



# ANNUAL REPORT 2020-21





## Board of Directors

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

### Company Secretary

Mr. Jagdish Patra

### Executive Director & CFO

Mr. Rajarshi Banerjee

### 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, India  
 Tel: 033-2225 6040  
 Fax : 033-2225 5155  
 Corporate Identity Number: L31901WB1978PLC031411  
 E-mail: [secretarial@rpsg.in](mailto:secretarial@rpsg.in)  
 Website: [www.cesc.co.in](http://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  
 Indian Overseas Bank  
 IndusInd Bank Limited  
 Kotak Mahindra Bank Limited  
 Punjab & Sind Bank  
 Punjab National Bank  
 RBL Bank Limited  
 Standard Chartered Bank  
 State Bank of India  
 UCO Bank  
 Union Bank of India  
 Yes Bank Limited

Contents	Page
Board of Directors	1
Chairman's Letter	2
Notice	4
Board's Report	16
Management Discussion & Analysis	22
Report on Corporate Governance	35
Additional Shareholder Information	54
Report on CSR	61
Business Responsibility Report	65
Secretarial Audit Report	80
Other Particulars	93
Details pertaining to Remuneration	95
Standalone Financial Statements	
Independent Auditors' Report	96
Balance Sheet	104
Statement of Profit and Loss	105
Cash Flow Statement	106
Notes forming part of Financial Statements	109
Consolidated Financial Statements	
Independent Auditors' Report	139
Balance Sheet	146
Statement of Profit and Loss	147
Cash Flow Statement	148
Notes forming part of Financial Statements	151
Major Statistics	187
Information regarding Subsidiary Companies etc.	188
Office / Plant Locations	190

*Dear Members,*

Covid-19 has ensured that 2020-21 will rank as the most devastating year for the world economy since the Great Depression of the 1930s. According to the International Monetary Fund's *World Economic Outlook* published in April 2021, the global economy declined by 3.3%, with advanced economies shrinking by 4.7% and emerging markets and developing economies by 2.2%.

After a terrible first quarter of 2020-21, when virtually all activities ceased and India's real GDP collapsed by 24.4%, followed by the second quarter that saw a decline of 7.4%, many believed that the country was in for a truly catastrophic economic situation.

Thankfully, India's innate entrepreneurship took over from the third quarter. And with 0.5% growth in the third quarter followed by 1.6% in the fourth, India ended 2020-21 with a negative growth of 7.3%. In all fairness, this has been a better performance in our *annus horribilis* than what most economic commentators originally believed.

Your Company was not only affected by sharply falling power demand on account of lockdowns but also a terrible natural calamity: Super Cyclone Amphan, which occurred on 20 May 2020, right amidst the nationwide lockdown during the first Covid-19 wave.

As I shared with you in considerable detail in my last year's letter, with sustained wind speeds of over 120 kmph with gusts of over 190 kmph, Amphan was the strongest storm to hit South 24 Parganas, Kolkata and Howrah in over a decade. It toppled over 4,000 electric poles; triggered widespread flooding; and caused damage estimated at around US\$ 1 trillion.

I had then written that, despite shortage of staff on account of Covid-19, "your Company worked around the clock on a war footing to restore full power for 92% of its consumers within four days. And for the rest in another couple of days. We were among the fastest in the world in doing the restoration that we did."

Amphan and the general shortage of power demand due to Covid-19 induced lockdowns and slow start-up has seen a decline in power usage. The peak power demand in 2020-21 was 1,865 MW, versus 2,337 MW in 2019-20; and the energy requirement came down by 11% from 11,018 million units (MU) in 2019-20 to 9,796 MU in 2020-21. About 91% of this requirement was met by CESC's own generation, including that of Haldia Energy Limited.

Consequently, on a standalone basis, total income (including other income) of your Company in 2020-21 was Rs. 7101 crore, compared to Rs.7,982 crore in 2019-20 — reflecting a decline of 11%, mostly due to the Covid-induced lockdown in the first half of the year.

To combat this, your Company made strong efforts to control costs on all fronts: operating expenses, employee costs and others.



Consequently, on a standalone basis, total expenses, including depreciation and finance costs, was brought down by over 9% from Rs. 7,395 crore in 2019-20 to Rs. 6,711 crore in 2020-21.

Even so, profit before taxes (PBT), after incorporating regulatory income, was lower at Rs.847 crore in 2020-21, versus Rs.1,119 crore in 2019-20. Profit after taxes (PAT) for 2020-21 was Rs.814 crore, compared to Rs.918 crore in the previous year.

On a consolidated basis, total income of CESC was Rs.11,874 crore in 2020-21, which was 4% lower than the previous year. With sustained cost control measures, total expenses were reduced by over 6% to Rs.10,546 crore in 2020-21.

Consolidated PBT, after incorporating regulatory income, remained stable at Rs.1,752 crore in 2020-21. And consolidated PAT grew by 4% to Rs.1,363 crore in 2020-21.

These are creditable results given the combined effects of two

Covid-19 waves and Super Cyclone Amphan.

Your Company has all the tools and technology at its disposal — be it in generation, distribution, billings and in proactively and expeditiously reaching out to its vast customer base — to continue as a strong power generation and distribution entity. I am confident that it will leverage these tools, and continually introduce newer ones, to further improve performance, profitability and shareholder value.

There is a long ingrained CESC culture of excellence; of doing the utmost for the Company; and of serving the social interests of the people and the communities where it operates. This culture that will help us overcome the travails of Covid-19 and get us back on to a solid growth path.

Of this, I am confident.

Thank you, as always, for your support. My plea to you is please get vaccinated as quickly as you can, if you haven't already. Even after that, please maintain safety and social distancing. Please wear masks properly, and not as occasional chin-guards. If we all do these things, the third Covid-19 wave will be combated with far less pain. As it should.

Stay safe. Stay healthy.

With my best regards,  
Yours sincerely,



Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman

# CESC Limited

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

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

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

Corporate Identity Number: L31901WB1978PLC031411

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the Forty-third Annual General Meeting of the Members of CESC Limited will be held on **Wednesday, August 18, 2021 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. Adoption of:

- (a) the audited financial statements of the Company for the financial year ended March 31, 2021 and the Reports of Board of Directors and Auditors thereon, and
- (b) the audited consolidated financial statements for the financial year ended March 31, 2021 and the Reports of the Auditors thereon

To consider and if thought fit, to pass, with or without modification(s) the following resolutions as **Ordinary Resolutions**:

- a) **"RESOLVED THAT** the audited financial statements of the Company for the financial year ended March 31, 2021 and the reports of Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."
- b) **"RESOLVED THAT** the audited consolidated financial statements of the Company for the financial year ended March 31, 2021 and reports of the Auditors thereon, as circulated to the Members, be and are hereby considered and adopted."

