



**RP-Sanjiv Goenka  
Group**

Growing Legacies



**CESC**  
LIMITED



# **SUSTAINABILITY POWERS US**

**ANNUAL REPORT 2022-23**



# AS YOU SCROLL DOWN

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For more investor-related information, please visit <https://www.cesc.co.in/home#investor-zone>

**Scan this QR code to find the online version of the report.**



### Investor Information

Market Capitalisation as of March 31, 2023	₹ 8,834.93 Crore
CIN	L31901WB1978PLC031411
BSE Code	500084
NSE Code	CESC
Dividend Declared	450% i.e. ₹ 4.50 per equity share
AGM Date & Time	August 04, 2023 at 10:30 a.m. (IST)

**Disclaimer:** 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.



# SUSTAINABILITY POWERS US

**CESC Limited stands for leadership and reliability. Throughout our journey, we have built a strong brand identity, centred around our core values. We continue to attach immense importance to sustainability which is deeply rooted in our business practices for long-term value creation.**

In upholding our commitment to meet the nation's ambitions towards Net Zero, we have embraced the 4D approach which encompasses digitalisation, decarbonisation, decentralisation and disaster management. We have put in plans to phase down fossil fuel consumption in every respect of our operations from electricity generation to movement of our operational fleet. All our offices, administrative buildings and substations will operate on green building principles to supplement the decarbonisation process through energy efficiency measures.



## ABOUT RP-SANJIV GOENKA GROUP

# BUILDING ON THE LEGACY OF EXCELLENCE

RP-Sanjiv Goenka Group ('RPSG Group', 'the Group') embarked on a remarkable journey that dates back to the period of pre-independent India. The Group began with a visionary pledge to create a brighter future, while holding steadfastly to the values and traditions of the past.

Through decades of innovation and hard work, RPSG Group has remained true to this pledge, carving a path of success and prosperity, while never losing sight of the legacy that has brought them to where they stand today as one of the most successful Indian business conglomerates. The Group placed a strong emphasis on delivering added value to its customers, employees, and stakeholders, aligning with its core values and business ethics.

## The Identity

RPSG Group has established itself as one of India's rapidly expanding business conglomerates with a significant global footprint. The Group's businesses include a wide range of sectors, including power and energy, carbon black manufacturing, retail, IT-enabled services, FMCG, sports, media and entertainment etc.

## RPSG Group's Core Value



## A Responsible Business Entity

RPSG Group has a long legacy of empowering lives through education, health, art, skill development and livelihood opportunities for sustainable development of communities. The Group's social initiatives are designed to focus on bridging gaps and ensuring progress of the society.

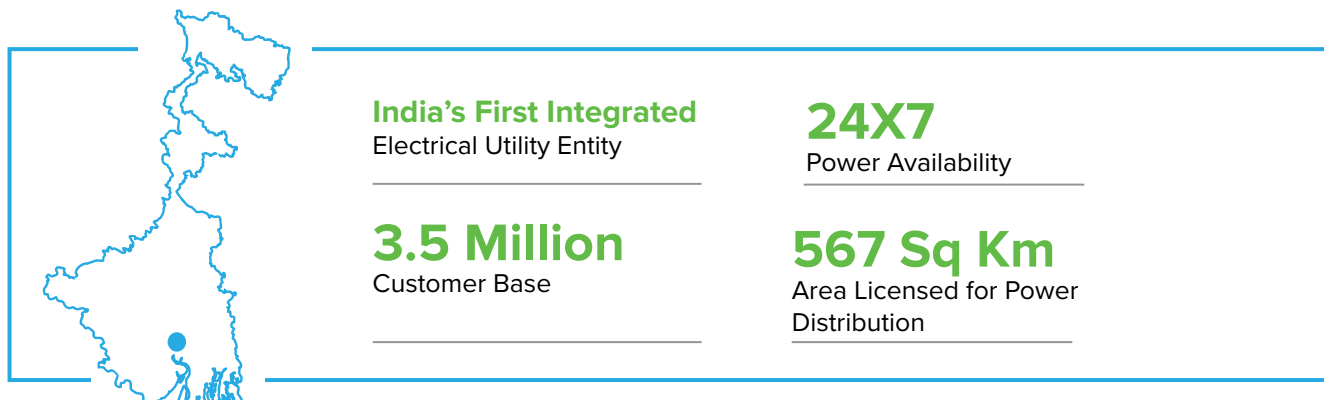




# POWERING LIVES THROUGH POWERFUL STEPS

CESC Limited is a flagship company of the RP-Sanjiv Goenka Group. It is an integrated power utility engaged in the generation and distribution of electricity across 567 square kilometres of its licensed area — Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal — supplying safe, cost effective and reliable electricity to its 3.5 Million customers. The Company, through its subsidiaries, also has a portfolio of independent power generation projects and distribution ventures in other parts of the country.

## Powering the Capital City of West Bengal



## CESC – A Sustainable Power Utility Unit

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

### Kolkata Operations

Distribution of electricity, with own 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 (HEL), the operations are directly under CESC Limited.

### Generation Projects

Thermal and renewables projects owned and operated by various subsidiaries of CESC (excluding HEL). At the end of 2022-23, cumulative generation capacity of these projects stood at over 650 MW.

### Distribution Ventures

Distribution license for Greater Noida (Uttar Pradesh); three distribution franchisees (DFs) in Kota, Bharatpur and Bikaner in Rajasthan; and the DF in Malegaon, Maharashtra. These are operated by CESC's subsidiaries.



### Vision

We will be a profitable consumer-oriented power utility consistent with global standards, meeting the expectations of consumers, employees and other stakeholders.

We will achieve this vision by:

- Achieving efficiency of operations and further developing core competencies.
- Readjusting the business, consistent with the changing environment, technologically and commercially.
- Maintaining a rewarding and stimulating organisational climate with people orientation.
- Reaffirming faith in the organisation's ethics and values developed in course of our long existence.
- Harnessing and developing our professional competence.
- Being responsive to social requirements.



### Mission

We will meet consumer's expectations continuously by providing safe, reliable and economic electricity through optimisation of available resources.

We will achieve this mission by:

- Accomplishing targetted performance in the key result areas of our business operations.
- Enhancing consumer satisfaction through value addition to service supported by a consumer feedback monitoring system.
- Improving work environment and helping employees for personal development and career satisfaction through an interactive approach.
- Being recognised as an ethical and environmentally responsive organisation.

## MESSAGE FROM THE CHAIRMAN

# SCRIPTING A YEAR OF SUSTAINABLE PROGRESS

**THANKS TO A WIDE VARIETY OF  
USER-FRIENDLY ONLINE PAYMENT  
OPTIONS, 74.5% OF CONSUMERS  
MADE ONLINE PAYMENTS IN 2022-  
23, WHICH CONSTITUTED ALMOST  
82% OF TOTAL REVENUES.**

Dear Members,

After what the world, India and companies everywhere went through from the last quarter of 2019-20 right up to 2021-22, there was a universal need for normalcy. When the pandemic became a thing of the past; when people got back to their usual work, travel and home lives; and when companies reverted to normal business unhindered by the strains of a global epidemic such as we had with Covid-19.

Thankfully, 2022-23 has been such a year. India has reported a stellar real GDP growth of 7% for 2022-23, which is not only significantly greater than the expectation of most economic pundits, but also is the highest growth posted among all major economies, including China.

In this milieu, I am happy to report that your Company has done satisfactorily. Let me first touch upon the key financials before sharing some other information.

Despite electricity tariffs remaining unchanged during the year, your Company's total income on a standalone basis (revenue from operations plus other income) increased by 9% to ₹ 8,153 crore in 2022-23. Operating costs increased during the year, largely on account of high fuel costs. Consequently, Profit before tax (PBT) grew by 1% over the previous year, and stood at ₹ 1,060 crore. Profit after tax (PAT) increased by a bit under 2% to ₹ 830 crore.

On a consolidated basis your Company's total income increased by 13.5% in 2022-23 to ₹ 14,555 crore. Unfortunately, significantly higher input costs reduced consolidated PBT by 9% to ₹ 1,739 crore. PAT reduced marginally to ₹ 1,397 crore.



Let me now discuss some other facts about your Company's performance.

With a return to normalcy in 2022-23, your Company's system demand grew at 8.7% during the year to 11,175 million units (MU) in 2022-23. This meant that electricity demand in 2022-23 surpassed the pre-Covid level of 11,024 MU in 2019-20.

Regarding the Kolkata operations, as you know, your Company operates a 750 MW generating station at Budge Budge and a 135 MW generating station at Garden Reach. In addition, Haldia Energy Limited, a 100% subsidiary of your Company, operates a 600 MW generating station at Haldia, with a long-term power purchase agreement to sell its power to CESC. All three generating stations are ISO 45001 certified for occupational health and safety management systems

During the year, total generation from these plants was 10,185 million units (MU), of which 93.8% came from Budge Budge and Haldia.

Your Company's Kolkata distribution infrastructure serves 3.5 million customers in Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal. Peak power demand increased by over 16% to 2,339 MW. Total energy requirement grew at 8.7% to 11,175 MU in 2022-23. Some 83% of this was met by CESC's own generation, including Haldia Energy Limited.

CESC provided over 1,06,101 new connections in 2022-23. Thanks to a wide variety of user-friendly online payment options, 74.5% of consumers made online payments in 2022-23, which constituted almost 82% of total revenues. In 2022-23, over 85% customer interactions were serviced by your Company's various digital channels including IVR, voice bot, web chat bot and WhatsApp bot.

Now for a brief resume of your Company's other generation and distribution operations.

- Chandrapur, Maharashtra: A 2x300 MW thermal power project implemented by Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of your Company. For power evacuation, Unit I was connected to the state grid (STU), and Unit II to the central grid (CTU), backed up by long term power purchase agreements. DIL had applied to CERC for closed operations of CTU and STU and Hon'ble CERC accorded approval of the scheme with proper guidance pertaining to the issue. The scheme was finally implemented on May 4, 2023 midnight. This has enhanced the flexibility and reliable operation of DIL. It has fuel supply agreements with South Eastern Coalfields Limited and Western Coalfields Limited. In 2022-23, the overall plant load factor (PLF) for DIL was 80.5%.
- Asansol, West Bengal: A 40 MW atmospheric fluidised bed combustion power plant that uses washery rejects and inferior coal from an adjacent captive coal mine in Sarisatolli. Operating in the merchant power market, the plant generated 334 MU of power in 2022-23 with a PLF of over 95%.
- Ramnathapuram, Tamil Nadu: This solar power project has a capacity of 18 MW DC. During 2022-23, it generated 27.6 MU of electricity.
- Through its subsidiaries, your Company operates five distribution ventures outside of Kolkata. These are in Greater Noida (Uttar Pradesh), Kota, Bharatpur and Bikaner (Rajasthan) and Malegaon (Maharashtra). The five together serviced some 7.57 lakh consumers and accounted for electricity sales amounting to 6,113 MU in 2022-23 — representing a growth of 23.1% over the previous year.

Finally, let me touch upon a topic that is dear to me: corporate social responsibility (CSR). Through its

₹ **8,153** crore  
Total Income in 2022-23

₹ **830** crore  
Profit after tax in 2022-23

various projects focusing on education, environment, health, skill building and employment generation, your Company has consistently contributed towards the goal of achieving sustainable development. This has been recognised by the wider world. I am proud to share with you that in 2022-23 your Company:

- Won the coveted Golden Peacock Award 2022 for its CSR initiatives.
- Was a winner at the Greentech India CSR Award 2022 in the category of 'Women and Child Development'.
- Won the Apex India CSR Excellence Award in the Gold category.
- Received special jury recognition at the ICC Social Impact Awards 2022 and was runner-up at BCC&I Social Leadership Award 2022.

Things are looking up for 2023-24. Economists estimate anywhere between 6% and 6.5% real GDP growth. If that were to happen, your Company should do even better than this year. That is what I tell all your Company's employees. Strive for doing better. Because we have. We can. And we must.

As always, thank you for constant support. I value it greatly.

With my best wishes,

Yours sincerely,

**Dr. Sanjiv Goenka**  
Chairman

## ACHIEVEMENTS OF THE YEAR

## KEY HIGHLIGHT OF FY 2022-23

## Financial

(Standalone figures as of March 31, 2023)



Our financial prudence reflects through

₹ **8,153** Crore  
Total Income₹ **1,060** Crore  
PBT₹ **830** Crore  
PAT₹ **6.26**  
EPS

## Environmental

(Figures are as of March 31, 2023)



We strengthened our commitment towards environmental stewardship by adopting following initiatives

**4**  
New Green Buildings**228** kW  
Solar rooftop installation at substations and generating stationsFirst microgrid at Chakmir substations having a floating solar plant of  
**100** kW Capacity**Zero**  
Liquid discharge at Budge Budge Generating Station

## Social

(Figures are as of March 31, 2023)



We place great emphasis on actively engaging with our communities, enabling us to create value for them by impacting

**>22,000** Lives  
benefitted through our CSR activities

**9**  
CSR programmes organised

₹ **19.94** Crore  
CSR spent

## Governance

(Figures are as of March 31, 2023)



We are equipped with a strong leadership team who are providing guidance to achieve the organisational goals, ensuring us to drive responsible progress through

**10**  
Members on the Board

**5**  
Independent Directors

**5**  
Board Committees

**1**  
Woman Director



# LEVERAGING OUR SUSTAINABILITY FRAMEWORK





At CESC, sustainability is about supplying safe, cost effective, low carbon and reliable electricity through our responsible and diverse value chain. Materiality assessment helps us evaluate risks and opportunities to business, understand stakeholder expectations and consider it in our strategies and decision making.

Our journey has been tailored towards our ambition of providing safe, cost-efficient, low carbon, and reliable power by adopting the 4D approach: digitalisation, decarbonisation, decentralisation, and disaster management.

## COMMUNITY

## GROWING WITH A RESPONSIBLE APPROACH

CESC aims to support underprivileged communities through its CSR initiatives, in a way that is both considerate and effective, with the goal of improving their quality of life.

All CSR projects ensure beneficiary and stakeholder involvement through formation of groups, where they can share their views as well as voice their grievances.

CESC's Corporate Social Responsibility Policy as approved by the Board of Directors, includes the following:

approach and direction given by the Board of Directors of the Company to its CSR programmes/ projects

guiding principles for selection, implementation and monitoring of activities

focus areas of Company's CSR projects or programmes

roles and responsibilities of Board and CSR Committee in ensuring compliance with applicable CSR provisions

basis of formulation of the annual action plan



Depending on the most pressing social issues, we have identified a four-pronged approach for our CSR activities:



Education



Healthcare



Skill Development



Environment



## Education

### Educational Initiatives

Education is one of the fundamental right of every human being in our country and has high importance for children. This is one of the most critical components of child development and overall growth.

### Initiatives Undertaken

- 'Akshar' reaches out to children in the age group of 3-18 years through early child education and development centres as well as community-based academic support centres in Tiljala.
- 'Indradhanush' is being implemented in Kamarhati to support out-of-school children to get enrolled in schools as well as provide academic support to underprivileged children.
- 'Muktangan' provides supplementary education support to children in classes VI to X in Pujali.

#### • Akshar

**504**

Children benefitted

#### • Muktangan

**243**

Children benefitted

#### • Indradhanush

**481**

Children benefitted





## Healthcare

At CESC, we are actively taking part in reducing infant and child mortality by integrating safe motherhood and child survival programmes with our CSR initiatives.

### Initiatives Undertaken

- 'SNEH' (Sustainable Nutrition and Health Education) aims to improve maternal, child health and nutrition and increase awareness of the community on related issues.
- Two eye camps were organised in Pujali and Budge Budge for conducting visioning tests for underprivileged communities.

#### SNEH

**5,492**

Mothers & Children benefitted

#### Health camps

**536**

Community members benefitted



## Skill Development and Livelihood Generation

At CESC, we believe that an empowered society is achieved by nurturing holistic growth and upskilling the people to help them attain a self-reliant and sustainable livelihood. Abiding by the same ideology, we have undertaken multiple initiatives, enabling the society with livelihood opportunities. Moreover, our initiatives are designed to bridge the gap between the aspiring working-age population and the necessary skills that are currently required for local industries.

### Initiatives Undertaken

Through its 12 'Eklavya' (CESC Skill Academy) centres in Kolkata, Howrah, North and South 24 Parganas, skill building courses are provided to underprivileged youth in multiple areas: Basic Computer with Advanced Excel, Customer Relations Management, Retail Management, Electrician, Beautician and Tailoring.

#### Eklavya

**1,622**

People trained

**1,043**

Placed







## Environment

We are committed towards providing a clean environment for the society in which we operate.

### Initiatives Undertaken

- 'Urja Chetana' seeks to build capacity of teachers and students for initiating action on sustainability: air pollution, waste management, rainwater harvesting, and biodiversity conservation in schools and their neighbourhoods.
- 'Kiran' is a community-based waste management project for converting organic waste into vermicompost.
- 'Jaldhara' is a rainwater harvesting project implemented in the Super Speciality Block of Kolkata Medical College and Hospitals to provide an alternative source of water for patients and staff.

#### Urja Chetana

**5,869**

Students benefitted

**325**

Teachers benefitted

#### Kiran

**1,000**

People benefitted

#### Jaldhara

**3,000**

Beneficiaries



## PROGRESSING WITH STRONG GOVERNANCE

CESC has a strong legacy of fair, transparent and ethical governance practices. The Company believes that Corporate Governance is not only a principle that the organisation follows but it's a way of life that is embedded in its behaviour & culture. The philosophy of the Company's Corporate Governance aims at transparency in its affairs and the functioning of the Management and the Board of Directors for ensuring accountability towards its stakeholders.





The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness, looking at long-term interests of shareholders and other stakeholders. The Board, inter alia, reviews and guides corporate strategy, major plans of action, risk policy, annual budgets, acquisitions and divestments. It also monitors implementation and effectiveness of governance structures.

#### Board Committee Structure

- Audit Committee
- Corporate Social Responsibility Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management Committee



**BOARD OF DIRECTORS**

# MEET THE BOARD



**Dr Sanjiv Goenka**  
Chairman



**Mr Shashwat Goenka**  
Vice-Chairman



**Mr Pradip Kumar Khaitan**  
Non-Executive Director



**Mr Pratip Chaudhuri**  
Independent Director



**Mr Sunil Mitra**  
Independent Director





**Mr Chandra Kumar Dhanuka**  
Independent Director



**Ms Rekha Sethi**  
Independent Director



**Mr Debanjan Mandal**  
Independent Director



**Mr Rabi Chowdhury**  
Managing Director (Generation)



**Mr Debasish Banerjee**  
Managing Director (Distribution)

## AWARDS AND ACCOLADES

# TESTIMONIAL OF OUR CORPORATE PRUDENCE



Budge Budge plant received the 'Gold' award in Smart Technology Electricity Generation category at the national competition organised by India Smart Grid Forum (ISGF) in 2023.



Budge Budge Generation Station won the Energy & Environment Foundations Global Water Conservation Awards 2022 and was recognised as 'Global Water Conservation Company of the Year 2022' for outstanding achievements in Water Management. It also won the 'Gold' award at the Apex India Green Leaf Award for Water stewardship in the Thermal sector.



Haldia Energy Limited won the Sustain Awards 2022 organised by the Indo-German Chamber of Commerce for Excellence in Water Management as well as the 16th CII National Water Award 2022.



Southern Generating Stations received the 'Gold' award at the 4th ICC National Occupational Health & Safety Awards 2022.



CESC was awarded 'Prize for Leadership in HR Excellence' in the coveted CII National HR Excellence Awards 2022-23. It is the third consecutive time that CESC received this recognition, for which it was also awarded in a separate category named 'PrWe for Sustained Excellence in HR'. CESC also received the prestigious Great Place to Work (GPTW) Certification for the third time in a row, where it featured among 'India's 100 Best Companies to Work for' and 'Best Workplaces in Energy, Oil & Gas'.



CESC won the coveted Golden Peacock Award 2022 for its CSR initiatives. It was adjudged winner at the Greentech India CSR Award 2022 in the category of 'Women and Child Development' and the Apex India CSR Excellence Award in the Gold category. The Company also received the special jury recognition in the ICC Social Impact Awards 2022 and was runner-up at BCC&I Social Leadership Award 2022.



In 2022-23, CESC received a variety of awards in recognition of its performance in the area of customer service. For its voice bot Aastha, it received Order of Merit at the ISGF Innovation Awards 2023 and was winner at IPPAI Power Awards. It was also runner-up at the IPPAI Power Awards for Promoting Consumer Awareness. It won the 'Gold' award at Digixx 2023 Awards in the Experiential Category for its Durga Puja Campaign on sustainability.

# CORPORATE INFORMATION

**BOARD OF DIRECTORS**

Dr Sanjiv Goenka  
Mr Shashwat Goenka  
Mr Pradip Kumar Khaitan  
Mr Chandra Kumar Dhanuka  
Ms Rekha Sethi  
Mr Pratip Chaudhuri  
Mr Sunil Mitra  
Mr Debanjan Mandal  
Mr Rabi Chowdhury  
Mr Debasish Banerjee

**EXECUTIVE DIRECTOR & CFO**

Mr Rajarshi Banerjee

**COMPANY SECRETARY**

Mr Jagdish Patra

**AUDITORS**

S. R. Batliboi & Co. LLP

**SOLICITORS**

Khaitan & Co.  
Sandersons & Morgans

**DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited

**REGISTERED OFFICE**

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

**BANKERS**

Axis Bank Limited  
Bank of Baroda  
Central Bank of India  
Citibank N.A.  
DBS Bank India Limited  
The Federal Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited  
IDFC First Bank Limited  
Indian Bank  
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

**REGISTRAR AND SHARE TRANSFER AGENT (RTA)**

Link Intime India Private Limited  
Vaishno Chamber, 5th Floor, Flat No. 502 & 503  
6, Brabourne Road  
Kolkata-700 001  
Tel: 033-4004 9728  
Email: kolkata@linkintime.co.in  
Website: www.linkintime.co.in



## CESC Limited

Registered Office : CESC House, Chowringhee Square, Kolkata - 700 001  
Tel: 033-2225 6040; E-mail: [secretarial@rpsg.in](mailto:secretarial@rpsg.in); Website: [www.cesc.co.in](http://www.cesc.co.in)  
CIN: L31901WB1978PLC031411

### NOTICE TO MEMBERS

**NOTICE** is hereby given that the Forty-fifth Annual General Meeting (AGM) of the Members of CESC Limited will be held on **Friday, August 4, 2023 at 10.30 A.M.**, Indian Standard Time (IST), through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

#### ORDINARY BUSINESS

##### 1. Consideration and Adoption of :-

- the audited financial statements of the Company for the financial year ended March 31, 2023 and the Reports of the Board of Directors and the Auditors thereon, and;
- the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and the Reports of the Auditors thereon.

and in this regard to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

##### "RESOLVED THAT:

- the audited financial statements of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and the Auditors thereon, as circulated to the Members; and
- the audited consolidated financial statements of the Company for the financial year ended March 31, 2023 and reports of the Auditors thereon, as circulated to the Members;

be and are hereby considered and adopted."

##### 2. Confirmation of the payment of Interim Dividend for the financial year ended March 31, 2023.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Interim Dividend @ 450% (i.e. ₹ 4.50/- per share on 1,32,55,70,430 Equity Shares) paid to the shareholders for the Financial Year ended March 31, 2023, be and is hereby noted and confirmed."

##### 3. Re-appointment of Mr. Shashwat Goenka as a Director who retires by rotation.

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Articles of Association of the Company, Mr. Shashwat Goenka (DIN: 03486121) who retires by rotation at this meeting, and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation."

#### SPECIAL BUSINESS

##### 4. Continuation of Directorship of Mr. Pradip Kumar Khaitan as a Non-Executive, Non-Independent Director of the Company.

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, (including any statutory modification(s) thereof), for the time being in force, approvals and recommendations of the Nomination and Remuneration Committee and that of the Board of Directors, approval of members of the Company be and is hereby accorded for continuation 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 (which includes any committee thereof) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

##### 5. Re-appointment of Mr. Rabi Chowdhury as the Managing Director (Generation).

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read along with Schedule V to the Act

and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereto or re-enactment thereof for the time being in force), as amended from time to time, read with the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and that of the Board of Directors of the Company and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Rabi Chowdhury (DIN: 06601588), as the Managing Director (Generation) of the Company for a period of one year with effect from May 28, 2023 till May 27, 2024, liable to retire by rotation, as per the terms and conditions contained in the letter to be issued to him, which is also hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions, including the remuneration, as it may deem fit and in such manner as may be agreed to between the Board and the Managing Director (Generation) in accordance with the Act;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any committee thereof) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient and delegate all or any of its powers herein conferred to any committee of Director(s) to give effect to the above resolution."

#### 6. Re-appointment of Mr. Debasish Banerjee as the Managing Director (Distribution).

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read along with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment thereto or re-enactment thereof for the time being in force), as amended from time to time, read with the Articles of Association of the Company and based on the recommendation of Nomination and Remuneration Committee and that of the Board of Directors of the Company and subject to such other approvals as may be necessary, approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Debasish Banerjee (DIN:06443204), as the Managing Director (Distribution) of the Company for a period of one year with effect from May 28, 2023 till May 27, 2024, liable

to retire by rotation, as per the terms and conditions contained in letter to be issued to him, which is also hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions, including the remuneration, as it may deem fit and in such manner as may be agreed to between the Board and the Managing Director (Distribution) in accordance with the Act;

**RESOLVED FURTHER THAT** the Board of Directors of the Company (which includes any committee thereof) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient and delegate all or any of its powers herein conferred to any committee of Director(s) to give effect to the above resolution."

#### 7. Creation of Charge / Security on the movable and immovable properties of the Company.

To consider and if thought fit, to pass, the following resolution 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") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company ("the Board" which term shall be deemed to include any committee thereof) to create charges, mortgages, hypothecations and / or otherwise encumber all or any of the properties of the Company, whether immovable and/or movable, and whether present or future and wheresoever the same may be situated, in favour of:

- a) Bank of Baroda for two term loans aggregating to ₹ 500 Crore;
  - b) State Bank of India for a term loan of ₹ 300 Crore;
  - c) Punjab & Sind Bank (PSB) for a term loan of ₹ 500 Crore;
- (banks named in (a) to (c) above hereinafter collectively referred to as 'lenders')
- d) any Public Financial Institution within the meaning of Section 2(72) of the Act and / or any Scheduled Bank as defined in Section 2(e) of the Reserve Bank of India Act, 1934 and / or any other bank or lender and / or any institution / corporation controlled by the Central and / or State Government(s) or by any combination thereof (hereinafter collectively referred to as 'future lenders') for their respective financial assistance, for an aggregate sum not exceeding ₹ 1500 Crore which may, in future, be sanctioned to the Company in one or more instalments for any purpose and in any form including by way

of term loan and / or refinance loan and / or foreign currency assistance and / or debentures and/or other debt securities and / or fund and / or non- fund based working capital facility (hereinafter collectively referred to as 'Financial Assistance'); to secure the aforesaid term loans and Financial Assistance with agreed interest, charges, expenses, front-end fees and all other monies payable by the Company to the lenders / future lenders 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 with such lenders / future lenders so that the mortgage and / or charge may be created by the Company over and in respect of its properties in favour of the said lenders / future lenders 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 said lenders / future lenders;

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds things and matters to finalise and execute all such agreements, instruments and documents with all or any of the said lenders / future lenders for creating the aforesaid mortgages and / or charges as may be required from time to time and to delegate all or any of its powers herein conferred to a committee constituted/ to be constituted by the Board and/or to any member of such committee with power to the said committee to sub-delegate its powers to any of its members and/or to any officers or employee of the Company for the purpose of giving effect to the above resolution."

**8. Ratification of remuneration of Cost Auditors for the financial year ending March 31, 2024.**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹ 10,00,000/- (plus applicable goods and services tax and reimbursement of out of pocket expenses) to be paid to M/s Shome & Banerjee, Cost Accountants, the

Cost Auditors of the Company, as approved by the Board of Directors of the Company for conducting the audit of cost records of the Company, for the Financial Year ending March 31, 2024, be and is hereby ratified."

By **Order of the Board of Directors**

**Jagdish Patra**

Place: Kolkata      Company Secretary and Compliance Officer  
Date: May 22, 2023      (ICSI Membership No. FCS 5320)

**NOTES:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') in respect of the Special Business to be transacted at the AGM is annexed hereto.
2. Additional information pursuant to Regulations 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and Secretarial Standard-2 on General Meetings issued by ICSI in respect of Directors proposed to be appointed/ re-appointed, as the case may be, at the Annual General Meeting is furnished elsewhere in the notice.
3. A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021, May 5, 2022 and December 28, 2022 respectively, issued by the Ministry of Corporate Affairs (MCA) Government of India, and Circular numbers SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/ HO/CFD/CMD2/ CIR/P/2022/62 dated May 13, 2022 and SEBI/ HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 issued by the Securities and Exchange Board of India (hereinafter collectively referred to as "the Circulars"), the Forty-fifth AGM of the Company is being held through VC/ OAVM, on Friday, August 4, 2023 at 10:30 a.m. (IST).



The deemed venue of the AGM shall be at the registered office of the Company.

B) AGM through VC/OAVM

- i. Members are requested to join the AGM on Friday, August 4, 2023 through VC/OAVM mode latest by 10:15 a.m. IST by clicking on the link <https://www.evoting.nsdl.com> under members login, where the EVEN (e-Voting Event Number) 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 10:00 a.m. IST and may be closed at 10:45 a.m. IST, or, soon thereafter.
  - ii. The facility for attending the AGM will be made available for upto 1000 members on a first- come-first serve basis.
  - iii. Members who would like to express any views, or, during the AGM ask question(s) may do so, by sending their views or questions in advance in writing, 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 [cescagm2023@rpsg.in](mailto:cescagm2023@rpsg.in) latest by **Friday, July 28, 2023 by 3.00 p.m. (IST)**.
  - iv. When a pre-registered speaker is invited to raise, his/her question(s) at the AGM, 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 question(s). 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 question(s)/speakers, as appropriate, for smooth conduct of the AGM.
4. SEBI has decided that securities of listed companies can be transferred only in dematerialised form and, therefore, members are advised to dematerialize as early as possible the shares of the Company held by them in physical form.
  5. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25 January 2022 has mandated the listed companies to issue securities in dematerialised form only while processing service requests, viz. Issue of duplicate securities certificate; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition.

Further SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated 18 May 2022 has simplified the procedure and standardised the formats of documents for transmission of securities. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4 & ISR-5, as the case may be. The said form can be downloaded from the website of our Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited at <https://www.linkintime.co.in/>.

6. The Register of Members of the Company will remain closed from July 28, 2023 to August 4, 2023 both days inclusive.
7. 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>.
8. Instructions for attending the AGM:
  - i. In view of the aforesaid Circulars, this AGM is being conducted through VC/ OAVM and physical attendance of the members at the AGM is not required. Hence, members can attend and participate at the ensuing AGM only through VC/OAVM as mentioned in Note 3(B) above as arranged by the Company along with National Securities Depository Limited (NSDL).
  - ii. Members may access NSDL e-Voting system by following the steps mentioned above and after successful login, they will be requested to click on VC/OAVM link placed under "Join General Meeting" menu against the Company name. The link for VC/ OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
  - iii. 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.
  - iv. 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 on behalf of 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 Member(s) intending to authorise their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorisation letter to the Scrutiniser by e-mail at [akroyco@yahoo.co.in](mailto:akroyco@yahoo.co.in); with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- v. The facility of participation at the AGM through VC/ OAVM will be made available for upto 1000 members on first come first serve 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 Stakeholder's Relationship Committee, Auditors etc. who are allowed to attend the AGM without any restriction on account of first come first serve basis.
- vi. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2022-23 are being sent only through electronic mode to those Members whose email addresses are registered with the Company or with Central Depository Services (India) Limited / National Securities Depository Limited ("Depositories"). Members may note that the Notice and Annual Report for the FY 2022-23 will also be available on the Company's website at <http://www.cesc.co.in> and on the websites of the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively. Additionally, the Notice of the AGM will also be available at <https://www.evoting.nsdl.com>.
- vii. 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 register/update their information by providing the signed Form ISR-1 mentioning all the details including Folio Number, Name of shareholder, Mobile no., email id, Bank Account details such as Bank and Branch name, Account no., and IFSC Code and self-attested scanned copy of PAN card by email to CESC Limited at [cescagm2023@rpsg.in](mailto:cescagm2023@rpsg.in) or to the RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in). The said form can be downloaded from the website of our RTA at (<https://www.linkintime.co.in/>).
  - b) Members holding share(s) in electronic mode are requested to register / update their e-mail addresses and Bank Account details as mentioned above with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
- viii. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
- ix. Since AGM is being held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
- x. 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 the NSDL e-Voting system at <https://www.evoting.nsdl.com>.
- xi. 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 call at: 022-48867000/022-24997000.
  - (b) Contact Ms. Pallavi Mhatre, Senior Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xii. 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.

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.

## 9. Instructions for Voting through electronic means:

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 and Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing the facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with NSDL for facilitating e-Voting through electronic means, as the authorised agency. The facility of casting vote by a member using remote e-Voting system during the meeting on the date of the AGM will also be provided by NSDL.

The remote e-Voting period begins on **Tuesday, August 1, 2023 at 9.00 a.m. (IST)** and ends on **Thursday, August 3, 2023 at 05.00 p.m. (IST)**. The remote e-Voting will not be allowed beyond the aforesaid date and the remote e-Voting module shall be disabled by NSDL upon expiry of the aforesaid period.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date), i.e. **Friday, July 28, 2023** may cast their vote electronically. A person who is not a member as on the cut off date may treat this notice for information purpose only.

The voting rights of a Member/Beneficial owner (in case of electronic shareholding) shall be in proportion to his/her/ its shareholding in the paid up equity share capital of the Company as on the cut-off date, being **Friday, July 28, 2023**.

#### 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: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022-48867000/022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800225533

- B) **Login method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> 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.

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 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 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 For example, if folio number is 001*** and EVEN is 123456 then user ID is 123456001***

5. Password details for shareholders other than individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - 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 by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - 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'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- 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).
  - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - 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.
  - 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.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser by e-mail at [akroyco@yahoo.co.in](mailto:akroyco@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.

Any person holding shares in physical form and/or a non individual shareholder, who

acquires share(s) of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 28, 2023 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). 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" or "Physical User Reset Password" option available on <https://www.evoting.nsdl.com> or call on toll free no 1800 1020 990 and 1800 22 44 30. In case of individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 28, 2023 may follow steps mentioned in the Notice of the AGM under Step 1: "Access to NSDL e-Voting system"(Above).

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 <https://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 <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

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

1. In case share(s) are held in physical mode please provide Folio No., Name of shareholder, Mobile no., email id and self attested scanned copy of PAN card by email to CESC Limited at [cescagm2023@rpsg.in](mailto:cescagm2023@rpsg.in) or to the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).



- Members holding share(s) in electronic mode are requested to register / update their e-mail addresses as mentioned above with their respective Depository Participants ("DPs"). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively, shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
- Only those members/ shareholders, who will be present during 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 during the AGM.
- 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.
- 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.

#### OTHER INSTRUCTIONS

- 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, i.e., Friday, July 28, 2023.
- 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.

- 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. Friday, July 28, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- Mr. Anjan Kumar Roy, Practicing Company Secretary, (Membership No. FCS 5684, CP 4557) has been appointed as the Scrutiniser to scrutinise the remote e-Voting process and votes cast through the e-Voting system during the Meeting in a fair and transparent manner.
- The Scrutiniser 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 Scrutiniser's Report.
- The results of voting will be declared within two working days from the conclusion of AGM. The declared results along with the Scrutiniser's Report will be available forthwith on the website of the Company and can be accessed at <https://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 and BSE Limited.

#### PARTICULARS OF DIRECTORS PROPOSED TO BE RE-APPOINTED AT THE MEETING ARE GIVEN BELOW:

##### Mr. Shashwat Goenka

Mr. Shashwat Goenka (DIN: 03486121), 33 years of age, is the Director & Vice Chairman of the Company since November 14, 2019. Mr. Goenka is the Sector Head-Retail & FMCG of the RP-Sanjiv Goenka Group. He is also the Founder of FMCG brand "Too Yumm". Currently he is in 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 and is currently the Honorary Consul of Finland.

Presently, Mr. Shashwat Goenka is on the Boards of Firstsource Solutions Limited (Chairman of Corporate Social Responsibility Committee and Risk Management Committee), Spencer International Hotels Limited, PCBL Limited (formerly known as Phillips Carbon Black Limited) (Member of Corporate Social Responsibility Committee), Spencer's Retail Limited (Member of the Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee, CSR Committee and Chairman of the Risk Management Committee) and RPSG Ventures

Limited (Member in Stakeholder's Relationship Committee and Chairman in CSR Committee and Risk Management Committee) and on the Board of Retailers Association of India.

Mr. Goenka holds 11,14,080 (0.08%) equity shares in the Company and is related to Dr. Sanjiv Goenka, Chairman of the Company. 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 (DIN: 00004821), aged 82 years, is a B.Com, LL.B. and Attorney-at-law (Bell Chambers Gold Medallist). He has professional affiliations with Bar Council of India, Bar Council of West Bengal, Indian Council of Arbitration, New Delhi and Incorporated Law Society of Calcutta. Mr. Khaitan is the Senior Partner of Khaitan & Co. and is widely regarded as amongst the most influential legal practitioners in India. With over 50 years of experience, Mr. Khaitan has advised on a wide range of transactions.

Mr. Khaitan is also on the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of Corporate Social Responsibility Committee and Risk Management Committee), Electrosteel Castings Limited (Member of Audit Committee, Nomination & Remuneration Committee & Corporate Social Responsibility Committee), Firstsource Solutions Limited, Woodlands Multispeciality Hospital Limited, Dalmia Bharat Limited (Member of Audit Committee and Nomination and Remuneration Committee). Mr. Khaitan resigned from the Board of Emami Limited, a listed entity w.e.f August 1, 2022.

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

#### **Mr. Rabi Chowdhury**

Mr. Rabi Chowdhury (DIN: 06601588), aged 63 years, is a Bachelor of Electrical Engineering from Jadavpur University in the year 1982. He joined CESC Limited in the year 1984. Prior to that he was employed with Steel Authority of India Limited. He has vast experience of over 35 years in operation and maintenance of Thermal Power Generating Stations - commissioning of 2x250 MW Budge Budge Generation Station of the Company, project development, engineering, execution and commissioning of CESC's 1x250 MW Budge Budge - III Unit and played a key role in

erection and commissioning of two 600 MW power plants of the Company's two subsidiaries Haldia Energy Limited and Dhariwal Infrastructure Limited.

Mr. Chowdhury is also on the Boards of Haldia Energy Limited, CESC Green Power Limited, Dhariwal Infrastructure Limited, Jarong Hydro-Electric Power Company Limited and Ghaziabad Power Company Limited.

Mr. Chowdhury holds 2280 (0.0002%) equity shares in the Company and 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. Debasish Banerjee**

Mr. Debasish Banerjee (DIN: 06443204), aged 62 years, is an Electrical Engineer with proficiency in Business Management, having 38 years of rich and diverse industry experience. He commenced his professional career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Dealer, Industry & Utilities domain.

In his last stint as CEO of Reliance Energy, he contributed in improving Operational Efficiency and Optimising Cost through Business Processes Reengineering & Automation, thus increasing bottom line and Customer Delight.

Mr. Banerjee is on the Board of the Company since May 28, 2018. In his current capacity as MD (Distribution) of CESC, he has ushered in a transformational journey for leapfrogging CESC to newer heights of excellence with enhanced Operational Resilience & Efficiency for effective Business Continuity during and after any crisis. He is proficient in successfully creating stakeholders satisfaction.

In pursuit of his passion to deploy cutting-edge Technologies for radical change, he is constantly engaged in embracing disruptive Technological Innovations, for enhancing Customer & Employee Experience (CX & EX). Rapid deployment of digital platforms like ChatBot, WhatsappBot & unique vernacular VoiceBot embedded with AI/ML & NLL/NLP technologies has further enriched Customer Service delivery. Adoption of Industry 4.0 and Sensor based IoT along with Big Data Analytics and Immersive Technologies / Digital Twins has enabled the shift from Preventive to Predictive Maintenance, thus making CESC more Agile, Customer Centric, Cost-Effective and a Digital Utility of the future.

He has been instrumental in demonstrating Sustainability, which is one of the core values of CESC through Digitisation & Decentralisation for providing safe, cost-effective and reliable electricity. He is engaged in developing a responsible and diverse value chain for powering a Sustainable future & creating a positive societal impact for a better planet and people.

Mr. Banerjee is also on the Board of Eminent Electricity Distribution Limited and Malegaon Power Supply Limited.

Mr. Banerjee 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 relatives. 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-FIFTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD THROUGH VC / OAVM ON FRIDAY, AUGUST 4, 2023 AT 10:30 A.M IST**

**Item No. 4**

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 as a Non-Executive Director who has attained the age of seventy- five years unless a Special Resolution is passed to that effect.

Mr. Pradip Kumar Khaitan, aged about 82 years, is an Attorney-at-Law (Bell Chambers Gold Medalist), and is an eminent personality. A senior partner of Khaitan & Co., a noted law firm, 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. Mr. Khaitan has been on the Board since 1992 and continues on the Board as a Non-Executive Non-Independent Director.

Considering his contribution in various critical matters from time to time the Nomination and Remuneration Committee and the Board have recommended continuation of Mr. Pradip Kumar Khaitan as a Non-Executive Non-Independent Director of the Company.

Mr. Pradip Kumar Khaitan is deemed to be concerned or interested in the resolution for continuation of his Directorship. None of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said Special Resolution. Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

The Board recommends the above Special Resolution as set out under item no. 4 of the Notice for approval of the Members.

**Item Nos. 5 & 6**

Based on the recommendation of the Nomination and Remuneration Committee ('Committee') of the Board, the Board of Directors of the Company at its meeting held on May 22, 2023 has, subject to the approval of the members, recommend the re-appointment of Mr. Rabi Chowdhury

as the Managing Director (Generation) and Mr. Debasish Banerjee as Managing Director (Distribution) of the Company for a fresh period of one year from the expiry of their present terms i.e. with effect from May 28, 2023, on such terms and conditions as recommended by the Committee and approved by the Board.

The terms of re-appointment and the remuneration to be paid to Mr. Rabi Chowdhury and Mr. Debasish Banerjee are in accordance with the conditions specified in Sections 196 and 197 of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

As per the principal terms set out in the letter to be issued to Mr. Chowdhury, his entire remuneration shall be paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where he also continues to function as the Managing Director.

The principal terms and conditions of appointment of Mr. Banerjee in terms of the aforesaid letter are as follows: (a) Salary: ₹ 1.93 Crore per annum (b) Performance Bonus: ₹ 0.45 Crore or such other annual sum as may be decided by the Committee (c) Perquisites: ₹ 3.21 Crore per annum. He would also be entitled from time to time to such other allowances, benefits, perquisites as well as annual increments as may be permissible in terms of the Company's Policy and as may be decided by the Committee.

For the purpose of computation of the aforesaid remuneration, the following benefits/perquisites shall not be considered: (i) Company's contribution to Provident Fund and Superannuation Fund (ii) encashment of leave at the end of the tenure and (iii) payment of Gratuity at a rate not exceeding half a month's salary for each completed year of service.

The proposed remuneration of Mr. Banerjee will be subject to a limit of 5% of the annual net profits of the Company. In the event of loss or inadequacy of profits of the Company, the aforesaid remuneration and perquisites/benefits will be paid to Mr. Banerjee subject to such approval as may be necessary.

Leave allowances shall be as per rules of the Company, but not exceeding one month's leave for every eleven months of service.

Mr. Banerjee will be reimbursed by the Company of all entertainment and other expenses actually incurred for the business purposes subject to such limits as may be fixed by the Committee from time to time.

Mr. Banerjee does not have any interest in the capital of the Company, directly or indirectly and does not have any direct or indirect interest and has not been related to any of the Directors or Promoters of the Company at any time before or on the date of his appointment and has necessary qualification with expert and specialised knowledge in the field of his profession.



The terms and conditions of the said appointments of Mr. Chowdhury and Mr. Banerjee, including the payment of remuneration may be altered and varied from time to time by the Board in consultation with the Committee as it may in its discretion deem fit, subject to the provisions of Section 197 of the Act read with Schedule V thereto.

Additional information in respect of Mr. Chowdhury and Mr. Banerjee pursuant to the Listing Regulations and the Secretarial Standards appear elsewhere in the Notice.

Mr. Chowdhury may be deemed to be concerned or interested in the Resolution appearing in item no. 5 of this Notice while Mr. Banerjee may be deemed to be concerned or interested in item no 6 of this Notice. None of the other Directors or Key Managerial Personnel of the Company or their relative is concerned or interested in the above two resolutions in the accompanying Notice.

The Board recommends the above two Ordinary Resolutions as set out under item nos. 5 & 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, from time to time, has availed of various term loans from three banks as per the details mentioned in the resolution. The said term loans 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.

Further, for undertaking various projects / capital expenditure as well as for refinancing any existing financial assistance and / or for any other business purpose, the Company may avail of various rupee and / or foreign currency assistance, debentures / other debt securities / non fund based working capital assistance which may also be required to be secured by mortgage / charge over the Company's immovable and movable properties with such ranking of charges as may be required under the respective terms of sanction. In order to facilitate creation of mortgage / charge expeditiously when so required in future, paragraph (d) of the Special Resolution set out in the Notice under item no. 7 includes a reference to availment of such fresh financial assistance for a sum not exceeding ₹ 1500 Crore.

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) and other applicable provisions of the Companies Act, 2013 to enable the Company to create charge / security, as aforesaid, on the movable / immovable properties of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said Special Resolution in the accompanying Notice.

The Board recommends the above Special Resolution as set out under item no. 7 of the Notice for approval of the Members.

#### Item No. 8

The Board of Directors of the Company ('the Board'), on the recommendation of its Audit Committee, has approved the appointment and remuneration of M/s 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 March 31, 2024.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 10,00,000/- (plus applicable goods and services tax and out of pocket expenses) payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board, requires ratification by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the Financial Year ending on March 31, 2024 by passing an Ordinary Resolution as set out under Item No. 8 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution in the accompanying Notice.

The Board recommends the above Ordinary Resolution as set out under item no. 8 of the Notice for ratification of the Members.

By **Order of the Board of Directors**

**Jagdish Patra**

Place: Kolkata      Company Secretary and Compliance Officer  
Date: May 22, 2023      (ICSI Membership No. FCS 5320)

## BOARD'S REPORT

Dear Members,

The Board of Directors of the Company ("the Board") present the Forty-fifth Annual Report on the business and operations of the Company together with Audited Financial Statements for the financial year ended March 31, 2023 ('the year').

### FINANCIAL RESULTS

Pursuant to the provisions of the Companies Act, 2013 ('the Act') and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('Listing Regulations'), the Company has prepared its standalone and consolidated financial statements for the Financial Year ended March 31, 2023, details of which are summarised below:

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	7,973	7,294	14,246	12,544
Other Income	180	185	309	276
<b>Total Income</b>	<b>8,153</b>	<b>7,479</b>	<b>14,555</b>	<b>12,820</b>
<b>Profit before Regulatory Income and Tax</b>	<b>273</b>	<b>328</b>	<b>463</b>	<b>1,179</b>
Regulatory Income	787	716	1,276	737
<b>Profit before tax</b>	<b>1,060</b>	<b>1,044</b>	<b>1,739</b>	<b>1,916</b>
<b>Tax Expenses</b>	<b>230</b>	<b>228</b>	<b>342</b>	<b>511</b>
<b>Profit for the year</b>	<b>830</b>	<b>816</b>	<b>1,397</b>	<b>1,405</b>
Other comprehensive loss	(10)	(15)	(18)	(11)
<b>Total comprehensive Income</b>	<b>820</b>	<b>801</b>	<b>1,379</b>	<b>1,394</b>

Highlights of the Company's financial performance for the year ended March 31, 2023 are as under:

#### Standalone

During the year under review, total income was ₹ 8,153 Crore as against ₹ 7,479 Crore for the previous year. Profit before tax was ₹ 1,060 Crore and Profit after tax (PAT) was at ₹ 830 Crore. Total Comprehensive Income for the year after all other adjustments was ₹ 820 Crore. Retained earnings as on March 31, 2023 was ₹ 10,303.40 Crore (March 31, 2022 ₹ 10,311.81 Crore).

#### Consolidated

Total consolidated income was ₹ 14,555 Crore as against ₹ 12,820 Crore for the previous year. Profit before tax was ₹ 1,739 Crore and Profit after tax (PAT) was at ₹ 1,397 Crore. Total Comprehensive Income for the year after all other adjustments was ₹ 1,379 Crore.

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report.

The financial results and operational performance, including major developments have been further discussed in detail in the Management Discussion and Analysis section.

#### DIVIDEND

During the year under review, an Interim Dividend of 450% i.e. ₹ 4.50/- per equity share of ₹ 1/- each was paid to the Members after deduction of tax at source, at prescribed rates under the Income Tax Act, 1961. The above dividend was declared in terms of the Dividend Distribution Policy of the Company.

The Dividend Distribution Policy of the Company is available at the Company's website and can be accessed at [https://www.cesc.co.in/storage/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/storage/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

Pursuant to Regulation 34 of the Listing Regulations, the Management Discussion and Analysis for the year under review is presented in a separate section forming part of this Report as **Annexure 'A'**.

#### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time, the Company during the year under review has transferred Dividend which remains unpaid / unclaimed for seven consecutive years and also Equity Shares pertaining to which Dividend remains unclaimed for a consecutive period of seven years to the Investors Education and Protection Fund ('IEPF') established by the Central Government.

The details of said Dividend and the Equity shares transferred to IEPF are given elsewhere in the report and is also available on the website of the Company.

## SUBSIDIARIES

As on March 31, 2023, the Company had eighteen subsidiaries.

Details of operations of the Company's subsidiaries are set out in Management Discussion and Analysis, which forms part of the Annual Report. Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of the subsidiary companies in Form No. AOC-1 is given in the Annual Report. In accordance with the provisions of Section 136 of the Act and the amendments thereto, read with the Listing Regulations, the audited financial statements of the subsidiary companies are available on the Company's website and can be accessed at <https://www.cesc.co.in/subsidiaryAccounts>

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at: [https://www.cesc.co.in/storage/uploads/policies/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.cesc.co.in/storage/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

Noida Power Company Limited, Haldia Energy Limited and Dhariwal Infrastructure Limited are three material subsidiaries of the Company as per Regulation 16 (1) (c) of the Listing Regulations.

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Indian Accounting Standards and the Listing Regulations, Consolidated Financial Statements of the Company for the Financial Year 2022-23, duly audited by Company's Statutory Auditors, Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants, forming a part of the Annual Report and shall be laid before the members in the ensuing 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, are available on the Company's website and can be accessed at <https://www.cesc.co.in/annualReports>

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Shashwat Goenka (DIN : 03486121) will retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The Board on the recommendation of Nomination and Remuneration Committee has recommended the said re-appointment.

The Board on the recommendation of Nomination and Remuneration Committee and subject to the approval of the Members has recommended the (a) re-appointment of Mr. Rabi Chowdhury (DIN: 06601588) as the Managing Director (Generation) and Mr. Debasish Banerjee (DIN: 06443204) as the Managing Director (Distribution) for a period of one year with effect from May 28, 2023 and (b) re-appointment of Mr. Pradip Kumar Khaitan (DIN: 00004821) as a Non-Executive Non-Independent Director of the Company in terms of Regulation 17(1A) of the Listing Regulations. Necessary resolutions for the above re-appointment(s) have been included in the Notice for the forthcoming AGM of the Company.

In the opinion of the Board, all the Directors, including the Directors proposed to be re-appointed, possess the requisite qualifications, experience and expertise and hold high standards of integrity. The Company has received necessary disclosures/declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Act and the Listing Regulations.

The list of key skills, expertise and core competencies of the Board is provided in the Report on Corporate Governance forming part of this report.

As on March 31, 2023, the Company has the following Key Managerial Personnel (KMP) as per Section 2(51) of the Act:

Sl. No.	Key Managerial Personnel	Designation
1.	Mr. Rabi Chowdhury	Managing Director (Generation)
2.	Mr. Debasish Banerjee	Managing Director (Distribution)
3.	Mr. Rajarshi Banerjee	Executive Director & CFO
4.	Mr. Jagdish Patra	Company Secretary and Compliance Officer

There were no changes in the Key Managerial Personnel of your Company.

During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission, as applicable, received by them.

The meeting of the Board of Directors were held during the financial year on May 13, 2022, August 10, 2022, November 14, 2022 and February 14, 2023.

## INDEPENDENT DIRECTORS' MEETING

The Independent Directors of your Company met on February 14, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the



Committees of the Board and the Board as a whole along with the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, i.e., SS-1 and SS-2 issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, Govt. of India, relating to Meetings of the Board of Directors and General Meetings respectively.

### BOARD DIVERSITY

The Company recognises the importance of a diverse Board in its success and believe that a truly diverse Board will leverage differences in thought, perspective, industry experience, knowledge and skills including expertise in financial, global business, leadership, technology and other domains, will ensure that Company retains its competitive advantage.

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the Nomination and Remuneration Committee ('NRC') is responsible for determining qualification, positive attributes and independence of a Director.

Additional details on Board diversity are available in the Corporate Governance that forms part of this Report

### BOARD EVALUATION

In order to ensure that the Board and Committees of the Board are functioning effectively and to comply with statutory requirements, the annual performance evaluation of all the Directors, Committees of the Board, Chairman of the Board and the Board as a whole, was conducted during the year. The evaluation was carried out based on the criteria and framework approved by the NRC. A detailed disclosure on the parameters and the process of Board evaluation as well as the outcome has been provided in the Report on Corporate Governance.

### COMMITTEES OF THE BOARD

The various Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee

- Stakeholders' Relationship Committee
- Risk Management Committee

Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance.

### EQUITY SHARE CAPITAL AND DEBT SECURITIES

#### Equity Shares

During the year under review, there has been no change in the authorised, issued, subscribed and paid up Equity Share Capital of the Company.

The Equity Shares of the Company continued to be listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the requisite listing fees to the Stock Exchanges up to the Financial year 2023-24.

#### Debentures

##### a. Issue:

During the year under review, the Company had issued and allotted, 5,000 Secured, Unlisted, Redeemable, Rated, Non-Convertible Debentures ('NCDs') having a face value of ₹ 10 lakh each aggregating to ₹ 500 Crore for cash at par, on private placement basis. The said NCDs were issued in compliance with the applicable circulars issued by the Securities and Exchange Board of India on issuance of debt securities by large corporates.

The funds raised through NCDs have been utilised as per the terms of the issue.

##### b. Redemption:

On May 20, 2023, the Company has redeemed by exercising call option, 3000 Secured, Listed, Redeemable, Rated, Non-Convertible Debentures having face value of ₹ 10 Lakh each aggregating to ₹ 300 Crore which were issued and allotted for cash at par on private placement basis.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors hereby state and confirm that:

- in the preparation of the accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to the material departures, if any;
- 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 focus on enhancing standards of Corporate Governance by long term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to business decisions and constant adherence to the requirement of Listing Regulations.

In compliance with Regulation 34 read with Schedule V of the Listing Regulations, a Report on Corporate Governance for the year under review, is presented in a separate section as a part of this Report as **Annexure 'B'** along with Additional Shareholder Information as **Annexure 'C'**.

A certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to this report.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and materials orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company's operations in future.

## INSOLVENCY AND BANKRUPTCY CODE, 2016

During the year under review, there was no application made or proceeding pending against the Company under the Insolvency and Bankruptcy Code, 2016.

## CHANGE IN THE NATURE OF THE BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

Over the past years, the Company has focused on several corporate social responsibility programs. The Company continues its endeavour to improve the lives of people and provide opportunities for their holistic development through its different initiatives in the areas of Health,

Education, Child Protection, Environmental, Sustainability, and Skill Development.

In terms of Companies (Corporate Social Responsibility Policy) 2014, as amended, the Company has formulated its Corporate Social Responsibility Policy. The said Policy is uploaded on Company's website and can be accessed at [https://www.cesc.co.in/storage/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/storage/uploads/policies/CSR_Policy.pdf). A detailed section on CSR activities undertaken during the year under review is annexed herewith and marked as **Annexure-'D'** and forming part of this Report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In terms of Regulation 34 (2) (f) of Listing Regulations, SEBI has introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) which seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators.

The Company has been a torchbearer of responsible business practices, always ensuring its decisions balance social and environmental considerations with financial factors. Your Company always believed that being responsible and reliable also means being sustainable. These principles have always been an integral part of strategic planning of the Company both to manage risk as well as to enable long term sustainable growth and value creation.

As stipulated under the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) describing the initiatives taken by the Company from an environmental, social and governance perspective, is given in the report as **Annexure 'E'**.

## RELATED PARTY TRANSACTIONS

All contracts or arrangements entered into by the Company with its related parties during the year under review were in accordance with the provisions of the Act and the Listing Regulations. All such contracts or arrangements, were entered into in the ordinary course of business and at arm's length basis and approved by the Audit Committee. No material contracts or arrangements with related parties were entered into during the year under review. Disclosure of Related Party Transactions as required in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 in Form AOC -2 is not applicable for this year.

The Policy Statement on Materiality and dealing with Related Party Transactions is available on the Company's website and can be accessed at [https://www.cesc.co.in/storage/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/storage/uploads/policies/RELATED_PARTIES_POLICY.pdf).

Members may please refer to Note 42 to the Standalone Financial Statements for requisite disclosure in respect of related parties and transactions entered into with them during the year under review.

### RISK MANAGEMENT

The Company has a structured Risk Management Framework, designed to identify, assess and mitigate risks appropriately. The Risk Management Committee has been entrusted with the responsibility to assist the Board in a) overseeing the Company's risk management framework; and b) ensuring that all material Strategic and Commercial including Cybersecurity, Safety and Operations, Compliance, Control and Financial risks have been identified and assessed and ensuring that all adequate risk mitigations are in place, to address these risks. The Audit Committee has additional oversight in the area of financial risks and controls. Further, details are included in the separate section forming part of this Report.

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has zero tolerance towards sexual harassment at the workplace. In accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has adopted a policy. The Company has constituted an Internal Complaints Committee(s) (ICC) to redress and resolve any complaints arising under the POSH Act. Training / awareness programs are conducted throughout the year to create sensitivity towards ensuring respectable workplace.

Details of complaints received/disposed, if any, during the Financial Year 2022-23 are provided in the Report on Corporate Governance.

### INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY

The Company has in place adequate internal financial controls for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The IFC are adequate and operating effectively. Effectiveness of IFC is ensured through management reviews, controlled self-assessment and independent testing by the Internal Audit Department of the Company.

The Company believes that these systems provide reasonable assurance that the Company's internal financial controls are adequate and are operating effectively as intended.

### AUDITORS AND AUDITORS' REPORT

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

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualifications, reservations or adverse remarks. The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

During the year under review, the Auditors have not reported any instance of fraud as referred to in Section 134(3)(ca) of the Act.

### COST AUDITORS AND COST AUDIT REPORT

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

The Board of Directors, on the recommendation of the Audit Committee, has appointed Messrs. Shome & Banerjee, Cost Accountants (Firm Registration No 000001) as Cost Auditors to conduct the audit of Company's cost records for the financial year ended March 31, 2023. The Cost Audit Report, for the year ended March 31, 2022, was filed with the Central Government within the statutory time limit.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration to be paid to the Cost Auditors for the Financial Year 2023-24 is required to be ratified by the members, the Board of Directors recommends the same for approval by members at the ensuing AGM. The said proposal forms part of the Notice of the AGM.

### SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Messrs. Anjan Kumar Roy & Co., (Certificate of Practice - 4557) Practicing Company Secretaries, were appointed by the Board as the Secretarial Auditors of your Company for the Financial Year ended March 31, 2023. The Secretarial Audit Report pursuant to Section 204 of the Act, is attached in the **Annexure 'F'** forming part of this Report.

Pursuant to Regulation 24A of the Listing Regulations, the Secretarial Audit Reports of three material unlisted subsidiaries of the Company namely Noida Power Company Limited, Haldia Energy Limited and Dhariwal Infrastructure Limited, for the Financial Year 2022-23 are also attached and are forming part of the Annual Report as **Annexures 'F1', 'F2' and 'F3'**. The Secretarial Audit Reports of such material unlisted subsidiaries do not contain any qualifications, reservations or adverse remarks.



## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company promotes safe, ethical and compliant conduct of all its business activities. The Company has a Vigil Mechanism and Whistle-blower policy in accordance with Section 177 of the Act and Regulation 22 of Listing Regulations to bring Company's attention to instances of illegal or unethical conduct, actual or suspected incidents of fraud, actions that affect the financial integrity of the Company.

The said policy has been uploaded on the Company's website and can be accessed at <https://www.cesc.co.in/storage/uploads/policies/WhistleBlowerPolicy.pdf>. The said policy provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company through the Company Secretary for redressal. No person had been denied access to the Chairman of the Audit Committee and there was no such reporting during the financial year 2022-23.

## INSIDER TRADING

The Company's 'Insider Trading Prohibition Code' which is in line with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, lays down the guidelines and procedures to be followed and disclosures to be made by the Insiders, while dealing in Company's securities.

In view of the aforesaid Regulations and SEBI Circular, the Company also has in place a Structured Digital Database wherein details of persons with whom Unpublished Price Sensitive Information is shared on need to know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the data base.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company, being a company providing infrastructure facilities is exempt from the provisions applicable to loans, guarantees, security and investments under Section 186 (11) of the Act. Therefore, no details are required to be provided.

## DEPOSITS FROM PUBLIC

Your Company during the year under review, has not accepted any deposit from the public 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

Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy and Technology Absorption is given in **Annexure 'G'**, forming a part of this report.

## ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company and can be accessed at [https://www.cesc.co.in/storage/uploads/annreport/CESC\\_AnnualReturn\\_2022-23.pdf](https://www.cesc.co.in/storage/uploads/annreport/CESC_AnnualReturn_2022-23.pdf).

## 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 are provided in **Annexure 'H'**.

Details of employee remuneration as required under provisions of Section 197 of the Act and the Rule 5(2) and 5(3) of the aforesaid Rules are provided in Annexure I. In terms of proviso to Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the Annexure I. The said statement is also available for inspection by the shareholders at the Registered Office of the Company during business hours on working days of the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at [secretarial@rpsg.in](mailto:secretarial@rpsg.in).

None of the employees listed in the said Annexure 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 and Remuneration Committee and approved by the Board. The said Policy is uploaded on the website of the Company and can be accessed at [https://www.cesc.co.in/storage/uploads/policies/REMUNERATION%20POLICY\\_CESC\\_SM.pdf](https://www.cesc.co.in/storage/uploads/policies/REMUNERATION%20POLICY_CESC_SM.pdf).

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 included in the Management Discussion and Analysis forming a part of this report.

## ACKNOWLEDGEMENT

Your Directors wishes to place on record its deep sense of appreciation for the committed and dedicated services by the Company's employees at all levels, co-operation received from the shareholders, business partners, financial institutions, banks, consumers and vendors during the year under review.

The Directors are also thankful to the Government of India, the various ministries of the State Governments, the central and state electricity regulatory authorities, communities in the neighborhood of our operations, municipal authorities of Kolkata and local authorities in areas where we are operational in India for all the support rendered during the year.

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

On behalf of the Board of Directors

**Dr. Sanjiv Goenka**

Chairman

DIN: 00074796

Place : Kolkata

Date : May 22, 2023

# MANAGEMENT DISCUSSION AND ANALYSIS

(Annexure 'A' to the Board's Report)

CESC Limited ('CESC' or 'the Company') is a flagship company of the RP-Sanjiv Goenka Group (the 'Group'). It is an integrated power utility engaged in the generation and distribution of electricity across 567 square kilometres of its licensed area — Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal — supplying safe, cost-effective and reliable electricity to its 3.5 Million customers. The Company, through its subsidiaries, also has a portfolio of independent power generation projects and distribution ventures in other parts of the country.

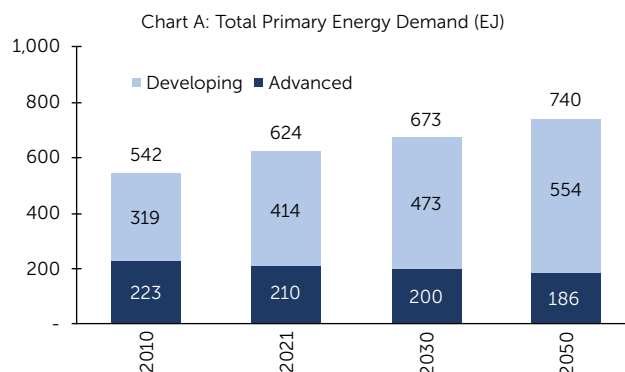
This chapter presents an overview of the macroeconomic environment as well as the operational and financial performance of CESC. It also discusses important initiatives taken by the Company and its subsidiaries during the year to achieve its growth and performance objectives.

## ECONOMIC OVERVIEW

### Global Energy Scenario

Global energy markets witnessed an unprecedented shock in 2022 due to the war in Ukraine. While pressures on demand and prices already existed due to rapid recovery in the aftermath of Covid, the war and ensuing sanctions disrupted global energy supply chains. That Russia was the largest exporter of fossil fuels only made matters worse. Energy prices shot through the roof threatening energy access and security in large parts of the world, especially for the vulnerable.

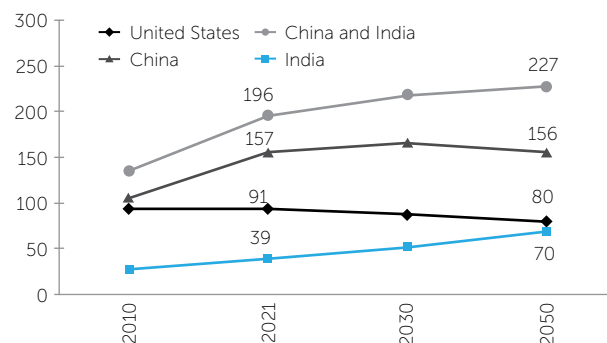
There has been some rebalancing in favour of fossil fuels due to the crisis, mostly in developing economies and regions. But these shifts are expected to be transitory. New policies and developments in major energy markets are set to further reinforce the ongoing structural shifts in fuel mix and technologies. As such, the move towards achieving climate change goals by investing in energy efficiency as well as shift to zero-carbon sources will continue. Renewables, supported by nuclear power, are likely to see sustained gains.



Source: Stated Policies Scenario, World Energy Outlook 2022, IEA

According to the World Energy Outlook 2022 released by the IEA in October 2022, total primary energy demand under the 'Stated Policies Scenario (SPS)'<sup>1</sup> will grow by 116 exajoules<sup>2</sup> (EJ) — from 624 EJ in 2021 to 740 EJ in 2050 (see Chart A) — at a compound annual growth rate (CAGR) of 0.6%. Advanced economies<sup>3</sup>, which used to account for over half of global energy demand in 2000, will see their share decline from 34% in 2021 to 25% by 2050. Demand from advanced economies will also come down in absolute terms from 210 EJ in 2021 to 186 EJ in 2050.

Chart B: Comparative Energy Demand (EJ)



Source: Stated Policies Scenario, World Energy Outlook 2022, IEA

A considerable part of the rise in global energy demand between 2020 and 2050 will come from India, as energy demand from China stabilises at its current levels by 2050. India's energy demand is projected to increase by 31 EJ — a CAGR of 2% — from 39 EJ in 2021 to 70 EJ in 2050 (see Chart B).

<sup>1</sup> 'Stated Policies Scenario' reflects the trajectory implied by current policy settings. These include the latest policy measures adopted by governments around the world, but do not assume that aspirational or economy-wide targets are met unless they are backed up with detail on how they are to be achieved.

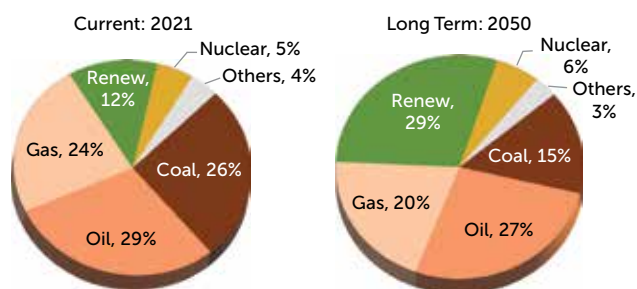
<sup>2</sup> 1 exajoule (EJ) = 23.88 Million tons of oil equivalent (Mtoe) = 277778 gigawatt-hour (GWh)

<sup>3</sup> In this report, advanced economies refer to North America, Europe and Japan.

With China's energy demand stabilising at 156 EJ in 2050, these two countries alone will account for 31% of global energy demand in 2050. Overall, China, the US and India will continue to be the top three consumers of energy in the world in 2050, with their shares being 21.1%, 10.9% and 9.5%, respectively.

In terms of energy sources, fossil fuels — coal, oil and gas — will continue to be dominant, though their share in global energy mix will come down considerably from 79% in 2021 to 62% in 2050 (see Chart C). This is primarily due to the push for renewable technologies, which will grow from 73.6 EJ in 2021 to 214.9 EJ in 2050. Notably, renewables will account for more than 100% of the increase in energy demand, more than making up for the decline in coal-based energy sources. As a result, share of renewables will increase disproportionately from 12% in 2021 to 29% in 2050.

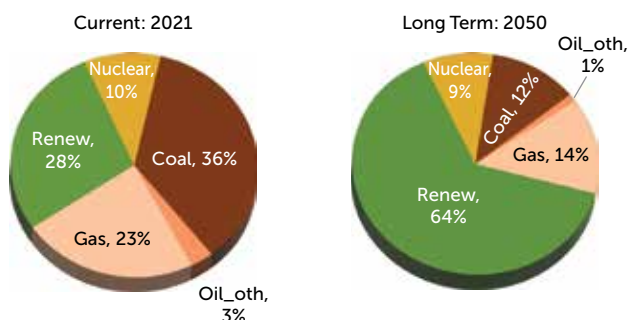
Chart C: Global Energy Mix-Fuel Source



Source: Stated Policies Scenario, World Energy Outlook 2022, IEA

An important aspect of global energy dynamic is the considerable rise in electricity demand. Under the Stated Policies Scenario, electricity generation is expected to grow at a CAGR of 2% — which is over three times the rate of growth in overall energy demand — from 28,334 terawatt hour (TWh) in 2021 to 49,845 TWh in 2050. It is also worth noting that with more aggressive commitments and policy action<sup>4</sup> by governments to achieve climate goals, while global energy demand in 2050 might end-up at close to current levels, there will be an even more decisive shift towards electricity.

Chart D: Global Electricity Generation Outlook



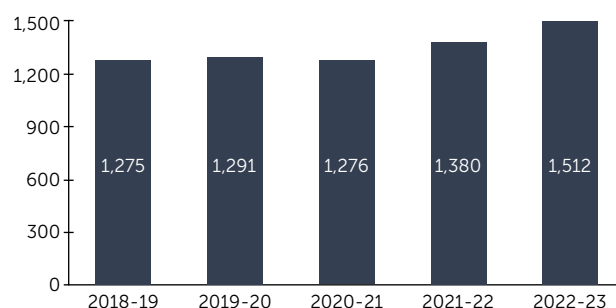
Source: Stated Policies Scenario, World Energy Outlook 2022, IEA

This increase in electricity generation between 2021 and 2050 will also have a significant implication on the fuel mix. As shown in Chart D, share of fossil fuels in electricity generation is expected to come down drastically from 62% in 2021 to 26% by 2050. In contrast, renewable sources — solar, wind, hydro and modern bioenergy — will become the dominant source of power accounting for 65% of the total power generation by 2050.

### India's Power Scenario

The demand for electricity in India continued to be robust during the year. **Electricity demand in India increased by over 130 Billion units (BU) — a growth of 9.6% — from 1,380 BU in 2021-22 to 1,512 BU in 2022-23 (Chart E).** Not only does it come after a high 8.2% growth in 2021-22, this recent performance also surpasses growth in the last few years before Covid, making it even more impressive. Most of this demand was met by the system, with a shortfall limited to 7.6 BU or about 0.5% of the total demand in 2022-23.

Chart E: Electricity Demand in India (Billion Units)



Source: Central Electricity Authority

Power generation capacity also increased, with the addition of 16.6 GW in 2022-23 — reflecting a 4.1% growth over last year. **This increase in capacity was overwhelmingly led by renewable sources (includes Hydro), which accounted for 93% of this increase — growing from 157 GW in 2021-22 to 172 GW in 2022-23. As a result, share of renewable power grew to 41.3% by the end of 2022-23.** Generation capacity in India stood at 416 GW at the end of 2022-23. Table 1 gives the details.

Table 1: Power Generation Capacity in India: 2022-23, By Fuel Source

Fuel	MW	% Share	Growth (%)
Coal & Lignite	2,11,856	50.9%	0.5%
Gas	24,824	6.0%	-0.3%
Diesel	589	0.1%	15.6%
<b>Thermal</b>	<b>2,37,269</b>	<b>57.0%</b>	<b>0.5%</b>
Nuclear	6,780	1.6%	0.0%
Hydro	46,850	11.3%	0.3%
Other Renewables	1,25,160	30.1%	13.9%
<b>Total</b>	<b>4,16,059</b>	<b>100.0%</b>	<b>4.1%</b>

Source: Central Electricity Authority

<sup>4</sup>Under the 'Announced Pledges Scenario' of the IEA, which is consistent with governments meeting their aspirational targets, including their long-term net zero and energy access goals, on time and in full, total energy demand is estimated to stabilise close to its current levels at around 630 EJ in 2050. In contrast, electricity generation under this scenario will grow at a CAGR of 2.7% to 61,268 TWh in 2050, which is more than twice of current electricity generation and substantially higher than 49,845 TWh under the baseline 'Stated Policies Scenario'.



As shown in Table 2, the peak demand for power in 2022-23 was 216 GW whereas the peak power supply was 207 GW. Hence, the demand-supply situation remained broadly balanced, with a nominal shortfall of 4.0% at the all-India level. Most of this deficit was in the Eastern region.

**Table 2: Power Demand and Deficit: 2022-23**

Region	Peak Demand (MW)	Peak Met (MW)	Deficit	Deficit %
Northern	77,337	76,561	776	1.0%
Western	71,677	71,677	0	0.0%
Southern	64,337	64,337	0	0.0%
Eastern	28,275	27,218	1,057	3.7%
North-Eastern	3,603	3,603	0	0.0%
<b>All India</b>	<b>2,15,888</b>	<b>2,07,231</b>	<b>8,657</b>	<b>4.0%</b>

Source: Central Electricity Authority

The demand-supply deficit at the regional level is due to unsatisfactory situations in few areas: UT of Jammu & Kashmir and Ladakh (5.4%) in the northern region; Maharashtra (6.8%) in the western region; Kerala (7%) and Andhra Pradesh (6.6%) in the southern region; Bihar (15.5%) and Jharkhand (14.9%) in the eastern region. Other than these, no state or union territory had a peak power deficit exceeding 4% in 2022-23.

#### Macroeconomic Outlook

With the worst of Covid behind us, the global economy was widely expected to continue to be on a strong growth path in 2022-23. But the severe dislocations in global food and energy markets due to the war in Ukraine as well as supply chain disruptions following fresh outbreaks in China derailed this fragile recovery. **According to the IMF, world output growth declined considerably from 6.3% in 2021 to 3.4% in 2022.**

India also registered a deceleration in growth, but the impact was lower. **According to the Second Advance Estimates released by the National Statistical Office (NSO) in February 2023, India's Gross Domestic Product (GDP) grew at 7.0% in 2022-23, compared to 9.1% in 2021-22.** Agriculture growth remained stable at over 3%, whereas the services sector actually growth accelerated from 8.8% in 2021-22 to 9.4% in 2022-23. As such, the decline in growth was by and large limited to the industry component of GDP.

With Covid no longer posing a major threat, the bigger global challenge today is persistent inflation and systemic risks in the banking and financial sector in the developed world. **Considering these, the IMF has moderated its growth projections for global output in 2023 to 2.8% in its latest estimates released in April 2022.**

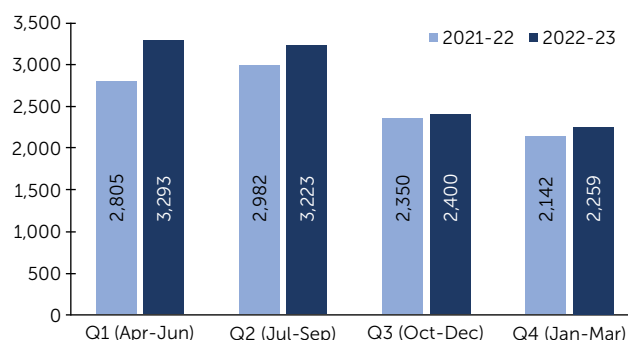
India has managed the situation well so far. The domestic economy showed remarkable stability in the face of headwinds from high global inflation and poor external

demand. Although there are risks of vulnerabilities in the global banking and financial sector transforming into a full-blown crisis, the outlook for India remains positive. **In its recent Monetary Policy Report released on April 6, 2023, the RBI pegged India's GDP growth in 2023-24 at 6.5%, which is only marginally below the 7.0% growth recorded in 2022-23. This will make India the fastest growing large economy in 2023-24.**

#### KEY HIGHLIGHTS

2022-23 was the first full year when there were no major disruptions in economic activity after Covid-induced lockdowns started in March 2020. **With a more complete return to normalcy, CESC's system demand grew at 8.7 % during the year, from 10,279 Million units (MU) in 2021-22 to 11,175 MU in 2022-23.** This coupled with an equally creditable 5% growth in the previous year meant that electricity demand in 2022-23 surpassed the pre-Covid demand of 11,024 MU in 2019-20. Chart F provides quarterly data on system demand of CESC for 2021-22 and 2022-23.

Chart F: Quarterly System Demand of CESC (MU)



Focus during the year was on ensuring supply of electricity to its consumers remained unaffected, while maintaining high service levels and bringing down distribution losses. At the same time, efforts were undertaken to make the operations more agile and efficient through greater adoption of digital technologies, data and analytics based solutions. These initiatives are discussed in detail in the sections on 'Generation', 'Distribution' and 'Customer Service'.

CESC reported creditable results for 2022-23. **Total income (including other income) of CESC as a standalone entity grew by 9% from ₹7,479 Crore in 2021-22 to ₹ 8,153 Crore in 2022-23,** even as electricity tariffs remained unchanged during the year. Operating and other costs increased during the year, in part due to high fuel and power purchase costs. As a result, standalone profit before tax (PBT), after incorporating regulatory income, marginally rose to ₹ 1,060 Crore in 2022-23. Profit after tax (PAT) stood at ₹ 830 Crore in 2022-23, marginally higher than ₹ 816 Crore reported in the previous year. Further details are available in the section on 'Financial Results'.

## BUSINESS PERFORMANCE

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

- **Kolkata Operations:** Distribution of electricity, with own 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 (HEL), the operations are directly under CESC Limited.
- **Generation Projects:** Thermal and renewables projects owned and operated by various subsidiaries of CESC (excluding HEL). At the end of 2022-23, cumulative generation capacity of these projects stood at over 650 MW.
- **Distribution Ventures:** Distribution licence for Greater Noida (Uttar Pradesh); three distribution franchisees (DFs) in Kota, Bharatpur and Bikaner in Rajasthan; and the DF in Malegaon, Maharashtra. These are operated by CESC's subsidiaries.

## KOLKATA OPERATIONS

### Generation

CESC operates a 750 MW generating station at Budge Budge (BBGS) and a 135 MW generating station at Garden Reach (Southern). 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 10,185 Million units (MU), out of which 9,550 MU or 93.8% of the total generation in 2022-23 came from Budge Budge and Haldia.**

Table 3: Performance of Key Generating Stations

Plant	Capacity (MW)	2022-23			2021-22		
		PAF%	PLF%	Gen (MU)	PAF%	PLF%	Gen (MU)
Budge Budge (BBGS), CESC	3 x 250	93.6%	81.1%	5,331	96.7%	84.7%	5,562
Haldia, HEL	2 x 300	96.8%	80.3%	4,219	94.7%	81.4%	4,277

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 (HEL). Both stations are ISO 9001, ISO 14001, ISO 45001 and ISO 50001 certified in respect of Quality Management Systems, Environment Management Systems, Occupational Health and Safety Management Systems and Energy Management Systems. BBGS and HEL have consistently excelled in operating efficiencies, energy conservation, quality systems and processes. **Budge Budge bagged the 1st runner-up prize at the 6th edition of CII National Energy Efficiency**

## Circle Competition, 2022, in the Innovations in Energy Efficiency category.

CESC has been at the forefront of using best-in-class technology and digital interventions to effect improvements in several key areas such as operations, maintenance, safety and asset management. New initiatives undertaken in 2022-23 include use of Virtual Reality along with bio feedback mechanism to train and assess personnel suitable for working at height, application of 3D laser scanning technology in development of drawings for reverse engineering, Artificial Intelligence (AI) and Machine Learning (ML) based models for prediction of benchmark station efficiency as well as Auxiliary Power Consumption, with respect to station PLF. **Budge Budge plant received the 'Gold' award in Smart Technology Electricity Generation category at the national competition organised by India Smart Grid Forum (ISGF) in 2023.** CESC is also alive to the digital and cyber security threats. Budge Budge, Southern and Haldia plants are ISO 27001 certified for Information Security Management Systems.

CESC has set stringent environmental standards, and both Budge Budge and Haldia plants continue to achieve 100% utilisation of ash in an environment friendly manner. CESC has also come out with a novel technology for producing different grades of concrete by partial substitution of natural sand with bottom ash. This technology was awarded a patent by Government of India in 2022-23 and has generated widespread interest in the construction fraternity. The PWD Division of Chandrapur, Government of Maharashtra, completed construction of 500 metre M-40 grade concrete road using bottom ash from the 2 x 300 MW thermal power plant of Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of CESC Limited. The technology was also implemented for protection of 20 metres of shoreline from river erosion at the cooling water intake area of Haldia plant using concrete blocks of M-20 grade.

Over the years, CESC has excelled in environment and sustainability. Ambient air quality and stack emission are monitored continuously. Both Budge Budge and Haldia plants continuously optimise their water usage by reducing consumption, reusing and recycling wherever possible. Budge Budge is also a zero liquid discharge (ZLD) plant. During the year, Haldia established a spice garden and a rose garden while Budge Budge set up a spice garden and a butterfly park inside the plant. In 2022-23, around 5,000 and 1,150 saplings were planted at Haldia and Budge Budge respectively, taking total tree plantation at both plants to well over one lakh each. HEL has the distinction of having over 30% of its plant area under green cover.

Studies on Carbon dioxide (CO<sub>2</sub>) sequestration by existing plantation inside Budge Budge and Haldia plants were completed. A study on carbon dioxide (CO<sub>2</sub>) sequestration

potential of Azolla (an aquatic fern) is also in progress at Haldia. Work has also started for creating Urban Forest using the Miyawaki method at the Garden Reach (Southern), Budge Budge and Haldia plants. During the year, the Gate complex building at Budge Budge was converted to an IGBC Platinum rated green building. Two Electric cars have also been introduced at the Haldia plant during the year.

***During the year, BBGS won the Energy & Environment Foundations Global Water Conservation Awards 2022 and was recognised as 'Global Water Conservation Company of the Year 2022' for outstanding achievements in Water Management. It also won the 'Gold' award at the Apex India Green Leaf Award for Water stewardship in the Thermal sector. HEL won the Sustain Awards 2022 organised by the Indo-German Chamber of Commerce for Excellence in Water Management as well as the 16th CII National Water Award 2022.***

### Distribution

CESC's distribution infrastructure serves its 3.5 Million customers in Kolkata, Howrah, Hooghly, North and South 24 Parganas in the state of West Bengal. The demand for power is quite variable in its licensed area, with the Company having registered a peak demand more than 2,300 MW and a lean demand lower than 400 MW in recent years.

During periods of high demand, CESC also imports power to complement its own generation (including from HEL). Conversely, it exports surplus power, when possible. Banking of power is also done with other licensees to facilitate availability of power during periods of high demand. In 2022-23, there was marked improvement in demand. ***The peak power demand increased to 2,339 MW, compared to 2,012 MW in the previous year. Total energy requirement grew at 8.7 % from 10,279 MU in 2021-22 to 11,175 MU in 2022-23. About 83 % of this requirement was met by CESC's own generation, including HEL.***

CESC undertakes continuous upgradation of its distribution infrastructure to maintain the quality and reliability of supply as well as to reduce downtime, overloads and sustainable reduction in losses. Management of distribution losses despite challenges of burgeoning Low-Tension demand and higher length of evacuation from sources of generation, continues to demonstrate its ability of control within the normative targets. This was made possible with technological interventions to create a pilfer proof network such as use of theft-proof pillar boxes, co-axial cables and leveraging smart meter based automated remote surveillance cum theft prevention systems.

Over the years, CESC has achieved high degree of automation through its investments in technology and equipment, resulting in faster restoration in case of supply interruptions. Deployment of remote asset

health monitoring technologies have enabled the Company to move from preventive maintenance to predictive condition-based maintenance. More recently it has embraced innovative digital technologies like self-healing for automatic restoration of load. Some initiatives introduced in 2022-23 include: pilot trials of IoT based remote monitoring and control system for LT side of distribution transformers, feeding power to water logged and theft prone areas, installation of Class-A power quality meters at 33 kV consumer premises and CESC substations for 24x7 remote monitoring of power quality.

Given the proliferation of technology-based solutions across the Company's operations and explosion of data generated in the process, another area which received considerable attention was cybersecurity. To achieve this, OT and IT systems have been physically segregated with restricted point of convergence and proper security measures for mutual data exchange. The organisation has a comprehensive Cyber Crisis Management Plan (CCMP), including identification of critical information infrastructure as well as compliance with ISO 27001. Training programmes and mock drills were also conducted to improve awareness on cybersecurity among the employees.

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 were:

- As a part of a longer-term plan to augment CESC's capacity to import power, import points are being upgraded to 220kV. During the year, synchronisation of CESC's system was upgraded from 132kV to 220kV, which will facilitate drawing of more power from external sources. Space consolidation is another focus area.
- Smart Meters with RF Mesh and 4G cellular technology have been implemented for remote billing, smart and proactive outage management systems. It has also been utilised for pinpointing thefts in certain loss-prone pockets by implementing micro energy audit. Around 11,750 smart meters were installed in 2022-23.
- Field Force Automation in meter replacement activity was implemented in 2022-23, thereby improving turnaround time and making the process paperless. This mobile application is ably supported by a wholly digitised back-end system with unique features like automatic scheduling and allotment of jobs based on geographical distribution and historical data.
- A pilot project for peer-to-peer (P2P) power transfer using blockchain platform was implemented during the year with about 1,000 meters, along with assessment of different trading models with

consumers and prosumers. This would facilitate penetration of RE power and help in demand control.

- Given back-to-back cyclones over the last few of years, importance of grid resiliency under extreme weather events can hardly be overstated. CESC has undertaken an in-depth study for improving its distribution network resiliency in association with IIT, Kharagpur.
- A micro-grid with 100 kWp floating solar PV plant and 218 kWh BESS inside one of the substations was commissioned in 2022-23. The micro-grid provides uninterrupted power supply for local loads inside the station.
- Electric Vehicle Charging Station (EVCS) will put a major thrust on electricity distribution system in near future. CESC has undertaken a pilot project on 'EV Charging Optimiser' for assessment of impact of EV load in its system.
- Several establishments of the Company comprising of three substations and one office building were converted to certified green buildings during the year.

### Customer Service

CESC is serving a base of over 3.5 million Customers consistently providing reliable services by harvesting and distilling analytics amidst bedlam of changing consumer expectations and also climatic changes, by maintaining high levels of service delivery as an overarching objective.

CESC is practicing the culture of Customer Obsession, by now instilling service behaviours into processes, workflows and interactions, and by creating systems that genuinely care about Customers. Hence, CESC is prioritizing investments in digital reengineering and robotic process automation and creating listening radars through voice of customer management systems to enhance Customer value proposition, to deliver desired shareholder value.

Some of the key highlights of such initiatives in 2022-23 are:

- **New Connections:** CESC provided over 1,06,101 new connections in 2022-23. 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 compliance and payment.
- **Billing and Payment:** CESC has a wide variety of user-friendly online payment options such as debit/credit card, net banking, mobile wallets, ECS, NEFT/RTGS, Bharat QR and UPI. During the year, it introduced: 'Dial and Pay' Services (first time ever in Indian Utility entailing payment of electricity bills through just a call) which can be used even by feature phone users and is not dependent on internet access, apps or e-wallets; 'Bangla Sahayata Kendra' centres where customers can walk-in to pay their dues and additional 'BQR' payment channel from alternate banking partner.

***In 2022-23, 74.5% of consumers made online payments amounting to 81.6% of total revenues.***

- **Customer Contact:** The Company's centralised 24x7 call interaction centre acts as the primary touch point for all complaints and queries. The Key Account Management (KAM) programme for personalised support to large consumers was revamped during last year for better support, including an increase in its coverage. CESC's voice bot 'Aastha' was upgraded to process complaints regarding distribution transformer outage as well as notifying customers. **In a first-of-a-kind service, the Company introduced a Video Call Centre (VID-U) for its customers to interact with agents on video call. In 2022-23, over 85% customer interactions were serviced by our digital channels including IVR, voice bot, web chat bot and WhatsApp bot & unique vernacular Voice Bot, most of all equipped with AI/ML & NLL/NLP capabilities that have further enriched Customer Service delivery.**
- **Supply Interruptions:** Over the years CESC has taken different steps to ensure reliable power supply and quicker restoration times. The 24x7 Control Room, manned by engineers, is further equipped with radio-linked and GPS-enabled mobile service vans which are placed at strategic locations to enable faster supply restoration. Proactive outage information is sent to Consumers. In 2022-23, CESC introduced body worn camera with audio and video communication capabilities for capturing video footage of fault repair process and utilising AI/ML/analytics to provide actionable guidance to ensure job quality.
- **Complaint Management:** Significant improvements have been made in this regard through implementation of better processes and technology. During the year, CESC introduced corrective and preventive action (CAPA), a well-known quality framework, for proactive mitigation of consumer-related issues. Besides, process optimisation and RPA (robotic process automation) have led to consistent reduction of up to 8% in supply complaints and over 35% in commercial complaints. Implementation of process automation is currently in progress for complaint handling at regional offices, repeat complaints as well as email complaint management system.
- **Promotion of Sustainability:** Under its campaign #LiveFreeBreatheFree, CESC endeavoured creating awareness about sustainable practices. In 2022-23, CESC has actively promoted green initiatives like Electric Cooking and Electric Vehicles across its Social Media platforms and also on the website. The E-Auto launch by CESC as a part of upgradation of captive fleet, was given live coverage on Facebook. CESC's sustainability initiatives were showcased at big events like the International Kolkata Book Fair 2023 and Kreta Suraksha Mela.



**Box 1: CESC's Digital Presence — Key Developments**

- **Website Relaunch:** CESC Website was completely revamped and relaunched in 2022-23. Apart from having a fresh look and improved speed, the website has a multi-fold design framework and a mobile-first approach. The website features intelligent search bar, dedicated 'Customer Zone' and enhanced security. The website traffic has seen considerable increase of over 200%, as we launched Search engine optimization (SEO), first time ever at CESC.
- **Social Media:** The Company is present in popular social media platforms such as Facebook, Twitter, Instagram, LinkedIn, YouTube and WhatsApp. These platforms are becoming increasingly popular for two-way customer interactions. In 2022-23, social media activity was strengthened through professional content as well as maintaining quality and timeliness of responses to customer queries and complaints. Social media engagements increased considerably during the year, with an average response time of 7 minutes. CESC is currently the third most liked Indian utility brand on Facebook. The rating of CESC Limited Facebook page, basis FB follower reviews, is now 4.3.
- **Brand Campaigns:** The Company has built several successful campaigns around the core organisational values of the Group. Some key campaigns carried out in 2022-23 include: showcasing online services (#SmartChoicesWithCESC), promoting sustainability (#LiveFreeBreatheFree), establishing connect between Kolkata and CESC (#LightsCameraKolkata), highlighting efforts of our workmen (#HeroesofCESC), showcasing technological advancements (#TechItForward), CSR initiatives (#Humaneness), safety tips (#CustomerFirst), employee testimonials (#LeadingWithLight) and Customer testimonials (#PoweredByCESC). **It also launched its official digital mascot 'Alo Di', who is used to promote digital services, share safety tips and conduct important events on Facebook.**

*In 2022-23, CESC received a variety of awards in recognition of its performance in the area of customer service. For its voice bot Aastha, it received Order of Merit at the ISGF Innovation Awards 2023 and was winner at IPPAI Power Awards. It was also runner-up at the IPPAI Power Awards for Promoting Consumer Awareness. It won the 'Gold' award at Digixx 2023 Awards in the Experiential Category for its Durga Puja Campaign on sustainability.*

**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. **All three generating stations — BBGS, Haldia and Southern — are ISO 45001 certified for occupational health and safety management systems. Southern Generating Stations received the 'Gold' award at the 4th ICC National Occupational Health & Safety Awards 2022.**

The central Safety Cell has been instrumental in implementing safe work procedures as well as monitoring unsafe situations in line with its safety standards. The Safety Cell has also been providing training to all its workers. Besides, officers have undergone safety-related training by institutions of national and international repute. Job site audits, safety 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.

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 customers on electrical and fire safety. The Company also arranged for movement of decorated safety tableaux across its operating areas for building safety awareness among its consumers and general public.

CESC has a strong focus on health and well-being of its employees. It operates 27 well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities are also available to the employees through tie-ups with major super-speciality hospitals, nursing homes and diagnostic clinics. It also conducts regular health check-up for all employees as a part of its occupational health initiative.

**GENERATION PROJECTS**

Apart from plants catering to Kolkata operations, CESC has built independent generation capacities to benefit from the opportunities in the sector and build capabilities in the renewable energy space. This includes two thermal power

projects with a capacity of 600 MW and 40 MW, as well as a solar power project with a capacity of 18 MW DC.

## 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 was earlier connected to the state grid (STU), and Unit II to the central grid (CTU). DIL had applied to CERC for closed operation of CTU and STU and Hon'ble CERC accorded approval of the scheme with proper guidance pertaining to the issue. The scheme was finally implemented on May 4, 2023, midnight. This has enhanced the flexibility and reliable operation of DIL. DIL has Fuel Supply Agreements (FSAs) with South Eastern Coalfields Limited and Western 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). For Unit-I, DIL has a PPA with Central Railway in Maharashtra for supply of 210 MW for a period of 3 years. In 2022-23, the overall PLF for DIL was 80.5%.

DIL is certified in respect of Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001), Occupational Health & Safety Management Systems (ISO 45001), Energy Management Systems (ISO 50001) and Information Security Management Systems (ISO 27001).

DIL has excelled in meeting high environmental standards in its operations through continuous innovations and efforts. It has achieved 100% ash utilisation and has an outstanding record on health and safety. Being a zero liquid discharge (ZLD) plant, various initiatives for utilisation of waste water in different processes have been implemented, resulting in water consumption levels well below the national standards. It has also taken several measures to protect and enhance biodiversity. In 2022-23, it became one of the first IPP's to blend agro-waste biofuel with coal. As mentioned earlier, using the Company's patented technology, the PWD Division of Chandrapur, Government of Maharashtra, completed construction of a 500 metre M-40 grade concrete road using bottom ash from DIL for partial substitution of natural sand.

*During the year, it received several awards that underscore its performance in the areas of environment*

*and sustainability: Diamond Award for environmental initiatives by Green Crest Environment Initiative; Winner of Best Performing Unit (IPP Coal 250-500 MW category) by Council of Enviro Excellence; Winner of Water Optimisation Awards conducted by Mission Energy Foundation in 2022; Winner of Best Practice Award for Excellence in Environment Sustainability in Fly Ash Utilisation category by IPP's in 2022 by Council of Enviro Excellence.*

Under its CSR initiatives, DIL conducts awareness programs related to health, sanitation, agriculture and education in the nearby villages. It has also taken up women empowerment programs through development of self-help groups.

**Asansol, West Bengal:** This is a 40 MW atmospheric fluidised bed combustion (AFBC) power plant using washery rejects and inferior coal 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. *In 2022-23, the plant generated 334 Million units (MU) of power with a PLF of over 95%. It won the Indian Social Impact Award 2022-23 for its CSR activities in the area of women empowerment and the Apex India Green Leaf Award (Platinum) 2022 for Environment Excellence.*

## Solar

**Ramnathapuram, Tamil Nadu:** This solar power project, commissioned in January 2016, has been undertaken through Crescent Power Limited, a subsidiary of CESC. It has a capacity of 18 MW DC. Power generated in the project is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement. During 2022-23, it generated 27.6 MU of electricity.

## DISTRIBUTION VENTURES

CESC has been active in the private distribution space outside Kolkata since 1993 through the Noida Power Company Limited, its subsidiary 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. CESC won bids for three DFs in Rajasthan and Malegaon in Maharashtra. Kota and Bharatpur became operational in 2016-17, Bikaner became operational in 2017-18 and Malegaon commenced operations in 2020-21.

*The five operational distribution ventures of the Company, other than Kolkata operations, collectively service around 7.57 lakh consumers (7.17 lakh in 2021-22) and accounted for electricity sales amounting to 6,113 million units (MU) in 2022-23, up by 23.1% from 4,964 MU in 2021-22.*

**Greater Noida, Uttar Pradesh:** Noida Power Company Limited (NPCL), a subsidiary 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 comprising a mix of industrial establishments as well as 118 fully electrified villages. Currently, around 8% of its 1,35,214 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 2022-23, NPCL's peak load was 592 MW as compared to 522 MW in the previous year. Sales also grew at 23% from 2,338 MUs in 2021-22 to 2,870 MU during the year.** As a mature and efficient distribution business, its distribution losses continue to be low. In 2022-23, its losses came down further to 7.63%, from 7.95% in the previous year. Following prudent practices and proactive engagement with its customers, NPCL was able to maintain collections at close to 100% in 2022-23. The Company's digital collection ratio stood at 87%.

**NPCL achieved 7th Rank in the 10th and 11th Annual Integrated Rating & Rankings of Power Distribution Utilities conducted by PFC Limited under the framework of Ministry of Power, Government of India. NPCL also achieved "A" rating in Consumer Service Rating of Discoms for 2021-22 conducted by REC Limited and was one of the top performer amongst Discoms across the nation.** Apart from these, NPCL received 39 prestigious awards and recognitions in 2022-23. Some of the key ones are: Efficient Operations Award in ICC 10th Innovation with Impact Awards for DISCOMs; Top Performer Award in Energy Conservation and Management in Energy Conservation Award 2022 organised by UPNEDA; 4 Gold Awards in QCFL's Chapter Convention and Excellence Award in QCFL's National Convention on Quality Concepts; 2 Platinum Awards in ISGF Innovation Awards; 2 Platinum and 1 Gold Award in CII Quality Circle Competition; and

Digital Warrior – Utilities Award, by IT Magazine Dataquest. It also received multiple awards at CII-3M Competition, QCFL Kaizen Conclave, CII Kaizen Competition, CII Challengers Trophy.

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

The local economy of Kota is heavily dependent on education sector, especially test preparation. After a mass exodus and severe downsizing of these businesses due to Covid-19, things returned to normalcy during the year. Around 11,977 new customers were added, and sale of electricity increased by 49% from 960 MU in 2021-22 to 1432 MU in 2022-23.

KEDL continued with its efforts to strengthen the network and curb losses in 2022-23. This included revisiting of old network to review health of network assets, replacing cables with open joints and damaged insulation with armoured cables. In addition, network surveillance activity has been aggressively pursued in the areas with high pilferage. With these efforts, distribution losses came down considerably from 19.2% in 2021-22 to 14.83% in 2022-23.

This year KEDL achieved the collection efficiency of more than 100%, while at billing front, the non-actual reading percent reduced to 2.18% in 2022-23 from 5.62% in 2021-22, raising our actual reading based billing to 97.8% for 2022-23.

Moreover, few of the long pending disputes of KEDL have been amicably resolved with Jaipur DISCOM which shall have a long term positive impact on our revenues.

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

Since its inception, BESL's focus is on minimising loss levels, bringing improvements in metering, billing and revenue collection as well as providing reliable power supply to its consumers. During the year, the Company also undertook various initiatives for network improvement including use of underground cables in dense areas to enhance quality of power supply and safety of the public at large. **BESL added 3,573 consumers in the 2022-23. Electricity sales grew by about 11% from 255 MU in 2021-22 to 284 MU**

*in 2022-23. It also reduced its distribution losses from 12.79% in 2021-22 to 11.54% in 2022-23.*

This year BESL could achieve the actual reading based billing accuracy of 98.7% by restricting the non-actual reading to 1.30% which was 1.85% in 2021-22. Also, the collection efficiency stood at 100.5% for 2022-23.

Moreover, few of the long pending disputes have been amicably resolved with Jaipur DISCOM which shall have a long term positive impact on our revenues at Bharatpur DF.

**Bikaner, Rajasthan:** Bikaner Electricity Supply Limited (BKESL), 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).

BKESL has made considerable investments in deploying advanced technologies and upgrading the network to make it safe and robust. Its focus on loss control activities have shown significant results. Besides, setting up of quick response teams to support vigilance have enhanced operating efficiencies. *During the year, 8855 new consumers were added. It is worthwhile to mention here that even with significant addition of solar connected consumers in different tariff categories, BKESL registered an increase of 10.5% in sales from 671 MU in 2021-22 to 745 MU in 2022-23. Distribution losses were contained at 13.21% in 2022-23, compared to 13.9% in the previous year.*

The collection efficiency for the year 2022-23 stood at 100.3% which was 99.40% in the last year and the reduction in non-actual reading from 2.06% in 2021-22 to 1.93% in 2022-23 resulted in enhanced actual reading based billing.

**Malegaon, Maharashtra:** Malegaon Power Supply Limited (MPSL), a wholly owned subsidiary of CESC, took over the operations in Malegaon on March 1, 2020 after signing a Distribution Franchisee Agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL). The distribution area covers the Malegaon Corporation Area spread across 57.6 square kilometres with around 1.23 lakh consumers. Approximately, 75% of the demand comes from the power loom sector.

The power looms sector was severely impacted during Covid. The situation started to improve in 2022-23. The Company added 4,067 new connections and exchanged another 11,846 meters. It also stepped-up vigilance activities, while at the same time taking significant efforts to improve billing efficiency. This resulted in considerable

improvement in performance. *MPSL registered a 5% increase in sales from 740 MU in 2021-22 to 782 MU in 2022-23. T&D losses, which were above 50% at the time of takeover, came down to 39% in 2022-23.* The focus on reducing distribution losses will continue through greater vigilance, increasing coverage of metering as well as improvement in meter reading efficiency.

## HUMAN RESOURCES (HR)

CESC strives to institutionalise best-in-class HR practices to create 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 organisational growth. Processes are in place by way of engagement surveys and perception studies to receive feedback from employees and align the organisation with changing business needs.

It seeks to establish itself as an 'Employer of Choice' through its well-structured recruitment processes and engagement with premier engineering and management institutes. With the gradual return to normalcy post Covid, both 'Unmesh', its summer internship programme, and 'Anneswan', its annual induction process, happened physically in 2022-23.

Developing a culture of knowledge and innovation is an important organisational goal. This process is structured under the overall guidance of an Apex Panel of Mentors comprising members of its top leadership team and driven by a Knowledge and Innovation Management Council comprising senior experts from various functions. *Knowledge Carnival, the conclave which witnesses confluence of innovative ideas and sharing of knowledge, was held physically for the first time since the onset of the pandemic. 'Eclectic' – the in-house technical journal was released in September 2022 and March 2023.*

Learning and Development is a key element of its HR strategy. CESC has a robust process for conducting training and other learning interventions in line with an annual training plan. During the year, focus was given on skill development, operational safety and new age technologies like AI, ML, network security and data science. *During 2022-23, the Company carried out 566 training programmes totalling around 10,136 man-days. These programmes were a mix of physical classroom-based and web-based sessions. Additionally, around 862 man-days were recorded from external training programmes.*



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

Asia Institute of Power Management — the ISO 9001-2015 certified training and consulting wing of CESC — has established itself in training of power professionals all over India and abroad. In 2022-23, AIPM conducted seventeen physical trainings with executives from WBPDC, WBSEDCL, ERPC, NTPC, Punjab State Power Corporation Limited and Bhutan Power Corporation with the support of USAID. ***In 2022-23, AIPM offered training to 231 senior executives on upgrading distribution network, improving efficiency in thermal generation and HR management. AIPM also conducted training on smart grid activities and integrating renewable sources of power.***

CESC lays considerable emphasis on employee well-being and engagement. A comprehensive Employee Engagement Survey conducted during the year recorded around 6% increase in the overall employee satisfaction, while also providing insights on key organisational traits that influence the workforce productivity. Based on these, several initiatives were taken to focus on the quality of lives of our employees. Programmes like 'Ankur Samman' to recognise the meritorious children of our employees and 'Avishkar' to encourage talent among our employees and their family continue to be important platforms to support and engage employees. CESC also has structured Reward & Recognition programmes to acknowledge employee contribution. These include on-the-spot recognition as well as quarterly and annual public recognition forums. It also provides a family health insurance scheme for the benefit of its employees and their family members.

***During the year, CESC was awarded 'Prize for Leadership in HR Excellence' in the coveted CII National HR Excellence Awards 2022-23. It is the third consecutive time that CESC received this recognition, for which it was also awarded in a separate category named 'Prize for Sustained Excellence in HR'. CESC also received the prestigious Great Place to Work (GPTW) Certification for the third time in a row, where it featured among 'India's 100 Best Companies to Work for' and 'Best Workplaces in Energy, Oil & Gas'.***

As on March 31, 2023, CESC had 6,469 employees on its payroll. Unions representing the employees continued to play a positive role in partnering with management to drive excellence in operations. CESC enjoyed industrial harmony in its operations during the year with no major incidents of service interruption due to industrial relations issues.

**Business Excellence and Quality (BEQ)**

Quality has been an integral part of CESC ever since it started its operations. The ethos of customer centricity and operational excellence are developed through continuous upgradation of its quality practices that has established CESC as one of the most efficient power utilities in the country.

During the year, the emphasis was on reinforcing the quality culture through greater adoption of technology as well as quality practices and methodologies such as Kaizen and Workplace Organisation practices through 5S.

Significant progress was made on promoting project management discipline in its quality improvement journey through adoption of the DMAIC discipline for improvement projects for fresh groups. This as a structured methodology for problem identification and implementation of solution to ensure sustainable improvement and to meet need and expectations of the beneficiaries. CESC observed its 25th Quality Day in physical format in 2022-23, which witnessed full participation from employees at all levels.

***In 2022-23, 10 teams from multiple O&M functions participated in the international Quality Competition organised by QCFL on virtual platform and won the 'Gold' at ICQCC 2022 held in Indonesia, after qualifying through the State and National levels. Further, 9 teams participated physically at CCQC 2022 and virtually at NCQC 2022 and secured 'Gold' and 'Par Excellence' awards at both the State and National levels respectively and are gearing up to compete at the forthcoming international level competition at ICQCC 2023 later this year.***

**INFORMATION TECHNOLOGY (IT)**

CESC continues to strengthen the IT infrastructure and application landscape with infusion of digital interventions that allows it to innovate and provide its growing customer base best-in-class services as a power utility. This forms an integral part of the organisation's ability to build a competitive edge and deliver on its strategic and performance objectives.

During the year, CESC has expanded the multi-channel capabilities to our consumers beyond WhatsAppBot and ChatBot and launched a multi-lingual Digital Voice Assistant called 'Aastha' which is integrated with the CRM and outage systems and capable of carrying out interactions in Indian English, Hindi and Bengali. For this, it received a recognition at the ISGF (India Smart Grid Forum) Innovation Awards in March 2023. Improvements have been made to strengthen the Ease of Doing Business by

exploring and deploying purposeful process automation in areas of new connections and other business processes. A discussion on IT-enabled digital solutions and initiatives to improve operational efficiencies in the areas of outage management, billing and payments are already covered in the section on 'Customer Service'. IT interventions for ESG initiatives in 2022-23 can be found in the Business Responsibility and Sustainability Report which form a part of this Annual Report.

The IT infrastructure includes CESCNET, its captive optical fibre data network, which connects the Company's service establishments across the license area as well as data centre (DC) and a disaster recovery (DR) sites for its IT application and systems. In 2022-23, the Company commissioned a new data centre to augment its IT servicing capabilities. A latest end-point backup solution was also introduced to reduce the risk of data loss in case of emergencies. It has also finalised Business Continuity Plan (BCP) architecture towards enhancement of the disaster and recovery posture of its systems and applications.

Cyber security infrastructure and solutions have been an important focus area. A state-of-the-art 24x7 Security Operations Centre (SOC) was commissioned during the year for early detection of cyber threats and attacks. An Endpoint Detection and Response (EDR) solution with latest global threat intelligence was also implemented to improve the security threat detection and resolution. CESC has adopted Dev-Sec-Ops framework in software development life cycle management. ***In 2022-23, ISO 27001 certification (Information Security Management Systems) was completed for both of its generating plants, alongwith plants of its subsidiaries HEL and DIL. Assessment has been completed for the distribution wing and the certificate is awaited.***

#### Environment Social Governance (ESG)

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

CESC, operating in energy sector, is required to comply with several regulations and environmental norms. Its initiatives, however, reflect its voluntary commitment to responsible, ethical and sustainable business practices which often go beyond the requirements emanating from existing statutes.

While some key initiatives in the areas of environment and sustainability have been discussed in the different sections of this Report, a more structured and in-depth presentation of the Company's sustainability journey in ***2022-23 can be found in the CSR Report, Business Responsibility and Sustainability Report, Report on Corporate Governance and Additional Shareholder Information which form part a part of this Annual Report.***

***Further, the Company's ESG Report for 2021-22, which contains disclosures on non-financial parameters for CESC as well as its key operating subsidiaries in adherence to the GRI Standards, with the theme "Powering the Sustainable Future" is available on its website, whereas the preparation of its 2022-23 edition is currently in progress.***

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

CESC has consistently contributed towards the goal of achieving sustainable development and has made significant progress in its CSR thrust areas of education, environment, health, and skill building and employment generation. Its constant endeavour is to maximise the positive impact of its CSR initiatives by reaching out effectively to its target beneficiaries. With the belief that inclusive growth is essential for sustainability of its business, it continues in its pursuit of making a difference to the communities and environment that it interacts with.

***During the year, CESC won the coveted Golden Peacock Award 2022 for its CSR initiatives. It was adjudged winner at the Greentech India CSR Award 2022 in the category of 'Women and Child Development' and the Apex India CSR Excellence Award in the Gold category. The Company also received the special jury recognition in the ICC Social Impact Awards 2022 and was runner-up at BCC&I Social Leadership Award 2022.***

The details of CSR programmes and projects undertaken by the Company during the year are described in the Report on Corporate Social Responsibility Activities (Annexure 'D') and the Business Responsibility and Sustainability Report (Annexure 'E') forming part of this report.

The CSR projects undertaken in 2022-23 are presented below:

#### Education

***'Akshar'*** reaches out to children in the age group of 3-18 years through early child education and development centres as well as community-based academic support centres in Tiljala. The Project addresses both in-school and out-of-school children. 504 children and 690 mothers and guardians have directly benefited from the Project.

'Indradhanush' is being implemented in Kamarhati to support out-of-school children to get enrolled in schools as well as provide academic support to underprivileged children. 481 children in the age group of 7-16 years and 1,675 mothers and guardians have directly benefited from the Project.

'Muktangan' provides supplementary education support to children in classes VI to X in Pujali. These are children who are first generation learners and have no support at home or children with learning gaps and language barriers. 243 children and 369 mothers and guardians have directly benefited from the Project.

### Environment

'Urja Chetana' seeks to build capacity of teachers and students for initiating action on sustainability: air pollution, waste management, rainwater harvesting, and biodiversity conservation in schools and their neighbourhoods. It covers 9 schools, with 5,869 students and 325 teachers currently involved with the Project.

'Kiran' is a community-based waste management project for converting organic waste into vermicompost. The Project aims at reducing the amount of organic waste channelled to landfills and creating a cleaner and more hygienic living environment. It is being implemented in Metro Colony under Kamarhati Municipality and has impacted lives of 1,000 people.

'Jaldhara' is a rainwater harvesting project implemented in the Super Speciality Block of Kolkata Medical College and Hospitals to provide an alternative source of water for patients and staff. A catchment area of 900 square metres has been marked on the rooftop, which will enable at least 22,000 litres of rainwater to be harvested. The Project caters to 3,000 beneficiaries.

### Health

'SNEH' (Sustainable Nutrition and Health Education) aims to improve maternal, child health and nutrition and increase awareness of the community on related issues. It focuses on the first 1,000 days of care of children and is being implemented in Tiljala area. Approximately 5,492 mothers and children directly benefit through this Project.

Two **eye camps** were organised in Pujali and Budge Budge for conducting visioning tests for underprivileged communities. 536 community members were benefited from these camps. Free spectacles were provided and free cataract surgeries were facilitated.

### Skill Development and Livelihood Generation

Through its 12 'Eklavya' (CESC Skill Academy) centres in Kolkata, Howrah, North and South 24 Parganas, skill building courses are provided to underprivileged youth in multiple areas: Basic Computer with Advanced Excel, Customer Relations Management, Retail Management, Electrician, Beautician and Tailoring. Placement assistance is provided on successful completion of training. 1,622 candidates have received training and 1,043 candidates have taken-up job opportunities.

### FINANCIAL RESULTS

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

**Table 4: Abridged Financial Performance of CESC (Standalone and Consolidated)**

₹. Crore

	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	7,973	7,294	14,246	12,544
Other Income	180	185	309	276
<b>Total Income</b>	<b>8,153</b>	<b>7,479</b>	<b>14,555</b>	<b>12,820</b>
Operating Costs	4,804	4,294	9,145	6,810
Employee Benefit Expenses	982	886	1,189	1,081
Other Expenses	1,010	996	1,763	1,736
Depreciation	480	471	878	885
Finance Costs	604	504	1,117	1,129
<b>Total Expenses</b>	<b>7,880</b>	<b>7,151</b>	<b>14,092</b>	<b>11,641</b>
Regulatory Income/ (Expense)	787	716	1,276	737
<b>Profit Before Tax (PBT)</b>	<b>1,060</b>	<b>1,044</b>	<b>1,739</b>	<b>1,916</b>
Tax Expense	230	228	342	511
<b>Profit After Taxes (PAT)</b>	<b>830</b>	<b>816</b>	<b>1,397</b>	<b>1,405</b>
PAT after NCI	830	816	1,343	1,358
<b>Diluted EPS (₹)</b>	<b>6.26</b>	<b>6.16</b>	<b>10.13</b>	<b>10.25</b>

### Standalone Performance

Total income (including other income) of CESC grew by 9.0% from ₹ 7,479 Crore in 2021-22 to ₹ 8,153 Crore in 2022-23 reflecting improved demand conditions compared to last year. Operating costs, employee costs, and finance costs increased in 2022-23. In contrast, depreciation and other costs remained broadly stable, compared to the previous year. Total expenses increased by 10.2% from ₹ 7,151 Crore in 2021-22 to ₹ 7,880 Crore in 2022-23.

Profit before tax (PBT), after incorporating regulatory income, grew by 1.5% from ₹ 1,044 Crore in 2021-22 to ₹ 1,060 Crore in 2022-23. Profit after tax (PAT) for 2022-23 was ₹ 830 Crore, up from ₹ 816 Crore in the previous year. Earnings per share (EPS) for the year increased to ₹ 6.26, versus ₹ 6.16 in 2021-22.

### Key Financial Ratios

None of the key financial ratios - Inventory Turnover Ratio, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin and Net Profit Margin for the Financial Year 2022-23 reflected a change of 25% or more compared to Financial Year 2021-22. However the Debtors Turnover Ratio shows an improvement of 25.67% to 7.54 in the current year from 6.00 last year due to overall higher average debtors realisation which was subdued in 2021 and 2022 due to Covid. Return on Net worth for the Financial Year 2022-23 & 2021-22 stood at 8.34% and 8.19% respectively.

### Consolidated Performance

Total income (including other income) of CESC a consolidated entity grew by 13.5% from ₹ 12,820 Crore in FY 2021-22 to ₹ 14,555 Crore in 2022-23. Total expenses during the year increased by 21.1% from ₹ 11,641 Crore in 2021-22 to ₹ 14,092 Crore in 2022-23, driven by an increase in operating and employee costs. In contrast other expenses remained stable, whereas depreciation and financing costs came down by 0.8% and 1.1% respectively.

Profit before tax (PBT), after incorporating regulatory income stood at ₹ 1,739 Crore in 2022-23, whereas Profit after tax (PAT) for the year was ₹ 1,397 Crore, marginally lower than ₹ 1,405 Crore recorded in 2021-22. Earnings per share (EPS) in 2022-23 was ₹ 10.13, compared to ₹ 10.25 in 2021-22.

### 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.

Internal Audit Department is entrusted with testing and verifying the effectiveness of internal control mechanism 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 internal audit observations and follow-up actions are

regularly placed before the Audit Committee and reviewed and monitored by it. 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. Pradip Kumar Khaitan, a Non-Executive Director and comprises of other members of the Board and senior management team as mentioned in the attached Report on Corporate Governance. 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.

#### Macroeconomic and Market Risks

Disruptions in global supply chains following the war in Ukraine as well as Covid outbreak in China resulted in sustained inflationary pressures, affecting global economic growth. The war, in particular, has created fresh geo-political challenges as well as considerable uncertainty in global energy markets. The possibility of fresh waves of Covid-19 affecting operations also cannot be ruled out. In India, surplus power generation capacities expose the industry to risks associated with difficulties in executing PPAs and adverse price movements in the short-term power market. Although the situation has improved somewhat, availability of coal, coal prices, coal quality and linkages for new projects continue to be issues of concern.

Indian economy has performed creditably in these challenging times and its fundamentals continue to be strong. Although the energy sector is going through some rebalancing, the global shift to electricity as a favoured and cleaner source of energy is well on its way. As this trend gathers further momentum, demand of electricity will increase further. As far as Covid-19 risks are concerned, CESC believes that it has adequate processes in place to minimise disruptions and its impact on performance. Most of the Company's generation capacities have long-term power sale arrangements. It is also well placed to access



state and national grids to sell surplus power and has been successful in adequate utilisation of its generation capacities. It is actively looking at long-term PPAs for Unit I of DIL to further mitigate this risk. To mitigate the coal-related risk, CESC has adopted a strategy of ensuring long term coal linkages for its projects.

### Operational Risks

As power plants age, their operating efficiencies reduce. Beyond a point in time, shutting down and replacement of these plants become imperative. 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. Integration of renewable energy into the grid as well as scheduling through implementation of open access power transactions, enhanced variability in management of grid stability and demand supply balances are other such operational risks.

The medium to long term risks associated with generation sites, availability and quality of power have been alleviated with the 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 firefighting and evacuation during emergency are part of the yearly training calendar. Its success in handling the Covid crisis and cyclones over the last couple of years provides further confidence in this regard.

