**

**44031912**

**1860 500 1912**

### CUSTOMER RELATIONS

CESC House

Chowringhee Square

Kolkata 700 001

Phone : 2225 6040 - 49

### Corporate Office Address

2/4 Judges Court Road,  
Alipore, Kolkata - 700 027,  
West Bengal

### Investor Service

Secretarial Department  
CESC House  
Chowringhee Square  
Kolkata 700 001

Phones:

For resident shareholders  
6634 0814

For non-resident shareholders  
(91) (033) 6634 0814 / 40 909

Fax: (033) 2236 3868

E-mail: secretarial@rpsg.in



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Chowringhee Square, Kolkata 700 001

Phone: (033 )2225 6040 (10 lines), 2204 0300, 6634 0300

Fax: (033) 2225 5155

CIN: L31901WB1978PLC031411

Email: [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in)

Website: [www.cesc.co.in](http://www.cesc.co.in)