#### 2. Confirmation of payment of Interim Dividend for the financial year ended March 31, 2021.

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

**"RESOLVED THAT** the interim dividend @ 450% (i.e. Rs. 45/- per share on 13,25,57,043 Equity Shares) paid to the shareholders for the financial year ended March 31, 2021, be and is hereby noted and confirmed."

#### 3. Appointment of Mr. Rabi Chowdhury who retires by rotation as a Director.

To consider and if thought fit, to pass, with or without modification(s) 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, Mr. Rabi Chowdhury (DIN: 06601588) who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

### SPECIAL BUSINESS

#### 4. Appointment of Mr. Debanjan Mandal as a Non-Executive Independent Director of the Company.

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

**"RESOLVED THAT** pursuant to Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, Articles of Association of the Company, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board, Mr. Debanjan Mandal (DIN: 00469622), who was appointed as an additional director of the Company with effect from May 10, 2021 in terms of Section 161 of the Act and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of Director, being eligible, be and is hereby appointed as a Non-Executive Director in the category of Independent Director of the Company, not liable to retire by rotation, and to hold office for a period of 5(five) consecutive years with effect from May 10, 2021;

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

**5. Continuation of Directorship of Mr. Pradip Kumar Khaitan as a Non-Executive Director of the Company.**

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

“**RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board , approval of members of the Company be and is hereby accorded to the continuation of Directorship of Mr. Pradip Kumar Khaitan (DIN: 00004821) in the capacity of a Non-Executive Director of the Company;

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

**6. Borrowing Limit**

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

“**RESOLVED THAT** in supersession of all earlier resolutions passed on the matter and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent 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 borrow any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid up capital, free reserves and securities premium of the Company provided that the total amount so borrowed by the Board shall not at any time exceed Rs.8,000 crores;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to delegate all or any of the power conferred on it by or under the foregoing Special resolution to any committee of directors of the Company or to any director of the Company or to any officers or employees of the Company as it may consider appropriate in order to give effect to this resolution and to do all such acts, deeds and things as may be necessary, proper and expedient for giving 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, with or without modification(s), 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 modifications of enactments thereof for the time being in force), consent 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 a term loan of Rs. 300 crore;
- b) Citibank N.A. (CITI) for a term loan of Rs. 125 crore;
- c) Federal Bank Limited (Federal) for a term loan of Rs. 200 crore;
- d) HDFC Bank Limited for a term loan of Rs. 360 crore;
- e) ICICI Bank Limited for a term loan of Rs. 100 crore;
- f) RBL Bank Limited for a term loan of Rs. 140 crore;
- g) State Bank of India for a term loan of Rs. 500 crore;
- h) Union Bank of India for a term loan of Rs. 300 crore;

(banks named in (a) to (h) above hereinafter collectively referred to as ‘lenders’)

- i) IDBI Trusteeship Services Limited (ITSL) as Trustees for holders of Non – Convertible Debentures (NCDs) of Rs. 200 crore privately placed with CITI and Rs. 250 crore privately placed with DBS Bank Limited (DBS) (ITSL hereinafter referred to as ‘Debenture Trustee’);
- j) Axis Bank Limited, DBS, Federal and Standard Chartered Bank for their respective incremental share of Rs. 150 crores, Rs. 50 crore, Rs. 100 crore and Rs. 200 crore in the working capital facilities extended to the Company by the consortium of working capital bankers (hereinafter collectively referred to as ‘working capital bankers’);
- k) 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 Governments or by any combination thereof (hereinafter collectively referred to as ‘future lenders’) for their respective financial assistance, for a sum not exceeding Rs.1000 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, NCDs, working capital facilities and Financial Assistance together with agreed interest, charges, expenses, front-end fees and all other monies payable by the Company to the lenders / Debenture Trustee / debenture holders / working capital bankers / 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 / Debenture Trustee / debenture holders / working capital bankers / 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 / Debenture Trustee / debenture holders / working capital bankers / 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 / Debenture Trustee / debenture holders / working capital bankers / future lenders;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds things and matters to finalize and execute all such agreements, instruments and documents with all or any of the said lenders / Debenture Trustee / debenture holders / working capital bankers / 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. Sub-division of shares.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 13, 14, 61, 64 and other applicable provisions of the Companies Act, 2013 ('the Act') and Rules framed thereunder including the statutory modifications thereto and re-enactments thereof for the time being in force and the provision of Articles of Association of the Company and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other rules, regulations, circulars, notifications etc. issued thereunder, the consent of the members of the Company be and is hereby accorded for sub-division of each equity share of face value of Rs. 10/- each into 10 (ten) equity shares of face value of Re. 1/- each, thereby keeping the paid-up share capital intact;

**RESOLVED FURTHER THAT** pursuant to provision of Section 13 and other applicable provisions, if any, of the Act and the Rules framed thereunder, consent of the members of the Company be and is hereby accorded to delete and substitute the existing Clause 5 of the Memorandum of Association of the Company with the following new clause:

***"The Share Capital of the Company is Rs. 31,56,00,00,000 divided into 31,56,00,00,000 equity shares of Re. 1/- each (Rupee one each only).***

**RESOLVED FURTHER THAT** pursuant to provisions of Section 14 and other applicable provisions if any of the Act and Rules framed thereunder, consent of the members of the Company be and is hereby accorded to delete and substitute the existing Article 4(1) of Articles of Association of the Company with the following new Article 4(1):

***"The Share Capital of the Company is Rs. 31,56,00,00,000 divided into 31,56,00,00,000 equity shares of Re. 1/-each (Rupee one each only).***

**RESOLVED FURTHER THAT** pursuant to the sub-division of equity shares of the Company with effect from the record date, each equity share of the Company having a face value of Rs. 10/- (Rupees Ten Only) in the issued, subscribed and paid-up equity share capital shall stand sub-divided into 10 (Ten) equity shares of a face value of Re. 1/- each (Rupee One Only);

**RESOLVED FURTHER THAT** upon sub-division of equity shares, as aforesaid, the existing shares certificate(s) in relation to the existing equity shares of the face value of Rs. 10/- each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the record date to be fixed by the Company and the Company may without requiring surrender of the existing share certificate(s) directly issue and dispatch the new share certificate(s) of the Company, in lieu thereof, subject to the provisions of Companies (Share Capital and Debentures) Rules 2014 and in the case of members who hold the equity shares/opt to receive the sub-divided equity shares in dematerialized form, the sub-divided equity shares of nominal value of Re.1/- each shall be credited to the respective beneficiary accounts of the members with their respective depository participants and the Company shall undertake such Corporate Action(s) as may be necessary in relation to the existing equity shares of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take all such steps as may be required to obtain approvals in relation to the above and do all such further acts, deeds or things as may be required to give effect to the sub-division of equity shares of the Company."