### 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. Efficient managing and recycling of fly ash, order to install emission control systems in existing thermal power plants, obligations on use of power from renewable sources and use of biomass as a part of fuel-mix are some instances of these policies and restrictions. This can make it more difficult to execute new projects as well as increase cost of operations.

CESC is conscious of these risks and is prepared to take measures to implement changes to ensure compliance with extant regulations in the sector. All generating stations of the Company have achieved 100% ash utilisation. It has a plan in place to install emission control systems at its thermal projects in line with the regulatory requirement.

### OUTLOOK

Global GDP growth decelerated sharply to 3.4% in 2022 amidst strong and persistent inflation following the war in Ukraine. As central banks raised interest rates in tandem to arrest the inflation, this introduced systemic risks in the banking and financial sectors. India, too, witnessed a deceleration in growth during the year. But with a growth of 7% in 2022-23 compared to 9.1% in the previous year, the impact was less severe. In fact, India has been an outperformer, not just as the fastest growing large economy, but also in terms of its macroeconomic and financial stability.

As the world moves more aggressively towards cleaner technologies and fuels to meet its climate obligations, the role of electricity as a preferred form in which energy is consumed will mean strong growth for the sector. According to IEA projections, while global energy demand is expected to grow at a CAGR of 0.6% upto 2050, electricity generation is expected to grow at a CAGR of 2% – which is over three times the growth in overall energy demand. This points to a decisive shift towards electricity in the next few decades.

The situation in India is even more encouraging. The growth outlook for the economy remains positive. Policy initiatives by the government such as focus on manufacturing, electric vehicles and universal electricity access should contribute to growth in demand for electricity. Proposed deregulation of the power sector, including de-licensing of distribution, will open-up further opportunities for efficient power utilities.

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

### 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

Place : Kolkata  
Date : May 22, 2023

# REPORT ON CORPORATE GOVERNANCE

(Annexure 'B' to the Board's Report)

## CESC's Philosophy on Corporate Governance

Transparency, Disclosure and Accountability are three main pillars of Corporate Governance.

CESC Limited's ("CESC", "the Company") philosophy on Corporate Governance is built on a foundation of business ethics, fairness and trust in dealing with all stakeholders. The Company has a strong legacy of fair, transparent, and ethical governance practices. The Company believes that Corporate Governance is not only a principle that the organisation follows but it's a way of life that is embedded in its behavior & culture. The philosophy of the Company's Corporate Governance aims at transparency in its affairs and the functioning of the Management and the Board of Directors for ensuring accountability towards its stakeholders. It also encompasses the oversight of business strategies and ensures fiscal accountability, ethical corporate behavior and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company's policies focus on the augmentation of long-term shareholder's value without compromising integrity, social obligations and regulatory compliances. CESC is committed to meet the aspirations of all its stakeholders. This is demonstrated in shareholders' returns, high credit ratings, awards and recognitions, governance processes and an entrepreneurial performance focused work environment. The Company also places great emphasis on values such as empowerment, integrity as well as safety of the employees and communities surrounding its plants and offices, transparency in decision making process, fair and ethical dealings with all and accountability to all the stakeholders. While dealing with its stakeholders, the Company functions within recognised standards of propriety, fair play, and justice and aims at creating a culture of openness. The Corporate Governance demands professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the inter-relationship among the Board of Directors, Board Committees, Compliance teams, Auditors and the Senior Management. It has established a system that encourages all its employees to voice their concerns openly and without any fear or inhibition. Our employee satisfaction

is reflected in the stability of senior management, ability to attract talent across various levels and substantially higher productivity. Corporate Governance of the Company has been further strengthened by the Company's Code of Conduct and Insider Trading Prohibition Code.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward-moving target that we collectively strive towards achieving. Our multiple initiatives towards maintaining the highest standards of governance are detailed in this Report.

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 ('Listing Regulations'), as amended, by CESC for the year ended March 31, 2023.

## BOARD OF DIRECTORS COMPOSITION AND ATTENDANCE

The Board of Directors is the apex body constituted by shareholders for overseeing the Company's overall functioning. The Board provides strategic direction and leadership and oversees the management policies and their effectiveness looking at long-term interests of shareholders and other stakeholders. The Board, inter alia, reviews and guides corporate strategy, major plans of action, risk policy, annual budgets, acquisitions and divestments. It also monitors implementation and effectiveness of governance structures.

CESC's Board of Directors ('the Board') has an optimum mix of Executive and Non-Executive Directors in line with the applicable provisions of the Companies Act, 2013 ("the Act") and the Listing Regulations. As on March 31, 2023, the Board comprised of ten Directors, two Executive Directors, three Non-Executive Directors (including the Chairman) and five Independent Directors including one Woman Director.

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 and attendance details as on March 31, 2023

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	Non- Executive, Chairman	8	1	3	4	4	Yes
Mr. Shashwat Goenka	Non-Executive, Vice Chairman	5	3	0	4	4	Yes
Mr. Pradip Kumar Khaitan	Non- Executive/ Non- Independent	6	3	2	4	4	Yes
Mr. Chandra Kumar Dhanuka	Independent	8	8	1	4	4	No
Ms. Rekha Sethi	Independent	4	2	0	4	4	Yes
Mr. Pratip Chaudhuri	Independent	4	3	0	4	3	Yes
Mr. Sunil Mitra	Independent	6	2	3	4	2	Yes
Mr. Debanjan Mandal	Independent	9	5	1	4	4	Yes
Mr. Debasish Banerjee	Executive (Managing Director -Distribution)	2	0	0	4	4	Yes
Mr. Rabi Chowdhury	Executive (Managing Director -Generation)	5	0	0	4	4	Yes

**Notes:**

- 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.
- Memberships / Chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of public limited companies have been considered.
- Except Dr. Sanjiv Goenka and Mr. Shashwat Goenka, none of the Directors are related to each other.

The details of the familiarisation programme for Independent Directors are disclosed on the Company's website at [https://www.cesc.co.in/storage/uploads/policies/familiarization\\_policy\\_programmes.pdf](https://www.cesc.co.in/storage/uploads/policies/familiarization_policy_programmes.pdf)

- Names of other listed entities where the Directors hold Directorship and their category of directorship.

Sl. No.	Name of the Directors	Directorship in Listed Entities	Category
1.	Dr. Sanjiv Goenka	1. PCBL Limited* 2. Saregama India Limited 3. RPSG Ventures Limited 4. Spencer's Retail Limited 5. Firstsource Solutions Limited	Chairman/ Non-Executive/ Non - Independent
2.	Mr. Shashwat Goenka	1. PCBL Limited* 2. Firstsource Solutions Limited 3. RPSG Ventures Limited 4. Spencer's Retail Limited	Non-Executive/ Non-Independent
3.	Mr. Pradip Kumar Khaitan	1. Firstsource Solutions Limited 2. Electrosteel Castings Limited 3. Graphite India Limited 4. India Glycols Limited 5. Dalmia Bharat Limited	Non-Executive / Non-Independent Non-Executive/ Independent

\*formerly known as Phillips Carbon Black Limited

Sl. No.	Name of the Directors	Directorship in Listed Entities	Category
4.	Mr. Chandra Kumar Dhanuka	1. Emami Limited	Non-Executive/ Independent
		2. Dhunseri Ventures Limited	Executive/ Non-Independent
		3. Dhunseri Tea & Industries Limited	
		4. Dhunseri Investments Limited	Chairman/ Non - Executive/ Non - Independent
		5. Naga Dhunseri Group Limited	
		6. Mint Investments Limited	
5.	Ms. Rekha Sethi	1. Spencer's Retail Limited	Non-Executive/ Independent
		2. Samvardhana Motherson International Limited	
		3. Kirloskar Brothers Limited	
6.	Mr. Pratip Chaudhuri	1. Spencer's Retail Limited	Non-Executive/ Independent
		2. Firstsource Solutions Limited	Non-Executive/ Non-Independent
		3. Cosmo First Limited	
7.	Mr. Sunil Mitra	1. Century Plyboards (India) Limited	Non-Executive/ Independent
		2. Firstsource Solutions Limited	
8.	Mr. Debanjan Mandal	1. Century Plyboards (India) Limited	Non-Executive/ Independent
		2. Industrial and Prudential Investment Company Limited	
		3. Spencer's Retail Limited	
9.	Mr. Rabi Chowdhury	Nil	Nil
10.	Mr. Debasish Banerjee	Nil	Nil

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

The Board comprises qualified and experienced members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees.

The following skills / expertise / competencies have been identified for the effective functioning of the Company and are currently available with the Board:

- ✓ Finance & Audit
- ✓ Risk Management
- ✓ Regulation & Compliances
- ✓ Human Resource
- ✓ CSR and Sustainability
- ✓ Marketing
- ✓ Technical

In terms of requirements of the Listing Regulations, the Board has identified the following skills/expertise/ competencies of the Directors as on March 31, 2023:

Name	Finance & Audit	Risk Management	Regulation & Compliances	Human Resources	CSR and Sustainability	Marketing	Technical
Dr. Sanjiv Goenka	✓	✓	✓	✓	✓	✓	✓
Mr. Shashwat Goenka	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Kumar Khaitan	✓	✓	✓	✓	✓	✓	✓
Mr. Chandra Kumar Dhanuka	✓	✓	✓	✓	✓	✓	✓
Ms. Rekha Sethi	✓	✓	✓	✓	✓	✓	✓
Mr. Pratip Chaudhuri	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Mitra	✓	✓	✓	✓	✓	✓	✓
Mr. Debanjan Mandal	✓	✓	✓	✓	✓	✓	✓
Mr. Debasish Banerjee	✓	✓	✓	✓	✓	✓	✓
Mr. Rabi Chowdhury	✓	✓	✓	✓	✓	✓	✓



## Role of the Board of Directors

The primary role of the Board of Directors is to protect and enhance shareholders' value through strategic supervisions and to provide leadership to the Company and to deliver shareholders' value over the long term. The Board sets the Company's strategic objectives, making sure they align with its values and standards and the desired business culture. The Board of Directors have the responsibility of ensuring effective management, implementation of the business strategy, monitor the performance of the Company, its compliance efficacy and the effectiveness of the Company's corporate governance practices. Managing Directors report to the Board and are in charge of running the Company's operations, executing the business strategy in consultation with the Board for achieving annual and long term business goals.

## Responsibilities of the Board leadership

Dr. Sanjiv Goenka as the Chairman of the Board presides over Board meetings in a manner that encourages participation and information sharing while conducting the meetings towards timely closure and prudent decision-making. As Chairman, he provides leadership, overall direction and guidance to the Board. The Chairman is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Board and its Committees provide effective governance to the Company. The Chairman takes a lead role in managing the Board and facilitating effective communication among the Directors. He plays a significant role in setting up the governance standard of the Board and ensuring that the Board's decisions are aligned to the organisations vision, mission and strategy. He stays up-to-date about the organisation and determines when an issue needs to be brought to the attention of the Board.

## DIRECTORS' & OFFICERS' LIABILITY INSURANCE

In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy.

## BOARD / COMMITTEE MEETINGS

The Board meets at regular intervals to discuss and decide on 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 well in advance to enable them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business needs, the Board's approval is taken by passing resolution by circulation, for the matters permitted under law, which is noted and confirmed in the subsequent

meeting of Board/Committee(s). Business unit heads and Senior Management Personnel make presentations to the Board as and when required. 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. 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 financial 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 when Board/Committees can't meet physically.

In 2022-23, the Board met four times on May 13, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. The maximum gap between any two Board meetings was less than one hundred and twenty days or any statutory extension thereof.

The Company Secretary plays a key role in ensuring that the Board (including committees hereof) procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the Directors and Senior Management for effective decision-making at the meetings. The Company Secretary is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements, to provide guidance to Directors and to facilitate convening of meetings. The Company Secretary assists the Chairman in management of the Board's administrative activities such as meetings, schedules, agenda, communications and documentation. The Company Secretary interfaces between the management and regulatory authorities for governance matters. The Company's internal guidelines for Board and Committee meetings facilitate decision-making process at its meetings in an informed and efficient manner.

## INFORMATION PLACED BEFORE THE BOARD

The Board has complete access to all Company related information. The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The agenda along with the notes thereon are sent well in advance to the Directors. All material information are circulated to the Directors before the meeting, as prescribed under the Listing Regulations. The Management makes concerted efforts to continuously upgrade the information available to the Board for decision making and

the Board members are updated on all key developments relating to the Company. The Company Secretary attends all the meetings of the Board and its Committees and is, inter alia, responsible for recording the minutes of such meetings.

### MEETINGS OF INDEPENDENT DIRECTORS

Schedule IV to the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. Such meeting is conducted in an informal and flexible manner to enable the Independent Directors to, inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairman of the Company, assess the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board of Directors to effectively and reasonably perform their duties.

During the Financial Year 2022-23, Independent Directors met on February 14, 2023.

### CONFIRMATION OF INDEPENDENCE

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 of Directors of the Company is of the opinion that the Independent Directors fulfil the conditions specified in Listing Regulations and are independent of the management.

### CODE OF CONDUCT

The Company has in place a comprehensive Code of Business Conduct and Ethics ('the Code') applicable to the Directors and Senior Management employees, who have affirmed compliance of the provisions of the Code during 2022-23 and a declaration from the Managing Director(s) to that effect is given at the end of this report. The Code gives guidance needed for ethical conduct of business and compliance of law.

The Code is posted on the Company's website and can be accessed at <https://www.cesc.co.in/storage/uploads/policies/Code-of-Conduct.pdf>

### COMMITTEES OF THE BOARD

The Committees of the Board play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations. The terms of reference of the Committees are determined by the Board from time to time. The Company's guidelines relating to the Board meetings are applicable to the Committee meetings. The composition and terms of reference of all the Committees are in compliance with the Act and the Listing Regulations,

as applicable. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its functioning. Matters requiring the Board's attention / approval, as emanating from the Board Committee Meetings, are placed before the Board with clearance of the Committee Chairman.

All the recommendations made by Board Committees during the year were accepted by the Board. Minutes of the proceedings of Board Committee Meetings are circulated to the respective Committee members and are placed before the Board for its information.

The Board currently has five Statutory Committees namely:

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

The role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

#### 1. AUDIT COMMITTEE

##### (i) Objectives of the Committee

The primary objective of the Committee is, inter alia, to assist the Board with oversight of:

- i. The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures.
- ii. Compliance with legal and regulatory requirements.
- iii. The Company's Independent Auditors' qualifications and independence.
- iv. Review and monitor the performance of the Company's Independent Auditors and Internal Auditors.
- v. Acquisitions and investments made by the Company.

##### Process adopted by the Committee to fulfill its objectives

- Ensuring an effective and independent internal audit function, which works to provide assurance regarding the adequacy and operation of internal controls and processes intended to safeguard the Company's assets, effective and efficient use of the Company's resources, and timely and accurate recording of all transactions.
- Meeting the Independent Auditors from time to time to discuss key observations relating to the financial statements for the relevant period.

- Providing an independent channel of communication for the Compliance Officer, Internal Auditor and the Independent Auditor.
- Inviting members of the management, and at its discretion, external experts in legal, financial and technical matters, to provide advice and guidance.
- Meeting at least four times in a year and not more than 120 days shall elapse between two meetings.
- Providing periodic feedback and reports to the Board.

#### (ii) Composition:

As on March 31, 2023, Audit Committee comprises of four members consisting of Dr. Sanjiv Goenka, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and Mr. Chandra Kumar Dhanuka, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

#### (iii) Meetings:

The Committee met four times during the year on May 13, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. 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
Mr. Chandra Kumar Dhanuka	Chairman	Non-Executive / Independent	4	4
Dr. Sanjiv Goenka	Member	Non-Executive / Non-Independent	4	4
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	4	3
Ms. Rekha Sethi	Member	Non-Executive / Independent	4	4

Executive Director & CFO and representatives of the Statutory Auditors and Internal Auditors are invited by the Audit Committee to the meetings. The Auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company.

#### (iv) Terms of reference

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

- 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.

- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - 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.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report, if any.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- 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) Looking 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) Investigating 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) Scrutinise 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) Review the utilisation of loans and / advances from investment by the Company in its subsidiaries for an amount exceeding ₹ 100 Crore or 10% of the asset size of the

subsidiary, whichever is lower, including existing loans/ advances / investments.

- v) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- w) Any other duties and responsibilities the Audit Committee may be required to discharge in terms of any amendment to the Act, or Rules made thereunder / or Listing Regulations that may be effected from time to time.

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

- A. Management discussion and analysis of financial position and results of operations.
- B. Statement of significant related party transactions, Management letters/ letters of internal control weaknesses issued by the Statutory Auditors.
- C. Internal audit reports relating to internal control weaknesses.
- D. The appointment, removal and terms of remuneration of the chief of internal audit function.
- E. 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) Objective of the Committee:

The objective of the Committee is to assist the Board and the Company to oversee the various aspects of interests of stakeholders of the Company such as:

1. Consider and resolve the security holders' concerns or complaints;
2. Monitor and review the investor service standards of the Company;



3. Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders;
4. Oversee and review the engagement and communication plan with shareholders and ensure that the views and concerns of the shareholders are highlighted to the Board at the appropriate time and that steps are taken to address such concerns.

**(ii) Composition:**

As on March 31, 2023, the Stakeholders' Relationship Committee comprises of three members consisting of Dr. Sanjiv Goenka, the Chairman of the Committee, Mr. Rabi Chowdhury and Mr. Pratip Chaudhuri. The Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings:**

The Committee met four times on May 13, 2022, August 10, 2022, November 14, 2022 and February 14, 2023. 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. Rabi Chowdhury	Member	Managing Director (Generation)	4	4
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	4	3

Details of the number and nature of complaints received and redressed during the financial year 2022-23 are given in the section titled "Additional Shareholder Information".

**(iv) 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 interests 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) Objective of the Committee:**

The objective of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities relating to human resource management and compensation and to ensure a fair, transparent and equitable remuneration to employees and Directors based on quality of people, their performance and capability.

**(ii) Composition:**

As on March 31, 2023, the Nomination and Remuneration Committee comprises of six members consisting of Dr. Sanjiv Goenka, Mr. Pradip Kumar Khaitan, Mr. Pratip Chaudhuri, Ms. Rekha Sethi, Mr. Debanjan Mandal and Mr. Chandra Kumar Dhanuka, being the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings:**

The Committee met twice on May 13, 2022 and August 10, 2022.

Table 4 below reports the attendance records 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
Mr. Chandra Kumar Dhanuka	Chairman	Non-Executive / Independent	2	2
Dr. Sanjiv Goenka	Member	Non-Executive / Non-Independent	2	2
Mr. Pradip Kumar Khaitan	Member	Non-Executive / Non-Independent	2	2
Ms. Rekha Sethi	Member	Non-Executive / Independent	2	2
Mr. Debanjan Mandal	Member	Non-Executive / Independent	2	2
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	2	2

#### (iv) Remuneration Policy:

In accordance with the recommendation of the Committee, the Company has 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(s) and Senior Management. The above Remuneration Policy has been uploaded on the website of the Company and can be accessed at: [https://www.cesc.co.in/storage/uploads/policies/REMUNERATION%20POLICY\\_CESC\\_SM.pdf](https://www.cesc.co.in/storage/uploads/policies/REMUNERATION%20POLICY_CESC_SM.pdf)

#### (v) Terms of Reference:

The role of the Nomination and Remuneration Committee includes:

- To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals, where necessary;
- To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for every appointment of an independent director and recommend to the Board the said appointment;
- 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;
- To evaluate the performance of every director, key managerial personnel and other employees;
- To devise a policy on Board diversity;
- To ascertain whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To recommend to the Board all remunerations, in whatever form, payable to senior management of the Company.

#### (vi) Performance Evaluation of Board, its Committees and Individual Directors:

In terms of the requirements of the Act and the Listing Regulations, an annual performance evaluation of the Board is undertaken where the Board formally assesses its own performance with an aim to improve the effectiveness of the Board and the Committees. The Company has a structured assessment process for evaluation of performance of the Board, its Committees and individual performance of each Director including the Chairperson. The evaluations are carried out in a confidential manner and the

Directors provide their feedback by rating based on various metrics.

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 (CSR) COMMITTEE

#### (i) Objectives of the Committee:

The Committee focuses on social and environmental responsibilities to fulfill the needs and expectations of the communities around company's business operations. The CSR activities are not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives.

#### (ii) Composition

As on March 31, 2023, the Corporate Social Responsibility Committee consisted of Dr. Sanjiv Goenka, Chairman of the Committee, Mr. Chandra Kumar Dhanuka and Mr. Rabi Chowdhury. The Company Secretary acts as the Secretary to the Committee.

#### (iii) Meetings:

During the financial year, the Committee met twice on May 13, 2022 and February 14, 2023. 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	2	2
Mr. Chandra Kumar Dhanuka	Member	Non-Executive / Independent	2	2
Mr. Rabi Chowdhury	Member	Managing Director (Generation)	2	2

**(iv) Terms of reference:**

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

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
2. To monitor the Corporate Social Responsibility Policy of the Company from time to time;
3. Approve Corporate Sustainability Reports and oversee the implementation of sustainability activities;
4. Oversee the implementation of policies contained in the Business Sustainability Responsibility Report and to review and recommend the Business Sustainability Responsibility Report to the Board for its approval.
5. To discharge such other responsibilities as required under the Act and the Rules made thereunder.

The Board approved the revised CSR Policy effective from June 16, 2021 and the same is available on our website can be accessed at: [https://www.cesc.co.in/storage/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/storage/uploads/policies/CSR_Policy.pdf)

**5. RISK MANAGEMENT COMMITTEE****(i) Objectives of the Committee:**

The Committee oversees implementation of the risk management policy and risk management framework of the Company. It assists the Board of Directors in fulfilling its responsibilities with regard to Company's risk management, its mitigation process and compliance framework, with the help of its governance structure.

**(ii) Composition:**

As on March 31, 2023, the Risk Management Committee consisted of Mr. Pradip Kumar Khaitan (Chairman), Mr. Pratip Chaudhuri, Mr. Rabi Chowdhury and Mr. Debasish Banerjee. Besides, the Committee also comprised of three senior executives viz. Executive Director (HR & Admin), Executive Director & CFO and Executive Director (Regulatory Affairs and Corporate Services) as its members. The Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings:**

During the financial year 2022-23 the Committee met thrice on August 8, 2022, September 28, 2022 and March 20, 2023. 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 / Designation	No. of Meetings	
			Held	Attended
Mr. Pradip Kumar Khaitan	Chairman	Non-Executive/ Non-Independent	3	2
Mr. Pratip Chaudhuri	Member	Non-Executive/ Independent	3	2
Mr. Rabi Chowdhury	Member	Managing Director (Generation)	3	3
Mr. Debasish Banerjee	Member	Managing Director (Distribution)	3	3
Mr. Rajarshi Banerjee	Member#	Executive Director & CFO	3	3
Mr. Gautam Ray	Member#	Executive Director (HR & Admin.)	3	3
Ms. Gargi Chatterjea	Member#	Executive Director (Regulatory Affairs & Corporate Services)	3	3

# Not a Director on the Board of the Company

**(iv) Terms of reference:**

- a) To formulate a detailed framework for identification of internal and external risks and the measures for risk mitigation including systems and processes for internal control of identified risks in order to ensure effective business continuity plan;
- b) To ensure that appropriate methodology, processes and systems to monitor and evaluate risks associated with the business of the Company;
- c) To periodically review the risk management policy, by considering the changing industry dynamics and evolving complexity and monitor and oversee implementation of the risk management policy;
- d) To keep the board of directors/the management informed about the discussions, recommendations and actions taken report ;

- e) To review appointment, removal and terms of remuneration of the Chief Risk Officer.

## REMUNERATION OF DIRECTORS

Payment of remuneration to Managing Directors is governed by the letters issued to them, by the Company and is also 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 March 31, 2023:

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2022-23 are as follows:

Dr. Sanjiv Goenka, Chairman - ₹ 16,00,000/-, Mr. Shashwat Goenka, Vice Chairman - ₹ 4,00,000/-, Mr. Pradip Kumar Khaitan - ₹ 8,00,000, Mr. Chandra Kumar Dhanuka - ₹ 13,00,000, Ms. Rekha Sethi - ₹ 11,00,000/-, Mr. Pratip Chaudhuri - ₹ 13,00,000, Mr. Sunil Mitra - ₹ 2,00,000/- and Mr. Debanjan Mandal ₹ 7,00,000/-. 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 financial year 2022-23 at the rate of 3% of net profits for the financial year 2021-22, calculated under the applicable provisions of the Companies Act, 2013. A sum of ₹ 31.86 Crore has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of ₹ 0.60 Crore was paid to the Non-Executive Directors other than the Chairman and the Vice- Chairman, who were paid the balance amount equally, as per the decision of the Board. Amount of the proposed commission for the Non-Executive Directors for the FY 2022-23 on the same basis is ₹ 32.03 Crore payable in the year 2023-24

### Remuneration of the Managing Directors:

The remuneration of Mr. Debasish Banerjee, Managing Director (Distribution) during the year, was: Salary - ₹ 2.31 Crore, Contribution to Pension and Provident Fund and actuarial valuation for Gratuity - ₹ 0.63 Crore, Estimated value of other benefits - ₹ 3.21 Crore, Total: ₹ 6.15 Crore (other actuarial valuation not considered). The remuneration of Mr. Rabi Chowdhury, Managing Director (Generation) was 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 March 31, 2023, Dr. Sanjiv Goenka, Chairman and Non-Executive Director held 13,47,940 Equity shares whereas Mr. Shashwat Goenka, Vice Chairman and Non - Executive Director held 11,14,080 Equity shares of

the Company. No other Non-Executive Director holds any equity share in CESC as on March 31, 2023. No convertible instruments of the Company were outstanding.

## SUBSIDIARY COMPANIES

As on March 31, 2023, CESC had 18 subsidiaries. Haldia Energy Limited (HEL) was the only unlisted material subsidiary of the Company during the year in terms of Regulation 24(1) of the Listing Regulations. Mr. Debanjan Mandal, an Independent Director of the Company was appointed on HEL's Board as an Independent Director with effect from June 15, 2021.

In terms of Regulation 16(1)(c) of Listing Regulations, CESC has three (3) material subsidiaries. The relevant details of the said three subsidiaries are given below :

Name of the Subsidiary	Haldia Energy Limited	Dhariwal Infrastructure Limited	Noida Power Company Limited
Date of Incorporation	November 29, 1994	October 3, 2006	June 29, 1992
Place of Incorporation	India	India	India
Name of Statutory Auditor	Kunal & Associates (ICAI F.R.N: 316003E)	Kunal & Associates (ICAI F.R.N: 316003E)	M/S Walker Chandiook & Co LLP (ICAI F.R.N: 001076N/ N500013)
Date of appointment of Auditor	September 25, 2017	July 31, 2020	September 28, 2018

Web link of policy for determining material subsidiaries can be accessed at the Company's website [https://www.cesc.co.in/storage/uploads/policies/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.cesc.co.in/storage/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.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, if any, 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.

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

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



## FEES PAID TO THE STATUTORY AUDITORS BY THE COMPANY AND ITS SUBSIDIARIES

Fees for Audit and other services paid to the Statutory Auditors and all entities in the network firm/ network entity of which statutory auditors are a part was ₹ 4.50 Crore and ₹ 1.09 Crore towards reimbursement of expenses.

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company's "Insider Trading Prohibition Code" which is in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, lays down the guidelines and procedures and disclosures to be followed by the Insiders, while dealing with the Company's securities. The Trading Window is closed before the 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. The Company Secretary is the Compliance Officer under the Code.

The above two codes are posted on the Company's website and can be accessed at-

[https://www.cesc.co.in/storage/uploads/insid\\_trade/Insider\\_trading\\_prohibition\\_code.pdf](https://www.cesc.co.in/storage/uploads/insid_trade/Insider_trading_prohibition_code.pdf)

## CREDIT RATINGS

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

Date	Facility Type	Rating	Rating Agency
October 3, 2022	Long-term Bank Facilities	CARE AA; Stable (Double A; Outlook: Stable)	CARE Ratings Limited
	Short-term Bank Facilities	CARE A1+ (A One Plus)	
	Long term – Non Convertible Debenture	CARE AA; Stable (Double A; Outlook: Stable)	
	Commercial Paper	CARE A1+ (A One Plus)	
July 22, 2022	Commercial Paper	[ICRA] A1+	ICRA Limited

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

### (i) Commodity Risk

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 organisation 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 are 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:

- Total exposure of the listed entity to commodities: ₹ 1656.18 Crore
- Exposure of the listed entity to various commodities:

Commodity Name	Exposure towards the particular commodity (₹ in Crore)	Exposure in Qty towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Coal	1656.18	3.61 Million MT	Nil	Nil	Nil	Nil	Nil

- Commodity risks faced by the listed entity during the year.

The Company has two 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/its subsidiaries. The domestic price of linkage coal and the reserve price of E-Auction Coal are governed as per rates notified by CIL and its subsidiaries. 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 unutilised fund for reporting of its utilisation 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 standalone financial statements for the Financial year 2022-23. 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 Directors during the year.

The Company's policy on dealing with Related Party Transactions is uploaded in company's website and can be accessed at:

[https://www.cesc.co.in/storage/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/storage/uploads/policies/RELATED_PARTIES_POLICY.pdf)

## LOANS AND ADVANCES

During the year under review Company and its subsidiaries has not given any loans and advances to firms / companies in which Directors of the Company are interested.

## ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimisation of employees who are entitled to avail the mechanism and direct access to the chairperson of the Audit Committee in exceptional cases. During the year, no such case has been reported hence the question of denying any personnel due access to Audit Committee does not arise.

## ANTI-SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 covering all employees of the Company. Further, the Company has set up an Internal Complaint Committee in compliance with Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

## 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	0
Number of complaints pending as on end of the financial year	0

## CEO/CFO CERTIFICATION

Certification by the CEO and the CFO to the financial statements for the year have been submitted to the Board of Directors, as required under the Listing Regulations and provided elsewhere in the Report.

## PRACTICING COMPANY SECRETARY CERTIFICATE ON DIRECTOR QUALIFICATION

The Company has obtained a Certificate from Secretarial Auditors M/s. Anjan Kumar Roy & Co., Company Secretaries, confirming that none of the Directors has been debarred or disqualified from being appointed or continuing on the Board as Directors of any company by any statutory authority.

## RE-APPOINTMENT / CONTINUATION OF DIRECTORS

Mr. Shashwat Goenka (DIN: 03486121) retires at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for re-appointment.

The Board and its Nomination and Remuneration Committee have recommended continuation of Mr. Pradip Kumar Khaitan (DIN: 00004821), as a Non-Executive Non-Independent Director of the Company in terms of Sub-Regulation 17(1A), introduced with effect from April 1, 2019 under the Listing Regulations. The Notice convening the ensuing Annual General Meeting includes the requisite Special Resolution for this purpose.

On the recommendation of Nomination and Remuneration Committee and subject to approval of the members, the Board of Directors approved the re-appointments of Mr. Rabi Chowdhury (DIN: 06601588) as the Managing Director (Generation) and Mr. Debasish Banerjee (DIN: 06443204) as the Managing Director (Distribution) for a further period of one (1) year with effect from May 28, 2023.

Details of Directorship/ Committee memberships of the above directors are given below :

Name of the Director	Mr. Shashwat Goenka (DIN: 03486121)
Age	33 years
Brief Resume	Mr. Shashwat Goenka is the Director & Vice Chairman of the Company since November 14, 2019. Mr. Goenka is the Sector Head-Retail & FMCG of the RP-Sanjiv Goenka Group. He is also the Founder of FMCG brand "Too Yumm". Currently he is in 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 and is currently the Honorary Consul of Finland.
Other Directorship	Mr. Shashwat Goenka is a Director on the Boards of Firstsource Solutions Limited (Chairman of Corporate Social Responsibility Committee and Risk Management Committee), Spencer International Hotels Limited, PCBL Limited (formerly known as Phillips Carbon Black Limited) (Member of Corporate Social Responsibility Committee), Spencer's Retail Limited (Member of the Audit Committee, Stakeholder's Relationship Committee, Nomination and Remuneration Committee CSR Committee and Chairman of the Risk Management Committee) and RPSG Ventures Limited (Member in Stakeholder's Relationship Committee and Chairman in CSR Committee and Risk Management Committee) and on the Board of Retailers Association of India.
Shareholding in the Company	11,14,080 equity shares of ₹ 1 each

Name of the Director	Mr. Pradip Kumar Khaitan(DIN: 00004821)
Age	82 years
Brief Resume	Mr Pradip Kumar Khaitan is a B.Com, LL.B. and Attorney-at-law (Bell Chambers Gold Medallist). He has professional Affiliations with Bar Council of India, Bar Council of West Bengal, Indian Council of Arbitration, New Delhi and Incorporated Law Society of Calcutta. Mr Khaitan is the Senior Partner of Khaitan & Co. and is widely regarded as amongst the most influential legal practitioners in India. With over 50 years of experience, Mr Khaitan has advised on a wide range of transactions.  Mr Khaitan's practice includes advising domestic business houses and International Corporations on all aspects of commercial and corporate laws, taxation, joint ventures, mergers & demergers, corporate governance and restructuring. He regularly advises on strategic decisions and sensitive commercial and legal issues.
Other Directorship	Mr. Khaitan is on the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), India Glycols Limited (Chairman of Audit Committee , Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of Corporate Social Responsibility Committee and Risk Management Committee), Electrosteel Castings Limited (Member of Audit Committee, Nomination and Remuneration Committee & Corporate Social Responsibility Committee), Firstsource Solutions Limited, Woodlands Multispeciality Hospital Limited, Dalmia Bharat Limited (Member of Audit Committee and Nomination and Remuneration Committee) and CESC Limited (Member of Nomination and Remuneration Committee and Chairman of the Risk Management Committee).
Shareholding in the Company	Nil

Name of the Director	Mr. Rabi Chowdhury (DIN: 06601588)
Age	63 years
Brief Resume	Mr. Rabi Chowdhury is a Bachelor of Electrical Engineering from Jadavpur University in the year 1982. He joined CESC Limited in the year 1984. Prior to that he was employed with Steel Authority of India Limited. He has vast experience of over 35 years in operation and maintenance of Thermal Power Generating Stations - commissioning of 2x250 MW Budge Budge Generation Station of the Company, project development, engineering, execution and commissioning of CESC's 1x250 MW Budge Budge - III Unit and played a key role in erection and commissioning of two 600 MW power plants of the Company's two subsidiaries Haldia Energy Limited and Dhariwal Infrastructure Limited.
Other Directorship	Mr. Chowdhury is on the Boards of Haldia Energy Limited, CESC Green Power Limited, Dhariwal Infrastructure Limited, Jarong Hydro-Electric Power Company Limited and Ghaziabad Power Company Limited.
Shareholding in the Company	2,280 equity shares of ₹ 1 each

Name of the Director	Mr. Debasish Banerjee (DIN: 06443204)
Age	62 years
Brief Resume	<p>Mr. Debasish Banerjee is an Electrical Engineer with proficiency in Business Management, having 38 years of rich and diverse industry experience. He commenced his professional career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Dealer, Industry &amp; Utilities domain.</p> <p>In his last stint as CEO of Reliance Energy, he contributed in improving Operational Efficiency and Optimising Cost through Business Processes Reengineering &amp; Automation, thus increasing bottom line and Customer Delight.</p> <p>Mr. Banerjee is on the Board of the Company since May 28, 2018. In his current capacity as MD (Distribution) of CESC, he has ushered in a transformational journey for leapfrogging CESC to newer heights of excellence with enhanced Operational Resilience &amp; Efficiency for effective Business Continuity during and after any crisis. He is proficient in successfully creating stakeholders satisfaction.</p> <p>In pursuit of his passion to deploy cutting-edge Technologies for radical change, he is constantly engaged in embracing disruptive Technological Innovations, for enhancing Customer &amp; Employee Experience (CX &amp; EX). Rapid deployment of digital platforms like ChatBot, WhatsappBot &amp; unique vernacular VoiceBot embedded with AI/ML &amp; NLL/NLP technologies has further enriched Customer Service delivery. Adoption of Industry 4.0 and Sensor based IoT along with Big Data Analytics and Immersive Technologies / Digital Twins has enabled the shift from Preventive to Predictive Maintenance, thus making CESC more Agile, Customer Centric, Cost-Effective and a Digital Utility' of the future.</p> <p>He has been instrumental in demonstrating Sustainability, which is one of the core values of CESC through Digitisation &amp; Decentralisation for providing safe, cost-effective and reliable electricity. He is engaged in developing a responsible and diverse value chain for powering a Sustainable future &amp; creating a positive societal impact for a better planet and people.</p>
Other Directorship	Mr. Banerjee is on the Boards of Eminent Electricity Distribution Limited and Malegaon Power Supply Limited.
Shareholding in the Company	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 at [www.cesc.co.in](http://www.cesc.co.in) regularly in compliance with the provisions of the Act and Listing Regulations for the benefit of its shareholders and the public at large.

During the year, the Company's quarterly/half-yearly/ annual results, prepared in accordance with the Listing Regulations, have been published in leading English and Vernacular language newspapers and also posted on the website of the Company as well as on the websites of the Stock Exchanges where the shares of the Company are listed. Hence, they are not separately sent to the shareholders. However, the Company furnishes the results on receipt of a request from the shareholder.

## GREEN INITIATIVE

The Company supports the 'Green Initiative' undertaken by the MCA, enabling electronic delivery of documents including Annual Report etc. to shareholders at their e-mail address already registered with the Depository Participants ("DPs") and Registrar and Share Transfer Agents ("RTA"). Additionally, the Company conducts various meetings by means of electronic mode in order to ensure the reduction of carbon footprint.

In view of the above, shareholders who have not yet registered their email addresses are requested to register the same with their DPs/ the Company's RTA for receiving all communications, including Annual Report, Notices, Circulars etc. from the Company electronically.

## GENERAL BODY MEETINGS

The Forty-fifth Annual General Meeting of the Company shall be held on Friday, August 4, 2023 at 10.30 a.m. (IST) via Video Conferencing (VC) and Other Audio-Visual Means (OAVM).



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

Financial year	Date	Time	Venue	Special Resolutions Passed
2019-20	August 3, 2020	10:00 AM	Via Video Conferencing/ Other Audio Visual Means as directed by Ministry of Corporate Affairs	Two
2020-21	August 18, 2021	10:30 AM	Via Video Conferencing/ Other Audio Visual Means as directed by Ministry of Corporate Affairs	Four
2021-22	July 29, 2022	10:30 AM	Via Video Conferencing/ Other Audio Visual Means as directed by Ministry of Corporate Affairs	Two

No resolution is proposed to be passed through postal ballot as on the date of this report.

There was no Extra-Ordinary General Meeting held during the financial year 2022-23. During the year under review the Company had sought approval of shareholders through postal ballot for creation of charge/security on the Company's assets to secure the borrowings of the Company by way of special resolution and 99.99% of the votes were cast in favour of the said resolution. The Company had appointed Mr. Manoj Prasad Shaw (FCS-5517, COP-4194), Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot process, in fair and transparent manner.

## COMPLIANCE

### Details of non-compliance

No penalty has been imposed by any stock exchange, SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market.

## 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 financial year 2022-23, there was no audit qualification 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) and (t) 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

Place : Kolkata

Date : May 22, 2023

## 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  
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) and (t) 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, 2023 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 ICAI.
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, 2023 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 from April 1, 2022 to March 31, 2023:
    - (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) Corporate Social Responsibility Committee.
- v. Obtained necessary declarations from the directors of the Company.
  - 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 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, 2023,

#### 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 Navin Agrawal**

Partner

Membership Number: 056102

UDIN: 23056102BGUJ0Z9482

Place of Signature: Kolkata

Date: May 22, 2023

## ADDITIONAL SHAREHOLDER INFORMATION

(Annexure 'C' to the Board's Report)

### ANNUAL GENERAL MEETING

Day & Date	: Friday, August 4, 2023
Time	: 10:30 A.M. (IST)
Venue	: Video Conferencing/Other Audio-Visual Means

### FINANCIAL CALENDAR

: April 1 to March 31

#### For the year ended March 31, 2023, results were announced on:

First quarter	: August 10, 2022
Second quarter	: November 14, 2022
Third quarter	: February 14, 2023
Fourth quarter and annual	: May 22, 2023

#### For the year ended March 31, 2024, results will be announced on:

First quarter	: On or before August 14, 2023*
Second quarter	: On or before November 14, 2023*
Third quarter	: On or before February 14, 2024*
Fourth quarter and annual	: On or before May 30, 2024*

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

### DIVIDEND

The Board of Directors at its meeting held on February 14, 2023 declared an interim dividend of ₹ 4.50/- per equity share that was paid on and from March 9, 2023. The said dividend was declared in terms of the Dividend Distribution Policy adopted by the Company as per the requirement of Listing Regulations. The Policy is available on the website of the Company and can be accessed at: [https://www.cesc.co.in/storage/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/storage/uploads/policies/Dividend_Policy.pdf).

### LISTING

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

### ISIN & STOCK CODES DETAILS

#### A. Equity shares (ISIN: INE486A01021)

Stock Exchanges	Stock Code
BSE Limited (Phiroze Jeejeeboy Tower, Dalal Street, Mumbai – 400001)	500084
The National Stock Exchange of India Limited (Bandra Kurla Complex, Bandra (E), Mumbai – 400051)	CESC

#### B. Listed Secured Non-Convertible Debentures ('NCDs'):-

Stock Exchanges	ISIN	Coupon Rate	Principal amount (₹ in Crore)
The National Stock Exchange of India Limited (Bandra Kurla Complex, Bandra (E), Mumbai – 400051)	INE486A07242	7.75%	300.00*
	INE486A07267	12 month T-bill rate + spread of 240 bps	200.00

\* The Company had by exercising call option redeemed the NCDs aggregating to ₹ 300 Crore on May 20, 2023.

All listing and custodial fees to the stock exchanges and depositories have been duly paid upto financial year 2023-24.



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

Month	Bombay Stock Exchange (BSE)		The National Stock Exchange of India Limited (NSE)	
	High (₹)	Low(₹)	High(₹)	Low(₹)
April, 2022	88.00	75.30	88.00	75.40
May, 2022	86.40	75.50	86.45	75.40
June, 2022	80.75	68.00	80.25	68.00
July, 2022	77.90	70.55	78.00	70.50
August, 2022	83.70	75.60	83.45	77.10
September, 2022	86.65	76.30	86.65	76.30
October, 2022	80.65	76.30	80.65	76.50
November, 2022	77.95	71.55	77.95	71.55
December, 2022	83.25	74.20	83.30	73.55
January, 2023	78.90	71.80	78.20	71.75
February, 2023	78.50	69.10	78.60	69.05
March, 2023	71.80	62.25	71.90	62.10

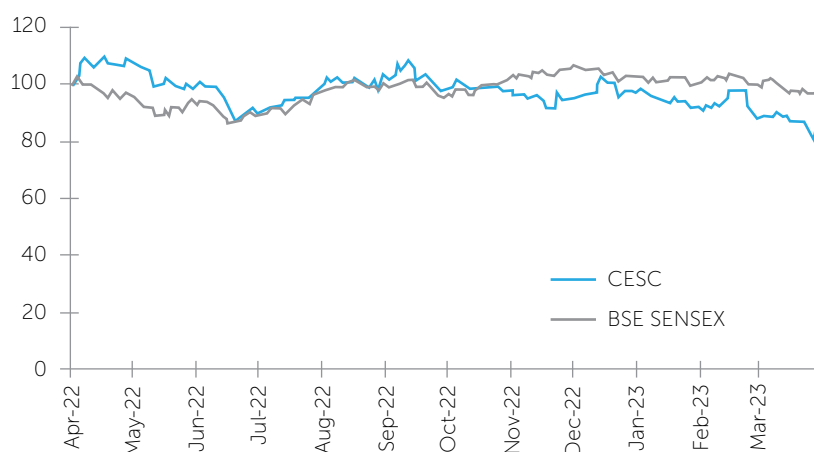
Table 2 below provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2022-23:

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 (₹)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
April, 2022	85.65	17,102.55	57,060.87	23,551.65	4,775.51
May, 2022	78.00	16,584.55	55,566.41	22,497.64	4,226.34
June, 2022	71.20	15,780.25	53,018.94	21,324.54	4,067.00
July, 2022	76.65	17,158.25	57,570.25	23,359.64	4,556.28
August, 2022	81.45	17,759.30	59,537.07	24,437.22	5,227.96
September, 2022	77.30	17,094.35	57,426.92	23,642.46	4,748.88
October, 2022	76.75	18,012.20	60,746.59	24,589.55	4,866.96
November, 2022	74.40	18,758.35	63,099.65	25,406.76	4,698.99
December, 2022	76.40	18,105.30	60,840.74	24,605.78	4,381.29
January, 2023	72.45	17,662.15	59,549.90	23,778.46	3,906.54
February, 2023	69.35	17,303.95	58,962.12	23,084.79	3,296.34
March, 2023	66.65	17,359.75	58,991.52	23,160.01	3,605.80

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

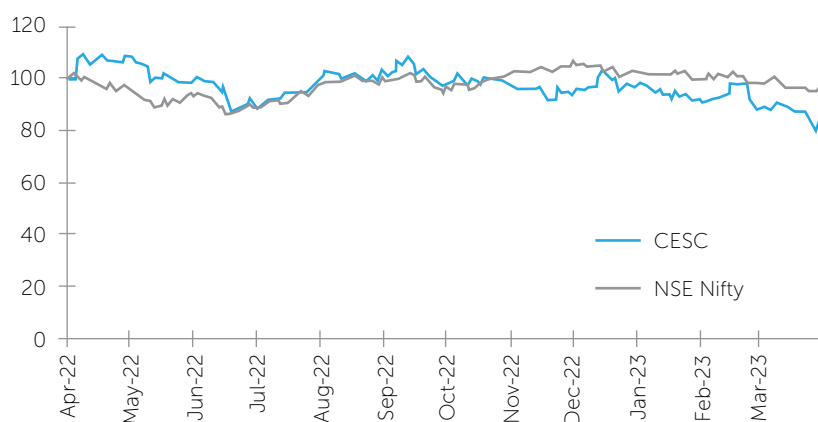
Chart A: CESC Share Performance versus BSE Sensex



Note: Share price of CESC and BSE Sensex have been indexed to 100 on April 1, 2022.

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

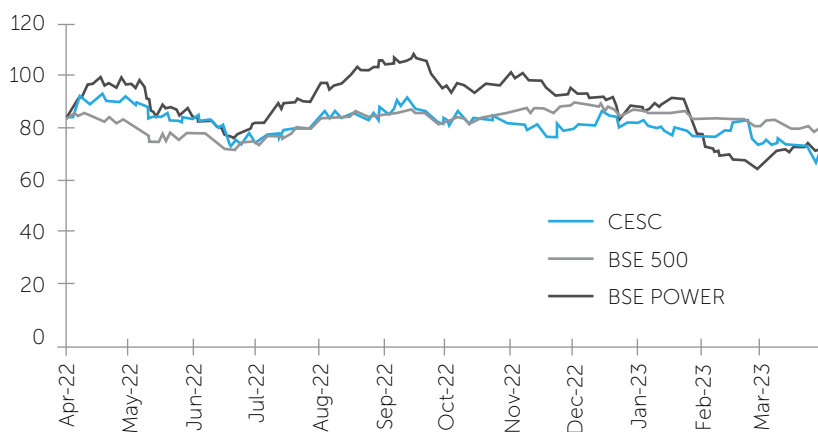
Chart B: CESC Share Performance versus NSE NIFTY



Note: Share price of CESC and NSE NIFTY have been indexed to 100 on April 1, 2022.

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

Chart C: CESC Share Performance versus BSE 500 & BSE Power



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on April 1, 2022.

## INVESTOR SERVICES

Particulars of Registrar and Share Transfer Agent ('RTA'), of the Company are given below:

**Link Intime India Private Limited**  
**Vaishno Chamber, 5th Floor, Flat No 502 & 503**  
**6, Brabourne Road**  
**Kolkata – 700 001**  
**Tel No.: 033-40049728**  
**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 RTA 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.: 033-2225 6040**  
**E-mail: [secretarial@rpssg.in](mailto:secretarial@rpssg.in)**

NCDs aggregating ₹ 1,755 Crore were outstanding as on March 31, 2023 as may be referred to in Note 21 of the standalone financial statements (out of the above, NCDs worth ₹ 300 Crore have since been redeemed on May 20, 2023. 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. : 022-4080 7000

Fax No. : 022-6631 1776

E-mail : itsl@idbitrustee.com

Website : www.idbitrustee.com

Mr. Jagdish Patra, Company Secretary, is also the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

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

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Stock Exchanges. The RTA 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 has decided that securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2021.

As on March 31, 2023, dematerialised shares accounted for 99.29 % of total equity.

There is no subsisting court order in legal proceedings against CESC in any share transfer matter. Table 3 gives details of the number and nature of complaints for the Year 2022-23:

**Table 3: Complaints from Shareholders during 2022-23:**

Particulars	Complaints				
	Non-receipts of certificates	Non-Receipt of Dividend	Non-Receipt of Annual Reports / Demat Related	Others	Total
Received during the year	2	1	-	3	6
Attended during the year	2	1	-	3	6
Pending as on March 31, 2023	-	-	-	-	-

## 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 March 31, 2023.**

Category	Total No. of Shares	Percentage (%)
1. Promoter / Promoter Group	<b>69,07,70,560</b>	<b>52.11</b>
2. Institutional Investors		
a. Mutual Funds	22,76,03,670	17.17
b. Banks, Financial Institutions, Insurance Companies	6,08,38,024	4.59
c. FIs	16,12,90,832	12.17
<b>Total</b>	<b>44,97,32,526</b>	<b>33.93</b>
3. Others		
a. Bodies Corporate	1,59,78,901	1.21
b. Indian Public	14,34,88,973	10.82
c. NRIs	1,28,53,812	0.97
d. Others	1,27,45,658	0.96
<b>Total</b>	<b>18,50,67,344</b>	<b>13.96</b>
<b>Grand Total</b>	<b>1,32,55,70,430</b>	<b>100.00</b>

Table 5: Pattern of Shareholding by Share Class as on March 31, 2023

Shareholding Class	No. of shareholders	No. of shares held	Shareholding %
1 to 500	2,66,640	3,10,73,705	2.34
501 to 1,000	24,033	1,96,41,601	1.48
1,001 to 2,000	12,248	1,86,19,059	1.41
2,001 to 3,000	4,134	1,06,12,013	0.80
3,001 to 4,000	1,804	64,97,964	0.49
4,001 to 5,000	1,656	79,08,967	0.60
5,001 to 10,000	2,289	1,71,13,873	1.29
10,001 and above	1,969	121,41,03,248	91.59
<b>Total</b>	<b>3,14,773</b>	<b>132,55,70,430</b>	<b>100.00</b>

#### PLANT / OFFICE LOCATIONS

CESC's generating stations are located at Budge Budge and Southern. The details of Corporate Office and Regional Offices 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 date 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 March 31, 2023 (₹)
2015-16	March 11, 2016	May 9, 2023*	93,01,221.15
2016-17	February 15, 2017	April 14, 2024	93,73,688.38
2017-18	February 28, 2018	May 6, 2025	1,27,90,111.80
2018-19	February 5, 2019	April 10, 2026	1,67,47,898.08
2019-20	February 11, 2020	April 10, 2027	1,99,39,972.65
2020-21	January 13, 2021	March 17, 2028	2,90,07,103.74
2021-22	January 13, 2022	March 17, 2029	2,91,90,951.76
2022-23	February 14, 2023	April 13, 2030	95,99,903.36

##### B. Transfer of Unpaid Dividend to IEPF

Particulars	Amount (₹)	Date of Transfer
Unclaimed Equity dividend for 2014-15	79,23,195/-	September 21, 2022
*Unclaimed Equity dividend for 2015-16	91,99,268/-	May 6, 2023

##### C. Transfer of shares to IEPF:

Particulars	No. of Equity Shares	Date of Transfer
Unclaimed Equity dividend for 2014-15	11,46,619	October 7, 2022
*Unclaimed Equity dividend for 2015-16	18,73,100	May 18, 2023



## UNCLAIMED SHARES

In terms of the Listing Regulations, 11,36,310 equity shares of the Company 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 shareholder.

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 April 1, 2022	88	12,02,920
2.	No. of shareholders who approached the Company for transfer of shares from the suspense account	-	-
3.	No. of shareholders to whom shares were transferred from the suspense account	-	-
4.	Transferred to IEPF	26	66,610
5.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	62	11,36,310

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 11,36,310 equity shares appear in the Company's website so that the concerned shareholders can lodge claims for the said shares immediately.

On behalf of the Board of Directors

Place : Kolkata  
Date : May 22, 2023

**Dr. Sanjiv Goenka**  
Chairman  
DIN: 00074796

## 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 Financial year 2022-23.

Place : Kolkata	<b>Debasish Banerjee</b> Managing Director (Distribution) (DIN: 06443204)	<b>Rabi Chowdhury</b> Managing Director (Generation) (DIN: 06601588)
Date : May 22, 2023		

## CEO / CFO CERTIFICATE

To  
The Board of Directors  
**CESC Limited**  
**CESC House**  
Chowringhee Square  
Kolkata 700 001

Dear Madam/Sir (s),

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 we hereby certify that:

- a. We have reviewed the financial statements and cash flow statement of CESC Limited for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal control, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. There was no:
  - i) significant change in internal control over financial reporting during the year;
  - ii) significant change in accounting policies during the year; and
  - iii) instance of significant fraud involving the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata	<b>Rabi Chowdhury</b> Managing Director (Generation) (DIN: 06601588)	<b>Debasish Banerjee</b> Managing Director (Distribution) (DIN: 06443204)	<b>Rajarshi Banerjee</b> Executive Director & CFO
Date: May 22, 2023			

# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

UNDERTAKEN DURING THE YEAR ENDED MARCH 31, 2023

(Annexure 'D' to the Board's Report)

1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility Policy ('CSR Policy') of the Company as approved by the Board of Directors, includes the following: -

- approach and direction given by the Board of Directors of the Company to its CSR programmes / projects;
- guiding principles for selection, implementation and monitoring of activities;
- focus areas of Company's CSR projects or programmes;
- roles and responsibilities of Board and CSR Committee in ensuring compliance with applicable CSR provisions; and
- basis of formulation of the annual action plan

2. Composition of CSR Committee:

Sl. No.	Name of Members	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Sanjiv Goenka	Chairman	2	2
2	Mr. Chandra Kumar Dhanuka	Independent Director	2	2
3	Mr. Rabi Chowdhury	Managing Director (Generation)	2	2

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

: Details of composition of CSR Committee, CSR Policy and CSR projects undertaken by the Company during the financial year 2022-23 is uploaded on the website of the Company and can be accessed at : [https://www.cesc.co.in/storage/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/storage/uploads/policies/CSR_Policy.pdf)

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable -

: Not Applicable

- (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 977.02 Crore

(b) Two percent of average net profit of the Company as per sub-section (5) of section 135 : ₹ 19.54 Crore

(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil

(d) Amount required to be set off for the financial year, if any : Nil

(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 19.54 Crore
- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 19.91 Crore

(b) Amount spent in Administrative Overheads : ₹ 0.03 Crore

(c) Amount spent on Impact Assessment, if applicable : N.A.

(d) Total amount spent for the - Financial Year [(a)+(b)+(c)] : ₹ 19.94 Crore

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Crore)	Amount Unspent (in ₹ Crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer
3.44	16.50	April 28, 2023	-	-	-

(f) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per section 135(5)	19.54
(ii)	Total amount spent for the financial year	19.94
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.40
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.40

7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Crore)	Balance amount in Unspent CSR Account under section 135(6) (₹ in Crore)	Amount spent in the reporting Financial Year (₹ in Crore).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.		Amount remaining to be spent in succeeding financial years. (₹ in Crore)	Deficiency, if any
					Amount (₹ in Crore)	Date of transfer.		
1	2020-21	19.50	-	NA (spent in FY 2021-22)	NA	NA	NA	NA
2	2021-22	18.00	-	18.00	NA	NA	NA	NA

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year: No

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):

The unspent amount has been transferred to an Unspent CSR Account in the name of the Company. The amount transferred as such would be made available from time to time to RP-Sanjiv Goenka Group CSR Trust for meeting the Trust's fund requirements for its Ongoing School Project, in conformity with the applicable provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended

**Rabi Chowdhury**

**Dr. Sanjiv Goenka**

Place: Kolkata

Managing Director (Generation) and Member, CSR Committee

Chairman, CSR Committee

Date: May 22, 2023

DIN: 06601588

DIN: 00074796



# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

(Annexure 'E' to the Board's Report)

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L31901WB1978PLC031411
2.	Name of the Listed Entity	CESC Limited
3.	Year of incorporation	1978
4.	Registered office address	CESC House, Chowringhee Square, Kolkata - 700001, West Bengal, India
5.	Email	secretarial@rpsg.in
6.	Telephone	033 - 22256040-49
7.	Website	https://www.cesc.co.in
8.	Financial year for which reporting is being done	2022-23
9.	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) and National Stock Exchange of India Limited (NSE)
10.	Paid-up Capital	₹ 132.56 Crore
11.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Jagdish Patra Company Secretary & Compliance Officer Contact No.: 033-22256040 Email Id: secretarial@rpsg.in
12.	Reporting boundary	Reporting on standalone basis

### II. Products/Services

#### 13. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Generation and Distribution of electricity	Power generation and distribution	100%

#### 14. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Generation and Distribution of electricity	35102	100%

### III. Operations

#### 15. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	158*	55**	213
International	-	-	-

\*Includes Distribution Centres

\*\*Includes Cash Offices

#### 16. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	1
International (No. of Countries)	-

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. The Company generates and distributes power only in its licensed area in and around Kolkata, India.

**c. A brief on types of customers**

We serve four categories of customers:

- i. Domestic
- ii. Industrial
- iii. Commercial
- iv. Others (e.g., Government Agencies, pumping stations, local bodies, schools etc.)

**IV. Employees**

**17. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	6469	5966	92.22%	503	7.78%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	6469	5966	92.22%	503	7.78%

**b. Differently abled employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently abled Employees						
1.	Permanent (D)	58	57	98%	1	2%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total Employees (D + E)	58	57	98%	1	2%

**18. Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	No. (C)
Board of Directors	10	1	10%
Key Management Personnel*	2	0	0%

\*Excludes 2 Managing Director(s)

**19. Turnover rate for permanent employees and workers:**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent employees	8.64%	3.98%	8.29%	8.33%	3.79%	8.01%	8.44%	4.04%	8.15%

**V. Holding, Subsidiary and Associate Companies (including Joint Ventures)**

**20. Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture (B)	% of shares held by listed entity (C)	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) (D)
1.	Malegaon Power Supply Limited	Subsidiary	100%	No
2.	CESC Projects Limited	Subsidiary	100%	No
3.	Bantal Singapore Pte. Limited	Subsidiary	100%	No
4.	Ranchi Power Distribution Company Limited	Subsidiary	100%	No
5.	Pachi Hydropower Projects Limited	Subsidiary	100%	No
6.	Papu Hydropower Projects Limited	Subsidiary	100%	No
7.	Au Bon Pain Café India Limited	Subsidiary	93.10%	No
8.	Haldia Energy Limited	Subsidiary	100%	No
9.	Dhariwal Infrastructure Limited	Subsidiary	100%	No

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture (B)	% of shares held by listed entity (C)	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) (D)
10.	Kota Electricity Distribution Limited	Subsidiary	100%	No
11.	Bikaner Electricity Supply Limited	Subsidiary	100%	No
12.	Bharatpur Electricity Services Limited	Subsidiary	100%	No
13.	Crescent Power Limited	Subsidiary	67.83%	No
14.	CESC Green Power Limited	Subsidiary	100%	No
15.	Jharkhand Electric Company Limited	Subsidiary	100%	No
16.	Jarong Hydro-Electric Power Company Limited	Subsidiary	100%	No
17.	Eminent Electricity Distribution Limited	Subsidiary	100%	No
18.	Noida Power Company Limited	Subsidiary	72.73%	No
19.	Mahuagarhi Coal Company Private Limited	Joint Venture	50%	No

## VI. CSR Details

21. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover- ₹ 7,293.86 Crore \*

(iii) Net worth - ₹ 9,954.82 Crore \*

\* pertains to the financial year 2021-22

## VII. Transparency and Disclosures Compliances

22. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes ( <a href="https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf">https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf</a> )	-	-	None	-	-	None
Investor (other than shareholders)	N.A.	-	-	None	-	-	None
Shareholders	Yes ( <a href="https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf">https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf</a> )	6	0	None	13	0	None
Employees and workers	Yes ( <a href="https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf">https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf</a> )	7	0	None	-	-	None
Customers	Yes ( <a href="https://www.cesc.co.in/storage/uploads/policies/Customer%20Policy.pdf">https://www.cesc.co.in/storage/uploads/policies/Customer%20Policy.pdf</a> )	1111	15	None	922	13	None
Value chain partners	Yes ( <a href="https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf">https://www.cesc.co.in/storage/uploads/policies/Stakeholder%20engagement%20policy.pdf</a> )	-	-	None	-	-	None
Other (please specify)	N.A.						