#### 9. Ratification of the remuneration of Cost Auditor for the financial year ending March 31, 2022.

To consider and if thought fit, to pass, with or without modification(s), 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 Rs.7,00,000 (plus applicable GST 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, for conducting the audit of cost records for the financial year ending March 31, 2022, be and is hereby ratified.”

By Order of the Board of Directors

Jagdish Patra

Place: Kolkata Company Secretary and Compliance Officer  
Date: June 16, 2021 (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. A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020 and 02/2021 dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 respectively issued by Ministry of Corporate Affairs (MCA), Government of India, and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities and Exchange Board of India (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM during the calendar year 2021 through Video Conferencing (VC) / Other AudioVideo Means (OAVM).

**B) AGM through VC/OAVM**

- i. Members are requested to join the AGM on Wednesday, August 18, 2021 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 9.30 A.M. IST and may be closed at 10.45 A.M. IST, or, soon thereafter.
- ii. The facility of attending the AGM will be made available to 1000 members on a first-come-first served basis.
- iii. Members who would like to express any views, or, during the AGM ask questions may do so in advance by sending in writing their views or questions, as

may be, along with their name, DP ID and Client ID number/folio number, email id and mobile number, to reach the Company's email address at cescagm2021@rpsg.in latest by Friday, August 13, 2021 by 5.00 p.m. (IST).

- iv. When a pre-registered speaker is invited to raise at the AGM his/her questions, already emailed in advance as requested in para (iii) above, but he / she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions.

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

- v. The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.

3. SEBI has decided that securities of listed companies can be transferred only in dematerialized form and, therefore, members are advised to dematerialize as early as possible the shares of the Company held by them in physical form.
4. The Register of Members of the Company will remain closed from August 11, 2021 to August 18, 2021, both days inclusive.
5. All documents referred to in the Notice are put up on the Company's website and can be accessed at <https://www.cesc.co.in>.
6. **Instructions for attending the AGM**
  - i. In view of the outbreak of the COVID-19 pandemic, social distancing norm has to be followed and pursuant to the Circulars, physical attendance of the members at the AGM is not required and AGM has to be held through VC/OAVM. Hence, members can attend and participate in the ensuing AGM only through VC/OAVM as mentioned in Note 2(B) above as arranged by the Company with National Securities Depository Limited (NSDL).
  - ii. 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 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 for the members is not available for this AGM. However, Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- v. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include Large Members (i.e. Members holding 2 % or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  - vi. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company or Central Depository Services Limited / NSDL ("Depositories"). Members may note that the Notice and Annual Report for the year 2020-21 will also be available on the Company's website <http://www.cesc.co.in> and 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 [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. Additionally, 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 send the following details for registration of their email id: Folio No., 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 [cescagm2021@rpsg.in](mailto:cescagm2021@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) or upload the same at <https://web.linkintime.co.in/emailreg/emailregister.html>.
    - 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 will be 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 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 use Toll free no.: 1800 1020 990 / 1800 22 44 30
    - (b) Contact Ms. Pallavi Mhatre, 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.
  - xiii. 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.
  - xiv. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM of the Company through VC/OAVM facility.
- 7. Instructions for 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 & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with NSDL for facilitating e-voting through electronic means, as the authorized 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 Saturday, August 14, 2021 at 9.00 A.M. and ends on Tuesday, August 17, 2021 at 05.00 P.M. 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, August 11, 2021 may cast their vote electronically.

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 capital of the Company as on the cut-off date, being August 11, 2021.

### 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.nsd.com">https://eservices.nsd.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 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>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at: <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.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.nsd.com/">https://www.evoting.nsd.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> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at : <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <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 provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</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 toll free no.: 1800 1020 990 and 1800 22 44 30
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 022- 23058738 or 022- 23058542-43

**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 101456 then user ID is 101456001***

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

**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 General 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. 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.

August 11, 2021 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 [www.evoting.nsdl.com](http://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. 11 August, 2021 may follow steps mentioned in the Notice of the AGM under Step 1 :“Access to NSDL e-Voting system”(Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 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 e mail 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 [cescsagm2021@rpsg.in](mailto:cescsagm2021@rpsg.in) or to the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited at [rnt.helpdesk@linkintimeco.in](mailto:rnt.helpdesk@linkintimeco.in) or upload the same at [https://web.linkintime.co.in/emailreg/email\\_register.html](https://web.linkintime.co.in/emailreg/email_register.html).
2. 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 shareholders 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.
3. Alternatively shareholder/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.
4. 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:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ 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.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**OTHER INSTRUCTIONS**

1. The voting rights of the members shall be in proportion to their shares on the paid-up equity share capital of the Company as on the cut-off date, i.e., Wednesday, August 11, 2021.
2. 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.
3. Mr. Anil Kumar Murarka, Practicing Company Secretary, (Membership No. FCS 3150, CP 1857) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and votes cast through the e-Voting system during the Meeting in a fair and transparent manner.
4. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer’s Report.
5. The Results of voting will be declared within two working days from the conclusion of AGM. The declared results along with the Scrutinizer’s Report will be available forthwith on the website of the Company [www.cesc.co.in](http://www.cesc.co.in) and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company and shall be forwarded to the National Stock Exchange of India Limited and BSE Limited.

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

**Mr. Rabi Chowdhury**

Mr. Rabi Chowdhury, aged 61 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 2 x 250 MW Budge Budge Generation Station of the Company, project development, engineering, execution and commissioning of CESC's x 250 MW Budge Budge - III Unit and played a key role in erection and commissioning of 600 MW power plant of the Company's subsidiary Haldia Energy Limited.

Apart from CESC, Mr. Chowdhury is also on the Boards of Haldia Energy Limited (Managing Director and member of CSR Committee), Ghaziabad Power Company Limited, Jarong Hydro-Electric Power Company Limited, Dhariwal Infrastructure Limited (also member of CSR Committee) and CESC Green Power Limited.

Mr. Chowdhury holds 228 shares in the Company and is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

**Mr. Pradip Kumar Khaitan**

Mr. Pradip Kumar Khaitan, 80 years of age, is an attorney-at-law (Bell chambers gold medalist) and is an eminent personality. He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the Board of Directors of CESC since 1992.

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

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.

**Mr. Debanjan Mandal**

Mr. Debanjan Mandal, aged 47 years, is a Partner in Fox & Mandal, a premier multi-disciplinary law firm in Kolkata, established in 1896. The St. Xavier's alumnus has over 20 years of post-qualification experience in the fields of corporate and commercial laws, real estate, infrastructure, dispute resolution and mergers and acquisitions. He is a member of the Incorporated Law Society, High Court at Calcutta, Supreme Court Bar Association and International Bar Association, U.K. Mr. Mandal sits on the Boards of several companies in an array of sectors including in tea, retail, plywood and hospitality and is also a Member of the Executive Committee of Indian Chamber of Commerce and Chairman of ICC National Expert Committee on Corporate & Legal Affairs.

Mr. Mandal is also on the Boards of Century Plyboards (India) Ltd, Industrial and Prudential Investment Company Limited (member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship committee) Spencers' Retail Limited (member of Audit Committee), Anmol Industries Limited, Edward Food Research & Analysis Centre Limited (also member of Nomination and Remuneration committee), Apeejay Tea Limited (member of Nomination and Remuneration Committee), West Bengal Infrastructure Development Finance Corporation Limited, Fox & Mandal Consultancy Solutions Pvt Limited, Apeejay Surrendra Parks Hotels Limited (also Chairman of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Member of Audit Committee) and Indian Chamber of Commerce, Calcutta.

Mr. Mandal 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.

**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-THIRD ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD THROUGH VC / OAVM ON WEDNESDAY, AUGUST 18, 2021 AT 10.30 A.M IST**

**Item No. 4**

Mr. Debanjan Mandal was appointed as an Additional Director of the Company by the Board of Directors ("the Board") with effect from May 10, 2021 pursuant to the provisions of Section 161 of the Companies Act 2013 ("the Act") read with Article 104 of the Articles of Association of the Company. The Board also appointed him as a Non-Executive Director in the category of Independent Director subject to approval of the shareholders, for a period of 5 years effective from that date.

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

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

The Ordinary Resolution set out under Item no. 4 of the Notice seeks approval of the Members for the appointment of Mr. Mandal as an Independent Director of the Company for a period of five consecutive years from May 10, 2021 pursuant to Section 149 of the Act and Rules made thereunder.

Draft letter of appointment of Mr. Mandal as an Independent Director of the Company setting out the terms and conditions is available on the Company's website for inspection by the Members.

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

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

#### **Item No. 5**

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 80 years, is an Attorney-at-Law (Bell Chambers Gold Medalist), and is an eminent personality. A senior partner of Khaitan & Co., the 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.

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

The Board recommends the above Special Resolution as set out under item no. 5 of the Notice for approval of the Members.

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

Members of the Company had passed a Special Resolution at the Fortieth Annual General Meeting of the Company held on December 21, 2018 specifying a limit of Rs. 6500 crores for borrowing by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) outstanding at any point of time.

Keeping in view the Company's future fund requirement for its capital expenditure and also for meeting other requirements, it is considered necessary to seek the members' consent under Section 180(1)(c) of the Companies Act, 2013 for an increased borrowing limit of Rs. 8,000 crore. The Special Resolution set out under Item No. 6 is intended for that purpose.

None of the other 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 Special Resolution set out under item no. 6 of the Notice for approval of the Members.

#### **Item No. 7:**

In order to finance a part of its capital expenditure requirements and for other financing purposes, the Company has taken various loans / working capital / issued non-convertible debentures ('NCDs') from /to banks and financial institutions as per the details mentioned in the resolution.

The said term loans, NCDs and working capital assistance 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 purpose, the Company may avail of various rupee and / or foreign currency assistance, debentures, fund / 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 such mortgage / charge expeditiously when so required in future, paragraph (k) of the Special Resolution set out in the Notice under Item No. 7 includes a reference to availment of fresh financial assistance for a sum not exceeding Rs.1000 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) 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 other 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 Special Resolution set out under item no. 7 of the Notice for approval of the Members.

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

Presently the Authorised Share Capital of the Company is Rs. 31,56,00,00,000/- and its paid up share capital is Rs. 1,32,55,70,430/- consisting 13,25,57,043 equity shares of Rs. 10/- each. The equity shares of the Company are listed and traded on the National Stock Exchange of India Limited and BSE Limited.

In order to provide enhanced liquidity to the Company's equity shares in the stock market and to make it more affordable for small investors, it is proposed to sub-divide each equity share of face value of Rs. 10/- into 10 equity shares of the face value of Re. 1/- each pursuant to the provisions of Section 61(1)(d) of the Companies Act, 2013 ("the Act"), the rules made thereunder and other applicable provisions. The record date for the aforesaid sub-division of equity shares shall be fixed by the Board after the approval of the members is obtained for the proposed sub-division.

In the opinion of the Board, proposed sub-division of the equity shares is in the best interest of the Company and its investors and therefore the Board at its meeting held on June 16, 2021, approved the aforesaid sub-division subject to requisite approval of the members. There will not be any change in the amount of authorized, subscribed and paid-up share capital of the Company on account of sub-division of equity shares.

The sub-division of equity shares proposed under business item No. 8 of this Notice shall also require amendment to the existing Clause 5 of the Memorandum of Association of the Company and Article 4 (1) of the Articles of Association of the Company as set out under item no. 8 of this Notice. Pursuant to Sections 13, 14, 61 and other applicable provisions of the Act and the Rules made thereunder, approval of the members by way of Special Resolution is required for sub-division and carrying out any amendment to the Memorandum and Articles of Association of the Company.

None of the other 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 Special Resolution set out under item no. 8 of the Notice for approval of the Members.

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

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, 2022.

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 Rs. 7,00,000/- (plus applicable GST and out of pocket expenses) payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified 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, 2022 by passing an Ordinary Resolution as set out under Item No. 9 of the Notice.