N.A. - Not Applicable

## 23. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk and Opportunity	<ul style="list-style-type: none"> <li>Meeting the statutory compliances.</li> <li>Increasing fuel prices due to geo-political factors and depletion of natural reserves.</li> <li>Building resilience to physical risks including cyclones, thunderstorms, and floods.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing energy efficiency through implementation of latest technologies and adopting concepts of Green Building.</li> <li>Implementing digitalisation solutions by adoption of cutting-edge technology for cutting down fuel and paper use.</li> <li>Reducing T&amp;D losses.</li> <li>Demand side management, subject to regulatory directions</li> <li>Implement standard operating procedures for pre, during and post disaster activities.</li> <li>Integration of renewable energy.</li> <li>Enhance use of Electric Vehicles.</li> <li>Use of biomass as alternative fuel at generation stations.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces operating expenses and carbon emissions.</li> <li>Increased capital expenditure in short term.</li> <li>Regulatory Implications by way of fines and penalties.</li> </ul>
2	Water Management	Risk	<ul style="list-style-type: none"> <li>Addressing water stress through judicious use of water as a resource.</li> </ul>	<ul style="list-style-type: none"> <li>Optimising water consumption and recycling of water at the plants.</li> <li>Aiming to make all facilities sourcing freshwater, zero liquid discharge.</li> <li>Green buildings and Green substations</li> </ul>	<ul style="list-style-type: none"> <li>Reduces operational costs due to reduced water consumption.</li> <li>Non-compliance resulting in fines / penalties.</li> </ul>
3	Environment Management	Risk	<ul style="list-style-type: none"> <li>Implementing mechanism for building operational resilience in line with the changing environmental implications for pollution prevention and waste management.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on digitalisation.</li> <li>Optimised resource use through reuse, reduce and recycle.</li> <li>Conservation of natural habitats.</li> <li>Continuous air quality monitoring across all facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces operating expenses.</li> <li>Punitive measures from regulatory bodies for non-compliance.</li> </ul>



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Community Development	Opportunity	<ul style="list-style-type: none"> <li>Building a formidable relationship with the communities among which the Company operates by promoting an inclusive growth of the community.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of vulnerable communities.</li> <li>Undertaking community need assessment.</li> <li>Selection of implementing partner.</li> <li>Baseline survey.</li> <li>Project implementation.</li> <li>Project monitoring and evaluation.</li> <li>Social impact assessment.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces risk of community unrest.</li> <li>Indirect positive impact on financials through reputational/ brand image.</li> <li>Enhancement of community well-being through skill development, education, healthcare and addressing environment concerns.</li> </ul>
5	Human Rights	Risk	<ul style="list-style-type: none"> <li>Respecting and protecting human rights is the Company's fundamental responsibility.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to Human Resource Policy and the new labour codes as applicable.</li> <li>Internal audit of documents pertaining to Labour laws.</li> </ul>	<ul style="list-style-type: none"> <li>Penal or disciplinary actions by regulatory/legal bodies.</li> </ul>
6	Workforce Welfare	Opportunity	<ul style="list-style-type: none"> <li>Managing disputes with employees and workers peacefully.</li> <li>Fostering the Company's social performance as an attractive employer.</li> </ul>	<ul style="list-style-type: none"> <li>Engaging with union representatives and committees and addressing their concerns through long term settlements.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces hiring and training costs.</li> </ul>
7	Occupational Health and Safety	Risk	<ul style="list-style-type: none"> <li>Prevention of work-related injuries and ill health through provision of safe and conducive work environment.</li> </ul>	<ul style="list-style-type: none"> <li>Implementing safety and occupational health standards.</li> <li>Engaging with all stakeholders on safety practices on a continuous basis and ensuring safety discipline among employees.</li> </ul>	<ul style="list-style-type: none"> <li>Punitive actions by regulators.</li> <li>Increased operational costs for rewards and recognition to encourage safety adherence.</li> </ul>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Public Safety	Risk	<ul style="list-style-type: none"> <li>Risk of electrical hazards and inconveniences in public spaces.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring all potential hazards reported or monitored are promptly addressed.</li> <li>Ensuring Safety protocol and adherence to Safe Working Procedures (SWPs) &amp; SOPs during Installation and Maintenance Activities.</li> <li>Ensuring full safety and strict access control of plants and equipment located in public places.</li> <li>Delivering effective awareness programmes on safe handling of electricity at the consumer's end.</li> </ul>	<ul style="list-style-type: none"> <li>Increased operational costs for:               <ol style="list-style-type: none"> <li>Maintenance activity.</li> <li>Public awareness build-up programmes.</li> </ol> </li> <li>Regulatory implication in the form of fines/ penalties.</li> </ul>
9	Responsible Supply Chain	Risk	<ul style="list-style-type: none"> <li>Ensuring suppliers are compliant with the applicable laws and regulations is essential for business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Integrating relevant ESG aspects within the supplier evaluation and assessment exercise.</li> </ul>	<ul style="list-style-type: none"> <li>Increased operational costs due to disruption in supply chain.</li> </ul>
10	Customer Focus	Risk and Opportunity	<ul style="list-style-type: none"> <li>Upholding customer trust by maintaining transparency and ensuring their satisfaction is key to business growth.</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing customer engagement channels to capture customer feedback and increase their satisfaction levels.</li> <li>Introduction of multiple customer payment channels for the ease of customers.</li> <li>Implementation of condition monitoring tools and equipment to reduce outages.</li> <li>Implementation of Intelligent Outage Management System for quick recovery during faults.</li> </ul>	<ul style="list-style-type: none"> <li>Reduces operational expenses through better customer satisfaction and outage management.</li> <li>Punitive measures by regulatory authorities.</li> </ul>
11	Energy Access	Risk	<ul style="list-style-type: none"> <li>Ensuring energy access to all sections of the society.</li> <li>Making energy access to new applicants on priority basis.</li> </ul>	<ul style="list-style-type: none"> <li>Fulfilling new connection (Loop Connection) requests for consumers within 24 hours subjected to compliance (internal target stiffer than regulatory TAT).</li> </ul>	<ul style="list-style-type: none"> <li>Punitive measures by regulatory authorities.</li> </ul>

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Data Privacy	Risk	<ul style="list-style-type: none"> <li>Enhancement in dependency on reliance on digital tools and applications increases the vulnerability of potential cyber-attacks and associated digital risks.</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of cybersecurity policy.</li> <li>Undertaking cybersecurity assessments through Computer Emergency Response Team (CERT-in) empanelled assessors.</li> <li>Implementation of Unified Compliance Management System (ISO 27001:2013).</li> </ul>	<ul style="list-style-type: none"> <li>Loss of personal and customer data can result in penalties and negatively impact trust of stakeholders.</li> </ul>
13	Innovation Management	Opportunity	<ul style="list-style-type: none"> <li>Creating newer development of digital platforms and solutions for customer and employee simplicity across departments.</li> </ul>	<ul style="list-style-type: none"> <li>Collaboration with stakeholders to identify and explore new opportunities.</li> <li>Invest in adoption and absorption of new technologies.</li> </ul>	<ul style="list-style-type: none"> <li>Increase in margins due to reduction in operating expenses.</li> </ul>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management process</b>									
1. a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.cesc.co.in/policies">https://www.cesc.co.in/policies</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes / certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.		ISO 9000: 2015	ISO 45001: 2018			<ul style="list-style-type: none"> <li>ISO 14001: 2015</li> <li>ISO 50001: 2018</li> <li>LEED and IGBC Green Building Certification</li> </ul>			
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company has developed internal targets which are being measured and monitored annually in line with all the principles.								
6. Performance of the entity against the Specific commitments, and targets along-with reasons in case the same are not met.	The Company's endeavour to achieve the set internal targets is on track.								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Governance, leadership, and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements	<p>BRSR is an effective compliance and communication tool for a company's non-financial disclosures. The objective of the Business Responsibility and Sustainability Report (BRSR) report is to link a company's financial outcomes with its ESG (Environmental, Social, and Governance) performance. This can facilitate a more accurate assessment of the business's overall stability, development, and sustainability for regulators, investors, and other relevant stakeholders.</p> <p>'Sustainability' is the most recent addition to our Core Values. It has always been a driving force for ensuring long-term value creation and is deeply embedded into our way of doing business. This lays down the foundation of our strategies for powering a sustainable future. As a responsible business, our business strategies are formulated taking into consideration your diverse viewpoints to positively impact our people, planet and society while generating profit.</p> <p>During the year, the Company has achieved many new heights in delivering long term value to its stakeholders, which we feel proud to mention in line with our 2030 targets and commitments.</p> <p>In upholding our commitment to meet the nation's ambitions towards Net Zero, we have embraced the 4D approach which encompasses digitalisation, decarbonisation, decentralisation and disaster management. We have put in plans to phase down fossil fuel consumption in every respect of our operations from electricity generation to movement of our operational fleet. All our offices, administrative buildings and substations will operate on green building principles to supplement the decarbonisation process through energy efficiency measures. During the year, the Company is proud to disclose the incorporation of 4 new green buildings increasing the portfolio to 8 green buildings during the reporting period.</p> <p>We are aggressively increasing our renewable energy storage capacity to accommodate the increase in renewable energy share in the energy mix. We have not only commissioned our first microgrid but also entered into open access agreements with large renewable energy generators to make our network not only green but also resilient.</p> <p>While we remain resilient and progressive in our approach towards environmental benefit, we take pride in our achievements towards our social commitments. We have once again been proclaimed as one of the Great Places to Work by virtue of our unflinching determination for promoting a diverse and inclusive work environment and creating unique and fulfilling career opportunities.</p> <p>We strengthened our relationship with the community through multipronged interventions in the thematic areas of health, education, skill development, natural resource management, environmental and sustainability. This has enabled us to impact more than 23,270 beneficiaries during the reporting period.</p> <p>I hereby thank all our stakeholders for demonstrating good faith in our endeavours. This has been a great source of motivation for us to perform to the best of our abilities and to ensure that we continue offering our services seamlessly. We look forward to your continued support and insights to benchmark ourselves with the best practices in the area of sustainability.</p>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Rabi Chowdhury  Designation: Managing Director (Generation) and member of CSR Committee								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The CSR Committee of the Board of Directors is responsible for decision making on sustainability related issues.								
	DIN	Name				Designation			
	00074796	Dr. Sanjiv Goenka				Chairman (Non-Executive Director)			
	00005684	Mr. Chandra Kumar Dhanuka				Member (Independent Director)			
	06601588	Mr. Rabi Chowdhury				Member [Managing Director (Generation)]			



Disclosure Questions			P1		P2		P3		P4		P5		P6		P7		P8		P9	
10. Details of Review of NGRBCs by the Company:																				
Subject for Review		Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
		P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9	
Performance against above policies and follow up action		CSR Committee of the Board and senior management of the Company.									Annually									
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances		CSR Committee of the Board and senior management of the Company.									Annually									
11. Has the entity carried out independent? assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.			P1		P2		P3		P4		P5		P6		P7		P8		P9	
			No		No		No		No		No		No		No		No		No	

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	N.A.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

N.A. - Not Applicable

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the Financial Year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Familiarisation was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to business and other stakeholders to provide effective oversight on the implementation of policies, procedures, and targets with respect to ESG.	100%

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	5	Familiarisation was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to business and other stakeholders to develop effective risk management strategies for mitigation.	100%
Employees other than BoD and KMPs	5	Familiarisation was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to business and other stakeholders were informed about their duties in adherence to the Company's commitment and ensure effective implementation of the policies and programmes	4%
Workers	-	-	-

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in FY 2022-23.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal Been preferred? (Yes/No)
Penalty/ Fine			Nil		
Settlement					
Compounding fee					

Non-monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

There have been no cases registered by the entity or by Directors/KMPs which resulted in fines/penalties/ punishment/ award/compounding fees/settlement amount paid in proceedings with regulators/law enforcement agencies/judicial institutions, in the reporting year.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
N.A.	

N.A. - Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

The Company's Anti-Corruption and Anti-Bribery Policy intends to ensure adherence to the highest ethical standards in all its business operations. The Policy facilitates the detection and reporting of possible breaches by employees, agents, representatives, vendors, and business partners. The concerned stakeholders of the policy are empowered through the Company's Vigil Mechanism to report instances of any irregularity, unethical, illegal practice and/or misconduct.

The Policy takes into consideration all the applicable local laws and further enables them to identify and effectively report a potential breach.

The Policy also outlines the outcome of any breach of the Policy in the form of disciplinary action, which even includes termination of employment of employees and the immediate termination of any vendor or business partner arrangements.

The Company has a "zero tolerance" Policy towards bribery.

The Anti-Corruption and Anti-Bribery Policy is available on the Company's website and can be accessed at <https://www.cesc.co.in/storage/uploads/policies/Anti%20Corruption%20Anti%20Bribery%20Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	None	None
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	None	Nil	None
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	None	Nil	None

7. Provide details of any corrective action taken or underway on issues related to fines/penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There has been no fines/penalties/action levied/taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	Familiarisation was provided on key aspects covered under the 9 principles prescribed under the National Guidelines on Responsible Business Code and its relevance to the Company's value chain partners.	10.1 %

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

The Board of Directors of the Company are governed by Code of Business Conduct and Ethics which has laid out the provisions on conflict of interest. The Code of Conduct is also applicable to all KMPs and Senior Management. They in turn, further incorporate the Code of Conduct in their respective verticals and departments, enabling the Code to cascade down to all the other levels of employees. The mentioned code can be accessed at <https://www.cesc.co.in/storage/uploads/sustainability/Code-of-Conduct.pdf>

### Principle 2: Businesses Should Provide Goods And Services In A Manner That Is Sustainable And Safe.

#### Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	100%	Nil	Investments in natural resource efficiency and environmental efficiency
Capex	84.12%	82.20%	Initiatives and projects around energy efficiency, energy conservation, waste management, water management and employee safety.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes.

- b. If yes, what percentage of inputs were sourced sustainably?

The Company has incorporated a Supplier Due Diligence process which screens every supplier on various social, environmental and compliance parameters.

The suppliers are assessed by our internal process audit teams on a periodic basis. Process audit teams have been trained to undertake physical inspection of supplier facility, verify documents, assess suppliers based on the Supplier Assessment Questionnaire and monitor the status of corrective actions taken in the next audit.

Suppliers are categorised under Gold, Silver, and Bronze categories basis the score received.

The criteria for being categorised as a Gold, Silver or Bronze supplier are as follows:

**Gold (Performance score 80-100):** Gold ratings signifies the supplier maintains a high level of compliance with the Standards and Policy and will need to undertake audit once in three years.

**Silver (Performance score 60-79):** Silver ratings signifies that the supplier meets general compliance of the standard and Policy, and proactive measures are required through implementation of best practices to meet CESC's business goals. These suppliers will be audited once in two years to monitor progress.

**Bronze (Performance score <60):** Bronze ratings signify the supplier does not meet compliance requirements for majority of the parameters, however CESC will continue to source while these compliances are remediated within a given timeline. These suppliers will be audited once in a financial year.

Every year the Company aims to increase the coverage of this exercise for a greater number of suppliers. All procurement from the suppliers categorised under the Gold category are deemed to be sustainably sourced.

During the reporting period the Company carried out due diligence exercise for 26 distinct suppliers, of which 9 suppliers achieved the Gold ratings. The Company has sourced 1.6% of inputs sustainably and responsibly.

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Plastics (including packaging)	The Company is not in the business of using plastic waste for packaging of manufactured products or in distribution of its services.
E-waste	The Company is not in the business of electronic consumer goods. However, the E-waste produced during the office operations is sold to the recyclers authorised by State Pollution Control Boards.
Hazardous waste	The hazardous waste generated in the facilities, is sold to the registered recyclers or disposers having permissions from State Pollution Control Boards.
other waste	The non- hazardous waste generated is disposed through the registered vendors. The biodegradable waste is converted into compost.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Extended Producer Responsibility is currently not applicable to CESC's activities.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product / Service	% of total Turnover contributed	% of total Turnover contributed	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
The Company is yet to conduct life cycle assessment of its service.					

**2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
N.A.		

N.A. - Not Applicable



3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	% Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
Transformer oil	34.75	50.17

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Stakeholder group from whom complaint is received	FY 2022-23			FY 2021-22		
	Reused	Recycled	Safely disposal	Reused	Recycled	Safely disposal
Plastic waste	N.A.					
e-waste						

N.A. - Not Applicable

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Not Applicable

**Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.**

#### Essential Indicators

1. a. Details of measures for the well-being of employees:

% of employees covered by											
Category	Total A	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. B	% (B/A)	No. C	% (C/A)	No. D	% (D/A)	No. E	% (E/A)	No. F	% (F/A)
Permanent Employees*											
Male	5966	5966	100%	5966	100%	NA	NA	0	0%	0	0%
Female	503	503	100%	503	100%	503	100%	0	0%	0	0%
Total	6469	6469	100%	6469	100%	503	7.78%	0	0%	0	0%
Other than Permanent Employees*											
Male	Nil	N.A.									
Female											
Total											

N.A. - Not Applicable

\*Includes all workforce under the payroll of CESC

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	N.A.	100%	-	N.A.
ESI	Exempted	-	N.A.	Exempted	-	N.A.
Others- Leave Encashment	100%	-	N.A.	100%	-	N.A.
Others- Post Retiral Medical Benefits	100%	-	N.A.	100%	-	N.A.

N.A. - Not Applicable

### 3. Accessibility of workplaces

**Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, most of the Company's establishments are accessible to the differently abled. For easy commute and movements within the Company's locations, wheelchair facilities are available along with ramp structures.

**4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company has developed an Employee Welfare Policy which commits towards creating and maintaining a fair, safe, healthy, nurturing, and vibrant work environment, across all its operations. The Policy ensures that all facilities are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016

As an equal opportunity employer CESC ensures all employees from the time of hiring and induction as well as throughout the course of employment till the time of separation are treated without any biasness irrespective of gender, caste, creed, colour, religion, disability, or sexual orientation. CESC has been recognised as one of the Great Places to Work for the last three consecutive years owing to the Company's determined steps in promoting a diverse and inclusive work culture.

The Employee Welfare Policy is available on the Company's website and can be accessed at <https://www.cesc.co.in/storage/uploads/policies/Employee%20Welfare%20Policy.pdf>

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Category	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N.A.	N.A.	N.A.	N.A.
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

N.A. - Not Applicable

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent employees	<p>Yes.</p> <p>CESC has deployed a structured grievance redressal process, which is based on the principle of 'prevention is better than cure' to address human rights concerns and to satisfactorily resolve them. All leaders in CESC, including the Managing Director, maintain an open and transparent communication, whereby anybody can approach them to discuss issues and raise grievances. An online portal, Leadership Connect is in place which provides a platform for all Executives to directly interact with the members of the Top Leadership team, including MDs, regarding their queries, ideas, and grievances.</p> <p>Grievances of all non-covenant staff are dealt formally by the Industrial Relations personnel at respective sites through the three-tier grievance redressal mechanism as mentioned below: -</p> <p>As soon as a Grievance is generated and lodged, it is handled by the Supervisor/Line officer at the shop floor level and resolved.</p> <p><b>Tier 1</b></p> <ul style="list-style-type: none"> <li>In case a grievance remains unresolved at the shop floor level, the same is escalated to the Line Manager of the department to which the aggrieved employee(s) belongs and is handled jointly along with departmental IR officer/Engineer.</li> <li>If unresolved, the Line Manager solicits intervention of the Unit IR official and jointly deals with the issue for resolution.</li> <li>If the issue is major and collective in nature, the same is intervened by the Unit Head, functionally looking after administration who deals with the issue jointly with unit IR official and Line Manager of the department.</li> </ul> <p><b>Tier 2</b></p> <ul style="list-style-type: none"> <li>If the same still remains unresolved at unit level, it is referred to divisional headquarter for intervention.</li> </ul> <p><b>Tier 3</b></p> <ul style="list-style-type: none"> <li>In case of issue remaining still unresolved, it is referred to Central/ Corporate IR, where the issue is discussed /negotiated with the central leadership of the sole bargaining union to arrive at an amicable resolution/settlement.</li> </ul> <p>Upon following all the three tiers as mentioned above, if the issue is still pending resolution, it follows the usual dispute settling route of Conciliation, if required, followed by Adjudication.</p> <p>Issues related to sexual harassment are resolved through a separate Internal Complaints Committee (ICC), which is headed by a female Executive Director and comprises of seven members from various facets of the organisation and an external member having commensurate experience.</p>
Other than permanent employees	
Permanent workers	
Other than permanent workers	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	6469	6108	94.41%	6920	5966	86.21%
Male	5966	5724	95.94%	6419	5617	87.50%
Female	503	384	76.34%	501	349	69.66%

## 8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total A	On health & safety measures		On skill upgradation		Total D	On health & safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	No. (B)		No. (E)	% (E/D)	No. (F)	% (F/D)
Total										
Male	5966	1800	30.17 %	3277	54.92%	6419	630	9.81%	1221	19.02%
Female	503	4	0.8%	171	34%	501	6	1.20%	101	20.15%
Total	6469	1804	27.88%	3448	53.30%	6920	636	9.19%	1322	19.10%

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Total</b>						
Male	5966	1426	23.90%	6419	1665	25.94%
Female	503	207	41.15%	501	241	48.10%
<b>Total</b>	<b>6469</b>	<b>1630</b>	<b>25.19%</b>	<b>6920</b>	<b>1906</b>	<b>27.54%</b>

## 10. Health &amp; safety management system

- a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes, the Company has implemented the Occupational Health & Safety Management System (ISO 45001) across the Distribution and Generation business operations. At CESC, health and safety measures of the highest standards are ensured at the workplace through the Corporate Safety Manual and Corporate Safety Policy along with the seven sets of Internal Safety Standards namely 'Confined Space Entry', 'Working at Height', 'Electrical Safety', 'Permit to Work', 'Safety Observation', 'Incident Investigation' and 'Material Handling', which are aligned with the requirements of ISO 45001.

The Company has undertaken periodic assessments for the effective implementation of the occupational health and safety management system.

Regular trainings programmes, mock drills and fire drills are scheduled to inform and make the employees aware of the occupational health and safety management system.

- b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Regular Hazard Identification and Risk Assessments (HIRA) and Job Safety Analysis (JSA) for routine and non-routine jobs are conducted, based on which risks are identified, assessed, and classified as high, moderate, and acceptable, after which risk control and minimisation measures are implemented to bring down the risk index within the acceptable limit. This process considers the root cause analysis from the incident investigation reports, safety rules violation identification through site safety audits, unsafe acts observed during safety observations and recommendations from external experts.

**c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company has system and process in place for employees and workers to report work related hazards. Employees and workers can report unsafe acts and work-related hazards using android based application and provide their suggestions on the "Click to Safety" online portal. These processes ensure minimisation of risks related to work related hazards.

**d) Do the employees have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes, the Company provides medical insurance and hospitalisation facilities for officers and their family members. In-house medical facility with free OPD treatment and free medicines from partner chemist shops are also available. The Company also has a reimbursement policy for the cost incurred for spectacles and artificial dentures.

Additionally, a Family Medical Benefit Scheme for serving employees, spouse and two dependent children as well as the retired employees and their spouses is in place, which in the event of death of an employee, his/her spouse will continue to enjoy the benefit of medical coverage.

The Company also conducts regular health check-ups of all its employees. The Company also undertakes electro hystorography for vertigo testing cardiovascular risk monitoring, bone mineral density testing, eye and dental check-up camps, orthopaedic camp, diabetic camp, cardiac camp, and snake bite workshop.

**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-23	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	1.30	2.12
Total recordable work-related injuries	Employees	21	33
No. of fatalities	Employees	0	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

CESC is committed towards ensuring the highest standards of health and safety at the workplace, which is operationalised through the 'development and dissemination of the Corporate Safety Manual and the Corporate Safety Policy with the seven sets of Internal Safety Standards namely 'Confined Space Entry', 'Working at Height', 'Electrical Safety', 'Permit to Work', 'Safety Observation', 'Incident Investigation' and 'Material Handling'. All the internal safety standards which are aligned with the requirements of ISO 45001.

The effectiveness in the implementation of safety management system is ensured through:

- Physical verification of system implementation through safety cell.
- External audits as per requirement for certification/re-certification.
- Review of safety performance and the effective implementation of the policies/ standards by the Apex Safety Committee comprising of the Managing Director (Distribution), Managing Director (Generation) and the Executive Director (HR & Admin).
- Inducing a safety culture by motivating and encouraging employees to provide suggestions to improving safety performance.
- Site safety observations by department officers.
- Conducting safety awareness and safety perception survey.
- Continuous improvement of health and safety performance by addressing electrical safety, fire safety, working at height through modification of procedures, technology upgradation and leveraging digitalisation.

## 13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	2	0	None	0	0	None
Health and safety	0	0	None	0	0	None

## 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Working Conditions	100%
Health and safety	

## 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.

For all significant risks / concerns identified, proper root-cause analysis is carried out, based on which suggested mitigation measures and interventions have been implemented. The best resources and efforts available are incorporated to eliminate such situations.

Behaviour based safety amongst employees of the organisation has been started by imparting training for different sections of employees. Apart from this safety observations, EHS committee meetings, departmental safety meetings, safety day observation, deploying safety monitors, monthly safety rewards etc. are already in practice to monitor and mitigate safety related issues.

Appropriate corrective actions have been implemented during the financial year based upon the assessments at various establishments in Generation and Distribution divisions as given hereunder:

- Introduction of 6-way shorting clip for MV OH lines to ensure proper earthing.
- Introduction of Telescopic Voltage Test Cum Earth Rod to minimise hazards for working at height.
- Introduction of RCBO fitted Extension Board to eliminate electric shock injury during work.
- Introduction of Unit Guard Separator Plate for electrical safe zone creation.
- Use of fire-retardant jacket for mitigation of burn injury due to electric flashover.
- Helmets fitted with Live Line Detectors (LLD) for work near live lines.
- Designing and customisation of low and medium height trolley at outdoor yards as per the requirement of departments to bring down the risk of work at height.
- Installation of hydraulically operated truck loader to facilitate loading/ unloading of gas cylinders.
- Provision of inflatable light for Emergency work.
- Implementation of representing SWP for critical jobs in a pictorial format.
- Safety training including behavioural safety aspects, classroom as well as practical and on job trainings, especially on critical activities for Officers, Supervisors and Workmen (both Permanent as well as Contractual).
- Introduction of Android-based App - SWAPP for registering of Unsafe Act/ Condition, Near Miss and taking necessary actions.
- Google Form for Safety Observations by officers/ safety officers.
- Unified Portal for reporting Safety Observation by officers and taking corrective action.
- Implementation of portable fire water pump.
- Fire Drills at all major establishments at regular intervals for management of fire related crisis situations and Mock Fire Evacuation Drill at identified office premises under supervision of external experts.
- Re-commissioning of the old Transformer Yard Emulsifier Annunciation system.
- Installation of forced fresh air circulation system (ventilation) for the air-conditioned rooms.
- IR sensor-based touchless operating switches for lifts.



## Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, all the employees are covered for applicable Life Insurance benefits

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

In all contractual obligations with value chain partners, statutory dues such as PF are deducted and paid accordingly within the due dates. Specific contractual obligations are provided for such adherences as mentioned in the contract.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

No cases of high consequence work-related injury / ill-health / fatalities were recorded during the reporting period.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

The Company has a post-retirement medical insurance up to 15 years for employee and their spouse. However, there is no provision for continued employability on the event of retirement or termination at present.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	1.6%
Working conditions	1.6%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No risk has been associated with health and safety or working conditions amongst value chain members assessed during the reporting period. No such risks have been reported as well in this financial year.

## Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

### Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company's pledge to consistently meet the needs of its stakeholders is paramount. When identifying the key stakeholder groups, CESC considers their dependency, immediacy, responsibility, vulnerability, and influence in terms of the "Stakeholder Engagement Policy".

Capital-contributing shareholders are significant stakeholders. At CESC, customer value forms an integral part of the Company's growth philosophy, reflecting unwavering commitment towards the customers. CESC recognises that its employees play a critical role in creating value for both clients and the organisation, and the Company strives to provide them with fulfilling career opportunities. Moreover, CESC upholds the law of the land as an essential part of the Code of Conduct, recognising the significance of Governments and Regulators as stakeholders. Inclusivity is central to the Company's sustainable business practices, with a focus on placing the community at the heart of all endeavours. The Company treats its vendors and suppliers as its business partners and considers them as an integral part of business strategy. CESC's stakeholders include our Investors, Lenders, Regulatory Bodies, Consumers, Employees, Trade Unions, Suppliers, Local Community, Non-Government Organisations (NGOs) and Media.

## 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	<ul style="list-style-type: none"> <li>Annual General Meeting</li> <li>Grievances redressal through the Company's Secretarial team</li> <li>Regular interaction with institutional Investors</li> <li>Annual Report</li> <li>Company website</li> <li>Quarterly results</li> <li>Investors' presentation</li> <li>Periodic press release</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Need based</li> </ul>	<ul style="list-style-type: none"> <li>Improved profitability and earnings per share</li> <li>Dividend pay-out</li> <li>Transparent disclosure</li> <li>Improvements in ESG disclosure</li> </ul>
Lenders	No	<ul style="list-style-type: none"> <li>Annual Consortium Meeting</li> <li>Periodic meetings</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of Overdraft limit</li> <li>Maintaining healthy working capital</li> <li>Liquid fund position</li> </ul>
Regulatory Bodies	No	<ul style="list-style-type: none"> <li>Periodic public advocacy</li> <li>Regular lesioning</li> </ul>	<ul style="list-style-type: none"> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring environmental, social and economic compliance</li> </ul>
Consumers	No	<ul style="list-style-type: none"> <li>Regular on-call surveys for distribution service</li> <li>Regular online digital survey</li> <li>Regular customer awareness</li> <li>Ongoing complaint redressal system</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing activities</li> </ul>	<ul style="list-style-type: none"> <li>Agile fault management</li> <li>Accurate and transparent billing</li> <li>Affordable solutions</li> </ul>
Employees	No	<ul style="list-style-type: none"> <li>Communication Meetings</li> <li>Townhall meetings</li> <li>Interaction with MD</li> <li>Annual employee opinion surveys</li> <li>Employee grievance redressal mechanism</li> <li>Regular interactions for celebrating days of individual, organisational, national, and international significance</li> </ul>	<ul style="list-style-type: none"> <li>Weekly</li> <li>Annually</li> <li>Ongoing</li> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Learning and development</li> <li>Career growth opportunities</li> <li>Rewards and recognition</li> <li>Facilities and well-being</li> <li>Health and safety at workplace</li> <li>Respecting human rights</li> </ul>
Trade Unions	No	<ul style="list-style-type: none"> <li>Periodic Meetings</li> </ul>	<ul style="list-style-type: none"> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Health and safety at workplace</li> <li>Respecting human rights</li> </ul>
Suppliers	No	<ul style="list-style-type: none"> <li>Vendors meet</li> <li>Regular vendor audit</li> <li>Periodic vendor interactions for sampling and grievance redressal</li> </ul>	<ul style="list-style-type: none"> <li>Annually</li> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Payment cycle</li> <li>Business opportunities</li> <li>Capacity building of suppliers on improvements in environmental and social performance</li> </ul>

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
NGOs/ Community	Yes	<ul style="list-style-type: none"> <li>Regular community meetings</li> <li>Stakeholders Meetings</li> <li>Annual beneficiary perception survey</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Academic support for underprivileged children through school and community-based initiatives</li> <li>Mainstreaming of drop-out children</li> <li>Early Child Care and Development including Pre-School Education</li> <li>Maternal and Child Health Care and Immunisation</li> <li>Social and Economic Empowerment of women and youth</li> <li>Creating a clean environment</li> </ul>
Media	No	<ul style="list-style-type: none"> <li>One on one interactions</li> <li>Periodic press release and press conference</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Need basis</li> </ul>	<ul style="list-style-type: none"> <li>Transparent and accurate disclosure</li> <li>Brand reputation</li> </ul>

#### Leadership Indicators

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

A Cross Functional Team (CFT) is in place who interacts and engages with the stakeholder groups by periodically communicating with them. The CFT reports to the Managing Directors, Chief Finance Officer, and Company Secretary. CFT is responsible for collecting all feedback from consultations with stakeholders and communicating the same to the Board. Based on all the interactions with all the stakeholder groups, and their perceptions on important ESG topics are accounted while, the material topics are identified for CESC. Further, the material topics are also prioritised based on the importance to the external stakeholders and the importance to business.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, during the exercise of identifying material issues pertaining to the Company, the Company consults both the internal and external stakeholders to identify issues having a significant social or environmental impact on the stakeholders and its business operations. The Company also takes note of all the views and opinions of the stakeholders around the issues and incorporates the same into the framing of any policies, decision making process or business strategy.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

The Company engages with local communities through its CSR programmes. All beneficiaries of CSR programmes are from the vulnerable/marginalised groups. The objective of the Company's CSR initiatives is upliftment of these vulnerable and marginalised stakeholders.

Before undertaking any CSR activity, the Company identifies the target beneficiary groups. Then, a needs assessment is conducted to identify the needs of the community, following which the Company appoints an implementing partner who carries out a baseline survey and implements the CSR activities. The Company closely monitors its CSR activities and evaluates their effectiveness on a regular basis.

The programmes developed are categorised under thematic areas of Education, Environmental Sustainability, Health, and Skill Development and Employment Generation.

## Principle 5: Businesses should respect and promote human rights

## Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23			FY 2021-22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>Employees and Workers</b>						
Permanent	6469	430	6.65%	6920	75	1.08%
Other than Permanent	-	-	-	-	-	-
Total Employees/Workers	6469	430	6.65%	6920	75	1.08%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23					FY 2021-22				
	Total (A)	Equal to minimum wage		More than minimum wage		Total (D)	Equal to minimum wage		More than minimum wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent	6469	0	0%	6469	100%	6920	0	0%	6920	100%
Male	5966	0	0%	5966	100%	6419	0	0%	6419	100%
Female	503	0	0%	503	100%	501	0	0%	501	100%
Other than permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary/ wages of respective category	Number	Median remuneration / salary/ wages of respective category
Board of Directors (BOD)*	1	₹ 6,37,75,188	-	-
Key managerial personnel**	2	₹ 3,90,67,243	-	-
Employees other than BoD and KMP	5963	₹ 10,96,756	503	₹ 7,54,490
Workers		N.A.***		

Notes:

\*Does not include any payment to Non-Executive Directors.

\*\*Excludes remuneration of Managing Director considered in BOD.

\*\*\*N.A. - Not Applicable

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

The Executive Director (HR and Admin) of the Company provides the highest level of executive oversight on managing human right concerns of the employees and workers of the Company.

The rights of all categories of employees are also protected through the Joint Committee existing between Unions/ Associations and Management.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

CESC has deployed a structured grievance redressal process, which is based on the principle of 'prevention is better than cure' to address human rights concerns and to satisfactorily resolve them. All leaders in CESC, including the Managing Director, maintain an open and transparent communication, whereby anybody can approach them to discuss issues and raise grievances. An online portal, Leadership Connect is in place which provides a platform for all Executives to directly interact with the members of the Top Leadership team, including two Managing Directors, regarding their queries, ideas, and grievances.

Grievances of all non-covenant staff are dealt formally by the Industrial Relations personnel at respective sites through the three-tier grievance redressal mechanism as mentioned below: -

- As soon as a Grievance is generated and lodged, it is handled by the Supervisor/Line Officer at the shop floor level and resolved.

#### Tier 1

- In case a grievance remains unresolved at the shop floor level, the same is escalated to the Line Manager of the department to which the aggrieved employee(s) belongs and is handled jointly along with departmental IR officer/ Engineer.
- If unresolved, the Line Manager solicits intervention of the Unit IR official and jointly deals with the issue for resolution.
- If the issue is major and collective in nature, the same is intervened by the Unit Head, functionally looking after administration who deals with the issue jointly with unit IR official and Line Manager of the department.

#### Tier 2

- If the same still remains unresolved at unit level, it is referred to divisional headquarter for intervention.

#### Tier 3

- In case of issue remaining still unresolved, it is referred to Central/Corporate IR, where the issue is discussed / negotiated with the central leadership of the sole bargaining union to arrive at an amicable resolution/settlement.

Upon following all the three tiers as mentioned above, if the issue is still pending resolution, it follows the usual dispute settling route of Conciliation, if required, followed by Adjudication.

Issues related to sexual harassment are resolved through a separate Internal Complaints Committee (ICC), which is headed by a female Executive Director and comprises of seven members from various facets of the organisation and an external member having commensurate experience.

### 6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	None	1	0	None
Discrimination at workplace	0	0	None	0	0	None
Child labour	0	0	None	0	0	None
Forced labour	0	0	None	0	0	None
Wages	5	0	None	0	0	None
Other human rights related issues	0	0	None	0	0	None

### 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company put in place mechanisms for Prevention of Sexual Harassment ("POSH") at workplace. It aims at prevention of harassment of employees with guidelines for identification, reporting and prevention of sexual harassment and the reporting and resolution procedure of such complaints. Issues involving sexual harassment can be addressed by writing to the Internal Complaints Committee (ICC) at [icc@rpsg.in](mailto:icc@rpsg.in). Periodic trainings, inductions and communications familiarise the employees to the procedures to report grievances.

### 8. Do human rights requirements form part of your business agreements and contracts?

Yes, human rights requirements are covered in business agreements and contracts. All suppliers and contractors are required to abide by the terms and conditions prescribed in the agreement and conditions of contract.

### 9. Assessment of the Year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

### 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

CESC undertakes appropriate measures and corrective actions as per prescribed law. The Company also continuously monitor on these aspects and keep check and balances in place.



### Leadership Indicators

**1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

There have been no significant changes in business processes during the reporting period.

**2. Details of the scope and coverage of any Human rights due diligence conducted.**

The Company respects the fundamental rights of all persons associated with the organisation. The effectiveness of the mechanisms in place to manage human resources are periodically audited, which ensures compliance to applicable labour laws.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Yes, various establishments of the Company are accessible to the differently abled visitors. For easy commute and movements within the Company's locations, wheelchair facilities are available along with ramp structures.

The Company has also developed various digital platforms for easy access to various facilities such as services, new connection requests, ownership change, bill payments and disconnection requests. This eliminates any human interference or requirement for visitors or customers to be physically available to avail the same. The Company's digital payment avenues also helps in easy digital payments of electricity bills from any location.

**4. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	1.6%
Discrimination at workplace	1.6%
Child labour	1.6%
Forced labour/Involuntary labour	1.6%
Wages	1.6%
Others – please specify	-

**5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

No risk has been identified and/or associated with human rights violation amongst value chain members assessed during the reporting period.

### Principle 6: Businesses should respect and make efforts to protect and restore the environment

#### Essential Indicators

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total electricity consumption (A)	66,114.63 GJ	43,170 GJ
Total fuel consumption (B)	5,81,44,997.22 GJ	5,55,35,444 GJ
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	5,82,11,111.85 GJ	5,55,78,614 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	7,301.04 GJ/₹ Crore	7,619.9 GJ/₹ Crore

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Budge Budge Generating Station and Southern Generating Station are identified as Designated Consumers (DC's) under ongoing PAT Scheme (PAT Cycle VII). The generating stations are required to reduce their specific energy consumption by 0.23% (BBGS) and 0.92% (SGS) respectively against their 2018-19 baseline by 2024-25.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	11,68,23,504	3,87,19,657
(ii) Groundwater	12,255	-
(iii) Third party water	1,56,055	16,701*
(iv) Seawater / desalinated water	-	-
(v) Others	3,148	3,148
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	11,69,94,962	3,87,39,506
Total volume of water consumption (in kilolitres)	1,19,47,580	1,16,62,257
Water intensity per rupee of turnover (Water consumed / turnover)	1498 KL/₹ Crore	1590 KL/₹ Crore

\*Data for all stations and office buildings were not monitored last year.

**If any independent assessment/ evaluation/assurance has been carried out by an external agency ?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

One of the sub targets in meeting the Company's specific water consumption target is achieving Zero Liquid Discharge (ZLD) in all thermal power plants with freshwater source. Budge Budge Generating Station is a Zero Liquid Discharge station, while Southern Generating Station has a Zero Liquid Discharge system except for Condenser Cooling System. Through ZLD, the Company has implemented processes that enable 100% reuse and recycle of water in our operations.

The processes that have enabled this achievement include:

- Ash water recirculation system for reuse of water in slurry for bottom ash removal.
- Reuse of sewage treatment water and effluent water for landscaping.
- Reuse of blowdown water from boiler and cooling tower for dust suppression.
- Reuse of water reject from dual media filtration and ultra-filtration process.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23		FY 2021-22	
		BBGS	SGS	BBGS	SGS
NOx	mg/Nm <sup>3</sup>	397	393	535	441
Sox	mg/Nm <sup>3</sup>	908	840	917	824
Particulate matter (PM)	mg/Nm <sup>3</sup>	28	28	27	52
Persistent organic pollutants (POP)	MT	Not a statutory requirement			
Volatile organic compounds (VOC)	MT	Not a statutory requirement			
Hazardous air pollutants (HAP)	MT	Not a statutory requirement			

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	52,05,674.2	53,35,527
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	11,679	10,911
Total Scope 1 and Scope 2 emissions per rupee of turnover		654 tonnes of CO <sub>2</sub> equivalent/₹ Crore	730 tonnes of CO <sub>2</sub> equivalent/₹ Crore

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

CESC is cognizant of the challenges posed by climate change and the urgent need for reducing greenhouse gas emissions. India being a signatory to the landmark agreement at Paris is committed to achieve net zero emissions by 2070 and will strive towards reducing its emission intensity as of 2005 by 45% by 2030. The Company being in the business of power generation recognise that we have a key role to play in providing our consumers with reliable power while enabling the country in phasing down use of fossil fuels in line with the Glasgow Climate Pact.

Aligning the need of the hour with the Company's business operations, both the Generation and Distribution teams have incorporated the following strategies to minimise the greenhouse gas emissions:

**Adopting energy efficient technologies:** Improving upon our energy efficiency especially through reducing our auxiliary power consumption is an integral part of our climate change strategy. CESC always strive to combine technology, process and concern towards the benefit of environment and society. The Company proactively engage with stakeholders to innovate and identify emerging technologies that pave the pathway for reducing energy demand and fulfilling our climate goals. The Company has adopted several new technologies and upgraded existing infrastructure during the financial year to reduce its energy intensity (details of such measures are available in Annexure A of the report in compliance with Section 134(3)(m) of the Companies Act, 2013). Further, many of our offices and substations embrace the Green Building Principles to supplement the decarbonisation process through energy efficiency measures.

**Alternative sources of energy:** While there is an endeavour to improve upon operational efficiency, the Company continues to offset fossil fuel consumption at own operations by harnessing energy from renewable energy sources primarily from solar power generating sources. The Company has installed solar rooftops to the tune of 228 kW at its substations and generating stations. At Southern Generation Station, the Company operates a 3X15 kW micro hydel project for its auxiliary power consumption. The Company's generation stations have also made a conscious effort to utilise biomass pellets as an alternative to coal, thereby enhancing use of renewable energy in operations.

Committed towards providing low carbon electricity to its consumers, CESC's efforts extend towards greening the supply chain. The Company employs various methods including procurement of renewable energy from market mechanisms like Green Term Ahead Markets and Green Day Ahead Markets and engaging with large sized solar power generators through long term power purchase agreements.

Furthermore, during the reporting period the Company has commissioned its first microgrid at Chakmir substation, having a floating solar plant of 100kWp capacity supported with 218 kWh Battery Energy Storage System (BESS) to enable decentralised and sustainable power sourcing and help in crisis management.

Through the ability to make green power available, the Company also offers exclusive green power for distribution to customers who can choose it at a premium rate.

**Distribution loss control:** CESC considers distribution losses as one of the key concerns in its climate change mitigation roadmap. Both technical and non-technical losses impact the health of the utility economically and operationally, as well as result in increase in our greenhouse gas footprint. The Company's strategic Loss Control Cell (LCC) ensures minimal distribution losses by scheduling periodic energy audits, identifying loss prone areas, undertaking consumer indexing to pin-pointed sales gap areas, and applying different conventional and innovative methods. Some of these methods include replacement of non-functional Automatic Power Factor Control (APFC) panels, use of coaxial cables and renovation of metre boxes.

**Low carbon transformation of value chain:** The Company strives towards electrifying the entire value chain to facilitate a low-carbon transformation. In this endeavour, the Company promotes the adoption of environment friendly technologies and devices, such as electric vehicles and e-cooking, among the public, including our customers.

**Promoting demand side interventions:** As a responsible business entity, CESC goes beyond its regular business to make customers aware of their patterns, energy conservation measures, and assists them in effectively managing their power demand. The electricity bill is a useful tool for achieving this transparency. By providing consumption and tariff details in the bill, customers are made aware of their energy consumption. The bills also contain energy efficiency tips. CESC has also released an e-booklet 'Be Smart Save Smart' offering energy-saving tips. Furthermore, customers are also informed about the latest technologies that promote energy conservation and clean energy through the Company's website and other digital service platforms.

Through the successful adoption and implementation of the decarbonisation strategy, the Company has made significant strides towards measuring its carbon footprint and reducing its emissions significantly over the years. The Company's progress in line with its commitments are illustrated subsequently in this section.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-23	FY 2021-22
Total waste generated (In metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0	5.13
Bio-medical waste (C)	0.0186	0.01
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	144.94*	311.3*
Other Non-hazardous waste generated (H)	Metal Scrap- 66.1 Office waste (dry and wet)- 71.87	Metal Scrap- 54.1
Total (A+B + C + D + E + F + G + H)	282.93	370.54
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	Used oil- 140.96 Bio Medical waste- 0.0082 Waste oil- 2	Used oil- 296.91 Bio Medical waste- 0.0045 E-waste- 5.13
(ii) Re-used	Used oil- 96.07	Used Oil- 222.68
(iii) Other recovery operations		-
Total	239.03	524.72
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	Bio Medical Waste- 0.009 Waste Resin- 0.70 Oil-Soaked Cotton Waste- 0.55 Used Oil- 24.02	Bio Medical Waste- 0.009 Waste Resin- 0.69 Oil-Soaked Cotton Waste- 0.75
(ii) Landfilling		-
(iii) Other disposal operations	Metal scrap- 66.1 Office waste (dry and wet)- 71.87	Metal scrap- 54.1
Total	163.24	55.55

\* Used oil density has been considered as 0.95 Tonnes/KL

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

CESC aims to reduce the amount of waste produced by incorporating recycled materials into the production process. In addition, it endeavours to handle waste disposal in a responsible manner and has established Standard Operating Procedures (SOPs) for its plants to ensure proper disposal. All waste generated are segregated at source into hazardous and non-hazardous waste. Hazardous waste generated is disposed through SPCB approved third party vendors. The non-hazardous waste generated is sent to authorised vendors for appropriate disposal or recycling.

The Company is committed towards achieving zero waste to landfill and enhancing the value-added utilisation of waste. The hazardous waste generated at all power stations includes oil-soaked cotton, used oil, and resins, which can pose significant risks to the environment and nearby communities. Therefore, the wastes are handled carefully and responsibly by diverting it to appropriate disposal channels and authorised recyclers in compliance with the rules and regulations stipulated by the State Pollution Control Board (SPCB).

Used mineral oil is recycled for re-use of the same in OLTC, Distribution transformers etc. thereby minimising waste generation and requirement of additional oil. Moreover, CESC has replaced mineral oils with synthetic ester-filled oil across five power transformers and with either synthetic or natural ester oil in twelve distribution transformers. These oils offer several advantages over mineral oil, including its characteristics of biodegradability. This makes ester oil an eco-friendlier option for disposal. Additionally, ester oil can withstand higher levels of heat and is less flammable than mineral oil, which significantly improves safety.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/ offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company has no operations/offices in/around any ecologically sensitive areas. All the operating plants/stations have a valid CTO for operations.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable. The Company is not required to conduct EIA as it falls under orange category.					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: Yes

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
N.A.				

N.A. - Not Applicable



## Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23	FY 2021-22
From renewable sources		
Total electricity consumption (A)	14,099.71 GJ	815 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	14,099.71 GJ	815 GJ
From non-renewable sources		
Total electricity consumption (D)	52,014.92 GJ	42,355 GJ
Total fuel consumption (E)	5,81,44,997.22 GJ	5,55,35,444 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	5,81,97,012.14 GJ	5,55,78,614 GJ

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	10,48,86,804	2,70,65,132
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	10,48,86,804	2,70,65,132

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

The Company has not undertaken an independent assessment on this parameter during the reporting period.

**If yes, name of the external agency.**

Not Applicable.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area - Not Applicable
- (ii) Nature of operations - Not Applicable
- (iii) Water withdrawal, consumption, and discharge in the following format:

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

None of the Company's operations are located in water stress regions as per recent reports of Central Groundwater Board

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

Not Applicable.

**If yes, name of the external agency.**

Not Applicable.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	CESC understands that its scope 3 emissions is quite significant owing to its logistic and value chain operations. Thus, the Company endeavours to estimate its Scope 3 emissions in future.	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

**If any independent assessment/ evaluation/assurance has been carried out by an external agency?**

Not Applicable.

**If yes, name of the external agency.**

Not Applicable.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Question 10 is not applicable as the Company does not have operations/offices in/around ecologically sensitive areas. Hence, there are no significant direct & indirect impact of the entity on biodiversity in such areas.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Reduction in auxiliary electricity	<ul style="list-style-type: none"> <li>Replacement of SVP Lamp sets with LED lights at selected areas at Main Plant and CHP.</li> <li>Replacement of the least efficient AC Plant CCW pump of two units with an energy efficient new pump.</li> <li>Replacement of the pressure stage pump cartridge of BFP-1B with a refurbished one to improve the efficiency.</li> <li>LoRa radio link based high energy drain valves' downstream temperature monitoring system at Unit-1 for quick detection of heat loss through high energy drain valve passing etc. are some of the initiatives.</li> <li>Trimming of Primary Air Fan rotating elements to save energy including trimming of circulating cooling water pump's rotating elements to save energy, modification of gear box driven assembly with direct drive for AC plant CT Fan.</li> <li>Minimising Specific Oil Consumption (SOC) for increasing number of reserves shutdowns.</li> <li>Use of efficient LED lamps and smart lighting systems.</li> <li>Use of star rated energy efficient air conditioning systems.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced energy consumptions and enhanced energy efficiency.</li> </ul>
2	Integration of renewable energy	<ul style="list-style-type: none"> <li>The Company has installed solar rooftops to the tune of 228 kW at its substations and generating stations.</li> <li>At Prinsep Street Substation, a roof top wind turbine of 5.1 kWp has been installed with grid connection.</li> <li>At Southern Generation Station, the Company operates a 3X15 kW micro hydel project for its auxiliary power consumption.</li> <li>The Company has commissioned its first microgrid at Chakmir substation, having a floating solar plant of 100kW capacity supported with 218 kWh Battery Energy Storage System (BESS).</li> <li>Solar panels installed for BBGS Gate complex building.</li> <li>At BBGS, 2 kW solar panels installed for running the air to water project in the canteen</li> </ul>	<ul style="list-style-type: none"> <li>Lesser reliance on fossil fuel-based energy sources.</li> </ul>
3	Green Building	<ul style="list-style-type: none"> <li>The Company embraces the principles of Green Building to enhance resource optimization and efficiency. The Company till date has a portfolio of 8 green buildings.</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced energy efficiency.</li> <li>Decreased water and energy use.</li> </ul>
4	Alternative fuel use	<ul style="list-style-type: none"> <li>At BBGS, biomass is used in the fuel mix. As part of the future plans, BBGS has conducted a feasibility study for biomass pellet unloading, storage and feeding.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased carbon emissions.</li> </ul>

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
5	Electric vehicles	<ul style="list-style-type: none"> <li>BBGS is in the process of arranging six Electric Autos to roam around the plant so that the LPG autos can be gradually phased out.</li> <li>At BBGS, one electric battery powered golf cart and e-rickshaw have been converted into a multipurpose fire van.</li> <li>Installed three EV Public Charging Stations in collaboration with Kolkata Municipal Corporation at three strategic locations.</li> <li>Installed EV chargers at two locations (CESC House and Taratala DTI) for charging the captive fleet.</li> <li>The Company has already provided supply at 11 nos. West Bengal Transport Corporation (WBTC) bus depots to support electric bus charging and is in the process to extend supplies at another 13 bus depots.</li> </ul>	<ul style="list-style-type: none"> <li>Decreased carbon emissions from vehicles.</li> </ul>
6	Rainwater harvesting	<ul style="list-style-type: none"> <li>Rooftop rainwater harvesting system has been constructed at BBGS above the cooling water pump house.</li> <li>Rainwater harvesting system has been incorporated at the Park Circus Distribution Station and EM Substations.</li> </ul>	<ul style="list-style-type: none"> <li>Water conservation and less dependency on fresh water.</li> </ul>
7	Sewage treatment plant	<ul style="list-style-type: none"> <li>Sewage Treatment Plant with 7 KL/day capacity has been installed to recycle the sewage water of the gate Complex Building of plant.</li> </ul>	<ul style="list-style-type: none"> <li>Effective wastewater management and reuse of water.</li> </ul>
8	Air to water generator	<ul style="list-style-type: none"> <li>A 100 Litres/day atmospheric air to water generator has been installed at the BBGS canteen. Drinking water is being generated from ambient air through this equipment.</li> </ul>	<ul style="list-style-type: none"> <li>Water conservation.</li> </ul>
9	Admixture use for construction	<ul style="list-style-type: none"> <li>Use of admixture for reducing water requirements for concrete.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced water consumption.</li> </ul>
10	Automatic water level controller	<ul style="list-style-type: none"> <li>Automatically adjusts the water level in tank by turning off motor when there is no water flow, thus saving energy.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced energy and water consumption.</li> </ul>
11	Zero Liquid Discharge	<ul style="list-style-type: none"> <li>Budge Budge Generating Station is a Zero Liquid Discharge station, while Southern Generating Station has a Zero Liquid Discharge system except for Condenser Cooling System.</li> </ul>	<ul style="list-style-type: none"> <li>Less dependency on fresh water.</li> </ul>
12	Transformer Oil Reuse	<ul style="list-style-type: none"> <li>Reclamation of Used Mineral Oil and re-use of same in OLTC, Distribution Transformers etc. instead of New Oil.</li> </ul>	<ul style="list-style-type: none"> <li>Minimise waste generation and reduce requirement / use of new oil.</li> </ul>
13	Distribution Transformer Reuse	<ul style="list-style-type: none"> <li>Refurbishment of old DTR and reuse of same in power network.</li> </ul>	<ul style="list-style-type: none"> <li>Minimise waste generation and optimise use of natural resources.</li> <li>Cost reduction against new DTR.</li> </ul>

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the Company has both Business Continuity plan and disaster management plan.

**Business Continuity Plan**

Owing to the Company's dynamic environment, the Company has evaluated its preparedness for business continuity by incorporating certain measures:

- Upgrading all DC/DR with Hyper Converged Infrastructure, a cutting edge 24x7 Network Operation Centre (NOC) & Security Operation Centre (SOC).
- Implementing a global standard User Email system for Company's corporate use.
- Using high-availability Web Application Firewall (WAF) both internally & externally to safeguard all the Company's applications.
- Exploring appropriate Cyber Insurance coverage with multiple insurance providers to evaluate and prepare accordingly.
- Conducting mock drills in the Generation and Distribution divisions as per the Crisis Management Plan (CMP).

## Disaster Management Plan

A disaster management plan and a comprehensive set of standard operating procedures is in place for pre, during & post disaster activities to mitigate the risk of cyclones and floods. Disaster management is governed by three layered structures: Apex Disaster Management Group (ADMG), CDMG (Central Disaster Management Group) and NDMG (Nodal Disaster Management Group) with defined responsibility matrix to oversee the execution of the plan. The plan entails a 3-tier approach focused on communication & coordination, redundancy enhancement and resource augmentation to ensure adequacy of preparation during cyclone, nor 'westers, flood, and earthquake.

Web Link: <https://www.cesc.co.in/storage/uploads/sustainability/CESC%20ESG%20Report%202021-22.pdf>

### 8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The Company has identified no risk associated with violation of environmental laws amongst value chain members assessed during the reporting period.

### 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

1.6% of value chain members have been exercised for the Supplier Due Diligence process which includes assessment for environmental impacts.

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

#### Essential Indicators

#### 1. a. Number of affiliations with trade and industry chambers/ associations.

The Company is associated with 17 industry chambers/ associations.

#### b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1	Confederation of Indian Industries (CII)	National
2	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
3	The Committee of International Council on Large Electric Systems, India (CIGRE)	National
4	India Smart Grid Forum (ISGF)	National
5	National Safety Council (NSC)	National
6	Central Board of Irrigation & Power (CBIP)	National
7	All India Management Association (AIMA)	National
8	National HRD Network (NHRDN)	National
9	Employers' Federation of India (EFI)	National
10	Administrative Staff College of India (ASCI)	National
11	Quality Circle Forum of India (QCFI)	National
12	Council of Power Utility	National
13	Bureau of Indian Standards (BIS)	National
14	Institute of Electrical and Electronics Engineers (IEEE)	National
15	Calcutta Management Association (CMA)	State
16	British Council Limited (BCL)	State
17	State Productivity Council	State



2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of case	Corrective action taken
N.A.		

N.A. - Not Applicable

#### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether Information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly /Others – please specify)	Web Link, if available
N.A.					

N.A. - Not Applicable

#### Principle 8 Businesses should promote inclusive growth and equitable development

##### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
SIA was not undertaken during the reporting period.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
No Rehabilitation and Resettlement is being undertaken by the Company						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company aims to support underprivileged communities through its CSR initiatives, in a way that is both considerate and effective, with the goal of improving their quality of life.

The Company's CSR team selects non-profit organisations based on their expertise and experience to implement CSR activities on the ground. All CSR projects ensure beneficiary and stakeholder involvement through formation of groups, where they can share their views as well as voice their grievances. Apart from regular discussions between implementing partners and communities, the Company has a system of conducting quarterly review of CSR projects during which stakeholders can voice their concerns and grievances and appropriate redressal initiatives are taken.

The Company also undertakes an Annual Beneficiary Perception Survey to understand the effectiveness of the CSR programmes. Through the surveys, the Company can identify the gaps if any among between the activities and the needs of the community. Based on the same, the CSR programmes are further customised.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	3.10%	3.26 %
Sourced directly from within the district and neighbouring districts	65.93%	68.72 %

## Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above).