None of the other 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 set out under item no. 9 of the Notice for ratification of the Members.

Registered Office:  
CESC House  
Chowringhee Square  
Kolkata – 700 001

Place: Kolkata  
Date: June 16, 2021

By Order of the Board

Jagdish Patra  
Company Secretary and Compliance Officer  
(ICSI Membership No. FCS 5320)

Dear Members,

The Board of Directors is pleased to present the Forty-third Annual Report on the business and operations of your Company and the Audited Financial Statements for the year ended March 31, 2021.

## FINANCIAL RESULTS

The Company's financial performance (standalone and consolidated) for the year ended March 31, 2021 is summarised below:

Rs. in Crore

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Income from operations	6,921	7,836	11,639	12,159
Other Income	180	146	235	219
<b>Total Income</b>	<b>7,101</b>	<b>7,982</b>	<b>11,874</b>	<b>12,378</b>
<b>Profit before regulatory Income and Tax</b>	<b>390</b>	<b>587</b>	<b>1,328</b>	<b>1137</b>
Regulatory Income	457	532	424	630
<b>Profit before tax</b>	<b>847</b>	<b>1,119</b>	<b>1,752</b>	<b>1,767</b>
<b>Profit for the year</b>	<b>814</b>	<b>918</b>	<b>1,363</b>	<b>1,309</b>
Other comprehensive loss	(33)	(33)	(29)	(38)
<b>Total comprehensive income</b>	<b>781</b>	<b>885</b>	<b>1,334</b>	<b>1,271</b>

Highlights of Company's performance and the state of Company's Affairs for the year ended March 31, 2021 are as under:

### Standalone

During the year under review, total income was Rs. 7,101 crore as against Rs. 7,982 crore for the previous year. Profit before tax was Rs. 847 crore and Profit after tax (PAT) was at Rs. 814 crore. Total Comprehensive Income for the year after all other adjustments was Rs. 781 crore.

Retained Earnings as on March 31, 2021 was Rs. 10,353 crore (Previous year Rs. 10,432 crore) after adjustment for dividend, unforeseen exigencies and other items. Please refer Note 20 in the Standalone Financial Statements for necessary details.

### Consolidated

Total consolidated income was Rs. 11,874 crore as against Rs. 12,378 crore for the previous year. Profit before tax was Rs. 1,752 crore and Profit after tax (PAT) was at Rs. 1,363 crore. Total Comprehensive Income for the year after all other adjustments was Rs. 1,334 crore.

### DIVIDEND

During the year, an interim dividend of 450% i.e. Rs. 45 per equity share was paid within the permissible timeline after deducting the tax at source pursuant to the Finance Act, 2020. As per the Finance Act, 2020 dividend income is taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income-tax Act, 1961. The above dividend is the highest in Company's history and was declared in terms of the Dividend Distribution Policy of the Company.

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.

According to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the top 1000 listed entities based on market capitalization, calculated as on March 31 of every financial year are required to formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Accordingly, the Dividend Distribution Policy of the Company can be accessed using the following link <https://www.cesc.co.in/wp-content/uploads/policies/Dividend Policy.pdf>.

### ALTERATION OF ARTICLES OF ASSOCIATION

During the year under review, Article 88 of the Articles of Association of the Company was altered for increasing the maximum number of Directors to fifteen from the earlier level of ten after obtaining requisite approval of the Members of the Company via postal ballot.

### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review, as stipulated under the Listing Regulations, is presented in a separate section and forming a part of this report as Annexure 'A'.

### SUBSIDIARIES

As on March 31, 2021, the Company had nineteen subsidiaries including Noida Power Company Limited which became a subsidiary of the Company during the financial year 2020-21. Broad details of operations of the subsidiaries of the Company are given in Management Discussion & Analysis, which forms a part of this report.

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

### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 ("the Act"), applicable Accounting Standards and the Listing Regulations, consolidated financial statements of the Company and of all its subsidiaries for the year 2020-21, duly audited by Messrs S. R. Batliboi & Co. LLP, Chartered Accountants, Company's Auditors, forming a part of the Annual Report and shall be laid before the 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/?cat=16>.

The financial statements of the subsidiaries, as required, are available on Company's website and can be accessed at: <https://www.cesc.co.in/?cat=25>

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at: <https://www.cesc.co.in/wp-content/uploads/policies/POLICYONMATERIALSUBSIDIARIES.pdf>

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Mr. Debanjan Mandal was appointed as an Additional Director, in the category of Non-Executive Independent Director for a period of five years with effect from May 10, 2021. Mr. Mandal would hold office as such till the date of ensuing AGM of the Company. In the opinion of the Board, Mr. Mandal possesses requisite expertise, integrity and experience, including proficiency for appointment as an Independent Director of the Company and the Board considers that, given his professional background and experience, his association would be beneficial to the Company. The Company has received requisite notice from a member proposing the candidature of Mr. Debanjan Mandal to the office of Director of the Company in accordance with the relevant provisions of the Act.

It is also proposed to seek shareholders' approval by means of a Special Resolution for continuation of the Directorship of Mr. Pradip Kumar Khaitan as a Non-Executive Non-Independent Director of the Company in accordance with the requirement of Regulation 17(1A) of the Listing Regulations.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ("NRC"), has recommended re-appointment/appointment/ continuation of Directorship of the above Directors.

Notice of the AGM includes appropriate Resolutions seeking your approval in respect of all the above appointments.

The details on Directors' re-appointments /appointments and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for Key Managerial Personnel and other employees forms part of Corporate Governance Report of this Annual Report.

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

In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have registered their names in the data bank of Independent Directors maintained

with the Indian Institute of Corporate Affairs.

Four meetings of the Board of Directors were held during the year on June 29, 2020, September 8, 2020, November 6, 2020 and January 13, 2021.

#### **Changes in Key Managerial Personnel**

Mr. Subhasis Mitra ceased to be the Company Secretary of the Company with effect from May 10, 2021 and Mr. Jagdish Patra was appointed in his place as the Company Secretary and Compliance Officer of the Company with effect from the same date. Except the above, there is no other change in Key Managerial Personnel.

#### **SECRETARIAL STANDARDS**

The Company has followed the applicable Secretarial Standards (SS), i.e. SS-1 and SS-2, relating to Meetings of the Board of Directors and General Meetings respectively.

#### **CRITERIA ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES AND REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

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 NRC is responsible for determining qualification, positive attributes and independence of a Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Remuneration for Directors, Key Managerial Personnel and other employees.

#### **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
- Stakeholder's 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.

The Company has adopted a Code of Conduct and Ethics for its Directors and Senior Management Personnel. The same can be accessed at <https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf>.

All Directors and Senior Management Personnel have affirmed the compliance with the said Code of Conduct and Ethics.

The Managing Directors have also confirmed and certified the same and the certification is given elsewhere in the report.

## EQUITY CAPITAL AND DEBT SECURITIES

### Equity Shares

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

The Company had, voluntarily delisted its equity shares from The Calcutta Stock Exchange Limited with effect from November 23, 2020. The equity shares of the Company are continue to be listed on BSE Limited (BSE) and the National Stock Exchange of India Ltd (NSE). The Company has paid the requisite listing fees to the Stock Exchanges up to the financial year 2021-22.

### Sub-division of equity shares of the Company

Your Board of Directors at its meeting held on June 16, 2021 considered a proposal to sub-divide each equity share of face value of Rs. 10/- into 10 equity shares of the face value of Re. 1/- each, fully paid up, subject to approval of the members at the forthcoming AGM and such other approvals as may be necessary.

The Notice of the AGM includes an appropriate resolution seeking your approval for the above purpose.

### Issue of Debentures

During the year, the Company had issued and allotted, on private placement basis, the following Non-Convertible Debentures ("NCDs"):

- (i) secured, listed NCDs aggregating to Rs. 500 crore, and
- (ii) secured, unlisted NCDs aggregating to Rs. 250 crore,

for cash at par, in compliance with the applicable circulars of the Securities and Exchange Board of India on issue of debt securities by certain large corporates.

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

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby state and confirm that:

- i) in the preparation of the accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed alongwith proper explanation relating to the material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair

view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## CORPORATE GOVERNANCE

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the related requirements set out in the Listing Regulations. The report on Corporate Governance is given in the report as Annexure 'B' and Additional Shareholder Information as Annexure 'C', as stipulated under the Listing Regulations, alongwith the Auditors' Certificate thereon.

## DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

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

## CORPORATE SOCIAL RESPONSIBILITY

As a responsible utility serving the city of Kolkata for more than 100 years, your Company has a commitment to serve the society. As the Company continues to play a dynamic role in India's power sector, our community engagements are creating value in a manner that is environmentally sustainable and socially uplifting. Through the CSR initiatives, your Company is dedicated to the cause of providing, access to basic services, empowering people, educating them and improving their quality of life. The Company undertakes programmes based on identified needs of the community around healthcare, education, safe drinking water and sanitation as well as through livelihood generation and skill development.

Through Roshni Project, the Company facilitates underprivileged children in urban slums to acquire quality education with level-appropriate reading and writing ability. Child-friendly environment in government schools is created through provision of safe drinking water and sanitation facilities under Nirmal Abhiyan Project. Further, CESC School Building Project aims at providing conducive environment for learning and development in schools through development of school buildings, classrooms, laboratories, playgrounds and libraries. The Company's Hamari Awaaz Project seeks to create child friendly communities in urban slums by mobilising, sensitising and empowering communities to fight

against child labour and other forms of child abuse and foster child protection. Improvement of health and nutrition status of pregnant women, lactating mothers, adolescent girls and children in 0-6 years age group through Suswasthya Project is another focus area of CESC's CSR initiatives. Under the Nirmal Kolkata projects, community-based water and sanitation initiatives have been undertaken for protection of environment and promotion of sustainable development. CESC supports skill development projects, such as, Saksham, Udaan and Prayas in several locations for employment generation among underprivileged youths. Across the different programme areas focused by the Company, its endeavour is to reach out to the disadvantaged and the marginalised sections of the society, and thereby, contributing to the regional and national development goals.

CESC has also been actively supporting a project undertaken by the RP-Sanjiv Goenka Group CSR Trust of which CESC is a part for setting up in Kolkata, a school of international standard. The construction work for the school building is in progress.

In terms of recent amendments in Companies (Corporate Social Responsibility Policy) 2014, as amended, the Company has revised its Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures are annexed elsewhere in this report. The CSR Policy is uploaded on Company's website and can be accessed at [https://www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf). A detailed section on the activities undertaken during the year under review is included in Annexure 'D' and forming a part of this report.

## **BUSINESS RESPONSIBILITY REPORT**

Environment Social and Governance (ESG) risks arising from businesses are one of the central issues facing the world. Consumption patterns have been changing globally as a result of the changing lifestyles, increasing production volumes, and making natural resource depletion a global as well as a local issue. Spurred by the Paris Agreement in 2015, and the adoption of United Nations Sustainable Development Goals, the transition to a low carbon economy has been underway. It is essential to be mindful of the fact that businesses around the world are not waiting for this transition to happen. CESC has been a stakeholder centric organization and we, at CESC, are committed to adopt ESG risk mitigation measures by developing strategies for integrating sustainability in every sphere of our operations. We recognize that more and more stakeholders from market leaders, investors, regulatory bodies to consumers are becoming aware of ESG parameters and their subsequent risks, if not addressed.

As stipulated under the Listing Regulations, the Business Responsibility Report (BRR) 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 / arrangements / transactions entered by the Company during the financial year under review with related parties, were in

ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties having potential conflict with the interests of the Company and which could be considered materially significant. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the financial year 2020-21 and hence the same is not provided. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed at [https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

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

## **RISK MANAGEMENT**

Your Board has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Furthermore, your Company has set up a robust internal audit function which reviews and ensures sustained effectiveness of internal financial controls by adopting a systematic approach to its work. Detailed discussion on risk management is covered in Management Discussion and Analysis in Annexure 'A' and Report on Corporate Governance in Annexure 'B' of the Annual Report.

In view of the amendments in the Listing Regulations, the Board of Directors of your Company modified the terms of reference of the Risk Management Committee to that extent.

Your Company's internal control systems are an integral part of the risk management process and commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. Your Company has implemented robust processes to ensure that all internal financial controls are effectively working.

## **AUDITORS AND AUDITORS' REPORT**

Messrs S R Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No.301003E/E300005) was appointed as the Auditors of the Company for a term of five consecutive years, at the Thirty-ninth AGM of the Company. The Auditors' have confirmed that they are not disqualified from continuing as Auditor of the Company.