Details of negative social impact identified	Corrective action taken
SIA was not undertaken during the reporting period.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

S. No.	State	Aspirational District	Amount spent (In INR)
The Company has not invested in any community development programmes in the aspirational districts identified by Niti Aayog			

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

As part of Company's commitment towards its procurement activities, the Company looks forward in exploring opportunities to actively identify, develop and do business with diverse supplier groups.

CESC has developed Inclusive Growth and Equitable Development Policy, which outlines the Company's commitment towards conducting business responsibly in recognition to the social and economic development concerns and builds upon the national and local sustainable development agenda. CESC constantly emphasises on the procurement practices from local suppliers. This not only contributes towards the cost savings on logistics, but also aids in cutting down vehicular emissions. Additionally, local procurement practices also boost the local economy.

Aligned with the provisions of the Inclusive Growth and Equitable Development Policy, the Company is committed to establishing a competitive and sustainable value chain linked to the businesses which create sustainable livelihoods, especially for vulnerable communities.

- b) From which marginalised/vulnerable groups do you procure?

The Company actively identifies, develops diverse suppliers' group as an integral component of its procurement practices. To promote supplier diversity and inclusion in the supply chain, the Company engages with supplier groups that are of small and medium scale and whose proprietor is a woman, transgender, or person with disability as vulnerable.

The Company procures from these vulnerable suppliers proactively.

- c) What percentage of total procurement (by value) does it constitute?

The Company shall try to develop a mechanism to capture the required data in the years to come.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

S. No.	Intellectual Property Based on Traditional Knowledge	Owned/Acquired (Yes/No)	Benefit Shared (Yes/No)	Basis of Calculating Benefit
N.A.				

N.A. - Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
N.A.				

N.A. - Not Applicable

## 6. Details of beneficiaries of CSR Projects:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
Akshar	<ul style="list-style-type: none"> <li>Children – 504</li> <li>Guardians– 690</li> <li>Formal School Teachers – 69</li> </ul>	100%
Muktangan	<ul style="list-style-type: none"> <li>Children– 243</li> <li>Guardians– 369</li> <li>Formal School Teachers – 35</li> </ul>	100%
Indradhanush	<ul style="list-style-type: none"> <li>Children – 481</li> <li>Guardians – 1675</li> <li>Formal School Teachers – 16</li> </ul>	100%
SNEH	<ul style="list-style-type: none"> <li>Women – 4897</li> <li>Children– 595</li> </ul>	100%
Health Camps	<ul style="list-style-type: none"> <li>536 persons</li> </ul>	100%
Jaldhara Rainwater Harvesting	<ul style="list-style-type: none"> <li>3000 persons</li> </ul>	100%
Kiran	<ul style="list-style-type: none"> <li>1000 slum dwellers</li> </ul>	100%
Urja Chetna	<ul style="list-style-type: none"> <li>Students – 5869</li> <li>Teachers – 325</li> </ul>	100%
Eklavya - CESC Skill Academy	<ul style="list-style-type: none"> <li>Trained – 1622</li> <li>Placed – 1043</li> </ul>	100%

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

## Essential Indicators

## 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

In line with the Regulatory Guidelines, CESC has put in place a Grievance Redressal Forum (GRF) consisting of Officers Grievance Redressal Officers (GROs) and Central Grievance Redressal Officers (CGROs). All consumer having grievances can approach his/ her concerned GRO with his/ her complaint. The concerned officers will deal with the complaint in accordance with the Regulatory Guidelines and give a reasonable solution after hearing the complainant and representing officer of CESC.

Apart from the aforesaid Grievance Redressal Forum, a consumer can also lodge complaints to CESC through Letter, Mail, Telephone (24x7 call centre) or through other digital platforms like CESC's Website, Mobile App and Chat Bot.

Any complaints resulting from an outage when received is docketed in Customer Relationship Management (CRM) system and the message is relayed to the LT control room engineers who dispatch the mobile field crew. Generally a SMS is sent to concerned consumers regarding the occurrence of the fault and the expected restoration time. Implementation of Outage Management System application synced with SCADA provides real time information regarding outages. Any delay with regards to restoration of supply is flagged in the CRM dashboard, which is monitored 24x7 by LT Control Room Engineers, who expedite the supply restoration.

## 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	N.A.
Safe and responsible usage	
Recycling and/or safe disposal	

N.A. - Not Applicable

	FY 2022-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Delivery of essential services	1111	15	None	922	13*	None
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None
Other	0	0	None	0	0	None

\*Includes the pending complaints received during previous years

#### 4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	N.A.	
Forced recalls		

N.A. - Not Applicable

#### 5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a cybersecurity framework in place and has put in mechanisms for tackling and mitigation of cyber risks and data privacy threats.

The framework is crucial in safeguarding the business processes against potential security breaches and preventing any misuse of customer data. To ensure the commitment, Company is following structured processes that are enabled by implementing the ISO 27001:2013 standard guidelines.

Every year, the Company undertakes a rigorous cybersecurity assessment through Computer Emergency Response Team (CERT-In) empanelled assessors for all our processes and frameworks. During the programme, all our security systems, policies and controls are assessed and validated against applicable regulations and cybersecurity guidelines of CEA or National Critical Information Infrastructure Protection Centre (NCIIPC).

As part of Company's 2030 targets, the aim is to expand the implementation of the Information Security Management System (ISMS) outlined in ISO 27001 and ISO 27031 to cover other areas such as generation and distribution functions. Additionally, CESC plans to implement ISO 22301:2019 (Business Continuity Management System) in a phased approach, leading to a comprehensive compliance management program.

Web Link: <https://www.cesc.co.in/sustainability>

#### 6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No cases or incidents around issues pertaining to advertising, and delivery of essential services, cybersecurity and data privacy of customers has been reported in the financial year.

However, any general complaints resulting from an outage when received is docketed in Customer Relationship Management (CRM) system and the same is visible to the Regional Reporting Centres (RRC) in the system. They act by sending mobile field crew to the site and attend the complaints. Also, in certain cases message is received through Police or Other Agencies by our Security Control room of CESC for cases pertaining to Emergency situations like Fire, Conductor snapping etc. who in turn relay it to the LT control room from where dockets are generated taking the help of Call Centre and the said complaint is attended through the RRC who dispatch the mobile field crew to site and gets the complaint attended. For any type of complaints based on our empirical mapping of Customer to Distribution Transformers and availability of valid Mobile numbers. Generally a SMS is sent to concerned consumers regarding the occurrence of the fault and the expected restoration time. For cases related to HT outages, Implementation of Outage Management System application synced with SCADA provides real time information regarding outages. Any delay with regards to restoration of supply is flagged in the CRM dashboard, which is monitored 24x7 by LT Control Room Engineers, who expedite the supply restoration.

Additionally, all the control rooms are enabled with sensor based IoT platform and drones for online health monitoring and predictive maintenance of the Network & Equipment to ensure uninterrupted power supply (24x7). HT & LT Command Centres backed up with GIS technology, enables quick mobilisation of gangs through Crew Management App along with GPS tracking to quickly attend the affected places. The Company prioritises prompt restoration of power for healthcare facilities and major drainages within 30 mins through RMU automation.

### Leadership Indicators

**1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

Details about the Company's offerings can be found on the Company's website. Please visit the following web links to access the same:

CESC Website: <https://www.cesc.co.in/home>

CESC ESG Report: <https://www.cesc.co.in/storage/uploads/sustainability/CESC%20ESG%20Report%202021-22.pdf>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

CESC takes all the necessary steps to ensure safe use of electricity by deploying various means to create awareness. These includes:

- Branding of all call centre vehicles with safety messages.
- Organising safety workshops for electricians and residents of housing complexes on online platforms through webinars and social media.
- Safety mailers on electrical safety aspects through electricity bills and in the form of leaflets with special emphasis during the monsoon season.
- Awareness campaigns through loudspeakers in auto rickshaws during monsoons.
- Organising tableau movements in collaboration with the local police authorities and broadcasting safety messages in vernacular language around the lanes and bye-lanes of identified areas during the monsoons.
- Displaying safety posters and hoardings at strategic locations in the city.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Through the CRM system, the affected consumers are informed via SMS the fault and the estimated time for restoration. The Outage Management System application also helps in process by working in sync with SCADA to monitor the real time progress. Any delay in restoration also reflects on the CR, dashboard and is communicated to the consumers. The HT & LT Command Centres are also backed up with GIS technology, enabling quick mobilisation of restoration. The call centre agents call back to the affected consumers and reconfirms about supply restoration.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.**

Not Applicable.

**Did your entity carry out any survey about consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

CESC values the suggestions and feedback of its customers to ensure high level quality service and maximising customer satisfaction. The Company provides dedicated attention to the analysis of customer feedbacks, to understand customer perception, so that appropriate corrective actions are timely implemented without compromising customer satisfaction. To remain competitive and aligned to the market requirements, we conduct two levels of perception.

**On call surveys-** Daily on-call surveys by third party agents for feedback on the ease, efficacy & behaviour of the personnel involved in delivery of services pertaining to supply restoration service, supply call centre service, meter fixing service, meter reading & billing helpline service.



**Online digital surveys-** Feedback on digital services are obtained through a website, considering the customer's overall experience including parameters like how easy it was to access the exact service required, and how simple it was to complete the transaction.

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact: Nil
- b. Percentage of data breaches involving personally identifiable information of Customers: Nil

On behalf of the Board of Directors

Place : Kolkata  
Date : May 22, 2023

**Dr. Sanjiv Goenka**  
Chairman  
DIN: 00074796

# SECRETARIAL AUDIT REPORT

(Annexure 'F' to the Board's Report)

For the financial year ended on March 31, 2023

*[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To  
The Members,  
CESC Limited  
Regd Office-CESC House,  
Chowringhee Square  
Kolkata-700001

1. We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. CESC Limited (CIN: L31901WB1978PLC031411)** (hereinafter to be referred as the **"Company"**) for the financial year ended 31<sup>st</sup> March, 2023 (herein after to be referred as **"audit period"**). Secretarial Audit was conducted on test check basis, in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.
2. Based on our verification of the records, minute books, documents, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents, and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the 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.
3. (i) We have examined the records, minute books, documents, forms, returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) 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;
  - (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - 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, as amended;
    - d) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;
    - e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended;
    - f) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; -Not Applicable during the audit period.

- g) 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.
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; - Not Applicable during the audit period.
- i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; - Not Applicable during the audit period.

And to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions of the above mentioned Acts, Regulations and Rules made thereunder, during the aforesaid audit period.

- (ii) We understand, based on representation made by the management that the Company has complied with the provisions of the following specific laws during the audit period;

- a) The Electricity Act, 2003
- b) The Electricity Rules, 2005
- c) The Energy Conservation Act, 2001

- (iii) We have also examined the Structured Digital Database pursuant to Regulation 3(5) and 3(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015 maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the provisions pursuant to Regulation 3(5) and 3(6) of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 2015, during the aforesaid audit period.

- 4. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India under Section 118(10) of the Companies Act, 2013 and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the aforesaid Secretarial Standards issued under Section 118(10) of the Companies Act, 2013 during the aforesaid audit period.

- 5. That on the basis of the audit as referred above, to the best of our knowledge, understanding, and belief, we are of the view that during the audit period the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above in Paragraphs 3(i), Paragraph 3(ii), Paragraph 3(iii) and Paragraph 4 of this report and to the best of our knowledge, belief and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provisions thereof, during the aforesaid audit period.

- 6. We have checked the compliance with the provisions of the Standard Listing Agreement entered by the Company with BSE Limited and National Stock Exchange of India Limited and also with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable during the audit period and to the best of our knowledge, belief, and understanding, we are of the view that the Company has complied with the secretarial functions and board processes to comply with the applicable provisions thereof, during the aforesaid audit period.

- 7. We further report that,

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors, and Woman Director. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.
- b) Adequate notices are given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance.
- c) Majority decision is carried through and recorded as part of the minutes.

- 8. We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, generally applicable to Company.

- 9. We further report that the Company has issued and allotted 5,000 secured unlisted redeemable rated non-convertible debentures having a face value of ₹ 10 lakh each aggregating to ₹ 500 Crore, on a private placement basis, to Axis Bank Limited having its registered office at "Trishul" -3rd Floor Opp. Samartheshwar temple, Near Law Garden, Ellisbridge, Ahmedabad -380006.

- 10. This report is to be read with our letter of even date which is annexed as '**Annexure A**', forming an integral part of this report.

**FOR, ANJAN KUMAR ROY & CO.**  
Company Secretaries

**ANJAN KUMAR ROY**

Proprietor  
FCS No. 5684  
CP. No. 4557

Place : Kolkata

Date : May 22 2023

UDIN: F005684E000316731

Peer Review Certificate No. 869/2020

## 'Annexure A'

*(To the Secretarial Audit Report of M/s. CESC Limited for the financial year ended March 31, 2023)*

To  
The Members,  
CESC Limited  
Regd Office-CESC House,  
Chowringhee Square  
Kolkata-700001

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we have followed provides a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test check basis.
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.

**FOR, ANJAN KUMAR ROY & CO.**  
Company Secretaries

**ANJAN KUMAR ROY**  
Proprietor  
FCS No. 5684  
CP. No. 4557

Place : Kolkata  
Date : May 22, 2023

UDIN: F005684E000316731  
Peer Review Certificate No. 869/2020

# SECRETARIAL AUDIT REPORT

(Annexure 'F1' to the Board's Report)

Form MR - 3

## SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2023

*[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  
NOIDA POWER COMPANY LIMITED

We have conducted the secretarial audit of the compliance with the applicable statutory provisions and the adherence to good corporate practices by NOIDA POWER COMPANY LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, whereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the 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 31st March, 2023 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not applicable to the Company during the Audit period);**
3. The Depositories Act, 1996 and the Regulations and Bye-law framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas

Direct Investment; **(Not applicable as there was no reportable event during the financial year under review);**

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- **(Not applicable as there was no reportable event during the financial year under review);**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - **(Not applicable as there was no reportable event during the financial year under review);**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- **(Not applicable as there was no reportable event during the financial year under review);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Purchase Scheme) Guidelines, 1999- **(Not applicable as there was no reportable event during the financial year under review);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - **(Not applicable as there was no reportable event during the financial year under review);**
  - (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- (Applicable to the Company during the Audit period pursuant to Companies (Prospectus and Allotment of Securities) Third Amendment Rules 2018, Rule 9A w.e.f. 2nd October, 2018);



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - **(Not applicable as there was no reportable event during the financial year under review);** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - **(Not applicable as there was no reportable event during the financial year under review);**
6. Other laws specifically applicable to the Company as per the representation made by the management:
- (a) The Electricity Act, 2003.
- (b) Policies, Rules and Regulations framed by the Authorities like Uttar Pradesh Electricity Regulatory Commission, Central Electricity Authority, Ministry of Power, Central Electricity Regulatory Commission etc. under the provisions of Electricity Act, 2003.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.
- As per the minutes, the decisions at Board Meetings and Committee Meetings were carried out unanimously;

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

**FOR V. AGNIHOTRI & ASSOCIATES.**

Company Secretaries

**Vaibhav Agnihotri**

(Proprietor)

Mem No. 10363

C. P. No.: 21596

Place: Kanpur

Peer Review No.: 2065/2022

Dated: May 20, 2023

UDIN: F010363E000342233

Note: This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.

## 'Annexure A'

To  
The Members  
NOIDA POWER COMPANY LIMITED

Our Secretarial Audit Report of even date for the financial year 2022-2023 is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that systems are adequate and operate effectively.

### Auditor's Responsibility

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

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records.

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

5. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.

### DISCLAIMER

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.

7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**FOR V. AGNIHOTRI & ASSOCIATES.**

Company Secretaries

**Vaibhav Agnihotri**

(Proprietor)

Mem No. 10363

C. P. No.: 21596

Peer Review No.: 2065/2022

UDIN: F010363E000342233

Place : Kanpur  
Date : May 20, 2023

# SECRETARIAL AUDIT REPORT

(Annexure F2 to the Boards' Report)

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2023

*[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,  
Haldia Energy Limited  
2A, Lord Sinha Road,  
First Floor  
Kolkata -700071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Haldia Energy Limited** (hereinafter called 'the Company') having (CIN-U74210WB1994PLC066154) Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the 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 31st March, 2023 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made there under;
- b) 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 **(The Company did not have any Foreign Direct Investment during the financial year);**

- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(The Company complied with provisions of the Depositories Act, 1996 to the extent applicable).**

We have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company and on examination of the documents and records in test check basis.

### The followings are the other laws as specifically applicable to the Company:

- a) The Electricity Act, 2003;
- b) The Factories Act, 1948;
- c) The Payment of Bonus Act, 1965;
- d) The Industrial Disputes Act, 1947;
- e) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- f) The Employees' State Insurance Act, 1948;

The Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines etc. were not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021;

- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

During the financial year ended on 31st March, 2023, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors during the period under review.

Adequate notice were 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.

The report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.

Majority decision is carried through while the dissenting member's view, if any are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period, the members of the Company has approved the following specific events/action:

- 1) Approval for the appointment of Messrs. Kunal & Associates, Chartered Accountants (ICAI Firm Registration Number 316003E), as the Statutory Auditors of the Company for a second term of five (5) consecutive years to hold office from the conclusion of this Twenty-seventh (27th) Annual General Meeting (AGM) till the conclusion of the Thirty-second (32nd) AGM of the Company.
- 2) Creation of mortgage/ charge , on the properties of the Company, in favour of IDBI Trusteeship Services Limited and/or any one or more of the Lender(s) , to secure term loan / working capital loan on first pari passu basis.

**FOR M/S MANOJ SHAW & CO**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

Place: Kolkata  
Date: May 19, 2023

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO: 1243/2021  
UDIN: F005517E000335101

## "Annexure A"

To,  
The Members,  
Haldia Energy Limited,  
2A, Lord Sinha Road,  
First Floor  
Kolkata -700071

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
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.

**FOR M/S MANOJ SHAW & CO**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO: 1243/2021  
UDIN: F005517E000335101

Place: Kolkata  
Date: May 19, 2023



# SECRETARIAL AUDIT REPORT

(Annexure 'F3' to the Boards' Report)

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2023

*[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,  
Dhariwal Infrastructure Limited  
CESC House, Chowringhee Square,  
Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Dhariwal Infrastructure Limited** (hereinafter called 'the Company') having (CIN-U70109WB2006PLC111457). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the 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 31st March, 2023 according to the provisions of:

- The Companies Act, 2013 (the Act) (including amendments made thereto) and the rules made there under;
- 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 **(The Company did not have any Foreign Direct Investment during the financial year);**
- The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(The Company complied with provisions of the Depositories Act, 1996 to the extent applicable).**

We have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company and on examination of the documents and records in test check basis.

### The followings are the other laws as specifically applicable to the Company:

- The Electricity Act, 2003;
- The Factories Act, 1948;
- The Payment of Bonus Act, 1965;
- The Industrial Disputes Act, 1947;
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- The Employees' State Insurance Act, 1948;

The Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines etc. were not applicable to the Company:

- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - 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 and Sweat Equity) Regulations, 2021;
  - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the financial year ended on 31st March, 2023, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors. The changes which took place in the composition of the Board of Directors during the period under review were in compliance with the Act.

Adequate notices were 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.

Majority decision is carried through while the dissenting member's view, if any are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Members of the Company have accorded their consent for the following specific events/ actions having a major bearing on the Company's affairs:-

- Reappointment of Mr. Bhaskar Kumar Ganguly (DIN: 09145209), Whole time Director of the Company, with effect from April 01, 2022 to March 31, 2023, and approval of the remuneration payable to him thereof;.
- Payment of a remuneration of Rs. 4,50,000/- to M/s Shome & Banerjee, Cost accountants, the Cost auditors of the Company for the Financial year ending 31.03.2023.

**FOR M/S MANOJ SHAW & CO.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO: 1243/2021  
UDIN: F005517E000337816

Date: May 19, 2023  
Place: Kolkata

The report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report

## Annexure - A

To,  
The Members,  
Dhariwal Infrastructure Limited  
CESC House, Chowringhee Square,  
Kolkata- 700001

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

### Management's Responsibility:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
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.

**FOR M/S MANOJ SHAW & CO.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO: 1243/2021  
UDIN: F005517E000337816

Place: Kolkata  
Date: May 19, 2023

# PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. FOR THE YEAR ENDED MARCH 31, 2023

(Annexure 'G' to the Board's Report)

## 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. Standardisation 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 Capitalisation as a bid evaluation criterion as an ongoing process.
5. Installing around 800 nos. Modified Pillar Boxes with HRC fuses.

## B. Additional investment/proposals

1. During the year, several major plant and equipment and lines were commissioned. These include:
  - a) Providing supply of 3 MVA power at 33 kV to Fort Gloster Industries Limited by commissioning of 33 kV feeders and 3-Panel 33 kV SBB GIS at consumer's switchroom. The Company is also in the process of supplying power to a number of upcoming 33 kV bulk consumers comprising of municipal water treatment plants, WBTC bus depots etc.
  - b) 67 Nos Distribution Transformers (DTs) aggregating 29.81 MVA were added during the year taking the installed base to 8786 DTs and 3024 MVA.
  - c) Laying & commissioning of 33kV feeders to provide supply to Joka Receiving Substation of Joka-BBD Bag Metro corridor of Kolkata metro.
  - d) Lengths of lines added at different voltage levels were 11.843 ckm at 33 kV, 42.983 ckm

at 11 & 6 kV and 129.362 ckm of LT lines. The overall lengths of lines at the different voltages at FY end 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.
- A pilot project for Peer to Peer (P2P) power transfer using blockchain platform of Powerledger, Australia has been implemented successfully with about 1000 meters. Assessment of different trading models with consumers and prosumers has been tested. Such platform would facilitate penetration of RE power and help in demand control in the interest of consumers and the Company.
- Improving Grid Resiliency under extreme weather events is of paramount importance given back-to-back cyclones over the last few years. CESC has undertaken an in-depth study for improving its distribution network resiliency in association with IIT, Kharagpur.
- Electric Vehicle Charging Station (EVCS) will put a major thrust on electricity distribution system in near future. CESC has undertaken a pilot project on 'EV Charging Optimiser' in collaboration with Itron, USA for assessment of impact EV load in its System.
- A microgrid with 100 kWp floating solar PV plant and 218 kWh BESS has been commissioned

inside one of the substations. The micro- grid will provide uninterrupted power supply for local loads inside the station sourcing 100% green power.

- Subscribed to Technology driven electric bike rental platform for in-house commute and captive usage at various locations. Furthermore, CESC has introduced electric three wheelers for captive use.
- Several establishments of the Company comprising of office spaces and substations are converted to certified green buildings. Patuli S/S is certified as 'LEED' Platinum green building while B.T. Road S/S and Prinsep Street S/S are certified as 'LEED' Gold green buildings under 'O&M' category during the financial year.
- AR (Augmented Reality) technologies like SLAM (Simultaneous Localisation & Mapping) and Image Target AR are deployed in PoC mode for development of interactive applications. These help in manpower optimisation, faster & effective decision making at site and offering better training experience to the employees. SLAM technology is being used for virtual placement of equipment viz. 33 kV RMU, LT pillar box, meter arrangement etc. at site utilising in-built camera of mobiles/ tablets. It helps to anticipate the probable issues that may arise during actual installation of equipment. Image Target AR application helps in 3D visualisation of assets along with sections from 2D layouts.
- Development of an interoperable 4G smart metering ecosystem, meeting special needs like 'Street Lighting Solution', 'Net Metering/ Billing' etc. Around 40,000 smart meters running on RF-Mesh & Cellular have been installed in CESC system.
- Installation of Class-A Power Quality meters at 33 kV Consumer premises and CESC substations, for 24x7 remote monitoring of Power Quality, have been introduced in FY 2022-23 in line with CEA guidelines.
- Real-time monitoring of hot spot in out-door yard using thermal cameras.
- Drone based infra-red thermography of outdoor yard and 33kV Over-Head Lines.
- Thermographic scanning of LT Junction-Boxes installed in Over Head Co-axial cable network and LT Areal Bunch Conductors.
- 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.
- Introduction of Automation in LT network, first of its kind by an Indian Utility. Pilot trials of IoT based remote monitoring and control system for LT side of Distribution Transformers, feeding power to water logged and theft prone areas, have been successfully implemented in FY 2022-23.
- Around 2050 nos. Automatic Power Factor Controllers (APFC) in LT distribution network for effective capacity utilisation and loss reduction.
- Installation of Battery Energy Storage System (BESS). The Company has Installed BESS of 315 kWh capacity in association with Exide Industries. BESS is targeted to address frequency regulation, solar intermittency, peak power shaving and supply voltage improvement. A series of studies have been undertaken by the Company to contemplate a plan for installing a larger grid-scale BESS.
- Large-scale application of combined Partial Discharge, Temperature & Humidity monitoring & alarm generating sensors.
- Incorporated Industrial IoT based Field Devices/ Sensors for real-time condition monitoring of Power & Distribution Transformers. IoT based voltage monitoring & alarm generation system developed to detect Overhead LT faults. IoT based motorised CFS remotely controllable unit developed for LT Sides of DTRs, thereby helping in remote isolation of DTRs during water logging as a safety measure.
- IoT powered supply monitoring system developed for Covid-cold-chain establishments and hospitals
- IoT powered Fault Passage Indicator monitoring system in 6/11 kV Ring Main Units for faster restoration of supply.
- Integration of Dissolve Gas analyzer system into Transformer IoT Monitoring System for unified visibility.
- Phasewise replacement of Old Electromechanical relays by IEC 61850 compatible Numerical relays.
- Implementation/ extension of Special Protection Scheme (like Budge Budge Lock Out, Under Frequency) across the system.



- Implementation of IEEE C37.94 Line-Differential protection system (for specific relays) helping lower the dependence on a particular OFC fibre.
  - Digitalisation initiatives covering protective relays, networking of relays, monitoring of communicability status of numerical relays implemented.
  - PMU (Phasor Measurement Unit) 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 (FFA) in meter replacement activity, thereby improving TAT and making the process paperless. The mobile Application is ably supported by a wholly digitised back-end system with unique features like automatic scheduling and automatic allotment of jobs based on geographical distribution, historical data etc. Field Force Automation Tools developed for Transformer as well as Cable fault tests at sites. Developed AI/ML Based Predictive screening of Metering Complaints.
  - Assessment of residual life for transformers by use of technology.
  - Development of smart metering in high end consumer metering segment and it's integration with the existing HES.
  - CESC is In the process of upgradation of existing optical fibre based SDH/PDH communication backbone to cutting edge 10G ready MPLS-TP communication system to cater to all mission critical, latency sensitive OT services. Phase 1 already completed.
  - Use of ADSS (All Dielectric Self Support) OFC cables instead of normal aerial OFC.
  - Registered applications for Patents for a few innovations / technology absorption.
  - Have undertaken an advanced AI/ML based Demand Forecast Study in collaboration with ISI, Kolkata.
  - Installation of Solar PV cell at company's establishments.
  - Exploring alternatives of SF6 gas in switchgears at all voltage levels to reduce Carbon foot print.
- 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 ₹ 0.62 Crore during the year (previous year ₹ 0.34 Crore).**
- E. Foreign Exchange Earnings and Outgo**
- There have been no foreign exchange earnings during the year (previous year – Nil ). The total foreign exchange outgo was ₹ 2.98 Crore (previous year ₹ 2.41 Crore).

On behalf of the Board of Directors

**Dr. Sanjiv Goenka**

Chairman

DIN: 00074796

Date : May 22, 2023

Place: Kolkata

## 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 'H' to Board's Report)

(1) The ratio of the remuneration (including sitting fees) of the Directors - Mr. Debasish Banerjee, Mr. Pratip Chaudhuri, Mr. Chandra Kumar Dhanuka, Dr. Sanjiv Goenka, Mr. Shashwat Goenka, Mr. Pradip Kumar Khaitan, Mr. Sunil Mitra, Ms. Rekha Sethi and Mr. Debanjan Mandal to the median remuneration of the employees of the Company for the financial year 2022-23 and increase in their remuneration during the said financial year (Percentage) is 58.99:1 (7.24%), 2.13:1, (-14.21%), 2.13 : 1, (-11.54%), 146.05 :1, (22.21%), 144.94 : 1 , (22.61%), 1.66 :1, (-10%), 1.11 :1, (-25%), 1.94 :1, (5%) and 1.57 :1, (13.33%) respectively. The increase in remuneration of the Executive Director & CFO during the said financial year was 5.20%. Increase in remuneration of the Company Secretary during the said financial year over the last financial year is not comparable as the Company Secretary had been in office for part of the last year. During the financial year, there was an increase of 9.34 % in the median remuneration of employees on the rolls as at March 31, 2023. There were 6469 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2022-23 the average increase in remuneration was 9.55%. (3) The average percentage increase in the salaries of employees on roll as at 31.3.2023 other than the managerial personnel was 9.62 % in 2022-23 whereas the increase in the managerial remuneration for the same financial year was 7.05%. (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

**Dr. Sanjiv Goenka**

Chairman

DIN: 00074796

Place: Kolkata

Date : May 22, 2023

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited

## Report on the Audit of the Standalone Financial Statements

### OPINION

We have audited the accompanying standalone financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31 2023, 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 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 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, 2023, 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 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 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 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 financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

#### 1. Accrual of regulatory income/expense and corresponding asset / liability (Refer Note 39)

##### Key Audit Matters:

The Company recognizes regulatory income/expense/ 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 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 appropriate discounting rate.

In consideration of the significance of the amount of the 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 comprised of the following:

- We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls related to accrual of such regulatory balances.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- We considered the Company's accounting policies with respect to accrual for regulatory deferral account balances and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts".
- 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 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 assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".

### 2. Investments in subsidiaries of the Company (Refer Note 7)

#### Key Audit Matter:

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

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, wherever required, was determined to be a key audit matter in our audit of the standalone financial statements.

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

Our audit procedures included the following:

- We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment of such investments.
- We discussed with the management the methodology and assumptions used in the valuation including discount rates, expected growth rates and terminal growth rates.
- We read and evaluated the audited financial statements of these subsidiary companies of past few years. We discussed potential changes in key drivers as compared to previous year / actual performance with management to evaluate the inputs and assumptions used in the forecasts.
- We evaluated the objectivity, independence and competence of the external valuation specialists involved by the management for such valuation.
- In performing the above procedures, we involved internal valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. We also evaluated the objectivity and competence of such internal valuation specialists involved in such independent review.
- We obtained suitable management representation on the projections of future cash flows and the various assumptions used in the valuation.
- We tested the arithmetical accuracy of the financial projections.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

**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 information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 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 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 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 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.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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 financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2023 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, 2020 ("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 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to these standalone 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, 2023 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;



## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (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 financial statements – Refer note 31 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Navin Agrawal**

Partner

Place of Signature: Kolkata

Date: May 22, 2023

Membership Number: 056102

UDIN: 23056102BGUUX1155

## ANNEXURE '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: CESC Limited ("the Company")

**In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the standalone financial statements included in Property, Plant and Equipment are held in the name of the Company, except for the following:

Description of Property (Leasehold Land)	Amount in ₹ crores	Held in name of	Whether promoter/ director/ relative/ employee	Period held	Reason for not being held in name of Company
Pagladanga DS	2.72	West Bengal Small Industries Corporation Ltd	No	1999	The Company has applied for renewal.
Rabindra Sadan DS	3.80	Governor of State Of West Bengal	No	1985	The Company has applied for renewal.
Auckland Square DS	5.04	The Calcutta Municipal Corporation	No	1994	The Company has applied for renewal.
Southern Generating Station	101.74	Kolkata Port Trust	No	1925	In the process of renewal.
Taltala DS	0.91	Governor of State Of West Bengal	No	1968	In the process of renewal.
Saint James Square Rectifier Station	4.17	Governor of State Of West Bengal	No	1964	In the process of renewal.
Budge Budge Generating station	71.43	Governor of State Of West Bengal	No	1991	Applied for renewal of the lease.
BBD BAG Substation	14.85	Governor of State Of West Bengal	No	1989	In the process of renewal.
Balagarh	2.86	Governor of State Of West Bengal	No	1995	Applied for renewal.
Bally DS	1.12	Indian Railways	No	1993	In the process of renewal.
Barisha DS	4.78	West Bengal Small Industries Corporation Limited	No	1980	Applied for renewal of lease.
Chingrihata DS	1.43	A.N. Properties & Finance Pvt. Ltd & Others	No	1995	In the process of renewal.
Foreshore Road DS	1.87	Kolkata Port Trust	No	1953	In the process of renewal.
Forest Rectifier Station	0.45	Governor of the State of West Bengal	No	1953	Applied for renewal.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Description of Property (Leasehold Land)	Amount in ₹ crores	Held in name of	Whether promoter/director/relative/employee	Period held	Reason for not being held in name of Company
Fort Gloster DS	0.90	Fort Gloster Limited	No	1957	In the process of renewal of the lease.
Hide Road DS	0.73	Kolkata Port Trust	No	1942	In the process of renewal of the lease.
Kankurgachi DS	1.80	Kolkata Metropolitan Development Authority	No	1988	In the process of renewal.
Linton Street Rectifier Station	0.96	Surya Narayan Nundy	No	1973	In the process of renewal.
Ludlow DS	0.42	Ludlow Jute Co. Ltd.	No	1957	In the process of renewal.
Naskarpara DS	0.41	Kolkata Metropolitan Development Authority (KMDA)	No	2000	Applied for renewal of lease.
Patuli DS	3.57	KMDA	No	1985	Applied for renewal of lease.
Taratala (West) D/S	1.18	KMDA	No	2015	Applied for renewal of lease.
<b>Total</b>	<b>227.14</b>				

- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (i) (e) As represented to us by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies were noticed on such physical verification.
- (ii) (b) As disclosed in note 26 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company.
- (iii) (a) During the year, the Company has given interest free loans to a subsidiary and employees aggregating to ₹ 39.91 crores and the balance outstanding as at March 31, 2023 aggregates to ₹ 45.06 crores.
- (iii) (b) During the year the Company has not provided guarantees and security to companies, firms, Limited Liability Partnerships or any other parties. The investments made and the terms and conditions of the loans granted are not prejudicial to the Company's interest.
- (iii) (c) In respect of loans/advances granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- (iii) (d) The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. There are no amounts of loans granted to companies, firms, Limited Liability Partnerships or any other parties which are overdue for more than ninety days.
- (iii) (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which

## INDEPENDENT AUDITOR'S REPORT (Contd.)

was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) 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 given, investments made and, guarantees and securities given have been complied with by the Company.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and

(vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Gross demand (₹ in crores)	Deposit under protest (₹ in crores)	Net demand (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs Duty	19.38	0.88	18.50	2012-13	Customs, Excise and Service Tax Appellate Tribunal.
Finance Act, 1994	Service Tax	14.71	-	14.71	April 2016-June 2017	Customs, Excise and Service Tax Appellate Tribunal.
CGST Act, 2017	Goods and services Tax	22.53	6.21	16.32	July 2017-March 2022	The Additional Commissioner/Joint Commissioner, CGST Kolkata North Commissionerate

(viii) As represented to us by the management, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(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 goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(ix) (b) As represented to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix) (c) Based on an overall examination of the Balance Sheet and information, explanations and representations provided to us, term loans were applied for the purpose for which they were obtained.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- (ix) (d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis aggregating to ₹ 667.49 crores for long-term purposes i.e. funding of regulatory assets.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture. The Company does not have any associate during the year.
- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies. The Company does not have any associate during the year. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) As represented to us by the management, no material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Act has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Act. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) As represented to us by the management, the Group has 5 Core Investment Companies as a part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 52 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying

## INDEPENDENT AUDITOR'S REPORT (Contd.)

the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII

of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 to the standalone financial statements.

- (xx) (b) All amounts that are unspent under section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 51 to the standalone financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Navin Agrawal**

Partner

Place of Signature: Kolkata

Date: May 22, 2023

Membership Number: 056102

UDIN: 23056102BGUUX1155



## ANNEXURE 2 To the Independent Auditor's Report of Even Date on the Standalone 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 with reference to standalone financial statements of CESC Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 ("ICAI"). 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 with reference to these standalone 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 with reference to these standalone 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone financial statements.

#### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Navin Agrawal**

Partner

Place of Signature: Kolkata

Date: May 22, 2023

Membership Number: 056102

UDIN: 23056102BGUUX01155

# BALANCE SHEET

AS AT 31ST MARCH, 2023

Particulars	Note No.	₹ in crore	
		As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non current Assets</b>			
Property, Plant and Equipment	4	13,828.82	14,089.77
Capital work-in-progress	4A	63.77	43.23
Investment Property	5	62.87	62.87
Intangible Assets	6	99.89	100.55
Financial Assets			
Investments	7	5,063.43	5,001.95
Loans	8	4.10	3.77
Others	9	236.50	220.81
Other non current assets	10	252.25	322.93
		<b>19,611.63</b>	<b>19,845.88</b>
<b>Current Assets</b>			
Inventories	11	501.71	434.35
Financial Assets			
Investments	12	-	13.96
Trade receivables	13	1,079.82	1,035.39
Cash and cash equivalents	14	395.62	859.64
Bank balances other than cash and cash equivalents	15	432.67	415.23
Loans		38.00	14.50
Others	16	109.53	110.40
Other current assets	17	246.29	229.74
		<b>2,803.64</b>	<b>3,113.21</b>
Regulatory deferral account balances	18	5,844.84	5,046.29
<b>TOTAL ASSETS</b>		<b>28,260.11</b>	<b>28,005.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	19	133.22	133.22
Other Equity	20	9,830.82	9,821.60
		<b>9,964.04</b>	<b>9,954.82</b>
<b>Liabilities</b>			
<b>Non current Liabilities</b>			
Financial Liabilities			
Borrowings	21	5,457.93	5,668.78
Lease Liabilities	22	96.07	112.47
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		53.06	50.81
Consumers' Security Deposits	45	1,673.61	1,563.64
Others		1.92	2.99
Provisions	23	490.72	475.50
Deferred tax liabilities (net)	24	3,334.60	3,360.05
Other non current liabilities	25	258.71	278.58
		<b>11,366.62</b>	<b>11,512.82</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	26	2,841.58	2,682.70
Lease Liabilities		26.85	27.48
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises	27	11.90	4.35
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	27	713.51	551.47
Others	28	1,026.00	1,133.93
Other current liabilities	29	605.41	460.67
Provisions	30	49.56	57.06
Current tax liabilities (net)		85.43	62.23
		<b>5,360.24</b>	<b>4,979.89</b>
Regulatory deferral account balances	18	1,569.21	1,557.85
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,260.11</b>	<b>28,005.38</b>
Notes forming part of Standalone Financial Statements	1-56		

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

For and on behalf of Board of Directors

**Navin Agrawal**

Partner

Membership No.: 056102

Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka**  
**Rabi Chowdhury**  
**Debasish Banerjee**  
**Rajarshi Banerjee**  
**Jagdish Patra**

**DIN: 00074796**  
**DIN: 06601588**  
**DIN: 06443204**

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in crore			
Particulars	Note No.	2022-23	2021-22
Revenue from operations	32	7,972.99	7,293.86
Other income	33	180.34	185.55
<b>Total Income</b>		<b>8,153.33</b>	<b>7,479.41</b>
<b>Expenses</b>			
Cost of electrical energy purchased		3,126.24	2,901.37
Cost of fuel	34	1,664.13	1,378.20
Purchase of stock-in-trade		13.55	15.24
Employee benefits expense	35	982.66	886.06
Finance costs	36	604.20	504.17
Depreciation and amortisation expense	37	479.88	470.51
Other expenses	38	1,010.11	995.74
<b>Total expenses</b>		<b>7,880.77</b>	<b>7,151.29</b>
<b>Profit before regulatory income/ (expense) and tax</b>		<b>272.56</b>	<b>328.12</b>
Regulatory Income/ (expense) (net)	39	787.20	716.14
<b>Profit before tax</b>		<b>1,059.76</b>	<b>1,044.26</b>
<b>Tax expense</b>	44		
Current tax		(254.87)	(253.24)
Deferred Tax (charge)/credit		25.44	24.77
<b>Profit for the year</b>		<b>830.33</b>	<b>815.79</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(13.14)	(19.49)
Income tax on above		3.16	4.73
Gain/(loss) on fair value of Investments		(0.04)	0.05
Deferred Tax (charge)/credit		0.01	(0.01)
Regulatory Income/ (expense) -Deferred tax		(0.01)	0.01
Other comprehensive Income for the year (net of tax)		(10.02)	(14.71)
<b>Total comprehensive income for the year</b>		<b>820.31</b>	<b>801.08</b>
Basic & Diluted Earnings per equity share (Face value of ₹ 1 per share)	47	6.26	6.16
Notes forming part of Standalone Financial Statements	1-56		

This is the Statement of Profit and Loss referred to in our Report of even date.

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

Chartered Accountants

Firm Registration Number -301003E/E300005

**Navin Agrawal**

Partner

Membership No.: 056102

Kolkata, 22nd May, 2023

For and on behalf of Board of Directors

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka** DIN: 00074796  
**Rabi Chowdhury** DIN: 06601588  
**Debasish Banerjee** DIN: 06443204  
**Rajarshi Banerjee**  
**Jagdish Patra**

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in crore

Particulars	2022-23	2021-22
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,059.76	1,044.26
Adjustments for :		
Depreciation and amortisation expense	479.88	470.51
Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net)	(0.59)	2.77
Gain on sale/ fair valuation of non current investments (net)	-	(28.42)
Gain on sale/ fair valuation of current investments (net)	(44.27)	(7.91)
Bad debts, advances (net) written off	34.03	24.53
Dividend Income	(17.84)	(14.86)
Finance costs	604.20	504.17
Interest Income	(24.35)	(22.87)
Other non-operating income	(31.87)	(61.54)
<b>Operating Profit before Working Capital changes</b>	<b>2,058.95</b>	<b>1,910.64</b>
Adjustments for change in:		
Trade & other receivables	24.88	(129.51)
Net Change in Regulatory Deferral Account Balances	(787.20)	(716.14)
Inventories	(67.35)	(54.44)
Trade and other payables	186.93	(71.52)
<b>Cash Generated from Operations</b>	<b>1,416.21</b>	<b>939.03</b>
Income Tax paid (net of refund)	(219.77)	(230.14)
<b>Net cash flow from Operating Activities</b>	<b>1,196.44</b>	<b>708.89</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(394.20)	(535.07)
Proceeds from Sale of Property, Plant and Equipment	3.90	4.76
Investment in subsidiaries including advance for share subscription	(65.57)	(70.03)
Sale of Subsidiary Company	-	163.93
Sale/(purchase) of Current Investments (net)	58.23	7.44
Net movement in Bank Balance other than Cash and Cash equivalents	(17.43)	(10.36)
Dividend received	17.84	14.86
Interest received	17.13	44.98
<b>Net cash used in Investing Activities</b>	<b>(380.10)</b>	<b>(379.49)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non Current Borrowings*	1,110.00	1,400.00
Repayment of Non Current Borrowings*	(798.73)	(721.97)
Net movement in Cash credit facilities and other short term borrowings	(361.89)	400.47
Payment of Lease Liabilities	(29.58)	(30.34)
Finance Costs paid	(606.19)	(475.36)
Dividend paid	(593.97)	(594.50)
<b>Net Cash used in Financing Activities</b>	<b>(1,280.36)</b>	<b>(21.70)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(464.02)</b>	<b>307.70</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 14]</b>	<b>859.64</b>	<b>551.94</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 14]</b>	<b>395.62</b>	<b>859.64</b>

\* Net of ₹ 850 crore (previous year : ₹ 484.36 crore) utilized for refinancing of borrowings.

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-22	Cash Flows	Others	31-Mar-23
Current borrowings	1,314.36	(361.89)	-	952.47
Non-Current borrowings (including current maturities)	7,056.04	311.27	-	7,367.31
Lease Liabilities	139.95	(29.58)	12.55	122.92
<b>Total liabilities from financing activities</b>	<b>8,510.35</b>	<b>(80.20)</b>	<b>12.55</b>	<b>8,442.70</b>

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-21	Cash Flows	Others	31-Mar-22
Current borrowings	913.89	400.47	-	1,314.36
Non-Current borrowings (including current maturities)	6,385.41	678.03	(7.40)	7,056.04
Lease Liabilities	154.38	(30.34)	15.91	139.95
<b>Total liabilities from financing activities</b>	<b>7,453.68</b>	<b>1,048.16</b>	<b>8.51</b>	<b>8,510.35</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

For and on behalf of Board of Directors

**Navin Agrawal**

Partner

Membership No.: 056102

Kolkata, 22nd May, 2023

Chairman

Managing Director - Generation

Managing Director- Distribution

Executive Director & CFO

Company Secretary

**Dr. Sanjiv Goenka**

**DIN: 00074796**

**Rabi Chowdhury**

**DIN: 06601588**

**Debasish Banerjee**

**DIN: 06443204**

**Rajarshi Banerjee**

**Jagdish Patra**

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2023

## 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 ₹ 1 each issued, subscribed and fully paid	-	-	-
As at 31st March 2022	133.22	-	133.22
As at 31st March 2023	133.22	-	133.22

## B Other Equity

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies		
Balance as at 1st April, 2022	10,311.81	(812.10)	316.67	5.22	9,821.60
Profit for the year	830.33				830.33
Other Comprehensive loss for the year (net of tax)	(9.98)			(0.04)	(10.02)
<b>Total</b>	<b>11,132.16</b>	<b>(812.10)</b>	<b>316.67</b>	<b>5.18</b>	<b>10,641.91</b>
Dividends paid	(596.51)				(596.51)
Transfer to/from retained earnings	(17.67)		17.67		-
Withdrawal of additional depreciation during the year	(214.08)				(214.08)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets	(0.50)				(0.50)
<b>Balance as at 31st March, 2023</b>	<b>10,303.40</b>	<b>(812.10)</b>	<b>334.34</b>	<b>5.18</b>	<b>9,830.82</b>

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies		
Balance as at 1st April, 2021	10,352.69	(812.10)	298.60	5.17	9,844.36
Profit for the year	815.79				815.79
Other Comprehensive loss for the year (net of tax)	(14.76)			0.05	(14.71)
<b>Total</b>	<b>11,153.72</b>	<b>(812.10)</b>	<b>298.60</b>	<b>5.22</b>	<b>10,645.44</b>
Dividends paid	(596.51)				(596.51)
Transfer to/ from retained earnings	(18.07)		18.07		-
Withdrawal of additional depreciation during the year	(225.30)				(225.30)
Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets	(2.03)				(2.03)
<b>Balance as at 31st March, 2022</b>	<b>10,311.81</b>	<b>(812.10)</b>	<b>316.67</b>	<b>5.22</b>	<b>9,821.60</b>

\* (refer note 20)

This is the Statement of Changes in Equity referred to in our Report of even date.

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

Chartered Accountants

Firm Registration Number -301003E/E300005

For and on behalf of Board of Directors

**Navin Agrawal**

Partner

Membership No.: 056102

Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka** DIN: 00074796  
**Rabi Chowdhury** DIN: 06601588  
**Debasish Banerjee** DIN: 06443204  
**Rajarshi Banerjee**  
**Jagdish Patra**



## 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) under Section 133 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:

- Investments, except investment in subsidiaries and Joint venture, are carried at fair value.
- 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 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 (WBERC/ 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 amortised over the estimated useful life of the assets

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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, that are factored 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 its fair value or value in use, whichever is higher.

Right-of-use assets are depreciated 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 a 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.

### (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 fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI).

Investment in subsidiaries and joint ventures are carried at cost or at deemed cost as considered

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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 unsecured assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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 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 and slow moving inventories are identified at the time of physical verification and provided for, where necessary.

**(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, if any, 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, if any, 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 amount settled duly considering impact of 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 or 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

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

duty collected from consumers and payable to the State Government.

The Company 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 consumer to the Company's distribution network. The Company recognises revenue in respect of such contributions when the performance obligations are met.

Income from meter rent is accounted for as per the approved rates.

### (n) Other Income

Income from investments and deposits, User fee income from investment property, etc is accounted on accrual basis as per contractual terms. 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 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 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, based on actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits. Actuarial gains and losses, are recognised through Other Comprehensive Income. Compensation in respect of voluntary retirement scheme is charged as an expense.

### (p) Finance Costs

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. 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 such assets are ready for their intended use. 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 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 claimable expenditure under the applicable regulations, current tax liability and deferred tax liability or asset is recoverable or payable, through future tariff. Hence, recognition of current tax liability and deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, to the extent 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

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

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, as applicable.

**(t) Regulatory deferral account balances**

The Company is a rate regulated entity and follows 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/Commission) and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances, at their present value duly considering appropriate discounting methodology in consonance with the applicable regulations and prudence. Regulatory Deferral Account balances being estimates are revised based on factual developments, including impact of regulatory orders.

**NOTE-2B SUMMARY OF SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS**

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions. 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 :-

- Estimate of useful life of Intangible Assets -Note -2A (e)
- Fair Valuation/Impairment assessment of certain Investments -Note-7 & Note-2 A (g)
- Estimation of Regulatory Deferral Account - 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 EXISTING IND AS**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022, but do not have any significant impact on the Standalone Financial Statements.

- (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37
- (ii) Reference to the Conceptual Framework – Amendments to Ind AS 103
- (iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16
- (iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter
- (v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- (vi) Ind AS 41 Agriculture – Taxation in fair value measurements

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, 2022	Add: Additions/ Adjustments	Less : Withdrawals/ Adjustments	As at 1st April, 2022	Add: Additions/ Adjustments	Less : Withdrawals/ Adjustments	As at 31st March, 2023	As at 31st March, 2022
Land *	3,053.29	-	-	3,053.29	19.12	-	2,896.21	2,915.33
Buildings and Structures **	941.27	17.25	0.70	957.82	43.08	-	645.27	671.80
Plant and Equipment	6,106.72	131.47	0.45	6,237.74	270.52	0.27	3,820.62	3,959.85
Distribution System	7,956.10	221.57	0.89	8,176.78	295.29	0.05	6,088.05	6,162.61
Meters and Other Apparatus on Consumers' Premises	394.59	26.85	5.51	415.93	37.68	3.02	198.42	211.74
River Tunnel	2.78	-	-	2.78	-	-	0.02	0.02
Furniture and Fixtures	38.19	3.87	0.38	41.68	2.44	0.18	24.18	22.95
Office Equipment	125.60	22.52	0.50	147.62	8.50	0.35	76.92	63.05
Vehicles	12.91	2.71	0.42	15.20	2.67	0.05	8.13	8.46
Railway Sidings	94.55	-	-	94.55	2.96	-	71.00	73.96
	<b>18,726.00</b>	<b>426.24</b>	<b>8.85</b>	<b>19,143.39</b>	<b>682.26</b>	<b>3.92</b>	<b>13,828.82</b>	<b>14,089.77</b>
Previous Year	18,251.47	521.13	46.60	18,726.00	687.00	37.02	14,089.77	

\* includes leasehold

\*\* includes leasehold improvements

1. Property, Plant & Equipment 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 ₹ 349.35 crore (31.03.2022: ₹ 373.18 crore) and Net Block ₹ 227.14 crore (31.03.2022: ₹ 266.55 crore). Immovable properties whose title deeds are not in the name of the Company included in Property, Plant & Equipment :



## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE - 4 PROPERTY, PLANT AND EQUIPMENT (Contd..)

As at 31st March, 2023

Description of property (Leasehold Land)	Carrying Value (₹ in Crore)	Title deeds held in the name of	Property held since - Range	Reason for not being held in the name of the Company
7 land parcels at Rabindrasadan DS, Taltala DS, St. James Rectifier Station, Budge Budge Generating Station, BBD Bagh Substation, Balagarh and Forest Rectifier Station	98.47	Governor of State of West Bengal	1953-2003	The Company is in the process of renewal of the lease deeds with Government of West Bengal.
5 land parcels at Auckland Square DS, Kankurgachi DS, Naskarpara DS, Patuli DS and Taratala West DS	12.00	Kolkata Metropolitan Development Authority and Kolkata Municipal Corporation (Ministry of Urban Development and Municipal Affairs, Government of West Bengal)	1985-2015	The Company is in the process of renewal of the lease deeds with Government of West Bengal.
3 land parcels at Southern Generating Station, Foreshore Road DS and Hide Road DS	104.34	Kolkata Port Trust	1925-1953	The Company is in the process of renewal of the lease deeds with Kolkata Port Trust.
2 land parcels at Barisha DS and Pagladanga DS	7.50	West Bengal Small Industries Corporation Ltd (WBSIC)	1980-1999	The Company is in the process of renewal of the lease deeds with WBSIC.
1 land parcel at Bally DS	1.12	Indian Railways	1993	The Company is in the process of renewal of the lease deeds with Indian Railways.
4 land parcels at Chingrihata DS, Linton Street Rectifier Station, Ludlow DS and Fort Gloster DS	3.71	Various Private Parties	1953-1995	The Company is in the process of renewal of the lease deeds with the respective Parties.
	227.14			

As at 31st March, 2022

Description of property (Leasehold Land)	Carrying Value (₹ in Crore)	Title deeds held in the name of	Property held since - Range	Reason for not being held in the name of the Company
4 land parcel at Rabindrasadan DS, Taltala DS, St. James Rectifier Station and Budge Budge Generating Station	88.89	Governor of State of West Bengal	1964-1991	The Company is in the process of renewal of the lease deeds with Government of West Bengal.
Land parcel at Auckland Square DS	5.09	Kolkata Municipal Corporation (Ministry of Urban Development and Municipal Affairs, Government of West Bengal)	1994	The Company is in the process of renewal of the lease deeds with Government of West Bengal.
Land parcel at Pagladanga DS	2.72	West Bengal Small Industries Corporation Ltd (WBSIC)	1999	The Company has applied for renewal of the lease deeds with WBSIC.
Land parcel at Southern Generating Station	169.85	Kolkata Port Trust	1925	The Company is in the process of renewal of the lease deeds with Kolkata Port Trust.
	266.55			

Note:

No title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director.

DS - Distribution Station

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE - 4A CAPITAL WORK-IN-PROGRESS

Ageing for capital work-in-progress is as follows:

₹ in crore

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023	47.15	4.88	0.48	11.26	63.77
As at 31st March 2022	27.81	1.77	6.75	6.90	43.23

### NOTE - 5 INVESTMENT PROPERTY

₹ in crore

PARTICULARS	COST / DEEMED COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Land - Freehold	62.87	-	-	62.87	-	-	-	-	62.87	62.87
Previous Year	62.87	-	-	62.87	-	-	-	-	62.87	

- User Fee Income earned recognised in Statement of profit & loss ₹ 11.70 crore (previous year: ₹ 7.80 crore)
- Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 289 crore (as on 31.03.2022 : ₹ 286 crore) as per registered 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.
- 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 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 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 to five years ₹ 11.70 crore (as on 31.03.2022 : ₹ 11.70 crore) in each of the years and later than five years ₹ 54.62 crore (as on 31.03.2022: ₹ 66.32 crore).

### NOTE - 6 INTANGIBLE ASSETS

₹ in crore

PARTICULARS	COST / DEEMED COST				AMORTISATION				NET BLOCK	
	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Computer Software	30.09	11.04	-	41.13	30.07	3.96	-	34.03	7.10	0.02
Mining Rights	151.88	-	-	151.88	51.35	7.74	-	59.09	92.79	100.53
	<b>181.97</b>	<b>11.04</b>	<b>-</b>	<b>193.01</b>	<b>81.42</b>	<b>11.70</b>	<b>-</b>	<b>93.12</b>	<b>99.89</b>	<b>100.55</b>
Previous Year	182.13	0.08	0.24	181.97	72.85	8.81	0.24	81.42	100.55	

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE - 7 NON CURRENT INVESTMENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>a Investments in Equity Instruments, unquoted, fully paid up, carried at fair value through other comprehensive income (FVTOCI) :</b>		
3,280 (31.03.2022 : 3,280) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	5.18	5.22
<b>b Investment in Subsidiary Companies, unquoted, fully paid up, carried at cost :</b>		
<b>(i) In Equity Shares</b>		
14,27,50,000 (31.03.2022 : 11,33,50,000) Equity Shares of Malegaon Power Supply Limited of ₹ 10 each	143.51	114.11
4,24,50,000 (31.03.2022 : 4,16,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each *	-	-
1,10,00,000 (31.03.2022 : 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each *	-	-
2,95,50,000 (31.03.2022 : 2,93,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each *	-	-
28,23,615 (31.03.2022 : 28,23,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each *	-	-
44,71,983 (31.03.2022 : 44,20,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each *	-	-
42,58,30,000 (31.03.2022 : 39,38,30,000) Equity Shares of Kota Electricity Distribution Limited of ₹ 10 each	428.48	396.48
12,75,50,000 (31.03.2022 : 12,75,50,000) Equity Shares of Bikaner Electricity Supply Limited of ₹ 10 each	128.99	128.99
2,40,50,000 (31.03.2022 : 2,40,50,000) Equity Shares of Bharatpur Electricity Services Limited of ₹ 10 each	24.61	24.61
4,07,00,000 (31.03.2022 : 4,07,00,000) Equity Shares of Crescent Power Limited of ₹ 10 each	71.91	71.91
1,20,34,41,049 (31.03.2022 : 1,20,34,41,049) Equity Shares of Haldia Energy Limited of ₹ 10 each	1,207.12	1,207.12
2,24,27,68,954 (31.03.2022 : 2,24,27,68,954) Equity Shares of Dhariwal Infrastructure Limited of ₹ 10 each	2,561.64	2,561.64
3,56,50,000 (31.03.2022 : Rs 3,56,50,000) Equity Shares of Jharkhand Electric Company Limited of ₹ 10 each *	-	-
20,53,000 (31.03.2022 : 20,53,000) Equity Shares of Jarong Hydro-Electric Power Company Limited of ₹ 10 each *	-	-
11,84,25,800 (31.03.2022 : 11,83,52,500) Equity Shares of Au Bon Pain Café India Limited of ₹ 10 each *	-	-
50,50,000 (31.03.2022 : 50,50,000) Equity Shares of Eminent Electricity Distribution Limited of ₹ 10 each	5.05	5.05
50,000 (31.03.2022 : 50,000) Equity Shares of CESC Green Power Limited of ₹ 10 each	0.05	0.05
2,97,28,500 (31.03.2022 : 2,97,28,500) Equity Shares of Noida Power Company Limited of ₹ 10 each	30.63	30.63
<b>(ii) In Preference Shares</b>		
45,50,00,000 (31.03.2022 : 45,50,00,000) 0.01% compulsorily convertible non cumulative redeemable Preference shares of face value ₹ 10 each issued by Eminent Electricity Distribution Limited	455.00	455.00
<b>c Investment in Joint Venture, unquoted, fully paid up, carried at cost :</b>		
24,29,800 (31.03.2022 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each *	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE - 7 NON CURRENT INVESTMENTS (Contd..)

	As at 31st March, 2023	As at 31st March, 2022
<b>d Investment in Preference Shares , unquoted, fully paid up, carried at fair value through profit &amp; loss (FVTPL) :</b>		
5,00,000 (31.03.2022 : 5,00,000) 0.01% non cumulative non convertible redeemable Preference shares of face value ₹ 100 each issued by Spencers' Retail Limited	1.26	1.14
	<b>5,063.43</b>	<b>5,001.95</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	-	-
Aggregate Market value	-	-
<b>Investment in unquoted investments:</b>		
Aggregate Book value	5,063.43	5,001.95
<b>Aggregate provision for impairment in value of investments</b>	<b>61.35</b>	<b>60.42</b>
* Fully impaired.		