The standalone and the consolidated financial statements of the Company have been prepared in accordance with Indian Accounting

Standards notified under Section 133 of the Act.

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

#### **COST AUDITORS AND COST AUDIT REPORT**

The Board has re-appointed Messers Shome & Banerjee, Cost Accountants (Firm Registration No 000001) as Cost Auditors for conducting the audit of cost records of the Company for the financial year 2021-22 under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014. A resolution seeking approval of the Members for ratifying the remuneration of Rs. 7,00,000 (Rupees Seven lakh) plus applicable taxes, travel and actual out-of-pocket expenses payable to the Cost Auditors for financial year 2021-22 is included in the Notice to the ensuing AGM.

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 made and maintained accordingly.

#### **SECRETARIAL AUDIT REPORT**

The Board had appointed Messrs. S.M. Gupta & Co., Company Secretaries, as the Secretarial Auditors of the Company to conduct the secretarial audit for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed as Annexure 'F' in this Report.

As per the requirements of the Listing Regulations, Practicing Company Secretaries of the material unlisted subsidiaries of the Company have undertaken secretarial audit for the financial year 2020-21. The Secretarial Audit Reports of such material unlisted subsidiaries confirms that they have complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances. Secretarial Audit Reports of Noida Power Company Limited, Haldia Energy Limited and Dhariwal Infrastructure Limited, three material unlisted subsidiaries of the Company, are also forming part of the Report and attached as Annexures 'F1', 'F2' and 'F3'.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Company's code of conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Company's code of conduct cannot be undermined.

In view of this above, your Company has established a robust Vigil Mechanism and a Whistle-blower policy in accordance with provisions of the Act and Listing Regulations for reporting

genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct for Directors, employees and stakeholders. The details of the said policy have been disclosed on the Company's website [www.cesc.co.in](http://www.cesc.co.in). The Vigil Mechanism 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 2020-21.

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

Your Company, being an infrastructure company, 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.

#### **FIXED DEPOSITS**

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

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

The information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as required under Section 134 of Act read with the Companies (Accounts) Rules, 2014 is given in Annexure-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 on the following link at [https://www.cesc.co.in/wp-content/uploads/annreport/Annual\\_Return.pdf](https://www.cesc.co.in/wp-content/uploads/annreport/Annual_Return.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, is attached as Annexure - H. Details of employee remuneration as required under provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the aforesaid Rules are provided in the said Annexure 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 with 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. 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 of the Management Discussion and Analysis forming a part of this report.

#### **COVID 19 PANDEMIC**

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

The Company is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation. The Company is also

monitoring the operations of its subsidiaries and joint venture, basis which, no impairment is required to be recognised in respect of such investments.

#### **ACKNOWLEDGEMENT**

The Board of Directors wishes to place on record its deep sense of appreciation for the committed services by all the employees of the Company, 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 neighbourhood 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.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety, to fight this pandemic. Finally, we appreciate and value the contributions made by all our employees and their families for making the Company what it is.

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

On behalf of the Board of Directors

Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

# 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. With its own power generation facilities, it is engaged in the business of distribution of electricity across 567 square kilometres of its licensed area in Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal. CESC supplies safe, cost-effective and reliable electricity to its 3.4 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.

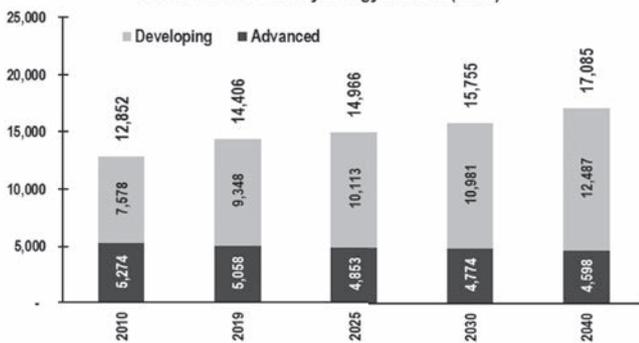
This chapter presents an overview of the macroeconomic environment as well as the operational and financial performance of CESC. It also discusses important initiatives taken by the Company and its subsidiaries during the year to achieve its growth and performance objectives.

## ECONOMIC OVERVIEW

### Global Energy Scenario

The Covid-19 pandemic disrupted the global energy sector, not just by affecting demand in the short-term, but by also accelerating the ongoing structural shifts in fuel mix and technologies. According to estimates by International Energy Agency (IEA), global energy demand came down by 5% in 2020. However, the impact varied considerably: there was a sharp decline of 8% and 7% respectively in oil and coal followed by a more modest fall in use of gas and electricity at 3% and 2%, and a small rise in the energy demand from renewables. As might have been expected, the decline in energy investments was higher still at 18% in 2020 and will likely involve significant recalibration in the future.

Chart A: World Primary Energy Demand (Mtoe)



Source: Stated Policies Scenario, World Energy Outlook 2020, IEA

According to the *World Energy Outlook 2020* released by the IEA in October 2020, world primary energy demand under the 'Stated Policies Scenario' (SPS)<sup>1</sup> — in which the global economy returns to pre-Covid-19 levels in 2021 — will grow by around 2,679 million tonnes of oil equivalent (Mtoe) between 2019 and 2040, at a compound annual growth rate (CAGR) of 0.8% (see Chart A). Advanced economies<sup>2</sup>, which accounted for over half of global energy demand in 2000, will see their share decline to 27% by 2040.

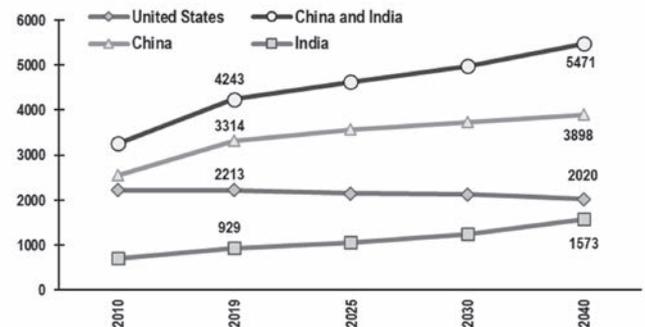
1. The 'Stated Policies Scenario' incorporates the impact of announced policy intentions and targets, insofar as they are backed up by detailed measures for their realisation. It also assumes that Covid-19 is gradually brought under control in 2021 and the global economy returns to pre-crisis levels in the same year.