### NOTE - 8 NON CURRENT LOANS

	As at 31st March, 2023	As at 31st March, 2022
Considered good - Unsecured		
Loan to employees	4.10	3.77
	<b>4.10</b>	<b>3.77</b>

### NOTE - 9 NON CURRENT OTHER FINANCIAL ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Security Deposits	178.93	165.64
Share application money to subsidiaries	3.00	-
Lease Receivables	54.57	55.17
	<b>236.50</b>	<b>220.81</b>

### NOTE - 10 OTHER NON CURRENT ASSETS

	As at 31st March, 2023	As at 31st March, 2022
Capital advances	28.07	86.46
Other advances (Refer Note 31 (b))	224.18	236.47
	<b>252.25</b>	<b>322.93</b>

### NOTE -11 INVENTORIES

	As at 31st March, 2023	As at 31st March, 2022
Fuel [includes in transit ₹ 82.60 crore (31.03.2022 : ₹ 60.13 crore)]	290.31	220.95
Stores and Spares	208.82	210.19
Stock-in-trade	2.58	3.21
	<b>501.71</b>	<b>434.35</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE -12 CURRENT INVESTMENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>Quoted</b>		
<b>Investments in Mutual Funds carried at fair value through profit and loss (FVTPL) :</b>		
Nil (442,780.675 units of ₹ 315.2563 each of ICICI Prudential Liquid Fund - Direct - Growth)	-	13.96
<b>Unquoted</b>		
Investments in Commercial Paper carried at amortised cost (net of provision)	-	-
	-	<b>13.96</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	-	13.96
Aggregate Market value	-	13.96
<b>Investment in unquoted investments:</b>		
Aggregate Book value (net of provision)	-	-
<b>Aggregate provision for impairment in value of investments</b>	<b>30.00</b>	<b>30.00</b>

## NOTE -13 TRADE RECEIVABLES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Considered good - Secured	657.49	624.99
Considered good - Unsecured	422.33	410.43
Credit Impaired	6.18	6.15
	<b>1,086.00</b>	<b>1,041.57</b>
Less : Allowances for bad and doubtful debts	6.18	6.18
<b>Trade Receivables</b>	<b>1,079.82</b>	<b>1,035.39</b>

Ageing for trade receivables as at 31st March 2023 is as follows:

₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	664.56	226.52	95.67	60.40	28.71	3.09	1,078.95
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	6.18	-	6.18
(iv) Disputed– considered good	0.20	0.05	0.07	0.02	-	0.53	0.87
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	-
	<b>664.76</b>	<b>226.57</b>	<b>95.74</b>	<b>60.42</b>	<b>34.89</b>	<b>3.62</b>	<b>1,086.00</b>
Less: Provision for Doubtful Debts							(6.18)
<b>Total trade receivables</b>							<b>1,079.82</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE -13 TRADE RECEIVABLES (Contd..)

Ageing for trade receivables as at 31st March 2022 is as follows:

₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed – considered good	684.16	183.08	45.39	58.44	44.73	18.78	1,034.58
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	-	-	-	-	6.15	-	6.15
(iv) Disputed – considered good	0.13	0.17	0.01	0.00	0.10	0.43	0.84
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	-	-	-	-
	<b>684.29</b>	<b>183.25</b>	<b>45.40</b>	<b>58.44</b>	<b>50.98</b>	<b>19.21</b>	<b>1,041.57</b>
Less: Provision for Doubtful Debts							(6.18)
<b>Total trade receivables</b>							<b>1,035.39</b>

### NOTE-14 CASH AND CASH EQUIVALENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
- In current accounts	393.82	856.87
Cheques, drafts on hand	0.74	1.44
Cash on hand	1.06	1.33
	<b>395.62</b>	<b>859.64</b>

### NOTE-15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend Account	13.60	11.06
Bank Deposits with original maturity more than 3 months (refer Notes below)	419.07	404.17
	<b>432.67</b>	<b>415.23</b>

Notes:

- Bank deposits include ₹ 317.55 crore (31.03.2022: ₹ 299.29 crore) appropriated towards Fund for unforeseen exigencies and interest attributable thereto.
- Bank deposits of ₹ 331.93 crore (31.03.2022: ₹ 320.64 crore ) having maturity more than 12 months as on the reporting date, being callable at the option of the company are classified as current.



## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE-16 OTHER FINANCIAL ASSETS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>Unsecured, considered good</b>		
Receivable from Related Parties	84.22	94.93
Interest accrued on Bank Deposits	20.99	13.77
Receivable towards claims and services rendered	4.32	1.70
	<b>109.53</b>	<b>110.40</b>

## NOTE-17 OTHER CURRENT ASSETS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Advances for goods and services	185.26	155.66
Others (Includes prepaid expenses etc)	61.03	74.08
	<b>246.29</b>	<b>229.74</b>

## NOTE-18 REGULATORY DEFERRAL ACCOUNT BALANCES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Regulatory deferral account - debit balances	5,844.84	5,046.29
Regulatory deferral account - credit balances	1,569.21	1,557.85

(also Refer note 39)

## NOTE -19 EQUITY

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
a. Authorised Share Capital		
3156,00,00,000 Equity Shares of ₹ 1/- each fully paid up (31.03.2022 : 3156,00,00,000 Equity Shares of ₹ 1/- each fully paid up)	3,156.00	3,156.00
b. Issued Capital		
138,85,70,150 Equity Shares of ₹ 1/- each fully paid up ( 31.03.2022 : 138,85,70,150 Equity Shares of ₹ 1/- each fully paid up )	138.86	138.86
c. Subscribed and paid up capital		
132,55,70,430 Equity Shares of ₹ 1/- each fully paid up (31.03.2022 :132,55,70,430 Equity Shares of ₹ 1/- each fully paid up)	132.56	132.56
d. Forfeited Shares (amount originally paid up)	0.66	0.66
	<b>133.22</b>	<b>133.22</b>

e. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount(₹ crore)	No. of shares	Amount (₹ crore)
At the beginning of the year	1,32,55,70,430	132.56	13,25,57,043	132.56
Add : Change during the year (Refer Note 1 below)	-	-	1,19,30,13,387	-
At the end of the year	1,32,55,70,430	132.56	1,32,55,70,430	132.56

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE -19 EQUITY (Contd..)

Note :-

1. Pursuant to the approval of the shareholders at the Forty-third Annual General Meeting 1(one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) each fully paid-up was subdivided into 10(ten) Equity Shares of ₹ 1/- (Rupee One Only) each fully paid-up effective 21st September, 2021.
2. For the period of five years immediately preceding 31st March,2023, no shares were allotted as fully paid up pursuant to any contract without consideration being received in cash or allotted as fully paid up by way of bonus shares or bought back.
- f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1/- per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 4.50/- per equity share of ₹ 1/- each (31.03.2022: ₹ 4.50 /- per equity share of ₹ 1/- each) has been paid during the year ended 31st March 2023. 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, 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, 2023		As at 31st March, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [Refer Note 42 A]	58,79,66,320	44.36	58,79,66,320	44.36
HDFC Trustee Company Limited	6,82,85,538	5.15	9,58,85,809	7.23
SBI Funds Management Limited	7,22,80,452	5.45	-	-

- h. Shares held by Promoters at the end of the year

Name of Promoter	As at 31st March, 2023		As at 31st March, 2022		% Change During the year
	No. of shares	% of holding	No. of shares	% of holding	
Rainbow Investments Limited	58,79,66,320	44.36	58,79,66,320	44.36	0.00
Dr. Sanjiv Goenka	13,47,940	0.10	13,47,940	0.10	0.00

### NOTE -20 OTHER EQUITY

			₹ in crore	
			As at 31st March, 2023	As at 31st March, 2022
A.	Retained Earnings		10,303.40	10,311.81
	Equity Instruments through Other Comprehensive Income		5.18	5.22
	Capital Reserve		(812.10)	(812.10)
	Fund for unforeseen exigencies		334.34	316.67
			<b>9,830.82</b>	<b>9,821.60</b>
B	i) Retained Earnings [refer note C (i)]			
	Surplus at the beginning of the year		10,311.81	10,352.69
	Add : Profit for the year		830.33	815.79
	Less: Transfer to fund for unforeseen exigencies		17.67	18.07
	Less : Withdrawal on account of depreciation / amortisation of surplus on fair valuation (refer note 49)		214.08	225.30
	Less : Withdrawal of the residual surplus on fair valuation consequent to sale/disposal of assets (refer note 49)		0.50	2.03
	Less: Dividends paid		596.51	596.51

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE -20 OTHER EQUITY (Contd..)

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Less: Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan (Net of tax)	9.98	14.76
	<b>10,303.40</b>	<b>10,311.81</b>
ii) Equity Instruments through Other Comprehensive Income		
At the beginning of the year	5.22	5.17
Add : Gain/(loss) on fair value of Investment	(0.04)	0.05
At the end of the year	<b>5.18</b>	<b>5.22</b>
iii) Capital Reserve [refer note C (ii)]	(812.10)	(812.10)
iv) Fund for unforeseen exigencies [refer note C (i)]		
At the beginning of the year	316.67	298.60
Add : Transfer during the year from Retained Earnings	17.67	18.07
At end of the year	<b>334.34</b>	<b>316.67</b>
	<b>9,830.82</b>	<b>9,821.60</b>

## 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. Equity Instruments through Other Comprehensive Income represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.
- Capital reserve had arisen consequent to a scheme of arrangement in financial year ended 31st March 2018 and was adjusted with retained earnings.

## NOTE -21 NON CURRENT BORROWINGS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>a. Secured</b>		
Non Convertible Debentures	1,755.00	1,360.00
Term Loans		
Rupee Loans from Banks	5,612.31	5,696.04
	<b>7,367.31</b>	<b>7,056.04</b>
Less : Current maturities of long term debt transferred to Current Borrowings (refer note 26)	1,889.11	1,368.34
Less : Unamortised front end fees	20.27	18.92
	<b>5,457.93</b>	<b>5,668.78</b>

## b. Nature of Security :

- Debentures amounting to:
  - ₹ 555 crore (31.03.2022 - ₹ 660 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Company as a first charge and

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE -21 NON CURRENT BORROWINGS (Contd..)

- (b) ₹ 1,200.00 crore (31.03.2022 - ₹ 700 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the property, plant and equipment of the Company as a first charge.
- ii Term Loans amounting to:
- (a) ₹ 3,846.40 crore (31.03.2022 - ₹ 3,422.98 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the property, plant and equipment of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of one Rupee Loan (31.03.2022 - three Rupee Loans), aggregating ₹ 110 crore (31.03.2022 - ₹ 900 crore) is in process;
- (b) ₹ 700.35 crore (31.03.2022 - ₹ 455.40 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the property, plant and equipment of the Company as a first charge;
- (c) ₹ 350 crore (31.03.2022 - ₹ 550 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment and current assets of the Company as a first charge;
- (d) ₹ Nil (31.03.2022 - ₹ 166 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Company as a first charge and by hypothecation of the Company's current assets as a second charge;
- (e) ₹ 340.56 crore (31.03.2022 - ₹ 601.66 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Company as a first charge; and
- (f) ₹ 375 crore (31.03.2022 - ₹ 500 crore) are secured, ranking pari passu inter se, by hypothecation of the Company's current assets as a first charge and by equitable mortgage / hypothecation of the property, plant and equipment of the Company as a second charge.
- c. Major terms of repayment of Non Current Borrowings :

Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2023					₹ in crore
	Debentures	Rupee Term Loan from Banks	Total	Current Maturities	
Maturity of upto 1 year	255.00	201.25	456.25	456.25	
Maturity between 1 and 3 years	600.00	1,121.44	1,721.44	701.13	
Maturity between 3 and 5 years	900.00	1,863.63	2,763.63	431.10	
Maturity between 5 and 10 years	-	2,315.99	2,315.99	300.63	
Maturity beyond 10 years	-	110.00	110.00	-	
<b>Total</b>	<b>1,755.00</b>	<b>5,612.31</b>	<b>7,367.31</b>	<b>1,889.11</b>	

Interest rates on Rupee Term Loans from Banks are fixed or based on spread over respective lenders' benchmark rate. Interest rate on Debentures are fixed or based on spread over Repo / T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to ₹ 1,755 crore are due for maturity on 16-Nov-27 - ₹ 37.50 crore; 17-Oct-27 - ₹ 25 crore; 16-Aug-27 - ₹ 37.50 crore; 17-Jul-27 - ₹ 25 crore; 16-May-27 - ₹ 37.50 crore; 17-Apr-27 - ₹ 25 crore; 16-Feb-27 - ₹ 37.50 crore; 17-Jan-27 - ₹ 25 crore; 16-Nov-26 - ₹ 37.50 crore; 17-Oct-26 - ₹ 25 crore; 30-Sep-26 - ₹ 50 crore; 16-Aug-26 - ₹ 37.50 crore; 17-Jul-26 - ₹ 25 crore; 30-Jun-26 - ₹ 50 crore; 16-May-26 - ₹ 37.50 crore; 17-Apr-26 - ₹ 25 crore; 30-Mar-26 - ₹ 50 crore; 16-Feb-26 - ₹ 37.50 crore; 17-Jan-26 - ₹ 25 crore; 30-Dec-25 - ₹ 50 crore; 30-Sep-25 - ₹ 50 crore; 30-Jun-25 - ₹ 50 crore; 21-May-25 - ₹ 37.50 crore; 30-Mar-25 - ₹ 50 crore; 21-Feb-25 - ₹ 37.50 crore; 30-Dec-24 - ₹ 50 crore; 24-Dec-24 - ₹ 100 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore and 21-Aug-23 - ₹ 37.50 crore.

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE -21 NON CURRENT BORROWINGS (Contd..)

Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2022				₹ in crore
	Debentures	Rupee Term Loan from Banks	Total	Current Maturities
Maturity of upto 1 year	-	110.25	110.25	110.25
Maturity between 1 and 3 years	660.00	1,399.03	2,059.03	692.99
Maturity between 3 and 5 years	700.00	1,471.82	2,171.82	269.18
Maturity between 5 and 10 years	-	2,214.94	2,214.94	280.92
Maturity beyond 10 years	-	500.00	500.00	15.00
<b>Total</b>	<b>1,360.00</b>	<b>5,696.04</b>	<b>7,056.04</b>	<b>1,368.34</b>

Interest rates on Rupee Term Loans from Banks are fixed or based on spread over respective lenders' benchmark rate. Interest rate on Debentures are fixed or based on spread over Repo / T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to ₹ 1,360 crore are due for maturity on 30-Sep-26 - ₹ 50 crore; 30-Jun-26 - ₹ 50 crore; 30-Mar-26 - ₹ 50 crore; 30-Dec-25 - ₹ 50 crore; 30-Sep-25 - ₹ 50 crore; 30-Jun-25 - ₹ 50 crore; 21-May-25 - ₹ 37.50 crore; 30-Mar-25 - ₹ 50 crore; 21-Feb-25 - ₹ 37.50 crore; 30-Dec-24 - ₹ 50 crore; 24-Dec-24 - ₹ 100 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore; 21-Aug-23 - ₹ 37.50 crore; 10-Feb-23 - ₹ 55.00 crore and 13-Oct-22 - ₹ 50.00 crore

## NOTE -22 NON CURRENT LEASE LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Lease Liabilities	96.07	112.47
(Refer note no. 50 for details)	<b>96.07</b>	<b>112.47</b>

## NOTE -23 NON CURRENT PROVISIONS

	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	446.81	434.32
Restoration liabilities	43.91	41.18
	<b>490.72</b>	<b>475.50</b>
<b>Reconciliation of movement in Restoration Liabilities</b>		
Opening balance	41.18	38.47
Add: Fair Value Adjustment	2.73	2.71
Closing balance	<b>43.91</b>	<b>41.18</b>

The Company has recognised present value of restoration liability for Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.

## NOTE -24 DEFERRED TAX LIABILITIES (NET)

	As at 31st March, 2023	As at 31st March, 2022
Deferred Tax Liabilities	3,534.63	3,554.27
Deferred Tax Assets	(200.03)	(194.22)
Total Deferred Tax Liabilities (net)	<b>3,334.60</b>	<b>3,360.05</b>

(refer note 44)

## NOTE -25 OTHER NON CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Advance received from consumers	101.93	141.06
Others	156.78	137.52
	<b>258.71</b>	<b>278.58</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE -26 CURRENT BORROWINGS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>a. Secured</b>		
Working Capital Demand Loans	952.47	614.36
Current maturities of long term debt (refer note 21)	1,889.11	1,368.34
<b>b. Unsecured</b>		
Commercial Paper	-	700.00
	<b>2,841.58</b>	<b>2,682.70</b>

#### 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, book debts, monies receivable and bank balances as a first charge and, as a second charge, by equitable mortgage / hypothecation of property, plant and equipment of the Company including its land, buildings and any other construction thereon.

### NOTE - 27 CURRENT TRADE PAYABLES

Ageing for trade payables outstanding as at 31st March 2023 is as follows:

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	11.90	-	-	-	11.90
Others	671.45	10.31	9.55	22.20	713.51
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total trade payables</b>	<b>683.35</b>	<b>10.31</b>	<b>9.55</b>	<b>22.20</b>	<b>725.41</b>

Ageing for trade payables outstanding as at 31st March 2022 is as follows:

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	4.35	-	-	-	4.35
Others	502.80	14.44	19.14	15.09	551.47
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total trade payables</b>	<b>507.15</b>	<b>14.44</b>	<b>19.14</b>	<b>15.09</b>	<b>555.82</b>

₹ 0.08 crore (31.03.2022- Nil), Nil ( 31.03.2022 - Nil), ₹ 0.75 crore (31.03.2022 - ₹ 0.28 crore), ₹ 3.75 crore (31.03.2022- ₹ 2.99 crore) and Nil (31.03.2022 - 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 based on information available with the Company.



## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE- 28 OTHER FINANCIAL LIABILITIES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due	56.88	57.83
Unclaimed dividends	13.60	11.06
Others (refer note below)	955.52	1,065.04
	<b>1,026.00</b>	<b>1,133.93</b>

Others include current portion of consumer security deposit (including accrued interest thereon) ₹ 238.12 crore (31.03.2022: ₹ 217.21 crore), employee related liabilities ₹ 125.41 crore (31.03.2022: ₹ 108.09 crore) and ₹ 397.00 crore (31.03.2022: ₹ 517.00 crore) payable to Haldia Energy Limited.

## NOTE- 29 OTHER CURRENT LIABILITIES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Contribution from consumers for jobs	220.92	165.07
Liability towards statutory taxes, duties, etc.	375.67	272.61
Advances received from consumers	8.82	22.99
	<b>605.41</b>	<b>460.67</b>

## NOTE -30 CURRENT PROVISIONS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	49.34	56.84
Others	0.22	0.22
	<b>49.56</b>	<b>57.06</b>

## NOTE -31 CONTINGENT LIABILITIES AND COMMITMENTS

- 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 ₹ 23.87 crore (31.03.2022 : ₹ 81.13 crore) and ₹ 1,648.57 crore ( 31.03.2022 : ₹ 1,606.19 crore ) respectively.
- 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.
- The Company has given bank guarantee of ₹ 143.95 crore (31.03.2022 : ₹ 139.95 crore) for procurement of coal, etc. which is outstanding as on the reporting date.
- 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.
- i) The Company had received a Show Cause cum demand notice of ₹ 14.71 crores for Service Tax on Additional Premium together with other charges being paid for coal mining to Government of India as per the terms of allocation of the Sarsatolli Coal mine. The case is pending before CESTAT, East Regional Bench, Kolkata. Based

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE -31 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

on legal opinion obtained the Company expects a favourable outcome in the matter and no provision has been considered necessary.

- ii) The Company had received a Show Cause cum demand notice of ₹ 16.32 crores for Goods and Services Tax (GST) on Additional Premium together with other charges being paid for coal mining to Government of India as per the terms of allocation of the Sarisatolli Coal mine. The case is pending before The Additional Commissioner/ Joint Commissioner, CGST Kolkata North Commissionerate. Based on legal opinion obtained the Company expects a favourable outcome in the matter and no provision has been considered necessary.
- f. Bharat Coking Coal Limited (BCCL) and Mahanadi Coalfields Limited (MCL) raised demands on the Company amounting to ₹ 111 crore and ₹ 12 crore respectively with respect to alleged excess supply of coal during 2015-16 and 2016-17 under respective Fuel Supply Agreements (FSAs) towards levy of premium beyond the notified and settled price. Such levy of premium is not in consonance with the FSAs and accordingly the Company has moved to the Hon'ble Calcutta High Court and obtained interim protection against the aforesaid demands. Based on a legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary.
- g. With regard to the Company's power purchase from one of its subsidiaries (provider), West Bengal Electricity Regulatory Commission (WBERC) has issued the tariff orders for the years 2018-19 to 2022-23 (considering applicable orders for Transmission Projects till date), wherein certain underlying matters have been dealt with in deviation from past practices of tariff determination and kept for disposal through future truing up exercise, impact of which is not ascertained. The said provider not being in agreement with the same, has since filed appeals in respect of the above Tariff Orders before the Hon'ble Appellate Tribunal for Electricity on the grounds inter alia, that the orders have been passed after substantial period of delay, the applicable periods are long over and directions passed are impossible to comply because of significant delay in passing the said orders. However, for the year 2022-23, since the year has not elapsed, the said provider of power has given effect to the Tariff Order for the financial year 2022-23 with application of principles in terms of applicable Regulations. Based on legal opinion obtained, the provider is confident of the matter being adjudicated in its favour in respect of earlier years. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.
- h. Commitments relating to leasing arrangement, refer note 50.

### NOTE - 32 REVENUE FROM OPERATIONS

	₹ in crore	
	2022-23	2021-22
Earnings from sale of electricity	7,747.48	7,101.65
Other Operating Revenue		
Meter Rent	55.17	53.91
Contribution from Consumers	141.84	110.66
Earnings from sale of traded goods	15.33	18.05
Others	13.17	9.59
	<b>7,972.99</b>	<b>7,293.86</b>

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 amounting to ₹ 109.63 crore ( previous year : ₹ 93.54 crore).

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE- 33 OTHER INCOME

	2022-23	2021-22
Interest Income	24.35	22.87
Dividend Income	17.84	14.86
Gain on sale/ fair valuation of non-current investments (net)	-	28.42
Gain on sale/ fair valuation of current investments (net)	44.27	7.91
Profit on sale of property, plant and equipment (net)	0.59	-
Income from financial assets at amortised cost	11.87	5.14
Liabilities written back	34.69	57.00
Other Non -operating Income *	46.73	49.35
	<b>180.34</b>	<b>185.55</b>

\* includes Delayed payment surcharge, User fee income, etc.

## NOTE -34 COST OF FUEL

## Consumption of fuel :

Particulars	UOM	2022-23	2021-22
(a) Consumption of coal			
Quantity	Tonnes	36,12,293	33,96,506
Value (includes Biomass: ₹ 0.15 crore ; previous year: ₹ 0.06 crore)	₹ in crore	1,656.18	1,370.34
(b) Consumption of oil			
Quantity	Kilolitres	1,062	1,420
Value	₹ in crore	7.95	7.86
(c) Total	₹ in crore	<b>1,664.13</b>	<b>1,378.20</b>

Cost of Fuel includes freight ₹ 319.11 crore (previous year : ₹ 301.75 crore)

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE

	2022-23	2021-22
Salaries, wages and bonus	911.52	866.93
Contribution to provident and other funds	81.24	89.58
Employees' welfare expenses	53.70	56.80
	<b>1,046.46</b>	<b>1,013.31</b>
Less : Transfer to PPE/CWIP etc.	50.66	107.76
	<b>995.80</b>	<b>905.55</b>
Less : Transfer to Other Comprehensive Income*	13.14	19.49
	<b>982.66</b>	<b>886.06</b>

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit plans 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 ₹ 65.96 crore (previous year : ₹ 64.61 crore) in the Statement of Profit and Loss . There is no shortfall in the Provident Fund Trust obligation which is required to be met by the Company, as on the Balance Sheet date.

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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd.)

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

Gratuity (Funded)	2022-23			2021-22		
	Present value of obligation	Fair value of plan assets	Net	Present value of obligation	Fair value of plan assets	Net
<b>Opening Balance</b>	<b>470.98</b>	<b>(451.33)</b>	<b>19.65</b>	<b>466.80</b>	<b>(416.16)</b>	<b>50.64</b>
Current service cost	20.21		20.21	19.97		19.97
Interest expense/(income)	26.72	(29.97)	(3.25)	28.92	(27.44)	1.48
Past Service Cost	-	-	-	-	-	-
<b>Total amount recognised in profit and loss</b>	<b>46.93</b>	<b>(29.97)</b>	<b>16.96</b>	<b>48.89</b>	<b>(27.44)</b>	<b>21.45</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)		2.50	2.50		(2.35)	(2.35)
(Gain)/loss from change in demographic assumptions			-			-
(Gain)/loss from change in financial assumptions	(6.36)		(6.36)	(9.61)		(9.61)
Experience (gains)/losses	2.15		2.15	15.48		15.48
<b>Total amount recognised in other comprehensive income</b>	<b>(4.21)</b>	<b>2.50</b>	<b>(1.71)</b>	<b>5.87</b>	<b>(2.35)</b>	<b>3.52</b>
Employer contributions		(24.95)	(24.95)		(55.96)	(55.96)
Benefit payments	(58.96)	58.96	-	(50.58)	50.58	-
<b>Closing Balance</b>	<b>454.74</b>	<b>(444.79)</b>	<b>9.95</b>	<b>470.98</b>	<b>(451.33)</b>	<b>19.65</b>

₹ in crore

Leave Obligation (Unfunded)	2022-23	2021-22
	Present value of obligation	Present value of obligation
<b>Opening Balance</b>	<b>180.95</b>	<b>192.69</b>
Current service cost	9.80	9.99
Interest expense	11.90	12.12
<i>Remeasurements</i>		
(Gain)/loss from change in demographic assumptions		-
(Gain)/loss from change in financial assumptions	(3.09)	(4.76)
Experience (gains)/losses	(10.87)	(13.95)
<b>Total amount recognised in profit and loss</b>	<b>7.74</b>	<b>3.40</b>
Benefit payments	(16.84)	(15.14)
<b>Closing Balance</b>	<b>171.85</b>	<b>180.95</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in crore

	Post retirement medical benefit		Pension	
	2022-23	2021-22	2022-23	2021-22
<b>Opening Balance</b>	<b>161.15</b>	<b>140.21</b>	<b>129.41</b>	<b>118.35</b>
Current service cost	3.50	3.75	0.87	0.83
Interest expense	9.27	8.96	7.14	7.75
Past Service Cost		-	5.23	8.86
<b>Total amount recognised in profit and loss</b>	<b>12.77</b>	<b>12.71</b>	<b>13.24</b>	<b>17.44</b>
<i>Remeasurements</i>				
(Gain)/loss from change in demographic assumptions		-		-
(Gain)/loss from change in financial assumptions	(5.61)	(6.86)	(2.96)	(6.68)
Experience (gains)/losses	16.19	22.00	7.23	7.51
<b>Total amount recognised in other comprehensive income</b>	<b>10.58</b>	<b>15.14</b>	<b>4.27</b>	<b>0.83</b>
Benefit payments	(9.19)	(6.91)	(7.88)	(7.21)
<b>Closing balance</b>	<b>175.31</b>	<b>161.15</b>	<b>139.04</b>	<b>129.41</b>

- iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

₹ in crore

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
<b>31-Mar-23</b>					
Defined benefit obligation (gratuity)	68.41	226.16	198.55	242.84	735.96
Leave obligation	21.06	72.12	74.90	161.69	329.77
Post-employment medical benefits	12.34	64.56	104.44	406.71	588.05
Pension	7.33	36.55	59.09	148.90	251.87
<b>Total</b>	<b>109.14</b>	<b>399.39</b>	<b>436.98</b>	<b>960.14</b>	<b>1,905.65</b>
<b>31-Mar-22</b>					
Defined benefit obligation (gratuity)	67.99	210.93	206.38	257.51	742.81
Leave obligation	20.59	71.71	77.85	173.54	343.69
Post-employment medical benefits	9.74	54.06	92.23	383.98	540.01
Pension	8.06	39.97	63.68	145.18	256.89
<b>Total</b>	<b>106.38</b>	<b>376.67</b>	<b>440.14</b>	<b>960.21</b>	<b>1,883.40</b>

- iv) Sensitivity Analysis

₹ in crore

	Gratuity		Post-employment medical benefits (PRMB)		Leave Obligation		Pension	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Discount rate +1%	430.95	445.48	157.45	144.09	160.39	168.40	128.16	108.24
Corresponding service cost	17.45	18.59	2.86	5.08	17.90	18.72	0.77	0.60
Discount rate -1%	481.30	499.47	196.57	182.25	184.79	195.04	151.55	127.53
Corresponding service cost	20.13	21.55	4.36	8.67	21.61	22.77	1.00	0.79
+1% salary/benefit	477.63	495.02	184.82	170.70	187.85	198.36	*	*
Corresponding service cost	19.99	21.35	3.86	7.57	22.13	23.33	*	*
-1% salary/benefit	431.47	446.15	166.00	152.44	157.96	165.76	*	*

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd.)

₹ in crore

	Gratuity		Post-employment medical benefits (PRMB)		Leave Obligation		Pension	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Corresponding service cost	17.43	18.60	3.18	6.14	17.52	18.30	*	*
+50% withdrawal rate	455.09	471.30	174.11	160.29	171.87	180.89	*	*
Corresponding service cost	18.72	19.99	3.41	6.64	19.62	20.59	*	*
-50% withdrawal rate	454.40	470.66	175.87	162.01	171.67	180.73	*	*
Corresponding service cost	18.67	19.94	3.55	6.93	19.58	20.55	*	*
+10% mortality rate	454.93	471.15	172.03	158.21	171.81	180.84	134.38	113.45
Corresponding service cost	18.70	19.98	3.40	6.62	19.61	20.58	0.85	0.67
-10% mortality rate	454.57	470.81	178.15	164.30	171.73	180.77	144.15	121.35
Corresponding service cost	18.68	19.96	3.57	6.96	19.60	20.57	0.90	0.70

\* Not Applicable

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.

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

₹ in crore

	31-Mar-23	31-Mar-22
<b>Gratuity</b>		
Cash & cash equivalents	444.79	451.33
Un-quoted market price	444.79	451.33

#### vi) Actuarial assumptions

31-Mar-23				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate for the year (%)	7.15%			
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)			

31-Mar-22				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate for the year (%)	6.90%			
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)			

Expected Remaining Life	2022-23	2021-22
Employees Gratuity Fund	6.54	6.61
Executive Gratuity Fund	6.64	6.92
Leave Encashment	8.34	8.45
PRMB - Non Cov	15.25	16.66
PRMB - Cov	13.97	14.01
Pension	17.42	18.23

Expected contributions to be paid in next year for gratuity ₹ 27.93 crore.

Expected contributions to be paid for next year for leave obligation, medical & pension is nil.



## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd.)

vii) Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

	2022-23	2021-22
Actual return on plan assets (₹ in cr.)	27.47	29.79

## 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 the scheme cost is sensitive to the assumed future salary escalation rates. 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.

## NOTE- 36 FINANCE COSTS

	2022-23	2021-22
Interest expense	607.26	493.62
Other Borrowing Costs	10.79	10.55
	<b>618.05</b>	<b>504.17</b>
Less : Allocated to PPE / CWIP	13.85	-
	<b>604.20</b>	<b>504.17</b>

(Also refer note 46)

## NOTE- 37 DEPRECIATION AND AMORTISATION EXPENSE

	2022-23	2021-22
Depreciation/ amortisation of Property, Plant & Equipment	682.26	687.00
Amortisation of intangible assets	11.70	8.81
	<b>693.96</b>	<b>695.81</b>
Less : Recoupment from Retained Earnings (refer note 49)	214.08	225.30
	<b>479.88</b>	<b>470.51</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE-38 OTHER EXPENSES

	₹ in crore	
	2022-23	2021-22
Consumption of stores and spares	71.84	71.31
Repairs		
Building	15.38	18.46
Plant and Machinery	72.68	84.06
Distribution System	105.86	104.87
Others	8.17	6.36
	<b>202.09</b>	<b>213.75</b>
Insurance	19.10	20.57
Rent	16.05	11.42
Rates and taxes	12.37	10.13
Bad debts / Advances written off		
Written off during the year	34.03	32.76
Less: Adjustment for Provision made in earlier years	-	(8.23)
	<b>34.03</b>	<b>24.53</b>
Loss on sale / disposal of Property , Plant & Equipment (net)	-	2.77
Interest on Consumers' Security Deposits (refer note 46)	110.74	106.40
Foreign Exchange Restatement loss / (gain)	-	(7.13)
Mark to Market loss / (gain) on derivatives	-	6.87
Corporate social responsibility expenses (refer note 51)	19.94	20.70
Cost of IT Outsourced Services	119.42	119.42
Miscellaneous expenses	404.53	395.00
	<b>1,010.11</b>	<b>995.74</b>

Note: The above are net of recoveries etc.

### NOTE-39 REGULATORY INCOME

₹ in crore	
<b>787.20</b>	<b>716.14</b>

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. These estimates have been recognised with discounting methodology, assuming recovery over a period of time, in consonance with the applicable regulations and application of prudence. 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 ₹ (11.36) crore (Previous year ₹ (38.83) crore), ₹ 824.00 crore [Previous year ₹ 780.00 crore], ₹ (25.44) crore ( Previous year ₹ (24.77) crore ) and NIL [Previous year ₹ (0.26) crore] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balances (refer Note 18).

During the current financial year, the Company has received orders from WBERC in respect of its Annual Performance Review (APR) for the years ended 31st March 2015 to 31st March 2018. The impact of aforesaid orders has been considered in these financial statements, including estimated impact for subsequent periods till date, under Regulatory Income/(Expense) for the year ended 31st March 2023.

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 3,334.61 crore (31.03.2022: ₹ 3,360.06 crore) and ₹ 2,510.23 crore (31.03.2022: ₹ 1,686.23 crore) respectively and that relating to credit balance comprise the effect of advance against depreciation amounting to ₹ 1,569.21 crore (31.03.2022: ₹ 1,557.85 crore). These balances have been recognised with discounting methodology, assuming recovery over a period of time using such rate in accordance with 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, including those attributable to the mining of coal from Sarisatolli mine which commenced operations from 10th April 2015.

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## 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-23			31-Mar-22		
	Cost/ Amortized cost	FVTOCI	FVTPL	Cost/ Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments						
- Equity	4,601.99	5.18		4,540.59	5.22	
- Mutual funds						13.96
- Commercial Paper						
- Preference Shares	455.00		1.26	455.00		1.14
Loans	42.10			18.27		
Trade Receivables	1,079.82			1,035.39		
Cash and cash equivalents	395.62			859.64		
Bank balances other than cash and cash equivalents	432.67			415.23		
Security Deposit	178.93			165.64		
Lease Receivables	54.57			55.17		
Receivable from Related Parties	87.22			94.93		
Interest accrued on Bank Deposit	20.99			13.77		
Receivable towards claims and services rendered	4.32			1.70		
<b>Total financial assets</b>	<b>7,353.23</b>	<b>5.18</b>	<b>1.26</b>	<b>7,655.33</b>	<b>5.22</b>	<b>15.10</b>
<b>Financial liabilities</b>						
Borrowings	8,299.51			8,351.48		
Trade Payables	778.47			606.63		
Restoration liability	-			-		
Lease Liabilities	122.92			139.95		
Interest accrued	56.88			57.83		
Unclaimed dividend	13.60			11.06		
Consumers' Security Deposits	1,911.73			1,780.85		
Others	719.32			850.82		
<b>Total financial liabilities</b>	<b>11,902.43</b>	<b>-</b>	<b>-</b>	<b>11,798.62</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 2023</b>	-	-	-	-	-
<b>Financial assets</b>	-	-	-	-	-
Investment in equity shares	-	-	5.18	5.18	5.18
Investment in liquid mutual fund units	-	-	-	-	-
Investment in Preference Share	-	-	1.26	1.26	1.26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>6.44</b>	<b>6.44</b>	<b>6.44</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE-40 FAIR VALUE MEASUREMENTS (Contd..)

₹ 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 2022</b>					
<b>Financial assets</b>					
Investment in equity shares	-	-	5.22	5.22	5.22
Investment in liquid mutual fund units	13.96	-	-	13.96	13.96
Investment in Preference Share	-	-	1.14	1.14	1.14
<b>Total</b>	<b>13.96</b>	<b>-</b>	<b>6.36</b>	<b>20.32</b>	<b>20.32</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

- 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 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 results in decrease / increase in fair value of preference share by ₹ 0.08 crore. The fair value of equity share is determined on the basis of 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 ₹ 0.16 crore and ₹ 0.17 crore respectively.
- The carrying amounts of trade receivables, trade payables, 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.
- Loans, non-current borrowings, lease receivable/payable and security deposits are based on amortised cost using effective interest rate method.
- Fair Value of financial Instruments is determined on the basis of discounted cash flow analysis, considering the nature , risk profile and other qualitative factors. The carrying amounts are a 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 / regulatory 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,

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

**NOTE-41 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT (Contd..)**

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 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 . Subsidiaries/ Joint Venture**

Name	Relationship
Surya Vidyut Limited	Subsidiary*
Malegaon Power Supply 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	Subsidiary
CESC Green Power Limited	Subsidiary
Eminent Electricity Distribution Limited	Subsidiary
Jharkhand Electric Company Limited	Subsidiary
Jarong Hydro-Electric Power Company Limited	Subsidiary
Noida Power Company Limited	Subsidiary
Mahuagarhi Coal Company Private Limited	Joint Venture

**C . Other Related Parties having transactions during the year****(i) Entities under common control**

Integrated Coal Mining Limited  
 RPG Power Trading Company Limited  
 PCBL Limited (Formerly known as Phillips Carbon Black Limited)  
 Harrison Malayalam Limited  
 STEL Holdings Limited  
 Dotex Merchandise Private Limited  
 Castor Investments Limited  
 Woodlands Multispeciality Hospital Limited  
 Spencer's Retail Limited

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE-42 RELATED PARTIES AND THEIR RELATIONSHIP (Contd..)

Sarala Real Estate Limited  
 Saregama India Limited  
 Open Media Network Limited  
 Bowlopedia Restuarants India Limited  
 RPSG Resources Private Limited  
 Apricot Foods Private Limited  
 Guiltfree Industries Limited  
 Natures Basket Limited  
 Kolkata Metro Networks Limited  
 Firstsource Solutions Limited  
 RPSG Ventures Limited  
 RP-SG Ventures Advisory LLP  
 Business Media Private Limited  
 ATK Mohun Bagan Private Limited  
 Herbolab India Private Limited  
 Quest Capital Markets Ltd. ( w.e.f 27th August, 2021)  
 Lebnitze Real Estates Private Limited ( w.e.f 26th August, 2021)  
 Quest Properties India Limited

#### (ii) Key Management Personnel (KMP)

Name	Relationship
Dr. Sanjiv Goenka	Chairman
Mr. Shashwat Goenka	Vice-Chairman
Mr. Pratip Chaudhuri	Director
Mr. Chandra Kumar Dhanuka	Director
Mr. Kalaikuruchi Jairaj	Director (Upto 29th December, 2021)
Mr. Pradip Kumar Khaitan	Director
Ms. Rekha Sethi	Director
Mr. Sunil Mitra	Director
Mr. Debanjan Mandal	Director (w.e.f 10th May, 2021)
Mr. Debasish Banerjee	Managing Director (Distribution)
Mr. Rabi Chowdhury	Managing Director (Generation)
Mr. Subhasis Mitra	Company Secretary (Upto 10th May, 2021)
Mr. Jagdish Patra	Company Secretary (w.e.f. 10th May, 2021)
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 Consultants Limited  
 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 upto 11th March, 2022



## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE-42 RELATED PARTIES AND THEIR RELATIONSHIP (Contd..)

## D. Details of transaction between the Company and related parties and their outstanding balances

₹ in crore

Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110, Subsidiaries & Joint Venture		Entities under common control		Key Management Personnel		Other Related Parties		Total	
		31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Investment	62.57	70.03	-	-	-	-	-	-	62.57	70.03
2A	Advance for Share Subscription	3.00	-	-	-	-	-	-	-	3.00	-
2B	Loans to subsidiaries	38.00	-	-	-	-	-	-	-	38.00	-
3	Expense (Reimbursed)/ Recovered (net)	6.02	5.47	(2.28)	2.61	-	-	-	-	3.74	8.08
4	Income from sale/ services	48.77	36.37	36.10	24.95	-	-	-	-	84.87	61.32
5	Dividend Income	17.84	14.86	-	-	-	-	-	-	17.84	14.86
6	Cost of Power Purchase	1,760.06	2,202.89	190.43	131.16	-	-	-	-	1,950.49	2,334.05
7	Expenses incurred/ Services Received	15.64	14.95	553.43	499.47	-	-	13.10	8.25	582.17	522.67
8	Provident Fund & Retiral funds	-	-	-	-	-	-	252.82	285.47	252.82	285.47
9	Balances written off /Provided	1.17	2.63	-	-	-	-	-	-	1.17	2.63
10	Security Deposit Received/ (Paid)	-	-	5.00	(220.20)	-	-	-	-	5.00	(220.20)
11	Dividend paid	264.58	264.58	44.98	44.98	1.11	1.11	0.17	0.17	310.84	310.84
12	Remuneration of Key Managerial Personnel										
	Short Term Employee Benefits	-	-	-	-	12.61	11.54	-	-	12.61	11.54
	Post Employment Benefits	-	-	-	-	1.58	1.70	-	-	1.58	1.70
13	Remuneration of Directors	-	-	-	-	33.74	32.76	-	-	33.74	32.76
	Outstanding Balance										
1	Debit	-	-	359.72	372.63	-	-	-	-	359.72	372.63
2	Credit	836.82	1,289.16	-	-	32.03	31.86	12.74	11.19	881.59	1,332.21

- a. Shares allotted during the year in respect of Share Application money paid to subsidiaries NIL ( 31.03.22 : ₹ 8.50 crore ).
- b. Refer Note 31(a) relating to commitments (letter of comfort) provided to banks towards borrowing obligations in respect of subsidiary companies.
- c. 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, INCLUDE AUDITORS' REMUNERATION AND EXPENSES :

	2022-23	2021-22
As Statutory Auditors :		
Statutory audit and Limited reviews	3.23	2.86
Other services	0.87	1.00
As a Tax Auditor	0.15	0.13
Reimbursement of expenses including applicable taxes	1.09	0.74

### NOTE- 44 THE MAJOR COMPONENTS OF DEFERRED TAX ASSETS / (LIABILITIES) BASED ON THE TEMPORARY DIFFERENCE ARE AS UNDER :

#### Deferred tax assets and liabilities (net)

Deferred tax relates to the following:

	April 1, 2022	Recognised through P&L	Recognised through OCI	March 31, 2023
<b>Liabilities</b>				
Difference in WDV of Property, Plant and Equipment	(3,532.16)	15.47	-	(3,516.69)
Fair Valuation of Equity Investment as per IND AS	(1.21)	-	0.01	(1.20)
Others	(20.90)	4.16	-	(16.74)
<b>Assets</b>				
Items covered under section 43B of Income Tax Act, 1961	70.62	0.27	-	70.89
Others including items covered under section 35DDA of Income Tax Act, 1961	123.60	5.54	-	129.14
<b>Total Deferred Tax Liabilities (Net)</b>	<b>(3,360.05)</b>	<b>25.44</b>	<b>0.01</b>	<b>(3,334.60)</b>

	April 1, 2021	Recognised through P&L	Recognised through OCI	March 31, 2022
<b>Liabilities</b>				
Difference in WDV of Property, Plant and Equipment	(3,553.42)	21.26	-	(3,532.16)
Fair Valuation of Equity Investment as per IND AS	(1.20)	-	(0.01)	(1.21)
Others	(16.74)	(4.16)	-	(20.90)
<b>Assets</b>				
Items covered under section 43B of Income Tax Act, 1961	73.07	(2.45)	-	70.62
Others including items covered under section 35DDA of Income Tax Act, 1961	113.48	10.12	-	123.60
<b>Total Deferred Tax Liabilities (Net)</b>	<b>(3,384.81)</b>	<b>24.77</b>	<b>(0.01)</b>	<b>(3,360.05)</b>

#### a) Tax expense

##### i) Tax recognised in Statement of profit and loss

	March 31, 2023	March 31, 2022
<b>Current tax expense</b>	<b>(254.87)</b>	<b>(253.24)</b>
Provision for tax no longer required written back	-	-
	<b>(254.87)</b>	<b>(253.24)</b>
<b>Deferred tax</b>		
Deferred tax- Income / (expense)	25.44	24.77
<b>Total tax expense</b>	<b>(229.43)</b>	<b>(228.47)</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## ii) Tax recognised in Other Comprehensive Income (OCI)

₹ in crore

	March 31, 2023	March 31, 2022
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	3.16	4.73
<b>Deferred tax</b>		
Deferred Tax /credit	0.01	(0.01)
<b>Total tax expense relating to OCI items</b>	<b>3.17</b>	<b>4.72</b>
<b>Tax expense [(i)+(ii)]</b>	<b>(226.26)</b>	<b>(223.75)</b>

## b) Reconciliation of tax expense and accounting profit

₹ in crore

	March 31, 2023	March 31, 2022
<b>Accounting profit before tax after Other Comprehensive Income</b>	<b>1,046.57</b>	<b>1,024.83</b>
Tax using the Company's domestic tax rate (34.944%)	(365.72)	(358.12)
<b>Less: Tax impact in respect of:-</b>		
Tax effect of amounts adjustable in calculating taxable income/expenses not considered for tax purpose including difference in depreciation	36.50	43.42
Incentive, deduction, etc. allowed under Income Tax Act	77.52	66.17
Other Adjustment etc.	25.44	24.78
<b>Tax expense</b>	<b>(226.26)</b>	<b>(223.75)</b>

**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** Interest on Consumers' Security Deposits (being in the nature of trade deposits) is included in Other Expenses, as per consistent practice followed by the Company. This is paid to the consumers at the applicable rates in terms of the Regulations framed, under the Electricity Act, 2003,

**NOTE- 47 EARNINGS PER SHARE:**

## (i) Computation of Earnings per share (net of tax )

Particulars	2022-23	2021-22
Profit After Tax (₹ in Crore) (A)	830.33	815.79
Weighted Average no. of shares for Earnings per share (B)	1,32,55,70,430	1,32,55,70,430
Basic and Diluted Earnings per share of ₹ 1/- = [(A) / (B)] (₹)	6.26	6.16

## (ii) Computation of Earnings per share (net of tax )

Particulars	2022-23	2021-22
Profit After Tax excluding regulatory income (₹ in Crore) (A)	327.08	358.52
Weighted Average no. of shares for Earnings per share (B)	1,32,55,70,430	1,32,55,70,430
Basic and Diluted Earnings per share of ₹ 1/- = [(A) / (B)] (₹)	2.47	2.71

**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 Chief Operating Decision Maker (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.

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### 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 is 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 accounting interpretations obtained, the Company 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 ₹ 214.08 crore (31.03.2022 : ₹ 225.30 crore) and corresponding withdrawal of ₹ 0.50 crore (31.03.2022 : ₹ 2.03 crore) consequent to sale / disposal of such assets.

### NOTE- 50 NOTE ON INDAS 116

The movement in Right of Use (ROU) Assets

Particulars	1st April 2022	Additions / Adjustments	Withdrawals /Adjustment	Amortisation	31st March 2023
Land	440.02	-	-	19.12	420.90
Building	240.67	3.35	0.70	27.79	215.53
Plant and Machinery	13.08	-	-	6.10	6.98
Vehicle	0.01	-	-	0.01	-
<b>Total</b>	<b>693.78</b>	<b>3.35</b>	<b>0.70</b>	<b>53.02</b>	<b>643.41</b>

Particulars	1st April 2021	Additions / Adjustments	Withdrawal /Adjustment	Amortisation	31st March 2022
Land	459.36	0.15	-	19.49	440.02
Building	263.30	5.19	0.12	27.70	240.67
Plant and Machinery	19.98	-	-	6.90	13.08
Vehicle	0.03	-	-	0.02	0.01
<b>Total</b>	<b>742.67</b>	<b>5.34</b>	<b>0.12</b>	<b>54.11</b>	<b>693.78</b>

The movement in lease liabilities for the year 2022-23 is as below:	₹ in crore
Lease Liabilities as at April 1, 2022	139.95
Additions	3.25
Deletions (pertaining to modification/termination of lease agreements during the year)	(0.77)
Finance cost expense	10.07
Payment during the year (includes interest ₹ 10.07 crore)	(29.58)
<b>Balance as on 31st March 2023</b>	<b>122.92</b>

The movement in lease liabilities for the year 2021-22 is as below:	₹ in crore
Lease liabilities as on 1st April, 2021	154.38
Additions	4.59
Deletions (pertaining to modification/termination of lease agreements during the year)	(0.13)
Finance cost expense	11.45
Payment during the year (including interest ₹ 11.45 crore)	(30.34)
<b>Balance as on 31st March 2022</b>	<b>139.95</b>

Future minimum lease payments during next one year ₹ 26.85 crore (31.03.2022 ₹ 27.48 crore), later than one year but not later than five years ₹ 69.73 crore (31.03.2022 ₹ 75.58 crore) and later than five years ₹ 26.34 crore (31.03.2022 ₹ 36.89 crore) applying weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 7.42 crore (31.03.2022 ₹ 3.07 crore) and low-value assets of ₹ 0.71 crore (31.03.2022 ₹ 0.66 crore), net of applicable taxes.

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE- 51 CORPORATE SOCIAL RESPONSIBILITY (CSR)

	₹ in crore	
	2022-23	2021-22
(i) Amount required to be spent by the company during the year	19.54	20.48
(ii) Amount of expenditure incurred	19.94*	20.70*
(iii) Shortfall at the end of the year	Nil	Nil
(iv) Total of previous years shortfall	Nil	Nil
(v) Reason for shortfall	N.A	N.A
(vi) Nature of CSR activities	In terms of CSR policy approved by the Board of Directors of the Company as may be referred to in the CSR Report (Annexure 'D') forming part of the Board's Report	In terms of CSR policy approved by the Board of Directors of the Company as may be referred to in the CSR Report (Annexure 'D') forming part of the Board's Report
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	N.A	N.A

\* Including ₹ 16.50 crore transferred to Unspent CSR Account for the Year 2022-23 (₹ 18.00 crore transferred to Unspent CSR Account for the Year 2021-22) for earmarked projects as approved by the Board of Directors of the Company.

## NOTE- 52 RATIOS

The following are analytical ratios for the year ended 31st March 2023 and 31st March 2022

Particulars	31-Mar-23	31-Mar-22
(i) Current Ratio	0.52	0.63
(ii) Debt – Equity Ratio	0.83	0.84
(iii) Debt Service Coverage Ratio	1.33	1.41
(iv) Return on Equity (ROE)	8.34%	8.19%
(v) Inventory Turnover Ratio	6.51	6.65
(vi) Trade receivables turnover ratio	7.54	6.00
(vii) Trade payables turnover ratio	9.54	7.80
(viii) Net working capital turnover ratio	**	**
(ix) Net profit ratio	10.18%	10.91%
(x) Return on capital employed (ROCE)	9.10%	8.45%
(xi) Return on investment		
Quoted	5.60%	5.06%
UnQuoted	-	-

\*\* net working capital is negative

None of the above ratios vary more than 25%, except Trade receivables turnover ratio which shows an improvement of 25.67% to 7.54 in the current year from 6.00 last year due to overall higher average debtors realisation which was subdued in FY 2020-2021 and FY 2021-2022 due to Covid-19.

Formulae for computation of above ratios are as follows:

**Current Ratio** = Total Current Assets / Total Current Liabilities

**Debt Equity Ratio** = Non Current Borrowings (including current maturities of long-term debts) + Current Borrowings / Total Equity

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE- 52 RATIOS (Contd..)

**Debt Service Coverage Ratio** = profit after tax + depreciation + deferred tax provisions+ finance costs / finance costs + lease rent expense (excluding short term lease rent) + debt repayments (net of proceeds utilised for Refinancing)

**Return on Equity (ROE)** = profit after tax / Average Total Equity

**Inventory Turnover Ratio** = Cost of Fuel / Average Fuel Inventory

**Trade Receivables Turnover Ratio** = Revenue from Operations / Average Trade Receivables

**Trade payables turnover Ratio** = Cost of Fuel & Power Purchase / Average Trade payable for cost of energy purchased & cost of fuel

**Net working capital turnover ratio** = Revenue from Operations / Average Working Capital

**Net profit ratio** = Profit after Tax / Total Income

**Return on capital employed (ROCE)** = Earning before interest and taxes / Capital Employed

**Capital Employed** = Total Equity + Non Current Borrowings (including current maturities of long-term debts) + Current Borrowings

**Return on investment** = Income generated from investments/ Average invested funds in treasury investment

### NOTE- 53 OTHER STATUTORY INFORMATION (FOR THE FINANCIAL YEARS 2022-23 AND 2021-22):

- The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The following are the details of receivable in respect of Struck off Companies:-

Name of the Electricity Consumers	Balance Outstanding as on 31st Mar 2023	Balance Outstanding as on 31st Mar 2022
	₹ in crore	₹ in crore
Presto Commercial Pvt. Ltd	0.03	0.03
Bye Pass Swimming & Resort Ltd	0.03	0.02
Mechno Hydromach Pvt.Ltd	0.02	0.02
Gupta Brothers Pvt Ltd	0.02	0.01
Nandan Properties Pvt.Ltd	0.02	0.02
Ripon Properties Pvt Ltd	0.02	0.02
S.M.Projects Pvt.Ltd	0.01	0.02
P.C.Biswas & Co. Bricks Pvt.Ltd	0.01	0.01
Reliable Management Services Pvt. Ltd	0.01	0.01
Southern Industries Pvt. Ltd	0.01	0.01
Truform Tools & Gauges Pvt Ltd	0.01	0.01
Unimet Consultants Pvt. Ltd	0.01	0.01
Puspasree Cinema Pvt Ltd	0.01	0.01
Chingsue Tannery Pvt Ltd	0.01	0.01
Atlantes Services P Ltd	0.01	0.01
Goodwill Commotrade Pvt.Ltd	0.01	0.00
Radiant Builders Pvt Ltd	0.01	0.01
Strongmen Trade & Commerce Pvt.Ltd	0.00	0.01
Sarvmangala Textiles Pvt.Ltd	0.00	0.01

**Following are the Struck Off Companies where the balances are below ₹ 50,000**

Gazi Poly Plast Products Pvt.Ltd, Mega Mobile Media Private Limited, Little Angles & - Developers Pvt.Ltd, Jkbn Ltd, Garuda Chains Pvt Ltd, B N Apartments Pvt Ltd, Regional Engineers Associated Pvt Ltd, Nook Holdings Pvt Ltd, Pashupati Developers Pvt .Ltd, Akla Builders Pvt.Ltd, Ekta Apartments Pvt. Ltd, Namaste Holdings Pvt Ltd, Midland Medicare Limited, The Dimakusi Tea Co Ltd, Gunadhatre Abasann Pvt.Ltd, Yash Rasayan Pvt Ltd, Longview Marketing & Impex Pvt Ltd, Oscar Projects Pvt.Ltd, Rajat Homfin Pvt.Ltd, Spark Dealers Pvt. Ltd, A.S.B. Properties Private Limited, Free India



## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

## NOTE- 53 OTHER STATUTORY INFORMATION (FOR THE FINANCIAL YEARS 2022-23 AND 2021-22): (Contd..)

Machinery Co Pvt Ltd, Shree Binayak Highrise Pvt.Ltd, Chandbali Properties Pvt Ltd, Madan Radio Co Pvt Ltd, Kailash Clothwear Pvt.Ltd, Navniketan Cine Pvt Ltd, Ledex Export (India) Pvt.Ltd, Packaging Aids Pvt.Ltd, Creation Marketing Pvt Ltd, Macneumatic Pvt. Ltd, Murarka Dealers Investors Pvt Ltd, Roshni Constructions Pvt Ltd, Shree Venkateswar Machine Tools Pvt.Ltd, National Ceramic Industries Ltd, India Steel Industries Pvt Ltd, Mishra Nirman Pvt Ltd, Dgm Infotech Private Limited, Demaca Commercial Pvt Ltd, Pradip Promoters Pvt Ltd, Aeercon Housing Pvt Ltd, Cine Sixteen Eastern Pvt Ltd, Pashupati Paints (India) Pvt Ltd, Gem Savings Unit Pvt Ltd, Calcutta Chemical Co Ltd, X'Clusive Business Centre Pvt.Ltd, Red Plus Clinics Pvt Ltd, Navkar Credit Services Pvt.Ltd, Acme Construction Co.Pvt.Ltd, Genius Consultants Pvt Ltd, Niva Marketing & Distribution Pvt. Ltd, Anil Tower Pvt.Ltd, G M Cure Home Pvt Ltd, Konatron Electronics - Pvt.Ltd, Sarwamangala Properties Pvt Ltd, Arihant Enclave Pvt Ltd, Cherish Projects & - Resources Pvt.Ltd, Exclusive Trade & Print Pvt.Ltd,

Saps Housing Projects Pvt Ltd, Dot Pvt Ltd, Siloni Engineers Pvt Ltd, Epic Apparels Pvt Ltd, Rocketing Properties Pvt. Ltd, Upasana Construction Pvt. Ltd, Lihala Metals Pvt Ltd, Acme Decals Pvt Ltd, Gallaine Developers Private Limited, Eikon Creators Pvt.Ltd, Purban Pvt Ltd, Uniphase Commercial Services Pvt Ltd, Hpb Developers Pvt. Ltd, Atlanta Health Centre Pvt Ltd, Rosewood Enclave Pvt Ltd, Amrita Commercial Co Pvt.Ltd, Metal Specialities Pvt Ltd, Silver Wings Pvt Ltd, D N Construction & Investment Pvt Ltd, Pathecherra Commotrade Pvt Ltd, S.D.Instruments Pvt.Ltd, Ghosh & Co (Textiles) Pvt Ltd, Amaltas Construction Pvt Ltd, Singhi Marketing Pvt. Ltd, Amrita Commercial Co Pvt Ltd, R.C. Estates Pvt Ltd, Santosh Biscuit Co Pvt Ltd, Estate Developers India Pvt Ltd, Parbati Multiplex Private Limited, Howrah Enclave Pvt.Ltd, Sas Laboratories Pvt Ltd, Moda Chrome Pvt.Ltd, Ananda Ashram Pvt Ltd, H P B Developers Pvt Ltd, Renaissance Cassette Pvt.Ltd, Das Fabrico Pvt.Ltd, G.B.Buildtech Pvt.Ltd, Naba Press Pvt Ltd, Farmaid India Pvt Ltd, Elmecon Bds Pvt. Ltd, Map Metal & Alloys - Pvt.Ltd, Nri Sweet Home Pvt.Ltd, Uniphase Commercial Services Pvt.Ltd, Innovative Design Centre Pvt.Ltd, Santosh Biscuit Co.Pvt. Ltd, Hpb Developers Pvt Ltd, Acme Construction Co Pvt Ltd, Tulika Holdings Pvt Ltd, Agency Syndicate Pvt. Ltd, Shree Roadways Ltd, B.K.Builders Pvt Ltd, Advani Properties Pvt Ltd, Benget India Pvt Ltd, Gunapunaraya Properties Pvt.Ltd, Shaw Vanaspati Pvt. Ltd, Shreekunj Hotels Pvt.Ltd, Star Wise Mercantiles Private Limited, System Engineers Pvt.Ltd, Swadevika Impex India Private Limited, Machfarm Pvt.Ltd, Simiran Textiles Pvt Ltd, Khaitan Pratisthan Pvt Ltd,

Blue Heaven Construction Company Pvt.Ltd, Suburban Projects Pvt.Ltd, Meghdoot Construction Pvt Ltd, Dhannantari Printing & Packaging Pvt.Ltd, Kajaria Sons Pvt.Ltd, Ranisati Merchandise Pvt Ltd, Anjali Towers Pvt.Ltd, Rishi Leather Pvt Ltd, A.K.Mukherjee & Co. Pvt.Ltd, D Bright & Co Pvt Ltd, Csj Enterprise Private Limited, Thienfore Co Pvt Ltd, Little-Oak Pharmaceuticals Pvt Ltd, L M C Finance Properties Pvt Ltd, Personal Finance Ltd, Capri Home Products Ltd, Jupiter Products Pvt Ltd, Bhagirathi Protein Ltd, Aadyasree Technologies Private Limited, A.S.Syndicate (Ware Housing) Pvt Ltd, Eastern Pigments Pvt Ltd, Ess Ess Hirise Private Limited, Orbital Distributors Pvt Ltd, Torrent Merchandise Pvt Ltd, True Blue Media Private Limited, Dabro Agro Chemicals Pvt.Ltd, Lira Business Resources Pvt Ltd, Image Express Pvt.Ltd, Gcon Housing Pvt.Ltd, Modern India Machine Tools Pvt Ltd, Marcil Agriculture Farm Pvt Ltd, S.B.Minerals Pvt.Ltd, Nakoda Properties & Finance Pvt Ltd, Kva Homes Pvt.Ltd, Saryou Advisory Pvt Ltd, Mercodex India Pvt Ltd, Vasantlok Properties Pvt.Ltd, Ad Graphic And Design India Private Limited, Bajoria Coating Industries Pvt Ltd, M.P.Consultancy Pvt Ltd, Howrah Warehouse Pvt.Ltd, Swil Ltd, Mindset Consulting Private Limited, Aryadeep Retailers Private Limited, Z.N.Construction - Pvt.Ltd, Rico Pvt Ltd, Claridge Commercial Pvt.Ltd, Natabar Oil Mill Pvt Ltd, Manu-Nem Holdings Pvt.Ltd, Ardikem Management Services Pvt.Ltd, Abhinav Print System Pvt Ltd, Eldyne Macro Systems India Pvt Ltd.

**Nature of Transaction with the Struck Off Company :** All transactions relate to Sale of Electricity and Security Deposit balance in the ordinary course of business of electricity distribution.

**Relationship with Struck off Companies :** All are Electricity Consumers and there is no other relationship.

- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

## NOTES FORMING PART OF FINANCIAL STATEMENTS (Contd.)

### NOTE- 53 OTHER STATUTORY INFORMATION (FOR THE FINANCIAL YEARS 2022-23 AND 2021-22): (Contd..)

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Company is maintaining its books of accounts in electronic mode and these books of accounts are accessible in India at all times and the back-up of the books of accounts has been kept in servers physically located in India on a daily basis
- (x) The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.

### NOTE- 54 DISCLOSURE UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

The Company has given Loans and Advances in the nature of loans amounting to ₹ 38 Crore during the year (Outstanding as at 31.03.2023: ₹ 38 Crore, 31.03.2022: Nil) to Kota Electricity Distribution Limited, a subsidiary company.

### NOTE - 55 QUANTITATIVE INFORMATION :

	(Million kWh)	
	2022-23	2021-22
(a) Total number of units generated during the year	5,966	5,726
(b) Total number of units consumed in Generating Stations	475	445
(c) Total number of units sent out	5,491	5,281
(d) Total number of units purchased during the year	5,745	5,202
(e) Total number of units through Unscheduled Interchange (Net)	-26	-10
(f) Energy received for wheeling	5	4
(g) Total number of units delivered	11,215	10,477
(h) Total number of units sold as per meter readings	10,322	9,403
(i) Total number of units sold to persons other than own consumers and WBSEDCL	40	198
(j) Total number of units consumed in Company's premises	28	33
(k) Units conveyed including additional units allowed by Commission for wheeling	5	4
(l) Total number of Units sold to WBSEDCL	6	14

The installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2023 was 1125000 kW (31st March, 2022 : 1125000 kW).

**NOTE- 56** 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

For and on behalf of Board of Directors

**Navin Agrawal**  
Partner  
Membership No.: 056102  
Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka** DIN: 00074796  
**Rabi Chowdhury** DIN: 06601588  
**Debasish Banerjee** DIN: 06443204  
**Rajarshi Banerjee**  
**Jagdish Patra**

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited

## Report on the Audit of the Consolidated Financial Statements

### OPINION

We have audited the accompanying consolidated 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") and its joint venture comprising of the consolidated Balance Sheet as at March 31, 2023, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 and joint venture, the aforesaid consolidated 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 and its joint venture as at March 31, 2023, 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 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 Financial Statements' section of our report. We are independent of the Group, 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 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 financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated 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 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 financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### 1. Accrual of regulatory income / expense and corresponding asset / liability (Refer Note 40)

##### Key Audit Matter:

The Group recognizes regulatory income / expense / assets / liability basis its understanding and interpretation of Tariff orders and regulations notified by the applicable State Electricity Regulatory Commission, 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 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 appropriate discounting rate.

In consideration of the significance of the amount of the regulatory balances, complexity and high degree

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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, including procedures performed by other auditors of a subsidiary Company comprised of the following:

- We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Group's key controls related to accrual of such regulatory balances.
- We considered the Group's accounting policies with respect to accrual for regulatory deferral account balances and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts".
- 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 Group.
- 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 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 assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".

### 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 information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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, 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 FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 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 joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of their respective companies to

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 joint venture are also responsible for overseeing the financial reporting process of their respective companies.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 consolidated 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 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 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 joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 and its joint venture of which we are the independent auditors, to express an opinion on the consolidated 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 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 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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 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 17 subsidiaries, whose financial statements include total assets of ₹ 16,826.75 crores as at March 31, 2023, and total revenues of ₹ 8,720.59 crores and net cash outflows of ₹ 559.22 crores for the year ended on that date. These financial statements 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 financial statements also include the Group's share of net loss of ₹ 0.00 crore for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements, other financial information have been audited by other auditors and whose report has been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries 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 and joint venture, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statements and other unaudited financial information in respect of 1 subsidiary, whose financial statements and other financial information reflect total assets of ₹ 0.11 crores as at March 31, 2023, total revenues of ₹ 0.00 crores and net cash outflows of ₹ 0.28 crores for the year ended on that date. These unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures

included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated 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 of the other auditors and the financial statements and other financial information certified by the Management.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies and joint venture, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.
2. 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 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 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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 financial statements;

- (d) In our opinion, the aforesaid consolidated 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, 2023 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 and joint venture, none of the directors of the Group's companies, and joint venture, incorporated in India, is disqualified as on March 31, 2023 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies and joint venture, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and its joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries 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 and joint venture, as noted in the 'Other matter' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and joint venture in its consolidated financial statements – Refer Note 32 to the consolidated financial statements;
- ii. The Group and joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
- 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 and joint venture, incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- b) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and joint venture from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause

(a) and (b) contain any material mis-statement.

- v) The interim dividend declared and paid during the year by the Holding Company incorporated in India and until the date of the audit report of such Holding Company, is in accordance with section 123 of the Act.

The final dividend paid by one of the subsidiaries incorporated in India, during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

The Board of Directors of one of the subsidiary companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the Subsidiary Company at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries and joint venture company incorporated in India, hence reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Navin Agrawal**

Partner

Place of Signature: Kolkata

Date: May 22, 2023

Membership Number: 056102

UDIN: 23056102BGUOY4299

## ANNEXURE '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: CESC Limited ("the Company")

**Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture, incorporated in India, we state that:**

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Navin Agrawal**

Partner

Membership Number: 056102

UDIN: 23056102BGUUOY4299

Place of Signature: Kolkata

Date: May 22, 2023

## ANNEXURE '2' To the Independent Auditor's Report of Even Date on the Consolidated 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 financial statements of CESC Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") 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 companies included in the Group 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 (ICAI). 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 Companies Act, 2013.

#### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to these consolidated 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 with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated 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 with reference to these consolidated financial statements.

#### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to these consolidated 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 with reference to these consolidated 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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THESE CONSOLIDATED FINANCIAL STATEMENTS**

Because of the inherent limitations of internal financial controls with reference to these consolidated 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 with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**OPINION**

In our opinion, the Group and its joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating

effectively as at March 31, 2023, 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 Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**OTHER MATTERS**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, in so far as it relates to 17 subsidiaries and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint venture incorporated in India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Navin Agrawal**

Partner

Place of Signature: Kolkata

Date: May 22, 2023

Membership Number: 056102

UDIN: 23056102BGUUOY4299

# CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2023

Particulars	Note No.	₹ in crore	
		As at 31st March, 2023	As at 31st March, 2022
<b>ASSETS</b>			
<b>Non current Assets</b>			
Property, Plant and Equipment	5	22,633.63	23,018.74
Capital work-in-progress	5A	140.42	102.48
Investment Property	6	62.87	62.87
Intangible Assets	7	129.39	134.02
Financial Assets			
Investments	8	76.99	114.48
Loans	9	6.26	6.21
Others	10	231.65	218.41
Other non current assets	11	283.87	360.62
		<b>23,565.08</b>	<b>24,017.83</b>
<b>Current Assets</b>			
Inventories	12	880.22	659.42
Financial Assets			
Investments	13	-	345.16
Trade receivables	14	2,191.52	2,095.49
Cash and cash equivalents	15	1,129.20	2,152.70
Bank balances other than cash and cash equivalents	16	1,459.15	1,096.76
Loans	17	1.49	16.09
Others	18	288.19	237.49
Current tax assets (net)		11.42	16.03
Other current assets	19	573.95	466.06
		<b>6,535.14</b>	<b>7,085.20</b>
Regulatory deferral account balances	31	7,611.67	6,390.44
<b>TOTAL ASSETS</b>		<b>37,711.89</b>	<b>37,493.47</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	20	133.22	133.22
Other Equity	21	10,777.15	10,263.21
Non-controlling interest	41	478.73	434.16
<b>Total Equity</b>		<b>11,389.10</b>	<b>10,830.59</b>
<b>Liabilities</b>			
<b>Non current Liabilities</b>			
Financial Liabilities			
Borrowings	22	9,568.91	10,576.98
Lease Liabilities	23	166.57	188.83
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		62.65	63.98
Consumers' Security Deposits	55	2,007.26	1,860.56
Others		66.70	66.58
Provisions	24	514.88	498.00
Deferred tax liabilities (net)	42	4,279.45	4,287.52
Other non current liabilities	25	272.21	285.97
		<b>16,938.63</b>	<b>17,828.42</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	26	4,493.54	4,161.91
Lease Liabilities		33.82	33.08
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises	27	43.73	44.83
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	27	1,046.09	996.75
Others	28	894.36	855.17
Other current liabilities	29	760.87	583.88
Provisions	30	52.56	62.24
Current tax liabilities (net)		85.43	62.23
		<b>7,410.40</b>	<b>6,800.09</b>
Regulatory deferral account balances	31	1,973.76	2,034.37
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>37,711.89</b>	<b>37,493.47</b>
Notes forming part of Consolidated Financial Statements	1-56		

This is the Consolidated Balance Sheet referred to in our Report of even date.

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

Chartered Accountants

Firm Registration Number -301003E/E300005

For and on behalf of Board of Directors

**Navin Agrawal**

Partner

Membership No.: 056102

Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka**  
**Rabi Chowdhury**  
**Debasish Banerjee**  
**Rajarshi Banerjee**  
**Jagdish Patra**

**DIN: 00074796**  
**DIN: 06601588**  
**DIN: 06443204**



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2023

		₹ in crore	
Particulars	Note No.	2022-23	2021-22
Revenue from operations	33	14,246.35	12,543.88
Other income	34	308.77	275.69
<b>Total Income</b>		<b>14,555.12</b>	<b>12,819.57</b>
<b>Expenses</b>			
Cost of electrical energy purchased		5,164.57	3,535.24
Cost of fuel	35	3,966.92	3,259.52
Purchase of stock-in-trade		13.55	15.24
Employee benefits expense	36	1,189.22	1,080.89
Finance costs	37	1,117.24	1,129.30
Depreciation and amortisation expense	38	877.87	884.66
Other expenses	39	1,762.80	1,736.19
<b>Total expenses</b>		<b>14,092.17</b>	<b>11,641.04</b>
<b>Profit before regulatory income/ (expense) and tax</b>		<b>462.95</b>	<b>1,178.53</b>
Regulatory Income / (expense) (net)	40	1,276.15	736.95
<b>Profit before tax</b>		<b>1,739.10</b>	<b>1,915.48</b>
<b>Tax expense</b>			
Current tax	43	349.79	382.27
Deferred Tax charge / (credit)	42	(8.02)	129.13
<b>Total Tax expenses</b>		<b>341.77</b>	<b>511.40</b>
<b>Profit for the year</b>		<b>1,397.33</b>	<b>1,404.08</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(13.60)	(20.34)
Income tax on above		3.24	4.87
Gain/(loss) on fair valuation of Investments		(7.61)	4.95
Deferred Tax (charge) / credit on above		0.05	(0.05)
Regulatory Income / (expense) - Deferred tax		(0.01)	0.01
		<b>(17.93)</b>	<b>(10.56)</b>
<i>Items that will not be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		0.02	0.01
		<b>0.02</b>	<b>0.01</b>
<b>Other Comprehensive income for the year (net of tax)</b>		<b>(17.91)</b>	<b>(10.55)</b>
<b>Total comprehensive income for the year</b>		<b>1,379.42</b>	<b>1,393.53</b>
<b>Profit attributable to</b>			
Owners of the equity		1,342.83	1,358.07
Non-controlling interest		54.50	46.01
		<b>1,397.33</b>	<b>1,404.08</b>
<b>Other Comprehensive loss attributable to</b>			
Owners of the equity		(17.80)	(10.58)
Non-controlling interest		(0.11)	0.03
		<b>(17.91)</b>	<b>(10.55)</b>
<b>Total Comprehensive Income attributable to</b>			
Owners of the equity		1,325.03	1,347.49
Non-controlling interest		54.39	46.04
		<b>1,379.42</b>	<b>1,393.53</b>
Basic & Diluted Earnings per equity share (Face value of Re 1/- per share)	44	10.13	10.25
Notes forming part of Consolidated Financial Statements	1-56		

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

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

Chartered Accountants

Firm Registration Number -301003E/E300005

**Navin Agrawal**

Partner

Membership No.: 056102

Kolkata, 22nd May, 2023

For and on behalf of Board of Directors

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka**  
**Rabi Chowdhury**  
**Debasish Banerjee**  
**Rajarshi Banerjee**  
**Jagdish Patra**

**DIN: 00074796**  
**DIN: 06601588**  
**DIN: 06443204**

# CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in crore

Particulars	2022-23	2021-22
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,739.10	1,915.48
Adjustments for :		
Depreciation and amortisation expense	877.87	884.66
Loss on sale / disposal of property, plant and equipment (net)	0.75	6.36
Gain on sale / fair valuation of current investments (net)	(51.87)	(12.78)
Dividend Income	(5.06)	(8.90)
Allowances for doubtful debts / Advances, etc	17.67	11.26
Bad debts, advances (net), written off	43.85	33.25
Finance Costs	1,117.24	1,129.30
Interest Income	(92.23)	(72.96)
Effect of Foreign Currency Transactions / Translation (net)	0.02	0.01
Other Non Operating Income	(30.86)	(54.21)
<b>Operating Profit before Working Capital changes</b>	<b>3,616.48</b>	<b>3,831.47</b>
Adjustments for change in :		
Trade and other receivables	282.44	(31.49)
Net change in regulatory deferral account balances	(1,276.15)	(736.95)
Inventories	(220.80)	(61.75)
Trade and other payables	(125.70)	(110.47)
<b>Cash Generated from Operations</b>	<b>2,276.27</b>	<b>2,890.81</b>
Income Tax paid (net of refund)	(297.92)	(391.74)
<b>Net cash flow from Operating Activities</b>	<b>1,978.35</b>	<b>2,499.07</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment / Capital Work-in-Progress	(695.54)	(778.07)
Proceeds from sale of Property, Plant & Equipment	5.32	7.77
Sale of Subsidiary company	-	304.74
Sale / (purchase) of Current Investments (net)	397.03	(160.16)
Sale of Non Current Investments	30.00	30.00
Dividend received	5.06	8.90
Interest received	75.82	90.22
Net movement in Bank Balances (other than cash and cash equivalents)	(362.39)	(78.43)
<b>Net cash used in Investing Activities</b>	<b>(544.70)</b>	<b>(575.03)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Non Current Borrowings *	1,110.00	1,830.00
Repayment of Non Current Borrowings *	(1,582.79)	(1,383.40)
Payment of Lease Liabilities	(46.11)	(47.09)
Net movement in Cash Credit facilities and other current Borrowings	(205.11)	700.70
Finance Costs paid	(1,129.35)	(1,108.52)
Dividends paid	(603.79)	(602.63)
<b>Net Cash used in Financing Activities</b>	<b>(2,457.15)</b>	<b>(610.94)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,023.50)</b>	<b>1,313.10</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 15]</b>	<b>2,152.70</b>	<b>839.60</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 15]</b>	<b>1,129.20</b>	<b>2,152.70</b>

\* Net of ₹1,050.00 crore (previous year : ₹484.36 crore) utilized for refinancing of borrowings..

CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31ST MARCH, 2023 (Contd.)

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-22	Cash flows	Others	31-Mar-23
Current borrowings	2,243.14	(205.11)	-	2,038.03
Non-Current borrowings (including Current Maturities)	12,543.62	(472.79)	-	12,070.83
Lease Liabilities	221.91	(46.11)	24.59	200.39
<b>Total liabilities from financing activities</b>	<b>15,008.67</b>	<b>(724.01)</b>	<b>24.59</b>	<b>14,309.25</b>

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-21	Cash flows	Others	31-Mar-22
Current borrowings	1,566.46	700.70	(24.02)	2,243.14
Non-Current borrowings (including Current Maturities)	12,529.34	446.60	(432.32)	12,543.62
Lease Liabilities	235.59	(47.09)	33.41	221.91
<b>Total liabilities from financing activities</b>	<b>14,331.39</b>	<b>1,100.21</b>	<b>(422.93)</b>	<b>15,008.67</b>

This is the Consolidated 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

For and on behalf of Board of Directors

**Navin Agrawal**  
Partner  
Membership No.: 056102  
Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka** DIN: 00074796  
**Rabi Chowdhury** DIN: 06601588  
**Debasish Banerjee** DIN: 06443204  
**Rajarshi Banerjee**  
**Jagdish Patra**

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH, 2023

## 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 Re. 1/- each issued, subscribed and fully paid up			
As at 31st March 2022	133.22	-	133.22
As at 31st March 2023	133.22	-	133.22

## B Other Equity

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Total	Non Controlling Interest	Total Other Equity
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies					
Balance as at 1st April, 2022	11,166.08	(1,250.24)	319.00	15.55	12.82	10,263.21	434.16	10,697.37
Profit for the year	1,342.83	-	-	-	-	1,342.83	54.50	1,397.33
Other Comprehensive Income / (expense) for the year (net of tax)	(10.25)	-	-	(7.57)	0.02	(17.80)	(0.11)	(17.91)
<b>Total</b>	<b>12,498.66</b>	<b>(1,250.24)</b>	<b>319.00</b>	<b>7.98</b>	<b>12.84</b>	<b>11,588.24</b>	<b>488.55</b>	<b>12,076.79</b>
Dividends paid	(596.51)	-	-	-	-	(596.51)	(9.82)	(606.33)
Transfer to / from retained earnings	(17.67)	-	17.67	-	-	-	-	-
Withdrawal of additional depreciation during the year	(214.08)	-	-	-	-	(214.08)	-	(214.08)
Withdrawal of residual amount added on fair valuation consequent to sale / disposal of assets	(0.50)	-	-	-	-	(0.50)	-	(0.50)
<b>Balance as at 31st March, 2023</b>	<b>11,669.90</b>	<b>(1,250.24)</b>	<b>336.67</b>	<b>7.98</b>	<b>12.84</b>	<b>10,777.15</b>	<b>478.73</b>	<b>11,255.88</b>

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Total	Non Controlling Interest	Total Other Equity
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies					
Balance as at 1st April, 2021	10,665.42	(1,250.24)	300.93	10.64	12.81	9,739.56	396.31	10,135.87
Profit for the year	1,358.07	-	-	-	-	1,358.07	46.01	1,404.08
Other Comprehensive Income / (expense) for the year (net of tax)	(15.50)	-	-	4.91	0.01	(10.58)	0.03	(10.55)
<b>Total</b>	<b>12,007.99</b>	<b>(1,250.24)</b>	<b>300.93</b>	<b>15.55</b>	<b>12.82</b>	<b>11,087.05</b>	<b>442.35</b>	<b>11,529.40</b>
Dividends paid	(596.51)	-	-	-	-	(596.51)	(8.19)	(604.70)
Transfer to/from retained earnings	(18.07)	-	18.07	-	-	-	-	-
Withdrawal of additional depreciation during the year	(225.30)	-	-	-	-	(225.30)	-	(225.30)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets	(2.03)	-	-	-	-	(2.03)	-	(2.03)
<b>Balance as at 31st March, 2022</b>	<b>11,166.08</b>	<b>(1,250.24)</b>	<b>319.00</b>	<b>15.55</b>	<b>12.82</b>	<b>10,263.21</b>	<b>434.16</b>	<b>10,697.37</b>

\* refer note 21

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For **S.R. BATLIBOI & Co. LLP**  
Chartered Accountants  
Firm Registration Number -301003E/E300005

For and on behalf of Board of Directors

**Navin Agrawal**  
Partner  
Membership No.: 056102  
Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka** DIN: 00074796  
**Rabi Chowdhury** DIN: 06601588  
**Debasish Banerjee** DIN: 06443204  
**Rajarshi Banerjee**  
**Jagdish Patra**

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 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) under Section 133 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 Consolidated Financial Statements have been prepared on a historical cost convention, except for the following:

- a) Certain investments in equity and preference instruments are carried at fair value, other than investments in 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) 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 (iii) below), after initially being recognized at cost in the consolidated balance sheet.

#### (iii) 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 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 joint ventures is 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### (iv) 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 a 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 off the related assets or liabilities, i.e. amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture 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 as 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 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.

For the Parent and two of its subsidiary companies 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 based on the useful life specified therein, as considered by the respective applicable 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



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

Particulars	Useful Life of Assets
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 or based on such useful life as considered by the applicable Commission. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets.

**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, that are factored 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 its fair value or value in use, whichever is higher.

Right-of-use assets are depreciated 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.

**(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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 measured at fair value through other comprehensive income (FVTOCI)**

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 (OCI) subsequent changes in the fair value. If the Group decides to classify an equity instrument as at fair value through other comprehensive income (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 unsecured assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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. In respect of the rate regulated entities 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 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 and slow moving inventories are identified at the time of physical verification and provided for, where necessary.

#### **(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 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The outstanding loans repayable in foreign currency, if any are restated at the year-end exchange rate. In case of rate regulated entities, 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 future tariff in respect of amount settled duly considering impact of 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 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 Parent and its applicable subsidiaries receive 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 for such contributions in the year the work obligations are discharged.

Income from meter rent is accounted for as per the approved rates.

**(n) Other Income**

Income from investments and deposits, user fee income from investment property, etc. is accounted on accrual basis as per contractual terms. 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 Parent 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 Parent, impact of which is ascertained by way of actuarial valuation as at the year end. In respect of the subsidiary companies, contribution to Provident Fund is made to Employees' Provident Fund Organisation, Government of India.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

The Group, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on an accrual basis based on actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits.

Actuarial gains and losses are recognised through Other Comprehensive Income.

Compensation in respect of voluntary retirement scheme is charged as an expense.

### (p) Finance Costs

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date, such assets are ready for their intended use. 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. 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 operate.

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 two subsidiary companies, tax on profits forms part of claimable expenditure under the applicable regulations. Current tax liability and deferred tax liability or asset is recoverable or payable, through future tariff. Hence, recognition of current tax liability and deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, to the extent 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 will be realised.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries 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 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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

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 are accounted for using the pooling of interest method as per the requirement of Ind AS 103, Business Combination for common control transaction whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, are accounted for including the effect of scheme approved by National Company Law Tribunal, where applicable.

**(t) Regulatory deferral accounts balances**

The Parent and two of the subsidiary companies engaged in power business are rate regulated entities and applies 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 Group's understanding of the provision of the applicable regulations framed under the Electricity Act, 2003 and/or pronouncements/orders by the applicable Regulatory Commission, with corresponding balances shown in the Balance-sheet as Regulatory Deferral Account balances, at their present value duly considering appropriate discounting methodology in consonance with the applicable regulations. Regulatory Deferral Accounts balances being estimates, are revised as necessary, based on factual developments, including impact of regulatory orders.

**NOTE - 2 SUMMARY OF SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS**

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions.

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 Deferral Account - Note 31 and 40
- Impairment assessment of Investment - Refer Note 1(g)
- Estimates used in Lease liabilities -Note 47

**NOTE - 3 AMENDMENTS TO EXISTING IND AS**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2022 dated March 23, 2022, to amend the following Ind AS which are effective from April 01, 2022, but do not have any significant impact on the financial statements.

- (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37
- (ii) Reference to the Conceptual Framework – Amendments to Ind AS 103
- (iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16
- (iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter
- (v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- (vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**NOTE - 4 THE SUBSIDIARIES AND JOINT VENTURE CONSIDERED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS ARE:**

Sl. No.	Name of Subsidiaries and Joint Venture	Country of Incorporation	Percentage of ownership interest as at 31st March, 2023	Percentage of ownership interest as at 31st March, 2022
1	Haldia Energy Limited (HEL)	India	100.00	100.00
2	Dhariwal Infrastructure Limited (DIL)	India	100.00	100.00
3	Malegaon Power Supply Limited	India	100.00	100.00
4	CESC Projects Limited	India	100.00	100.00
5	Bantal Singapore Pte Limited	Singapore	100.00	100.00
6	Pachi Hydropower Projects Limited	India	100.00	100.00
7	Papu Hydropower Projects Limited	India	100.00	100.00
8	Ranchi Power Distribution Company Limited	India	100.00	100.00
9	Crescent Power Limited (CPL)	India	67.83	67.83
10	Kota Electricity Distribution Limited (KEDL)	India	100.00	100.00
11	Bikaner Electricity Supply Limited (BKSL)	India	100.00	100.00
12	Bharatpur Electricity Services Limited (BESL)	India	100.00	100.00
13	CESC Green Power Limited	India	100.00	100.00
14	Eminent Electricity Distribution Limited	India	100.00	100.00
15	Noida Power Company Limited (NPCL)	India	72.73	72.73
16	Jharkhand Electric Company Limited	India	100.00	100.00
17	Jarong Hydro-Electric Power Company Limited	India	100.00	100.00
18	Au Bon Pain Café India Limited	India	93.10	93.10
19	Mahuagarhi Coal Company Private Limited (joint venture)	India	50.00	50.00



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 5 PROPERTY, PLANT AND EQUIPMENT

₹ in crore

PARTICULARS	COST / DEEMED COST			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1st April, 2022	Add: Additions/ Adjustments	Less : Withdrawals/ Adjustments	As at 1st April, 2022	Add: Additions/ Adjustments	Less : Withdrawals/ Adjustments	As at 31st March, 2023	As at 31st March, 2022
Land #	3,375.04	2.91	-	158.32	22.46	-	3,197.17	3,216.72
Buildings and Structures *	2,240.19	49.99	0.85	556.16	90.90	0.05	1,642.32	1,684.03
Plant and Equipment	13,401.94	152.13	2.43	3,781.25	493.53	1.90	9,278.76	9,620.69
Distribution System	9,901.56	380.44	3.78	2,199.28	378.44	1.92	7,702.42	7,702.28
Meters and Other Apparatus on Consumers' Premises	613.09	74.67	11.59	221.11	49.18	5.27	411.15	391.98
River Tunnel	2.78	-	-	2.76	-	-	0.02	0.02
Furniture and Fixtures	83.78	5.19	1.10	33.63	4.73	0.38	49.89	50.15
Office Equipment	193.30	27.30	2.16	95.75	14.90	1.76	109.55	97.55
Vehicles	26.60	4.57	0.77	11.00	3.84	0.28	15.84	15.60
Railway Sidings	321.29	-	-	81.57	13.21	-	226.51	239.72
	<b>30,159.57</b>	<b>697.20</b>	<b>22.68</b>	<b>7,140.83</b>	<b>1,071.19</b>	<b>11.56</b>	<b>22,633.63</b>	<b>23,018.74</b>
Previous Year	30,294.69	820.43	955.55	6,323.73	1,095.17	278.07	23,018.74	

# includes leasehold land

\* includes leasehold improvements

Notes:

1. Property, Plant & Equipment includes right of use assets recognised upon adoption of IndAS 116 (Refer Note 47)
2. The Parent is in the process of renewing the lease agreement in respect of certain leasehold land having Gross Block ₹ 349.35 crore (31.03.2022 : ₹ 373.18 crore) & Net Block ₹ 227.14 crore (31.03.2022 : ₹ 266.55 crore)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 5A CAPITAL WORK-IN-PROGRESS

Ageing for capital work-in-progress is as follows:

₹ in crore

PARTICULARS	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31st March 2023	116.16	6.03	1.65	16.58	140.42
As at 31st March 2022	80.79	2.72	7.04	11.93	102.48

### NOTE - 6 INVESTMENT PROPERTY

₹ in crore

PARTICULARS	COST/ DEEMED COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Land - Freehold	62.87	-	-	62.87	-	-	-	-	62.87	62.87
	<b>62.87</b>	-	-	<b>62.87</b>	-	-	-	-	<b>62.87</b>	<b>62.87</b>
Previous Year	62.87	-	-	62.87	-	-	-	-	62.87	

- a) User Fees income recognised in statement of profit and loss ₹ 11.70 crore (31.03.2022 : ₹ 7.80 crore).
- b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 289 crore (as on 31.03.2022 : ₹ 286 crore) as per registered 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 Lessor. 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 by the said company. Incentive given by the Lessor 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 to five years ₹ 11.70 crore (as on 31.03.2022 : ₹ 11.70 crore) in each of the years and later than five years ₹ 54.62 crore (as on 31.03.2022 : ₹ 66.32 crore).

### NOTE - 7 INTANGIBLE ASSETS

₹ in crore

PARTICULARS	COST/DEEMED COST				AMORTISATION				NET BLOCK	
	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 1st April, 2022	Add: Additions	Less: Withdrawals	As at 31st March, 2023	As at 31st March, 2023	As at 31st March, 2022
Computer Software	86.07	16.22	0.12	102.17	52.68	13.03	0.03	65.68	36.49	33.39
Mining Rights	151.88	-	-	151.88	51.35	7.73	-	59.08	92.80	100.53
Other Intangibles	0.46	-	-	0.46	0.36	-	-	0.36	0.10	0.10
	<b>238.41</b>	<b>16.22</b>	<b>0.12</b>	<b>254.51</b>	<b>104.39</b>	<b>20.76</b>	<b>0.03</b>	<b>125.12</b>	<b>129.39</b>	<b>134.02</b>
Previous Year	261.97	10.93	34.49	238.41	98.33	14.79	8.73	104.39	134.02	

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 8 NON CURRENT INVESTMENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<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 (31.03.2022 : 1,21,95,122) Equity Shares of Resource Generation Limited #	-	-
3,84,608 (31.03.2022 : 3,84,608) Equity Shares of ₹ 10 each of ICICI Securities Limited	16.45	23.89
<b>(ii) Investments in Equity Instruments - Unquoted, fully paid up</b>		
13,030 (31.03.2022 : 13,030) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	20.70	20.87
<b>(iii) Investments in Preference Shares - Unquoted, fully paid up</b>		
3,68,80,000 (31.03.2022 : 6,68,80,000) Preference Shares of Integrated Coal Mining Limited of ₹ 10 each	36.88	66.88
<b>b Investments in Government Securities - Unquoted, (held till Maturity) carried at Amortised Cost</b>		
1,35,000 (31.03.2022 : 1,35,000) 8.33% Government of India Treasury Bonds *	1.35	1.35
<b>c Investments carried at fair value through profit and loss (FVTPL)</b>		
<b>(i) Investments in Mutual Funds - Quoted</b>		
1,06,866 (31.03.2022 : 1,06,866) units of UTI Balance Fund Dividend Plan *	0.35	0.35
<b>(ii) Investments in Preference Shares - Unquoted, fully paid up</b>		
5,00,000 (31.03.2022 : 5,00,000) Preference shares of face value ₹ 100 each issued by Spencer's Retail Limited	1.26	1.14
	<b>76.99</b>	<b>114.48</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	16.80	24.24
Aggregate Market value	16.80	24.24
<b>Investment in unquoted investments:</b>		
Aggregate Book value	60.19	90.24

\* Appropriated towards fund for unforeseen exigencies

# Fair value is Nil

## NOTE - 9 NON CURRENT LOANS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Considered Good - Unsecured		
Loans to employees	6.26	6.21
	<b>6.26</b>	<b>6.21</b>

## NOTE - 10 NON CURRENT OTHER FINANCIAL ASSETS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Lease Receivables	54.57	55.17
Security Deposits	177.08	163.24
	<b>231.65</b>	<b>218.41</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 11 OTHER NON CURRENT ASSETS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Capital advances	35.65	95.32
Others advances (Refer Note 32 (d))	248.22	265.30
	<b>283.87</b>	<b>360.62</b>

### NOTE - 12 INVENTORIES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Fuel [includes in transit ₹ 151.66 crore (31.03.2022 : ₹ 82.64 crore)]	545.36	330.15
Stores and Spares	332.28	326.06
Stock-in-trade	2.58	3.21
	<b>880.22</b>	<b>659.42</b>

### NOTE - 13 CURRENT INVESTMENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>Quoted</b>		
Investment in Mutual funds carried at fair value through profit and loss	-	345.16
<b>Unquoted</b>		
Investments in Commercial Paper carried at amortised cost (net of provisions)	-	-
	<b>-</b>	<b>345.16</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	-	345.16
Aggregate Market value	-	345.16
<b>Investment in unquoted investments:</b>		
Aggregate Book value (net of provisions)	-	-
Aggregate provision for impairment in value of investments	30.00	30.00

### NOTE - 14 TRADE RECEIVABLES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
a. Considered good - Secured	788.60	762.16
b. Considered good - Unsecured	1,402.92	1,333.36
c. Credit Impaired	161.70	144.40
	<b>2,353.22</b>	<b>2,239.92</b>
Less : Allowances for bad and doubtful debts	161.70	144.43
	<b>2,191.52</b>	<b>2,095.49</b>

Trade Receivables includes a sum of unbilled revenue of ₹ 68.82 crore (31.03.2022: ₹ 74.96 crore)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 14 TRADE RECEIVABLES (Contd..)

Ageing for Trade Receivables as at 31st March, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade Receivable- billed</b>							
(i) Undisputed – considered good	896.53	525.62	248.51	219.00	147.86	84.32	2,121.84
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	2.59	12.37	14.13	18.15	23.25	53.70	124.19
(iv) Disputed – considered good	0.20	0.05	0.07	0.02	-	0.52	0.86
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	14.41	-	-	23.10	37.51
	<b>899.32</b>	<b>538.04</b>	<b>277.12</b>	<b>237.17</b>	<b>171.11</b>	<b>161.64</b>	<b>2,284.40</b>
Less: Provision for Doubtful Debts							(161.70)
<b>Total</b>							<b>2,122.70</b>
Add: Unbilled							68.82
<b>Total Trade Receivables</b>							<b>2,191.52</b>

₹ in crore

Ageing for Trade Receivables as at 31st March, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade Receivable- billed</b>							
(i) Undisputed – considered good	890.11	512.16	159.80	240.10	136.55	78.47	2,017.19
(ii) Undisputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed – credit impaired	3.06	14.03	12.82	22.35	25.75	42.59	120.60
(iv) Disputed – considered good	0.13	0.17	0.01	1.22	0.64	1.20	3.37
(v) Disputed – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed – credit impaired	-	-	-	0.30	0.14	23.36	23.80
	<b>893.30</b>	<b>526.36</b>	<b>172.63</b>	<b>263.97</b>	<b>163.08</b>	<b>145.62</b>	<b>2,164.96</b>
Less: Provision for Doubtful Debts							(144.43)
<b>Total</b>							<b>2,020.53</b>
Add: Unbilled							74.96
<b>Total Trade Receivables</b>							<b>2,095.49</b>

₹ in crore

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 15 CASH AND CASH EQUIVALENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
- In current accounts	678.85	1,047.02
- Bank Deposits with original maturity upto 3 months	447.12	1,099.95
Cheques, drafts on hand	1.73	3.59
Cash on hand	1.50	2.14
	<b>1,129.20</b>	<b>2,152.70</b>

### NOTE - 16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Unpaid Dividend Account	13.60	11.06
Escrow accounts*	0.11	111.55
Bank Deposits with original maturity more than 3 months (refer Notes below)	1,445.44	974.15
	<b>1,459.15</b>	<b>1,096.76</b>

\* As security for payment of the secured obligation in accordance with Distribution Franchisee Agreement in respect of certain subsidiaries.

Notes:

- Bank Deposits include ₹ 319.05 crore (31.03.2022 : ₹ 299.29 crore) appropriated towards Fund for unforeseen exigencies.
- Bank deposits of ₹ 352.69 crore (31.03.2022 : ₹ 336.75 crore) having original maturity more than 12 months as on the reporting date, being callable at the option of the Company, are classified as current.

### NOTE - 17 LOANS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Considered Good - Unsecured		
Loans to employees	1.49	1.59
Loans to others	-	14.50
	<b>1.49</b>	<b>16.09</b>

### NOTE - 18 OTHER FINANCIAL ASSETS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Unsecured, Considered Good		
Receivable from Related Party	55.55	40.19
Interest accrued on Bank Deposits	41.81	25.40
Receivable towards claims and services rendered	75.98	68.65
Miscellaneous advances to Bodies Corporate	37.43	46.38
Others	77.42	56.87
	<b>288.19</b>	<b>237.49</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 19 OTHER CURRENT ASSETS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Advances for goods and services	482.02	351.88
Prepaid Expenses	10.82	11.22
Others (includes deferred rent, advance to employees etc.)	81.11	102.96
	<b>573.95</b>	<b>466.06</b>

## NOTE - 20 EQUITY

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
<b>a. Authorised Share Capital</b>		
3156,00,00,000 Equity Shares of ₹ 1/- each fully paid up (31.03.2022 : 3156,00,00,000 Equity Shares of ₹ 1/- each fully paid up)	3,156.00	3,156.00
<b>b. Issued Capital</b>		
138,85,70,150 Equity Shares of ₹ 1/- each fully paid up (31.03.2022 : 138,85,70,150 Equity Shares of ₹ 1/- each fully paid up)	138.86	138.86
<b>c. Subscribed and paid up capital</b>		
132,55,70,430 Equity Shares of ₹ 1/- each fully paid up (31.03.2022 : 132,55,70,430 Equity Shares of ₹ 1/- each fully paid up)	132.56	132.56
<b>d. Forfeited Shares (amount originally paid up)</b>	0.66	0.66
	<b>133.22</b>	<b>133.22</b>

## e. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	Amount (₹ crore)	No. of shares	Amount (₹ crore)
At the beginning of the year	1,32,55,70,430	132.56	13,25,57,043	132.56
Add : Change during the year (Refer Note 1 below)	-	-	1,19,30,13,387	-
At the end of the year	1,32,55,70,430	132.56	1,32,55,70,430	132.56

Note :-

- Pursuant to the approval of the shareholders at the Forty-third Annual General Meeting 1 (one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) fully paid-up was sub-divided into 10 (Ten) Equity Shares of ₹ 1/- (Rupee One Only) each fully paid-up effective 21st September, 2021.
- For the period of five years immediately preceding 31st March, 2023, no shares were allotted as fully paid up pursuant to any contract without consideration being received in cash or allotted as fully paid by way of bonus shares or bought back.

## f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 1/- each per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 4.50 per equity share (31.03.22 : ₹ 4.50/- 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.)

### NOTE - 20 EQUITY (Contd..)

g. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [refer note 53 (a)]	58,79,66,320	44.36	58,79,66,320	44.36
HDFC Trustee Company Limited	6,82,85,538	5.15	9,58,85,809	7.23
SBI Funds Management Limited	7,22,80,452	5.45	-	-

h. Shares held by Promoters at the end of the year

Name of shareholder	As at 31st March, 2023		As at 31st March, 2022		% Change during the year
	No. of shares	% of holding	No. of shares	% of holding	
Rainbow Investments Limited	58,79,66,320	44.36	58,79,66,320	44.36	0.00%
Dr. Sanjiv Goenka	13,47,940	0.10	13,47,940	0.10	0.00%

### NOTE - 21 OTHER EQUITY

			₹ in crore	
			As at 31st March, 2023	As at 31st March, 2022
A	Retained Earnings		11,669.90	11,166.08
	Foreign Currency Translation Reserve		12.84	12.82
	Equity Instruments through Other Comprehensive Income		7.98	15.55
	Capital Reserve		(1,250.24)	(1,250.24)
	Fund for unforeseen exigencies		336.67	319.00
			<b>10,777.15</b>	<b>10,263.21</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. Equity Instruments through Other Comprehensive Income 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.
- Capital reserve had arisen consequent to a scheme of arrangement in financial year ended 31st March, 2018 and was adjusted with retained earnings.

### NOTE - 22 NON CURRENT BORROWINGS

			₹ in crore	
			As at 31st March, 2023	As at 31st March, 2022
A	Secured			
	Non Convertible Debentures		1,755.00	1,360.00
	Term Loans			
	(i) Rupee loans from banks		9,737.98	10,508.62
	(ii) Rupee loans from financial institutions		577.85	675.00
			<b>12,070.83</b>	<b>12,543.62</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 22 NON CURRENT BORROWINGS (Contd..)

	As at 31st March, 2023	As at 31st March, 2022
Less: Current maturities of long term debt transferred to Current Borrowings (refer note 26 )	2,455.51	1,918.77
Less: Unamortised front end fees	46.41	47.87
	<b>9,568.91</b>	<b>10,576.98</b>

₹ in crore

**B Nature of Security :**

- 1 Debentures issued by the Parent:
  - a) ₹ 555 crore (31.03.2022 – ₹ 660 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment as a first charge; and
  - b) ₹ 1,200 crore (31.03.2022 : ₹ 700 crore) are secured, ranking pari passu inter se, by equitable mortgage/ hypothecation of the property, plant and equipment as a first charge.
- 2 Term Loans in respect of the Parent:
  - a) ₹ 3,846.40 crore (31.03.2022: ₹ 3,422.98 crore) are secured, ranking pari passu inter se, by equitable mortgage/ hypothecation of the property, plant and equipment of the Company including its land, building, plant and machinery etc as a first charge and as a second charge by hypothecation of the current assets comprising stock of stores, coal, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of Loans aggregating ₹ 110 crore (31.03.2022 – ₹ 900 crore) is in process.
  - b) ₹ 700.35 crore (31.03.2022 : ₹ 455.40 crore) are secured, ranking pari passu inter se, by equitable mortgage/ hypothecation of the property, plant and equipment as a first charge.
  - c) ₹ 350 crore (31.03.2022 : ₹ 550 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment and current assets as a first charge.
  - d) Nil (31.03.2022 : ₹ 166 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment as a first charge and by hypothecation of the current assets as a second charge.
  - e) ₹ 340.56 crore (31.03.2022 : ₹ 601.66 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment as a first charge.
  - f) ₹ 375 crore (31.03.2022 : ₹ 500 crore) are secured, ranking pari passu inter se, by hypothecation of the current assets as a first charge and by equitable mortgage/hypothecation of the property, plant and equipment as a second charge.
- 3 Term Loans in respect of various Subsidiaries:
  - a) ₹ 2,648.16 crore (31.03.2022 : ₹ 2,978.76 crore) are secured with first pari passu charge by way of mortgage / hypothecation of the property, plant and equipment and current assets including its land, buildings, plant and machinery etc.
  - b) ₹ 1,874.93 crore (31.03.2022 : ₹ 2,155.94 crore) are secured, with first pari passu charge by way of mortgage / hypothecation of the property, plant and equipment and current assets including its land, buildings, plant and machinery etc, loans amounting to Nil (31.03.2022 : ₹ 76.88 crore) are secured with second charge on all assets and loan of ₹ 88.88 crore (31.03.2022 : ₹ 95.67 crore) are secured with subservient charge on all current and movable property, plant and equipment.
  - c) ₹ Nil (31.03.2022 : ₹ 49.08 crore) are secured by an exclusive charge by way of mortgage / hypothecation of the property, plant and equipment including its land, building, plant and machinery etc. and by way of hypothecation of current assets of the subsidiary including book debts, receivables, projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathapuram, Tamil Nadu.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 22 NON CURRENT BORROWINGS (Contd..)

- d) ₹ 58.31 crore (31.03.2022 : ₹ 91.25 crore) are secured by first charge by way of mortgage/hypothecation on pari passu basis over property, plant and equipment, both present and future (excluding those charged to JVVNL).
- e) ₹ 5 crore (31.03.2022 : ₹ 10 crore) are secured by first charge by way of mortgage/hypothecation on pari passu basis over property, plant and equipment, both present and future (excluding those charged to JdVVNL).
- f) ₹ 28.24 crore (31.03.2022 : ₹ 30.00 crore) are secured by first charge by way of mortgage/hypothecation on pari passu basis over property, plant and equipment, both present and future (excluding those charged to MSEDCL).

### C Major terms of repayment of Non Current Borrowings:

₹ in crore

Maturity profile of Non Current Borrowings outstanding as at 31st March, 2023	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Non Convertible Debentures	Total	Current Maturities
Maturity of upto one year	217.50	-	255.00	472.50	472.50
Maturity between 1 and 3 years	1,121.44	-	600.00	1,721.44	701.13
Maturity between 3 and 5 years	2,368.93	-	900.00	3,268.93	569.60
Maturity between 5 and 10 years	4,823.03	-	-	4,823.03	625.36
Maturity beyond 10 years	1,207.08	577.85	-	1,784.93	86.92
<b>Total</b>	<b>9,737.98</b>	<b>577.85</b>	<b>1,755.00</b>	<b>12,070.83</b>	<b>2,455.51</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are fixed or based on spread over respective lenders' benchmark rate. Interest rate on Debentures are fixed or based on spread over Repo / T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to Rs 1,755 crore are due for maturity on 16-Nov-27 - ₹ 37.50 crore; 17-Oct-27 - ₹ 25 crore; 16-Aug-27 - ₹ 37.50 crore; 17-Jul-27 - ₹ 25 crore; 16-May-27 - ₹ 37.50 crore; 17-Apr-27 - ₹ 25 crore; 16-Feb-27 - ₹ 37.50 crore; 17-Jan-27 - ₹ 25 crore; 16-Nov-26 - ₹ 37.50 crore; 17-Oct-26 - ₹ 25 crore; 30-Sep-26 - ₹ 50 crore; 16-Aug-26 - ₹ 37.50 crore; 17-Jul-26 - ₹ 25 crore; 30-Jun-26 - ₹ 50 crore; 16-May-26 - ₹ 37.50 crore; 17-Apr-26 - ₹ 25 crore; 30-Mar-26 - ₹ 50 crore; 16-Feb-26 - ₹ 37.50 crore; 17-Jan-26 - ₹ 25 crore; 30-Dec-25 - ₹ 50 crore; 30-Sep-25 - ₹ 50 crore; 30-Jun-25 - ₹ 50 crore; 21-May-25 - ₹ 37.50 crore; 30-Mar-25 - ₹ 50 crore; 21-Feb-25 - ₹ 37.50 crore; 30-Dec-24 - ₹ 50 crore; 24-Dec-24 - ₹ 100 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore and 21-Aug-23 - ₹ 37.50 crore.

₹ in crore

Maturity profile of Non Current Borrowings outstanding as at 31st March, 2022	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Non Convertible Debentures	Total	Current Maturities
Maturity of upto one year	303.57	-	-	303.57	303.57
Maturity between 1 and 3 years	1,443.82	-	660.00	2,103.82	697.99
Maturity between 3 and 5 years	1,943.35	-	700.00	2,643.35	347.81
Maturity between 5 and 10 years	4,836.94	-	-	4,836.94	464.60
Maturity beyond 10 years	1,980.94	675.00	-	2,655.94	104.80
<b>Total</b>	<b>10,508.62</b>	<b>675.00</b>	<b>1,360.00</b>	<b>12,543.62</b>	<b>1,918.77</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective lenders' benchmark rate and that of on Foreign Currency Loan is based on spread over LIBOR. Interest rate on Debentures are fixed or based on spread over T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to ₹ 1,360 crore are due for maturity on 30-Sep-26 - ₹ 50 crore; 30-Jun-26 - ₹ 50 crore; 30-Mar-26 - ₹ 50

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 22 NON CURRENT BORROWINGS (Contd..)

crore; 30-Dec-25 - ₹ 50 crore; 30-Sep-25 - ₹ 50 crore; 30-Jun-25 - ₹ 50 crore; 21-May-25 - ₹ 37.50 crore; 30-Mar-25 - ₹ 50 crore; 21-Feb-25 - ₹ 37.50 crore; 30-Dec-24 - ₹ 50 crore; 24-Dec-24 - ₹ 100 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore; 21-Aug-23 - ₹ 37.50 crore; 10-Feb-23 - ₹ 55.00 crore and 13-Oct-22 - ₹ 50.00 crore

## NOTE - 23 NON CURRENT LEASE LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Lease liabilities	166.57	188.83
(Refer Note 47 for details)		
	<b>166.57</b>	<b>188.83</b>

## NOTE - 24 NON CURRENT PROVISIONS

	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	470.97	456.82
Restoration liabilities	43.91	41.18
	<b>514.88</b>	<b>498.00</b>
<b>Reconciliation of movement in Restoration liabilities</b>		
Opening balance	41.18	38.47
Add : Fair Value adjustment	2.73	2.71
Closing balance	<b>43.91</b>	<b>41.18</b>

The Group has recognised present value of restoration liability for Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.

## NOTE - 25 OTHER NON CURRENT LIABILITIES

	As at 31st March, 2023	As at 31st March, 2022
Advance received from consumers	114.12	147.14
Others	158.09	138.83
	<b>272.21</b>	<b>285.97</b>

## NOTE - 26 CURRENT BORROWINGS

	As at 31st March, 2023	As at 31st March, 2022
<b>A Secured</b>		
Working Capital Demand Loan	1,778.03	1,328.14
Current Maturities of Long term Borrowing (refer note 22)	2,455.51	1,918.77
<b>B Unsecured</b>		
Loans repayable on demand		
(i) Short term loan from banks	260.00	215.00
(ii) Commercial Paper	-	700.00
	<b>4,493.54</b>	<b>4,161.91</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 26 CURRENT BORROWINGS (Contd..)

#### C Nature of Security

- Loans repayable on demand from banks amounting to ₹ 952.47 crore (31.03.2022: ₹ 614.36 crore) are secured, ranking pari passu inter se, by hypothecation of the Company's current assets comprising stock of stores, coal, book debts, monies receivable and bank balances as a first charge and as a second charge by equitable mortgage/hypothecation of the property, plant and equipment including its land, buildings, plant and machinery etc.
- Loans amounting to ₹ 250 crore (31.03.2022 : ₹ 248.34 crore), are secured with first pari-passu charge by way of mortgage/hypothecation of the property, plant and equipment and current assets including its land and buildings, plant and machinery etc of a subsidiary.
- Loans amounting to ₹ 275 crore (31.03.2022 : ₹ 235.00 crore), is secured with first pari-passu charge by way of mortgage / hypothecation of property, plant and equipment and current assets including its land, building, plant and machinery etc of a subsidiary.
- Loans amounting to ₹ 242.35 crore (31.03.2022: ₹ 208.28 crore), is secured ranking pari-passu inter se, by hypothecation of respective subsidiary's current assets as a second charge.
- Loans amounting to ₹ 58.21 crore (31.03.2022 : ₹ 22.16 crore), is secured ranking pari-passu inter se, by hypothecation of the subsidiary's current assets, as a second charge.

### NOTE - 27 TRADE PAYABLES

	As at 31st March, 2023	As at 31st March, 2022
a. Total outstanding dues of micro enterprises & small enterprises	43.73	44.83
b. Total outstanding dues of creditors other than micro enterprises & small enterprises	1,046.09	996.75
	<b>1,089.82</b>	<b>1,041.58</b>

Ageing for Trade Payables (current) outstanding as at 31st March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	43.73	-	-	-	43.73
Others	720.38	60.99	66.10	198.62	1,046.09
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>764.11</b>	<b>60.99</b>	<b>66.10</b>	<b>198.62</b>	<b>1,089.82</b>

Ageing for Trade Payables (current) outstanding as at 31st March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	44.83	-	-	-	44.83
Others	594.41	200.18	28.86	173.30	996.75
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total Trade Payables</b>	<b>639.24</b>	<b>200.18</b>	<b>28.86</b>	<b>173.30</b>	<b>1,041.58</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 28 OTHER FINANCIAL LIABILITIES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Interest accrued but not due	56.88	57.84
Unclaimed dividends	13.60	11.06
Others (refer note below)	823.88	786.27
	<b>894.36</b>	<b>855.17</b>

Others include current portion of consumer security deposit (including accrued interest thereon) ₹ 238.44 crore (31.03.2022: ₹ 217.29 crore), employee related liabilities ₹ 135.96 crore (31.03.2022: ₹ 118.26 crore), etc.

## NOTE - 29 OTHER CURRENT LIABILITIES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Liabilities towards statutory taxes, duties, etc.	414.66	305.42
Advances received from consumers	47.99	41.90
Contribution from consumers for jobs	269.89	212.15
Others	28.33	24.41
	<b>760.87</b>	<b>583.88</b>

## NOTE - 30 CURRENT PROVISIONS

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits	52.34	62.02
Others	0.22	0.22
	<b>52.56</b>	<b>62.24</b>

## NOTE - 31 REGULATORY DEFERRAL ACCOUNT BALANCES

₹ in crore

	As at 31st March, 2023	As at 31st March, 2022
REGULATORY DEFERRAL ACCOUNT BALANCES -CREDIT BALANCES	<b>1,973.76</b>	2,034.37
REGULATORY DEFERRAL ACCOUNT BALANCES -DEBIT BALANCES	<b>7,611.67</b>	6,390.44

(Also refer Note 40)

## NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS

- a. With regard to the Company's power purchase from one of its subsidiaries (provider), West Bengal Electricity Regulatory Commission (WBERC) has issued the tariff orders for the years 2018-19 to 2022-23 (considering applicable orders for Transmission Projects till date), wherein certain underlying matters have been dealt with in deviation from past practices of tariff determination and kept for disposal through future truing up exercise, impact of which is not ascertained. The said provider not being in agreement with the same, has since filed appeals in respect of the above Tariff Orders before the Hon'ble Appellate Tribunal for Electricity on the grounds inter alia, that the orders have been passed after substantial period of delay, the applicable periods are long over and directions passed are impossible to comply because of significant delay in passing the said orders. However, for the year 2022-23, since the year has not elapsed, the said provider of power has given effect to the Tariff Order for the financial year 2022-23 with application of principles in terms of applicable Regulations. Based on legal opinion obtained, the provider is confident of the matter being adjudicated in its favour in respect of earlier years. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

#### b. Other matters for which the Group is contingently liable:

₹ in crore

Particulars	31st March, 2023	31st March, 2022
- Pending Court Cases	-	0.05
- Bank Guarantees	493.30	513.87
- Standby Letters of credit	426.34	412.16

- c. Commitments on estimated amount of contracts remaining to be executed on capital account not provided for amount to ₹ 73.71 crore (31.03.2022: ₹ 113.82 crore).
- d. The Ministry of Coal had encashed bank guarantee given by Company of ₹ 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, stayed the operation of such letter and further directed the Company to approach the Tribunal. The Company has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand seeking refund of the encashed amount. Based on legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary.
- e. (i) The Company had received a Show Cause cum demand notice of ₹ 14.71 crore for Service Tax on Additional Premium together with other charges being paid for coal mining to Government of India as per the terms of allocation of the Sarisatoli Coal mine. The case is pending before Customs, Excise and Service Tax Appellate Tribunal. Based on legal opinion obtained, the Company expects a favourable outcome in the matter, and no provision has been considered necessary.
- (ii) The Company had received a Show Cause cum demand notice of ₹ 16.32 crore for Goods and Services Tax (GST) on Additional Premium together with other charges being paid for coal mining to Government of India as per the terms of allocation of the Sarisatoli Coal mine. The case is pending before The Additional Commissioner / Joint Commissioner, CGST Kolkata North Commissionerate. Based on legal opinion obtained, the Company expects a favourable outcome in the matter, and no provision has been considered necessary.
- f. Bharat Coking Coal Limited (BCCL) and Mahanadi Coalfields Limited (MCL) raised demands on the Company amounting to ₹ 111 crore and ₹ 12 crore respectively with respect to alleged excess supply of coal during 2015-16 and 2016-17 under respective Fuel Supply Agreements (FSAs) towards levy of premium beyond the notified and settled price. Such levy of premium is not in consonance with the FSAs and accordingly the Company has moved to the Hon'ble Calcutta High Court and obtained interim protection against the aforesaid demands. Based on legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary.
- g. Other matters under Litigation:
- (i) In respect of one of the subsidiary company, Uttar Pradesh Electricity Regulatory Commission (UPERC) vide tariff order dated 20 July 2022 has approved the ARR for financial year 2022-23 along with truing-up order for FY 2020-21. Since, UPERC has deviated on already settled principles, practices/ methodologies as per UPERC MYT Regulations, 2014 followed in previous orders/ true-up orders issued till 3 September 2019, the said subsidiary has filed an appeal before Appellate Tribunal for Electricity (APTEL) against the above orders. Based on the evaluation supported by legal opinion, the said subsidiary is of view that it is more likely than not, the matters will be decided in its favour. Accordingly, necessary adjustments, if any, will be made on the matter reaching finality.
- (ii) In respect of one of the subsidiary company, UPERC had vide its order dated 1 September 2008 determined the revenue requirement for Financial Year 2006-07. Based on the said order, final power purchase cost (including transmission charges) was determined at ₹ 2.41 per unit for Financial Year 2006-07. Uttar Pradesh Power Corporation Limited (UPPCL) filed an appeal against the order in APTEL which has since been dismissed vide order of APTEL dated 15 December 2010. UPPCL, subsequently, challenged the judgment of APTEL in Supreme Court which was

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

admitted on 26 November 2013 and pending for hearing. During Financial Year 2006-07, payments to UPPCL were made at the rate of ₹ 2.9361 per unit, as per the provisional order of UPERC prevailing at that time. The excess payments made to UPPCL amounting to ₹ 20.77 crore are shown as recoverable under Other current financial assets.

UPERC in its order dated 1 September 2008 directed that pending final determination of rates for the additional 10 MVA power (refer note below), the receivables due on this account from UPPCL to the subsidiary company shall not be settled till the final settlement of the dispute between UPPCL and the subsidiary company. Pending final adjudication of the matter, the impact, if any, cannot be determined at this stage.

- (iii) One of the subsidiary company had requested UPPCL to provide "Open-access" to wheel additional power for meeting the growing demand of the area. However, instead of providing "Open-access", UPPCL vide its letters dated 08 November 2005 and 13 January 2006 agreed to enhance the load of the subsidiary company from 45 MVA to 60 MVA. Accordingly, an additional load of 10 MVA was granted with effect from 10 May 2006. Initially, UPPCL billed the units supplied against additional load @ ₹2.9361 per unit, i.e. the same rate at which existing 45 MVA power was supplied. Subsequently, UPPCL revised the bills for additional 10 MVA load at exorbitant rates ranging from ₹ 7.067 per unit to ₹ 9.435 per unit against which the subsidiary company filed a petition before UPERC for resolution of the dispute. UPERC vide its interim order dated 21 November 2006, directed UPPCL to restore the supply if disconnected and asked the subsidiary company to deposit an adhoc payment of ₹5 crore. Against the said order of UPERC, UPPCL filed a writ petition in Hon'ble Allahabad High Court. Hon'ble High Court directed UPPCL to restore the power supply within 24 hrs, directed UPERC to decide the dispute within 4 weeks and also directed the subsidiary company to deposit another sum of ₹5 crore. UPERC, finally passed an order dated 8 February 2007. Both UPPCL and the subsidiary company have appealed against the said order in Appellate Tribunal for Electricity, New Delhi. Appellate Tribunal had given its final order on 12 May 2008 setting out the methodology to be used to determine the power purchase price for additional power of 10 MVA from UPPCL.

The subsidiary company and UPPCL both preferred an appeal against the relevant Orders of the Appellate Tribunal for Electricity before the Supreme Court. The Supreme Court vide its order dated 3 April 2017 has dismissed the appeal of UPPCL. The appeal of the subsidiary company is pending adjudication. The final power purchase price for additional power of 10 MVA from UPPCL is yet to be determined based on the Order of the Appellate Tribunal and the same cannot be determined at this stage. The subsidiary company does not anticipate any additional liability arising on this account, and hence additional payments made to UPPCL amounting to ₹ 10 crore are shown as receivable under Other Current Financial Assets.

- (iv) In respect of one of the subsidiary, UPERC vide its Tariff Order dated 18 June 2015 had approved the provisional ARR for Financial Year 2015-16 alongwith truing-up for Financial Year 2013-14 wherein it had deviated on some principles/ methodologies followed till previous orders/ provisional orders for the aforesaid period. The subsidiary company did not agree with the changed methodology followed in that order and filed an appeal before Appellate Tribunal for Electricity (APTEL) against the same. APTEL vide its judgement dated 02 June 2016 allowed the appeals on certain grounds. Accordingly, UPERC gave effect to the grounds of appeal upheld by APTEL in its tariff order dated 01 August 2016. Consequently, the subsidiary company has recognised the effect of the UPERC's above order in determination of regulatory deferral balance for financial year 2015-16. Meanwhile, UPERC has appealed against the judgement of APTEL before the Hon'ble Supreme Court, which is yet to be decided.
- (v) In respect of one of the subsidiary, in order to cater to the growing electricity demand of the area, Greater Noida Industrial Development Authority (GNIDA) constructed one 220/132/33 kV Substation viz. R C Green Substation through Uttar Pradesh Transmission Company Limited (UPPTCL) on the land owned by the subsidiary company. After taking approval from its Board of Directors, GNIDA transferred the ownership of the substation to the subsidiary company on payment of actual cost of the substation. However, UPPTCL disputed operation and maintenance of 220 kV substation by the subsidiary Distribution Company despite specific provisions in the Electricity Act, 2003 and refused to give physical possession of the substation. Consequently, the subsidiary company filed a petition before UPERC for issuing direction to UPPTCL for handing over physical possession of the Substation. The UPERC vide its

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS (Contd..)

order dated 31 October 2018, without going into the legal provisions for ownership, operation and maintenance of the Substation by a distribution licensee, rejected the petition of the subsidiary company. The subsidiary company has filed an appeal against the impugned order before APTEL on 12 November 2018 which has since been admitted on 18 January 2019. The appeal is pending for decision.

- (vi) One of the subsidiary company, in earlier years, had applied for connectivity of its 220kV Gharbara Substation to UPPTCL (STU) which was constructed by GNIDA on the land owned by the subsidiary company. During construction, GNIDA, after taking approval from its Board of Directors, handed over this substation to the subsidiary company on payment of cost incurred. The subsidiary company subsequently completed the construction on its own. Meanwhile, STU did not grant connectivity as applied, hence, a petition was filed before UPERC on 11 May 2015 for seeking directions to STU for granting connectivity and to sign Bulk Power Transmission Agreement (BPTA) with the subsidiary company. UPERC, vide its interim order dated 30 June 2016, directed STU to grant connectivity to the subsidiary company, however, STU didn't comply with the same. UPERC finally disposed off the petition on 31 October 2018 stating that UPPTCL as STU and transmission licensee shall own, operate and maintain 220 kv substation at Gharbara and the Company shall claim refund of the amount deposited with GNIDA towards cost of substation. The subsidiary company has filed an appeal against the above order before APTEL on 11 December 2018 which has since been admitted on 12 February 2019. The appeal is pending for decision.
- (vii) For one of the subsidiary, as per erstwhile agreement with UPPCL dated 15 December 1993, the subsidiary company has transferred refundable consumers' security deposits to UPPCL for the period 1 August 1998 to 31 March 2006 amounting to ₹ 11.29 crore as security against supply of 45 MVA power. UPPCL has since terminated the aforesaid agreement and withdrawn 45 MVA power supply with effect from 12 February 2014. Accordingly, the subsidiary company is seeking refund of the aforesaid security deposit from UPPCL.
- (viii) For one of the subsidiary, on the application of Oppo for load augmentation, the subsidiary company asked UPPTCL (STU) to provide estimate for 2 nos. 132 kV Bays at its 440/220/132 kV Substation at Sector-148, Noida alongwith 132 kV line from the Substation to Oppo's premises. UPPTCL while providing estimate for the above stated that the said line shall be a part of STU network to which the subsidiary company did not agree. After several correspondence, the subsidiary company filed a petition with UPERC for determination of ownership of the above 132 kV line. Meanwhile, the subsidiary company after receiving payment of estimated cost of construction of 2 nos 132 kV bays and 132 kV Line from Oppo, paid the same to STU for completion of work in order to timely augment their load. Upon receiving the payment, STU constructed the line and energised the same in March 2022.

UPERC finally disposed off the petition on 1st April 2022 stating that UPPTCL as STU and transmission licensee shall own the 132 kV Line and the subsidiary company shall have the ownership of the delivery point i.e. metering system at the consumer premises. The subsidiary company has filed an appeal before APTEL on 27 May 2022 against the above order. Based on the management evaluation, the subsidiary is of view that it is more likely than not the matters will be decided in its favour.

h. Commitments relating to leasing arrangement, refer note 47.

### NOTE - 33 REVENUE FROM OPERATIONS

	₹ in crore	
	2022-23	2021-22
Earnings from sale of electricity	13,909.30	12,215.10
Other Operating Revenue		
Meter Rent	55.17	53.34
Contribution from Consumers	226.84	206.98
Sale of traded goods	15.33	18.05
Others	39.71	50.41
	<b>14,246.35</b>	<b>12,543.88</b>

Note: Earnings from sale of electricity in respect of the parent and applicable subsidiaries 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 amounting to ₹ 166.80 crore ( previous year : ₹ 125.65 crore).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 34 OTHER INCOME

	2022-23	2021-22
Interest Income	92.23	72.96
Dividend Income	5.06	8.90
Gain on sale/fair valuation of current investments (net)	51.87	12.78
Liabilities Written Back	0.07	57.22
Other Non-operating Income *	159.54	123.83
	<b>308.77</b>	<b>275.69</b>

\* includes Delayed payment surcharge, User fee income, etc.

## NOTE - 35 COST OF FUEL

	2022-23	2021-22
(a) Consumption of coal (includes Biomass ₹ 0.15 crore; previous year ₹ 0.06 crore)	3,952.36	3,246.02
(b) Consumption of oil	14.56	13.50
	<b>3,966.92</b>	<b>3259.52</b>

Cost of Fuel includes freight ₹ 1,089.00 crore (previous year : ₹ 969.05 crore)

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE

	2022-23	2021-22
Salaries, wages and bonus	1,098.80	1,050.87
Contribution to provident and other funds	97.81	100.68
Employees' welfare expenses	62.93	64.58
	<b>1,259.54</b>	<b>1,216.13</b>
Less : Transfer to PPE/ CWIP etc.	56.72	114.90
	<b>1,202.82</b>	<b>1,101.23</b>
Less: Transfer to Other Comprehensive Income *	13.60	20.34
	<b>1,189.22</b>	<b>1,080.89</b>

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit plans 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. In case of Parent Company, the fund is maintained with an exempted trust fund and is governed by the Board of Trustees, whereas in case of subsidiary companies the provident fund contributions are made to the Employees' Provident Fund Organisation, Government of India. 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 ₹ 75.47 crore (previous year: ₹ 73.35 crore) on this count in the Statement of Profit and Loss. There is no shortfall in the Provident Fund Trust obligation which is required to be met by the Parent Company, as on the Balance Sheet date,

The Group also sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The parent and two of its subsidiary companies make 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.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE (Contd..)

- (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

Gratuity (Funded)	2022-23			2021-22		
	Present value of obligation	Fair value of plan assets	Net	Present value of obligation	Fair value of plan assets	Net
<b>Opening Balance *</b>	<b>502.45</b>	<b>(473.87)</b>	<b>28.58</b>	<b>494.95</b>	<b>(436.93)</b>	<b>58.02</b>
Current service cost	23.15	-	23.15	22.79	-	22.79
Interest expense/(income)	27.92	(31.05)	(3.13)	30.40	(28.27)	2.13
Past service cost	2.50	-	2.50	0.37	-	0.37
<b>Total amount recognised in profit and loss</b>	<b>53.57</b>	<b>(31.05)</b>	<b>22.52</b>	<b>53.56</b>	<b>(28.27)</b>	<b>25.29</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.30	2.30	-	(2.51)	(2.51)
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(6.23)	-	(6.23)	(10.14)	-	(10.14)
Experience (gains)/losses	2.43	0.01	2.44	17.02	0.00	17.02
<b>Total amount recognised in other comprehensive income</b>	<b>(3.80)</b>	<b>2.31</b>	<b>(1.49)</b>	<b>6.88</b>	<b>(2.51)</b>	<b>4.37</b>
Employer contributions	-	(30.75)	(30.75)	-	(57.34)	(57.34)
Benefit payments	(60.35)	60.12	(0.23)	(52.94)	51.18	(1.76)
<b>Closing Balance</b>	<b>491.87</b>	<b>(473.24)</b>	<b>18.63</b>	<b>502.45</b>	<b>(473.87)</b>	<b>28.58</b>

₹ in crore

Leave Obligation (Unfunded)	2022-23	2021-22
	Present value of obligation	Present value of obligation
<b>Opening Balance</b>	<b>194.53</b>	<b>204.09</b>
Current service cost	10.63	11.98
Interest expense	12.79	12.85
Past service cost	-	0.27
<i>Remeasurements</i>		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(3.40)	(4.98)
Experience (gains)/losses	(10.65)	(13.55)
<b>Total amount recognised in profit and loss</b>	<b>9.37</b>	<b>6.57</b>
Employer contributions	-	-
Benefit payments	(18.92)	(16.13)
<b>Closing Balance</b>	<b>184.98</b>	<b>194.53</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE (Contd..)

₹ in crore

	Post retirement medical benefit (PRMB)		Pension	
	2022-23	2021-22	2022-23	2021-22
<b>Opening Balance</b>	<b>166.33</b>	<b>140.21</b>	<b>129.41</b>	<b>118.35</b>
Current service cost	3.83	4.12	0.87	0.83
Interest expense	9.50	8.96	7.14	7.75
Past Service Cost	-	5.48	5.23	8.86
<b>Total amount recognised in profit or loss</b>	<b>13.33</b>	<b>18.56</b>	<b>13.24</b>	<b>17.44</b>
<i>Remeasurements</i>				
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(5.96)	(6.86)	(2.96)	(6.68)
Experience (gains)/losses	16.77	22.00	7.24	7.51
<b>Total amount recognised in other comprehensive income</b>	<b>10.81</b>	<b>15.14</b>	<b>4.28</b>	<b>0.83</b>
Employer contributions	-	-	-	-
Benefit payments	(9.81)	(7.58)	(7.89)	(7.21)
<b>Closing Balance</b>	<b>180.66</b>	<b>166.33</b>	<b>139.04</b>	<b>129.41</b>

- (iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

₹ in crore

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
<b>31-Mar-23</b>					
Gratuity	75.59	232.39	207.49	288.05	803.52
Leave obligation	23.29	75.38	78.79	180.59	358.05
Post-employment medical benefits	12.41	65.15	106.08	438.68	622.32
Pension	7.33	36.55	59.09	148.90	251.87
<b>Total</b>	<b>118.62</b>	<b>409.47</b>	<b>451.45</b>	<b>1,056.22</b>	<b>2,035.76</b>
<b>31-Mar-22</b>					
Gratuity	74.49	216.89	213.84	294.24	799.46
Leave obligation	22.31	75.38	80.84	193.96	372.49
Post-employment medical benefits	9.80	54.56	93.70	427.91	585.97
Pension	8.06	39.97	63.68	145.18	256.89
<b>Total</b>	<b>114.66</b>	<b>386.80</b>	<b>452.06</b>	<b>1,061.29</b>	<b>2,014.81</b>

- (iv) Sensitivity Analysis of defined benefit obligations:

₹ in crore

	Gratuity		Leave Obligation		Post-employment medical benefits (PRMB)		Pension	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Discount rate +1%	448.75	462.12	173.54	180.89	161.95	148.37	128.16	108.24
Corresponding service cost	18.72	19.82	18.56	19.75	3.14	5.34	0.77	0.60
Discount rate -1%	503.94	520.36	200.52	210.24	203.13	188.63	151.55	127.53
Corresponding service cost	21.69	23.10	22.47	24.04	4.78	9.13	1.00	0.79
+1% salary/benefit escalation	500.75	515.63	203.60	213.58	190.68	176.36	*	*
Corresponding service cost	21.61	22.89	22.99	24.61	4.24	7.98	*	*

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE (Contd..)

₹ in crore

	Gratuity		Leave Obligation		Post-employment medical benefits (PRMB)		Pension	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
-1% salary/benefit escalation	449.66	462.95	171.07	178.22	170.97	157.19	*	*
Corresponding service cost	18.74	19.83	18.17	19.33	3.48	6.48	*	*
+50% withdrawal rate	475.61	489.93	186.23	194.66	179.45	165.41	*	*
Corresponding service cost	20.17	21.37	20.38	21.73	3.74	7.01	*	*
-50% withdrawal rate	474.87	489.23	185.97	194.43	181.31	167.24	*	*
Corresponding service cost	20.11	21.31	20.33	21.69	3.90	7.30	*	*
+10% mortality rate	475.13	489.62	186.15	194.58	177.30	163.27	134.38	113.45
Corresponding service cost	20.15	21.35	20.36	21.72	3.73	6.98	0.85	0.67
-10% mortality rate	475.40	489.57	186.06	194.50	183.68	169.60	144.15	121.35
Corresponding service cost	20.13	21.33	20.34	21.71	3.91	7.34	0.90	0.70

\* Not Applicable

The above sensitivity analysis 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.

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-2023	31-Mar-2022
<b>Gratuity</b>		
Investment funds with LIC and other insurance companies (Un-quoted)	473.24	473.87

### (vi) Actuarial assumptions

31-Mar-23				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	6.50% - 7.40%	6.50% - 7.20%	7.10% - 7.15%	7.15%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)			

31-Mar-22				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	4.5%-7.35%	6.45%-7.35%	6.45%-7.25%	6.90%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)			

Expected Remaining Life	2022-23	2021-22
Employees Gratuity Fund	7	7
Executive Gratuity Fund	6 - 26	6 - 26
Leave Encashment	8 - 17	8 - 23
PRMB - Non Cov	15	17
PRMB - Cov	14-15	14
Pension	17	18

Expected contributions to be paid in next year for gratuity fund ₹ 28.93 crore.

Expected contributions to be paid for next year for leave obligation, medical & pension is nil.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE (Contd..)

(vii) Plan assets consist of funds maintained with LIC, ICICI prudential, Birla Sun Life and HDFC Standard Life.

	2022-23	2021-22
Actual return on plan assets (₹ crore)	28.75	30.78

## (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 very sensitive to the assumed future salary escalation rates. 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

	2022-23	2021-22
Interest expense	1,082.80	1,059.78
Other Borrowing Costs	48.29	69.52
	1,131.09	1,129.30
Less : Allocated to PPE/ CWIP etc.	13.85	-
	<b>1,117.24</b>	<b>1,129.30</b>

(Also refer Note 48)

## NOTE - 38 DEPRECIATION AND AMORTISATION EXPENSE

	2022-23	2021-22
Depreciation/ amortisation of property, plant & equipment	1,071.19	1,095.17
Amortisation of intangible assets	20.76	14.79
	1,091.95	1,109.96
Less : Recoupment from Retained Earnings (refer Note 46)	214.08	225.30
	<b>877.87</b>	<b>884.66</b>

## NOTE - 39 OTHER EXPENSES

	2022-23	2021-22
Power and Fuel	3.71	2.82
Consumption of stores and spares	124.64	121.18
Repairs		
Building	15.75	19.14
Plant and Machinery	182.09	219.72
Distribution System	197.28	176.98
Others	25.58	22.34
	<b>420.70</b>	<b>438.18</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 39 OTHER EXPENSES (Contd..)

	₹ in crore	
	2022-23	2021-22
Insurance	40.23	43.02
Rent	18.98	14.40
Rates and taxes	12.98	10.88
Bad debts / Advances written off		
Written off during the year	43.85	41.48
Less: Provision for Bad Debts made in earlier years	-	(8.23)
	<b>43.85</b>	<b>33.25</b>
Loss on sale / disposal of Property, Plant & Equipment (net)	0.75	6.36
Provision for Doubtful Debts	17.67	11.26
Interest on Consumers' Security Deposits (refer note 48)	124.21	118.63
Foreign Exchange Restatement loss / (gain)	-	(7.13)
Corporate social responsibility expenses	37.78	37.04
Mark to Market loss / (gain) on derivatives	-	6.87
Cost of IT Outsourced Services	190.57	190.57
Miscellaneous expenses	726.73	708.86
	<b>1,762.80</b>	<b>1,736.19</b>

Note: The above are net of recoveries etc.

### NOTE - 40 REGULATORY INCOME

Regulatory Income / (Expenses) is accrued by the Company and two subsidiaries pursuant to the regulatory provisions applicable to them under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by applicable Commissions 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 ₹ (11.36 crore) [Previous year ₹ (38.83 crore)], ₹ 1,300.27 crore (Previous year ₹ 650.51 crore), ₹ (12.76 crore) (Previous year ₹ 125.53 crore) and Nil [Previous year ₹ (0.26 crore)] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balances (Refer Note 31).

During the current financial year, the Parent has received orders from WBERC in respect of its Annual Performance Review (APR) for the years ended 31st March, 2015 to 31st March, 2018. The impact of aforesaid orders has been considered in these financial statements, including estimated impact for subsequent periods till date, under Regulatory income/(expense) for the year ended 31st March 2023.

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 4,230.44 crore ( 31.03.2022 : ₹ 4,243.22 crore) and ₹ 3,381.23 crore (31.03.2022 : ₹ 2,147.22 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation and (b) cost adjustments having bearing on revenue account amounting to ₹ 1,844.82 crore (31.03.2022 : ₹ 1,833.46 crore ) and ₹ 128.94 crore ( 31.03.2022 : ₹ 200.91 crore) respectively. These balances have been recognised with discounting methodology, assuming recovery over a period of time using such rate in accordance with 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, including those attributable to the mining of coal from Sarisatolli mine which commenced operations from 10 April, 2015.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## 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.

₹ in crore

Summarised Balance Sheet	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Non Current assets	1,404.51	1,357.35	286.19	328.32	-	-
Current assets	957.99	1,105.48	126.37	126.58	0.09	0.15
Regulatory deferral account debit balances	95.28	73.80	-	-	-	-
<b>Total Assets</b>	<b>2,457.78</b>	<b>2,536.63</b>	<b>412.56</b>	<b>454.90</b>	<b>0.09</b>	<b>0.15</b>
Non current liabilities	419.98	363.68	44.30	84.53	-	-
Current liabilities	395.44	727.59	40.92	75.70	0.19	0.27
Regulatory deferral account credit balances	273.03	200.91	-	-	-	-
<b>Total Liabilities</b>	<b>1,088.45</b>	<b>1,292.18</b>	<b>85.22</b>	<b>160.23</b>	<b>0.19</b>	<b>0.27</b>
<b>Net Assets</b>	<b>1,369.33</b>	<b>1,244.45</b>	<b>327.34</b>	<b>294.67</b>	<b>(0.10)</b>	<b>(0.12)</b>
<b>Accumulated Non Controlling Interest</b>	<b>373.42</b>	<b>339.36</b>	<b>105.31</b>	<b>94.80</b>	<b>*</b>	<b>*</b>

\* Negative hence not disclosed

₹ in crore

Summarised Statement of Profit and Loss	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Revenue	2,325.23	2,055.35	177.15	125.37	0.07	0.22
Profit / (Loss) after tax	161.19	150.41	32.76	15.50	(0.05)	(0.56)
<b>Total Other Comprehensive Income for the year, net of tax</b>	<b>(0.31)</b>	<b>0.03</b>	<b>(0.09)</b>	<b>0.07</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>	<b>160.88</b>	<b>150.44</b>	<b>32.67</b>	<b>15.57</b>	<b>(0.05)</b>	<b>(0.56)</b>
<b>Profits attributable to NCI</b>	<b>43.88</b>	<b>41.03</b>	<b>10.51</b>	<b>5.01</b>	<b>*</b>	<b>*</b>

\* Negative hence not disclosed

₹ in crore

Summarised Cash Flows	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Cash flow from Operating Activities	(28.11)	441.81	3.64	33.13	(0.14)	(0.11)
Cash Flow from Investing Activities	84.45	(355.52)	33.04	35.31	-	0.04
Cash Flow from Financing Activities	(16.02)	(27.87)	(51.04)	(29.34)	0.07	0.18
<b>Net Increase/Decrease in Cash and cash Equivalents</b>	<b>40.32</b>	<b>58.42</b>	<b>(14.36)</b>	<b>39.10</b>	<b>(0.07)</b>	<b>0.11</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 42 THE MAJOR COMPONENTS OF NET DEFERRED TAX ASSETS / (LIABILITIES) BASED ON THE TEMPORARY DIFFERENCE ARE AS UNDER :

₹ in crore					
Deferred Tax Liabilities	April 1, 2022	Recognised through P&L	Recognised through OCI	Others	March 31, 2023
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(4,531.64)	(21.01)	-	-	(4,552.65)
Financial Instruments at Fair Value through OCI	(5.77)	-	0.06	-	(5.71)
Other temporary difference	(24.16)	6.43	-	-	(17.73)
<b>Assets</b>					
Business loss and Unabsorbed depreciation	1.31	8.10	-	-	9.41
Other temporary differences	272.74	14.50	(0.01)	-	287.23
<b>Net Deferred Tax Liability</b>	<b>(4,287.52)</b>	<b>8.02</b>	<b>0.05</b>	<b>-</b>	<b>(4,279.45)</b>

₹ in crore					
Deferred Tax Liabilities	April 1, 2021	Recognised through P&L	Recognised through OCI	Others	March 31, 2022
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(4,510.69)	(20.95)	-	-	(4,531.64)
Financial Instruments at Fair Value through OCI	(5.72)	-	(0.05)	-	(5.77)
Other temporary difference	(19.68)	(4.48)	-	-	(24.16)
<b>Assets</b>					
Business loss and Unabsorbed depreciation	123.83	(122.52)	-	-	1.31
Other temporary differences	253.92	18.82	-	-	272.74
<b>Net Deferred Tax Liability</b>	<b>(4,158.34)</b>	<b>(129.13)</b>	<b>(0.05)</b>	<b>-</b>	<b>(4,287.52)</b>

## NOTE - 43 TAX EXPENSE

### a i) Tax recognised in Statement of profit and loss

₹ in crore		
	March 31, 2023	March 31, 2022
<b>Current tax expense</b>	349.79	382.27
<b>Deferred tax</b>		
Deferred tax - expense	(8.02)	129.13
<b>Total tax expense (A)</b>	<b>341.77</b>	<b>511.40</b>

### ii) Tax recognised in Other Comprehensive Income (OCI)

₹ in crore		
	March 31, 2023	March 31, 2022
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	(3.24)	(4.87)
<b>Deferred tax</b>		
Deferred Tax on Gain on fair value of Investments	(0.05)	0.05
<b>Total tax expense relating to OCI items (B)</b>	<b>(3.29)</b>	<b>(4.82)</b>
<b>Tax Expense (A + B)</b>	<b>338.48</b>	<b>506.58</b>

### b Reconciliation of tax expense and accounting profit

₹ in crore		
	March 31, 2023	March 31, 2022
<b>Accounting profit before tax after Other comprehensive income</b>	1,717.90	1,900.11
Tax using the Company's domestic tax rate (34.944%)	600.30	663.97
<b>Less: Tax impact for-</b>		
Income / expenses not considered for tax purpose including difference in depreciation	(64.63)	(50.91)
Incentive & deduction allowed under Income Tax	(82.40)	(68.47)
Other adjustments	(114.79)	(38.01)
<b>Tax expense</b>	<b>338.48</b>	<b>506.58</b>



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 44 EARNINGS PER SHARE:

## (i) Computation of Earnings per share

Particulars	2022-23	2021-22
A. Profit after tax attributable to owners of the equity (₹ in crore)	1,342.83	1,358.07
B. Weighted Average no. of shares for Earnings per share	1,32,55,70,430	1,32,55,70,430
Basic and Diluted Earnings per share of ₹ 1/- = [(A) / (B)] (₹)	10.13	10.25

## (ii) Computation of Earnings per share - excluding regulatory income / (expense) (net)

Particulars	2022-23	2021-22
A. Profit after tax attributable to owners of the equity (₹ in crore)	403.14	830.76
B. Weighted Average no. of shares for Earnings per share	1,32,55,70,430	1,32,55,70,430
Basic and Diluted Earnings per share of ₹ 1/- = [(A) / (B)] (₹)	3.04	6.27

## NOTE - 45 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT :

The regulated operations of generation and distribution of electricity of the Parent and subsidiaries are governed by the provisions of the Electricity Act 2003 and Regulations framed by appropriate regulatory commission to the extent applicable and accordingly the parent and subsidiaries, being licensees under the applicable statutes, are subject to regulatory provisions/ guidelines and issues evolving therefrom, having a bearing on their liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications / regulatory 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 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 - 46

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 is 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 accounting interpretations, the Parent 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 ₹ 214.08 crore ( 31.03.2022 : ₹ 225.30 crore) and corresponding withdrawal of ₹ 0.50 crore ( 31.03.2022 : ₹ 2.03 crore ) consequent to sale / disposal of such assets.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 47 NOTE ON INDAS 116:

The movement in Right of Use (ROU) Assets:

Particulars	Carrying Amount as at 1st April 2022	Additions / Adjustments	Withdrawals / Adjustment	Amortisation	₹ in crore Carrying Amount as at 31st March 2023
Land	675.54	2.91	-	22.09	656.36
Building	306.43	4.55	0.82	37.07	273.09
Plant and Machinery	13.08	-	-	6.10	6.98
Vehicle	0.01	-	-	0.01	-
<b>Total</b>	<b>995.06</b>	<b>7.46</b>	<b>0.82</b>	<b>65.27</b>	<b>936.43</b>

Particulars	Carrying Amount as at 1st April 2021	Additions / Adjustments	Withdrawals / Adjustment	Amortisation	₹ in crore Carrying Amount as at 31st March 2022
Land	694.09	3.85	-	22.40	675.54
Building	332.81	10.56	0.12	36.82	306.43
Plant and Machinery	19.98	-	-	6.90	13.08
Vehicle	0.03	-	-	0.02	0.01
<b>Total</b>	<b>1,046.91</b>	<b>14.41</b>	<b>0.12</b>	<b>66.14</b>	<b>995.06</b>

The movement in lease liabilities for the year 2022-2023 is as below	₹ in crore
Lease liabilities as at April 1, 2022	221.91
Additions	7.37
Deletions (modification / termination of lease agreements)	(0.90)
Finance cost expense	18.12
Payment during the year (including interest ₹ 18.12 crore)	(46.11)
<b>Balance as on 31st March 2023</b>	<b>200.39</b>

The movement in lease liabilities for the year 2021-22 is as below	₹ in crore
Lease liabilities as at April 1, 2021	235.59
Additions	13.66
Deletions (modification / termination of lease agreements)	(0.13)
Finance cost expense	19.88
Payment during the year (including interest ₹ 19.88 crore)	(47.09)
<b>Balance as on 31st March 2022</b>	<b>221.91</b>

Future minimum lease payments during next one year ₹ 33.82 crore (31.03.2022 ₹ 33.07 crore), later than one year but not later than five years ₹ 107.23 crore (31.03.2022 ₹ 108.78 crore) and later than five years ₹ 59.34 crore (31.03.2022 ₹ 80.06 crore) applying weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 7.73 crore (31.3.2022 ₹ 3.39 crore) and low-value assets of ₹ 0.74 crore (31.3.2022 ₹ 0.68 crore), net of applicable taxes.

**NOTE - 48** Interest on Consumers' Security Deposits (being in the nature of trade deposit) is included in other expenses, as per consistent practice followed by the Company. This is paid to the consumers at the applicable rates in terms of the Regulations framed, under the Electricity Act, 2003.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE - 49 STATEMENT PURSUANT TO REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT 2013 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES / JOINT VENTURE FOR THE YEAR ENDED 31 MARCH 2023

₹ in crore

Sl. No.	Name of the Entities	Country of Incorporation	31-Mar-23		2022-23			2022-23		
			Net Assets	As % of Consolidated Net Assets	Share in Profit or Loss	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	9,964.04	91.33%	830.34	61.84%	(10.03)	56.36%	820.31	61.91%
	<b>Subsidiaries - Indian</b>									
1	Haldia Energy Limited (HEL)	India	3,548.11	32.52%	261.03	19.44%	(7.43)	41.75%	253.60	19.14%
2	Dhariwal Infrastructure Limited	India	898.37	8.23%	243.52	18.13%	(0.12)	0.67%	243.40	18.37%
3	Malegaon Power Supply Limited	India	(33.12)	(0.30%)	(77.35)	(5.76%)	(0.01)	0.08%	(77.36)	(5.84%)
4	CESC Projects Limited	India	2.98	0.03%	(2.18)	(0.16%)	(0.02)	0.12%	(2.20)	(0.17%)
5	Pachi Hydropower Projects Limited	India	1.61	0.01%	(0.01)	(0.00%)	-	-	(0.01)	(0.00%)
6	Papu Hydropower Projects Limited	India	0.76	0.01%	(0.01)	(0.00%)	-	-	(0.01)	(0.00%)
7	Ranchi Power Distribution Company Limited	India	(4.11)	(0.04%)	(0.67)	(0.05%)	0.00	(0.01%)	(0.67)	(0.05%)
8	Kota Electricity Distribution Limited	India	82.05	0.75%	(35.46)	(2.64%)	0.01	(0.03%)	(35.45)	(2.68%)
9	Bharatpur Electricity Services Limited	India	30.46	0.28%	3.60	0.27%	(0.01)	0.03%	3.59	0.27%
10	Bikaner Electricity Supply Limited	India	136.15	1.25%	7.08	0.53%	(0.01)	0.06%	7.07	0.53%

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

NOTE - 49 STATEMENT PURSUANT TO REQUIREMENT OF SCHEDULE III TO THE COMPANIES ACT 2013 RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES / JOINT VENTURE FOR THE YEAR ENDED 31 MARCH 2023 (Contd..)

₹ in crore

Sl. No.	Name of the Entities	Country of Incorporation	31-Mar-23		2022-23		2022-23		2022-23	
			Net Assets	As % of Consolidated Net Assets	Share in Profit or Loss	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
11	Crescent Power Limited (CPL)	India	327.34	3.00%	32.76	2.44%	(0.09)	0.51%	32.67	2.47%
12	CESC Green Power Limited	India	0.04	0.00%	0.00	0.00%	-	-	0.00	0.00%
13	Jharkhand Electric Company Limited	India	28.72	0.26%	(1.70)	(0.13%)	(0.00)	0.00%	(1.70)	(0.13%)
14	Jarong Hydro Electric Power Company Limited	India	1.53	0.01%	(0.01)	(0.00%)	-	-	(0.01)	(0.00%)
15	Eminent Electricity Distribution Limited (Eminent)	India	464.19	4.25%	1.84	0.14%	-	-	1.84	0.14%
16	Au Bon Pain Café India Limited	India	(0.10)	0.00%	(0.05)	(0.00%)	-	-	(0.05)	(0.00%)
17	Noida Power Company Limited	India	1,369.33	12.55%	161.19	12.00%	(0.31)	1.74%	160.88	12.14%
	<b>Subsidiaries - Foreign</b>									
18	Bantal Singapore Pte Limited	Singapore	(0.02)	0.00%	(0.25)	(0.02%)	0.02	(0.09%)	(0.23)	(0.02%)
	Non Controlling Interest		(478.73)	(4.39%)	(54.50)	(4.06%)	0.11	(0.62%)	(54.39)	(4.10%)
	<b>Investment in Joint Venture (Equity Method)</b>									
19	Mahuagarhi Coal Company Private Limited	India	-	-	-	-	-	-	-	-
	Consolidation Adjustments		(5,429.23)	(49.74%)	(26.34)	(1.96%)	0.09	(0.51%)	(26.25)	(1.98%)
			<b>10,910.37</b>	<b>100%</b>	<b>1,342.83</b>	<b>100%</b>	<b>(17.80)</b>	<b>100%</b>	<b>1,325.03</b>	<b>100%</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 50 INVESTMENT IN JOINT VENTURE

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, 2023 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 disclosures for other financial information has not been given.

## NOTE - 51 FAIR VALUE MEASUREMENTS

a) The carrying value and fair value of financial instruments by categories are as follows:

₹ in crore

	31-Mar-23			31-Mar-22		
	Cost / Amortized cost	FVTOCI	FVTPL	Cost / Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments						
- Equity	-	37.15	-	-	44.76	-
- Preference shares	-	36.88	1.26	-	66.88	1.14
- Mutual funds	-	-	0.35	-	-	345.51
- Others	1.35	-	-	1.35	-	-
Loans	7.75	-	-	22.30	-	-
Trade Receivables	2,191.52	-	-	2,095.49	-	-
Cash and cash equivalents	1,129.20	-	-	2,152.70	-	-
Bank balances other than cash and cash equivalents	1,459.15	-	-	1,096.76	-	-
Others financial assets	519.84	-	-	455.90	-	-
<b>Total financial assets</b>	<b>5,308.81</b>	<b>74.03</b>	<b>1.61</b>	<b>5,824.50</b>	<b>111.64</b>	<b>346.65</b>
<b>Financial liabilities</b>						
Borrowings	14,062.45	-	-	14,738.89	-	-
Lease Liabilities	200.39	-	-	221.91	-	-
Trade Payables	1,152.47	-	-	1,105.56	-	-
Consumers' Security Deposits	2,245.70	-	-	2,077.85	-	-
Others	722.62	-	-	704.46	-	-
<b>Total financial liabilities</b>	<b>18,383.63</b>	<b>-</b>	<b>-</b>	<b>18,848.67</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 2023</b>					
<b>Financial assets</b>					
Investment in equity shares	16.45	-	20.70	37.15	37.15
Investment in preference shares	-	-	38.14	38.14	38.14
Investment in liquid mutual fund units	0.35	-	-	0.35	0.35
Derivative financial instrument - cross currency swap	-	-	-	-	-
<b>Total financial assets</b>	<b>16.80</b>	<b>-</b>	<b>58.84</b>	<b>75.64</b>	<b>75.64</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 51 FAIR VALUE MEASUREMENTS (Contd..)

₹ 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 2022</b>					
<b>Financial assets</b>					
Investment in equity shares	23.89	-	20.87	44.76	44.76
Investment in preference shares	-	-	68.02	68.02	68.02
Investment in liquid mutual fund units	345.51	-	-	345.51	345.51
Derivative financial instrument - cross currency swap	-	-	-	-	-
<b>Total financial assets</b>	<b>369.40</b>	<b>-</b>	<b>88.89</b>	<b>458.29</b>	<b>458.29</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

- 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 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 results in decrease / increase in fair value of preference share by ₹ 0.08 crore. The fair value of equity share is determined basis 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 ₹ 0.64 crore and ₹ 0.69 crore respectively.
- The carrying amounts of trade receivables, trade payables, other bank balances, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.
- Loans, borrowings, lease liabilities and consumers' security deposits are based on amortised cost using effective interest rate method.
- 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 are reasonable approximation of the fair value.



## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 52

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 Chief Operating Decision Maker (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 is given for geographical segment as it is not relevant for CODM.

## NOTE - 53 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
PCBL Limited (formerly known as Philips Carbon Black Limited)
Harrison Malayalam Limited
STEL Holdings Limited
Dotex Merchandise Private Limited
Castor Investments Limited
Shaft Investments Private Limited
Spencer's Retail Limited
Woodlands Multispeciality Hospital Limited
Sarala Real Estate Limited
Saregama India Ltd
Open Media Network Ltd
Omnipresent Retail India Pvt Ltd
RPSG Resources Private Limited
Apricot Foods Private Limited
Guilfree Industries Limited
Nature's Basket Limited
Kolkata Games And Sports Private Limited
Kolkata Metro Networks Limited
Bowlopedia Restaurants India Limited
RPSG Ventures Limited
Firstsource Solutions Limited
Quest Properties India Limited
Business Media Private Limited
Herbolab India Private Limited
Quest Capital Markets Limited (w.e.f. 27th August,2021)
Lebnitze Real Estates Private Limited (w.e.f. 26th August,2021)
ATK Mohun Bagan Private Limited
RP-SG Ventures Advisory LLP

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE - 53 RELATED PARTY AND THEIR RELATIONSHIP (Contd..)

#### (ii) Key Management Personnel

Name	Relationship
Dr. Sanjiv Goenka	Chairman
Mr. Shashwat Goenka	Vice-Chairman
Mr. Pratip Chaudhuri	Director
Mr. Chandra Kumar Dhanuka	Director
Mr. Kalaikuruchi Jairaj	Director (Upto 29th December, 2021)
Mr. Pradip Kumar Khaitan	Director
Ms. Rekha Sethi	Director
Mr. Sunil Mitra	Director
Mr. Debanjan Mandal	Director (w.e.f. 10th May, 2021)
Mr. Debasish Banerjee	Managing Director-Distribution
Mr. Rabi Chowdhury	Managing Director-Generation
Mr. Subhasis Mitra	Company Secretary (Upto 10th May, 2021)
Mr. Jagdish Patra	Company Secretary (w.e.f. 10th May, 2021)
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. 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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE - 53 RELATED PARTY AND THEIR RELATIONSHIP (Contd..)

## c) Details of transaction and outstanding balances

₹ 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-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
1	Investment/ Acquisition of Shares	-	-	-	-	-	-	-	-	-	-
2	Redemption of Preference Shares	-	-	30.00	30.00	-	-	-	-	30.00	30.00
3	Expense (Reimbursed) / Recovered (net)	-	-	17.96	9.82	-	-	-	-	17.96	9.82
4	Income from sale / services	-	-	301.66	110.41	-	-	-	-	301.66	110.41
5	Dividend Received	-	-	4.17	7.93	-	-	-	-	4.17	7.93
6	Expenses Incurred/ Services Received	-	-	847.15	733.77	-	-	15.93	12.50	863.08	746.27
7	Provident Fund & Retiral funds	-	-	-	-	-	-	252.52	285.47	252.52	285.47
8	Dividend paid	264.58	264.58	44.99	44.99	1.11	1.11	0.17	0.17	310.85	310.85
9	Security Deposit Received/(Paid)	-	-	(12.00)	(252.20)	-	-	-	-	(12.00)	(252.20)
10	Remuneration of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Short Term Employee Benefits	-	-	-	-	1780	16.33	-	-	1780	16.33
	Post Employment Benefits	-	-	-	-	1.94	2.59	-	-	1.94	2.59
11	(Purchase) / Sale of Asset	-	-	-	2.22	-	-	-	-	-	2.22
12	Remuneration of Directors	-	-	-	-	42.12	49.96	-	-	42.12	49.96
	Outstanding Balance :	-	-	-	-	-	-	-	-	-	-
1	Debit	-	-	428.87	390.58	-	-	-	-	428.87	390.58
2	Credit	-	-	-	-	42.04	49.06	12.74	30.69	54.78	79.75

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.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

### NOTE-54 OTHER STATUTORY INFORMATION:

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The following are the details of receivable in respect of Struck off Companies:-

#### In respect of the Parent:

Name of the Electricity Consumers	Balance Outstanding as on 31st Mar 2023	Balance Outstanding as on 31st Mar 2022
	₹ in crore	₹ in crore
Presto Commercial Pvt. Ltd	0.03	0.03
Bye Pass Swimming & Resort Ltd	0.03	0.02
Mechno Hydromach Pvt.Ltd	0.02	0.02
Gupta Brothers Pvt Ltd	0.02	0.01
Nandan Properties Pvt.Ltd	0.02	0.02
Ripon Properties Pvt Ltd	0.02	0.02
S.M.Projects Pvt.Ltd	0.01	0.02
P.C.Biswas & Co. Bricks Pvt.Ltd	0.01	0.01
Reliable Management Serv Ices Pvt. Ltd	0.01	0.01
Southern Industries Pvt. Ltd	0.01	0.01
Truform Tools & Gauges Pvt Ltd	0.01	0.01
Unimet Consultants Pvt. Ltd	0.01	0.01
Puspasree Cinema Pvt Ltd	0.01	0.01
Chingsue Tannery Pvt Ltd	0.01	0.01
Atlantes Services P Ltd	0.01	0.01
Goodwill Commotrade Pvt.Ltd	0.01	0.00
Radiant Builders Pvt Ltd	0.01	0.01
Strongmen Trade & Commerce Pvt.Ltd	0.00	0.01
Sarvmangala Textiles Pvt.Ltd	0.00	0.01

#### Following are the Struck Off Companies where the balances are below ₹ 50,000:

Gazi Poly Plast Products Pvt.Ltd, Mega Mobile Media Private Limited, Little Angles & - Developers Pvt.Ltd, Jkbn Ltd, Garuda Chains Pvt Ltd, B N Apartments Pvt Ltd, Regional Engineers Assoc lated Pvt Ltd, Nook Holdings Pvt Ltd, Pashupati Developers Pvt .Ltd, Akla Builders Pvt.Ltd, Ekta Apartments Pvt. Ltd, Namaste Holdings Pvt Ltd, Midland Medicare Limited, The Dimakusi Tea Co Ltd, Gunadhatre Abasann Pvt.Ltd, Yash Rasayan Pvt Ltd, Longview Marketing & Impex Pvt Ltd, Oscar Projects Pvt.Ltd, Rajat Homfin Pvt.Ltd, Spark Dealers Pvt. Ltd, A.S.B. Properties Private Limited, Free India Machinery Co Pvt Ltd, Shree Binayak Highrise Pvt.Ltd, Chandbali Properties Pvt Ltd, Madan Radio Co Pvt Ltd, Kailash Clothwear Pvt.Ltd, Navniketan Cine Pvt Ltd, Ledex Export (India) Pvt.Ltd, Packaging Aids Pvt.Ltd, Creation Marketing Pvt Ltd, Macneumatic Pvt. Ltd, Murarka Dealers Investors Pvt Ltd, Roshni Constructions Pvt Ltd, Shree Venkateswar Machine Tools Pvt.Ltd, National Ceramic Industries Ltd, India Steel Industries Pvt Ltd, Mishra Nirman Pvt Ltd, Dgm Infotech Private Limited, Demaca Commercial Pvt Ltd, Pradip Promotors Pvt Ltd, Aeeron Housing Pvt Ltd, Cine Sixteen Eastern Pvt Ltd, Pashupati Paints (India) Pvt Ltd, Gem Savings Unit Pvt Ltd, Calcutta Chemical Co Ltd, X'Clusive Business Centre Pvt.Ltd, Red Plus Clinics Pvt Ltd, Navkar Credit Services Pvt.Ltd, Acme Construction Co.Pvt.Ltd, Genius Consultants Pvt Ltd, Niva Marketing & Distribution Pvt. Ltd, Anil Tower Pvt.Ltd, G M Cure Home Pvt Ltd, Konatron Electronics - Pvt.Ltd, Sarwamangala Properties Pvt Ltd, Arihant Enclave Pvt Ltd, Cherish Projects & - Resources Pvt.Ltd, Exclusive Trade & Print Pvt.Ltd, Saps Housing Projects Pvt Ltd, Dot Pvt Ltd, Siloni Engineers Pvt Ltd, Epic Apparels Pvt Ltd, Rocketing Properties Pvt.Ltd, Upasana Construction Pvt. Ltd, Lihala Metals Pvt Ltd, Acme Decals Pvt Ltd, Gallaine Developers Private Limited, Eikon Creators Pvt.Ltd, Purban Pvt Ltd, Uniphase Commercial Services Pvt Ltd, Hpb Developers Pvt. Ltd, Atlanta Health Centre Pvt Ltd, Rosewood Enclave Pvt Ltd, Amrita Commercial Co Pvt.Ltd, Metal Specialities Pvt Ltd, Silver Wings Pvt Ltd, D N Construction & Investment Pvt Ltd, Pathecherra Commotrade Pvt Ltd, S.D.Instruments Pvt.Ltd, Ghosh & Co (Textiles) Pvt Ltd, Amaltas Construction Pvt Ltd, Singhi Marketing Pvt. Ltd, Amrita Commercial Co Pvt Ltd, R.C. Estates Pvt Ltd, Santosh Biscuit Co Pvt Ltd, Estate Developers India Pvt Ltd, Parbati Multiplex Private Limited, Howrah Enclave Pvt.Ltd, Sas Laboratories Pvt Ltd, Moda Chrome Pvt.Ltd, Ananda Ashram Pvt Ltd, H P B Developers Pvt Ltd, Renaissance

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

## NOTE-54 OTHER STATUTORY INFORMATION: (Contd..)

Cassette Pvt.Ltd, Das Fabrico Pvt.Ltd, G.B.Buildtech Pvt.Ltd, Naba Press Pvt Ltd, Farmaid India Pvt Ltd, Elmecon Bds Pvt. Ltd, Map Metal & Alloys - Pvt.Ltd, Nri Sweet Home Pvt.Ltd, Uniphase Commercial Services Pvt.Ltd, Innovative Design Centre Pvt.Ltd, Santosh Biscuit Co.Pvt. Ltd, Hpb Developers Pvt Ltd, Acme Construction Co Pvt Ltd, Tulika Holdings Pvt Ltd, Agency Syndicate Pvt. Ltd, Shree Roadways Ltd, B.K.Builders Pvt Ltd, Advani Properties Pvt Ltd, Benget India Pvt Ltd, Gunapunaraya Properties Pvt.Ltd, Shaw Vanaspati Pvt. Ltd, ShreeKunj Hotels Pvt.Ltd, Star Wise Mercantiles Private Limited, System Engineers Pvt.Ltd, Swadevika Impex India Private Limited, Machfarm Pvt.Ltd, Simiran Textiles Pvt Ltd, Khaitan Pratisthan Pvt Ltd, Blue Heaven Construction Company Pvt.Ltd, Suburban Projects Pvt.Ltd, Meghdoot Construction Pvt Ltd, Dhannantari Printing & Packaging Pvt.Ltd, Kajaria Sons Pvt.Ltd, Ranisati Merchandise Pvt Ltd, Anjali Towers Pvt.Ltd, Rishi Leather Pvt Ltd, A.K.Mukherjee & Co. Pvt.Ltd, D Bright & Co Pvt Ltd, Csj Enterprise Private Limited, Thienfore Co Pvt Ltd, Little-Oak Pharmaceuticals Pvt Ltd, L M C Finance Properties Pvt Ltd, Personal Finance Ltd, Capri Home Products Ltd, Jupiter Products Pvt Ltd, Bhagirathi Protein Ltd, Aadyasree Technologies Private Limited, A.S.Syndicate (Ware Houseing) Pvt Ltd, Eastern Pigments Pvt Ltd, Ess Ess Hirise Private Limited, Orbital Distributors Pvt Ltd, Torrent Merchandise Pvt Ltd, True Blue Media Private Limited, Dabro Agro Chemicals Pvt.Ltd, Lira Business Resources Pvt Ltd, Image Express Pvt.Ltd, Gcon Housing Pvt.Ltd, Modern India Machine Tools Pvt Ltd, Marcil Agriculture Farm Pvt Ltd, S.B.Minerals Pvt.Ltd, Nakoda Properties & Finance Pvt Ltd, Kva Homes Pvt.Ltd, Saryou Advisory Pvt Ltd, Mercodex India Pvt Ltd, Vasantlok Properties Pvt.Ltd, Ad Graphic And Design India Private Limited, Bajoria Coating Industries Pvt Ltd, M.P.Consultancy Pvt Ltd, Howrah Warehouse Pvt.Ltd, Swil Ltd, Mindset Consulting Private Limited, Aryadeep Retailers Private Limited, Z.N.Construction - Pvt.Ltd, Rico Pvt Ltd, Claridge Commercial Pvt.Ltd, Natabar Oil Mill Pvt Ltd, Manu-Nem Holdings Pvt.Ltd, Ardikem Management Services Pvt.Ltd, Abhinav Print System Pvt Ltd, Eldyne Macro Systems India Pvt Ltd.

**Nature of Transaction with Struck Off Companies : All transactions relate to Sale of Electricity /Security Deposit balance in the ordinary course of business of electricity distribution.**

**Relationship with Struck off Companies : All are Electricity Consumers and there is no other relationship.**

**In respect of a Subsidiary:**

Name of the Company	Balance Outstanding as on 31st Mar 2023	Balance Outstanding as on 31st Mar 2022
	₹ in crore	₹ in crore
Beest Buy (OPC) Pvt. Ltd.	Nil	Nil

**Nature of Transaction with the Struck Off Company : Repairing Service**

**Relationship with Struck off Company : None**

- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS (Contd.)

**NOTE-54 OTHER STATUTORY INFORMATION: (Contd..)**

- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
- (ix) The Group is maintaining its books of accounts in electronic mode and these books of accounts are accessible in India at all times and the back-up of the books of accounts has been kept in servers physically located in India on a daily basis.
- (x) The quarterly returns or statements filed by the Group, where applicable, with the banks or financial institutions are in agreement with the books of accounts.

**NOTE - 55**

Liability in respect of 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 Group has reclassified previous year's figures to conform to this years classification, wherever necessary.

For **S.R. BATLIBOI & Co. LLP**  
Chartered Accountants  
Firm Registration Number -301003E/E300005

For and on behalf of Board of Directors

**Navin Agrawal**  
Partner  
Membership No.: 056102  
Kolkata, 22nd May, 2023

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka** DIN: 00074796  
**Rabi Chowdhury** DIN: 06601588  
**Debasish Banerjee** DIN: 06443204  
**Rajarshi Banerjee**  
**Jagdish Patra**



## MAJOR STATISTICS : 2022 - 2023

<b>Generating Capacity</b>		Budge Budge Generating Station	750 MW
		Southern Generating Station	135 MW
220/132/33 KV Substations		Installed Capacity	2000 MVA
132/33 KV Substations		Installed Capacity	2977 MVA
Distribution Stations		No. of Stations	117
		Transformer Capacity	3922 MVA
Tie Transformer		No. of Transformer	6
		Transformer Capacity	22 MVA
LT Substations		No. of AC Substations	8786
		Transformer Capacity	3024 MVA
Package Substations (PSS)		No. of Substations	114
		Installed Capacity	108 MVA
<b>Distribution Network (Circuit Km.)</b>		220 KV UG	48 Ckt. Km.
		220 KV OH	221 Ckt. Km.
		132 KV UG	318 Ckt. Km.
		132 KV OH	81 Ckt. Km.
		33 KV UG	1589 Ckt. Km.
		33 KV OH	92 Ckt. Km.
		20 KV UG	50 Ckt. Km.
		11 & 6 KV UG	7060 Ckt. Km.
HT Distribution		11 & 6 KV OH	87 Ckt. Km.
		3.3 KV UG	21 Ckt. Km.
		UG	8295 Ckt. Km.
LT Distribution		OH	5791 Ckt. Km.
		132 & 33 kV	640 MVAR
HT Capacitor		6 & 11 kV	273 MVAR
		0.4 kV	204 MVAR
LT Capacitor (APFC)			
<b>Additions During the Year</b>			
220/132/33 KV Substations	0.00 MVA	LT UG Mains	87.09 Ckt. Km.
132/33 KV Substations	0.00 MVA	LT OH Mains	42.27 Ckt. Km.
Distribution Stations	0.00 MVA	220 KV UG	NIL
LTAC Substations	29.80 MVA	220 KV OH	NIL
Package Substations (PSS)	0.00 MVA	132 KV UG	NIL
No. of LT Services	12512 Nos	33 KV UG	11.84 Ckt. Km.
No. of HT Services	26 Nos	6 & 11 KV UG	42.99 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

S.No.	Particulars	Reporting Period	Share Capital	Other Equity/ Reserves and Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Tax	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of shareholding
				(₹ In Crore)									
1.	Malegaon Power Supply Limited	April, 2022-March, 2023	142.75	(175.87)	233.31	233.31	-	590.27	(77.35)	-	(77.35)	-	100%
2.	CESC Projects Limited	April, 2022-March, 2023	42.45	(39.47)	5.03	5.03	-	-	(2.18)	-	(2.18)	-	100%
3.	Bantol Singapore Pte. Limited	April, 2022-March, 2023	56.68	(56.70)	0.11	0.11	-	-	(0.25)	-	(0.25)	-	100%
4.	Ranchi Power Distribution Company Limited	April, 2022-March, 2023	29.55	(33.66)	1.78	1.78	-	-	(0.67)	-	(0.67)	-	100%
5.	Pachi Hydropower Projects Limited	April, 2022-March, 2023	4.47	(2.87)	2.62	2.62	-	-	(0.01)	-	(0.01)	-	100%
6.	Papu Hydropower Projects Limited	April, 2022-March, 2023	2.82	(2.07)	0.76	0.76	-	-	(0.01)	-	(0.01)	-	100%
7.	Au Bon Pain Café India	April, 2022-March, 2023	126.43	(126.52)	0.09	0.09	-	-	(0.05)	-	(0.05)	-	93.10%
8.	Haldia Energy Limited	April, 2022-March, 2023	1,203.44	2,344.67	8,190.91	8,190.91	16.46	1,947.74	312.21	(51.18)	261.03	-	100%
9.	Dharwal Infrastructure Limited	April, 2022-March, 2023	2,242.77	(1,344.40)	4,006.50	4,006.50	-	1,892.48	243.52	-	243.52	-	100%
10.	Kota Electricity Distribution Limited	April, 2022-March, 2023	425.83	(343.78)	548.65	548.65	-	1,011.02	(35.46)	-	(35.46)	-	100%
11.	Bikaner Electricity Supply Limited	April, 2022-March, 2023	127.55	8.60	420.85	420.85	-	625.24	11.15	(4.08)	7.08	-	100%
12.	Bharatpur Electricity Services Limited	April, 2022-March, 2023	24.05	6.41	142.76	142.76	-	211.29	5.05	(1.46)	3.60	-	100%
13.	Crescent Power Limited	April, 2022-March, 2023	60.00	267.34	412.56	412.56	52.41	167.08	39.43	(6.67)	32.76	-	67.83%
14.	CESC Green Power Limited	April, 2022-March, 2023	0.05	(0.01)	0.04	0.04	-	-	(0.00)	-	(0.00)	-	100%
15.	Jharkhand Electric Company Limited	April, 2022-March, 2023	35.65	(6.93)	31.94	31.94	-	-	(1.70)	-	(1.70)	-	100%
16.	Jarong Hydro-Electric Power Company Limited	April, 2022-March, 2023	2.05	(0.52)	1.56	1.56	-	-	(0.01)	-	(0.01)	-	100%
17.	Eminent Electricity Distribution Limited	April, 2022-March, 2023	460.05	4.14	464.83	464.83	452.05	-	2.57	(0.73)	1.84	-	100%
18.	Noida Power Company Limited	April, 2022-March, 2023	60.00	1309.33	2362.50	2362.50	169	2275.47	209.43	(48.24)	161.19	-	72.73%

For and on behalf of Board of Directors

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

Dr. Sanjiv Goenka  
Rabi Chowdhury  
Debasish Banerjee  
Rajarshi Banerjee  
Jagdish Patra

DIN: 00074796  
DIN: 06601588  
DIN: 06443204

Date: May 22, 2023  
Place: Kolkata

**STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES**

**Part B: Associates and Joint Ventures**

<b>Name of the Associates/Joint Ventures</b>	<b>Mahuagarhi Coal Company Private Limited</b>
Latest audited Balance Sheet Date	March 31, 2023
Shares of Associate/ Joint Venture held by the company on the year end	2429800
Amount of investment in Associate/ Joint Venture (Rs Crore)	-
Extend of Holding %	50%
Description of how there is significance influence	By way of shareholding
Reason why the Associate /Joint Venture is not consolidated	N.A.
Networth attributable to shareholding as per latest audited Balance Sheet (Rs Crore)	-
Profit/Loss for the year (Rs crore)	-
Considered in consolidation	-
Not Considered in consolidation	Nil

**For and on behalf of Board of Directors**

Date: May 22, 2023  
Place: Kolkata

Chairman  
Managing Director - Generation  
Managing Director- Distribution  
Executive Director & CFO  
Company Secretary

**Dr. Sanjiv Goenka**  
**Rabi Chowdhury**  
**Debasish Banerjee**  
**Rajarshi Banerjee**  
**Jagdish Patra**

**DIN: 00074796**  
**DIN: 06601588**  
**DIN: 06443204**

## OFFICE / PLANT LOCATIONS

### **GENERATING STATIONS**

#### **Budge Budge**

Vill. & P.O. - Pujali, P.S. Budge Budge  
24 Parganas (S), Pin : 700138  
Phone: 033-2482 1113, 033-2482 1709  
033-2482 2957, 033-2482 1708

#### **Southern**

28 Garden Reach Road  
Kolkata 700 024  
Phone: 033-2469 6886, 033-2469 3608  
033-2469 7557

### **REGIONAL OFFICES**

#### **Central**

CESC House  
Chowringhee Square  
Kolkata 700 001  
Phone : 033-2225 6040 (10 lines)

#### **Howrah**

433/1G. I Road (N)  
Howrah 711 101  
Phone: 033-2676 5700

#### **North**

226 A & B APC Road  
Kolkata 700 004  
Phone: 033-2509 6100

#### **North Suburban**

32 B. T. Road (Opp. Sagar Dutta Hospital)  
Kolkata 700 058  
Phone : 033-6645 4300

#### **South**

6 Mandeville Gardens  
Kolkata 700 019  
Phone: 033-2485 6100

#### **South - West**

P-18 Taratolla Road  
Kolkata 700 088  
Phone: 033-2420 5000

### **In case of supply breakdown billing and payment assistance please contact**

033-3501 1912;  
033-4403 1912;  
1860 500 1912;  
1912;

You may also contact CESC's  
WhatsApp No. 7439001912

### **Investor Service**

#### **Secretarial Department**

CESC House  
Chowringhee Square  
Kolkata 700 001  
Phones:  
For resident shareholders  
033-6634 0814  
For non-resident shareholders  
+91 033-6634 0814 / 0909  
E-mail: [secretarial@rpsq.in](mailto:secretarial@rpsq.in)

### **Customer Relations Department**

CESC House  
Chowringhee Square  
Kolkata 700 001  
Phone : 033-2225 6040 - 49



RP-Sanjiv Goenka  
Group  
Growing Legacies



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## REGISTERED OFFICE

CESC House

Chowringhee Square, Kolkata - 700 001

Phone: (033) 2225 6040 (10 lines), 2204 0300, 6634 0300

CIN: L31901WB1978PLC031411

E-mail: [secretarial@rpsg.in](mailto:secretarial@rpsg.in)

Website: [www.cesc.co.in](http://www.cesc.co.in)