2. In this report, advanced economies refer to North America, Europe and Japan.

Notably, demand from advanced economies will also come down in absolute terms from 5,058 Mtoe in 2019 to 4,598 Mtoe in 2040.

A considerable part of the rise in global energy demand between 2019 and 2040 will come from China and India. Their combined energy demand would grow from 4,243 Mtoe in 2019 to 5,471 Mtoe in 2040 (see Chart B), in stark contrast to the decline in demand from the advanced world.

Chart B: Comparative Energy Demand (Mtoe)

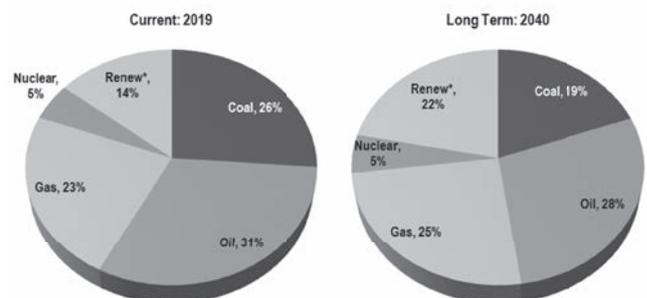


Source: Stated Policies Scenario, World Energy Outlook 2020, IEA

India's energy demand is projected to increase by 644 Mtoe from 929 Mtoe in 2019 to 1,573 Mtoe in 2040. Significantly, this increase in demand from India will be higher than that of China — which is estimated to grow by 584 Mtoe during the same period. With considerable rise in demand, these two countries alone will account for 32% of global energy demand in 2040. Overall, China, the US and India will continue to be the top three Consumers of energy in the world in 2040, with their shares being 22.8%, 11.8% and 9.2%, respectively.

In terms of energy sources, fossil fuels — coal, oil and gas — will continue to be dominant, though their share in global energy demand will come down considerably from 81% in 2019 to 73% in 2040 (see Chart C). This is primarily due to the push for renewable technologies, which will contribute to around two-thirds of the increase in energy demand between 2019 and 2040, resulting in an increase in their share from 14% in 2019 to 22% in 2040.

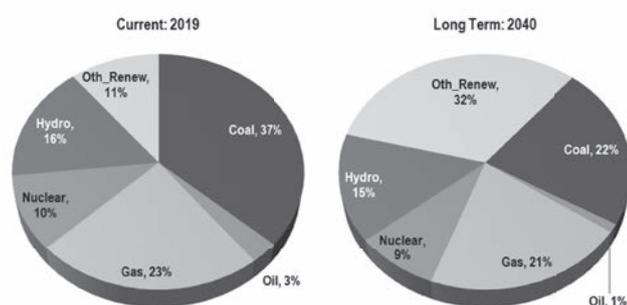
Chart C: Global Energy Mix — Fuel Source



Source: Stated Policies Scenario, World Energy Outlook 2020, IEA. \* Renewables include Hydro

Another key aspect of global energy demand dynamic has been the growth in electricity. This has been further reinforced by the Covid-19 crisis, with electricity demand expected to grow at more than twice the rate of overall demand for energy. In fact, almost half of the increase in energy demand between 2019 and 2040 will be supplied by the power sector, which is expected to see a capacity addition of 5,934 GW by 2040. More importantly, renewable sources will account for 5,493 GW or 92.6% of this capacity addition resulting in significant change in the fuel mix for power generation.

Chart D: Global Electricity Generation Outlook



Source: Stated Policies Scenario, World Energy Outlook 2020, IEA

As shown in Chart D, share of fossil fuels in electricity generation is expected to come down drastically from 62.9% in 2019 to 44.5% by 2040. Renewable sources will be the biggest beneficiary — becoming the dominant source of power with 46.9% of the total power generation by 2040. Solar power is at the centre of this shift to renewables buoyed with sharp cost reductions over the past decade and supportive policies to access capital. That solar PV technologies have matured, improving the risk-return profile of these investments, further reinforces this trend.

#### India's Power Scenario

**The Covid-19 pandemic resulted in a subdued demand environment for the power sector. Electricity demand in India declined by 1.2% during the year — from 1,291 billion units in 2019-20 to 1,276 billion units in 2020-21. Growth of power generation capacity also remained low at 3.3%, with the addition of 12.1 GW in 2020-21.** Hydro and other renewable sources accounted for over two-thirds of this increase, with their share growing to 36.8% by the end of 2020-21. Generation capacity in India stood at 382 GW. Table 1 gives the detail.

Table 1: Power Generation Capacity in India: 2020-21, By Fuel Source

Fuel	MW	% Share	Growth (%)
Coal & Lignite	2,09,295	54.8%	1.9%
Gas	24,924	6.5%	-0.1%
Diesel	510	0.1%	0.0%
Thermal	2,34,728	61.4%	1.7%
Nuclear	6,780	1.8%	0.0%
Hydro	46,209	12.1%	1.1%
Others	94,434	24.7%	8.8%
Total	3,82,151	100.0%	3.3%

Source: Central Electricity Authority

As shown in Table 2, the peak demand for power in 2020-21 was 190.2 GW, reflecting a growth of 3.5% over the previous year. The

peak power supply was 189.4 GW. Hence, at the all-India level, the demand-supply situation remained more or less balanced.

Table 2: Power Demand and Deficit: 2020-21

Region	Peak Demand (MW)	Peak Met (MW)	Deficit	Deficit %
Northern	68,288	67,806	482	0.7%
Western	61,778	61,692	86	0.1%
Southern	58,395	58,395	0	0.0%
Eastern	24,216	24,216	0	0.0%
North-Eastern	3,294	3,107	187	5.7%
<b>All India</b>	<b>1,90,198</b>	<b>1,89,395</b>	<b>802</b>	<b>0.4%</b>

Source: Central Electricity Authority

The current demand-supply deficit at the regional level is due to unsatisfactory situations in few areas: UT of Jammu & Kashmir and Ladakh (18.3%) in the northern region; Jharkhand (7.5%) and Andaman and Nicobar (6.9%) in the eastern region; and Arunachal Pradesh (5.6%), Assam (4.1%) and Nagaland (2.9%) in the north-east. Other than these, no state or union territory had a peak power deficit exceeding 2%.

#### Macroeconomic Outlook

World output contracted sharply in 2020 as the health risks, restrictions on mobility and economic activity due to Covid-19 impacted both sentiment and demand. **According to the IMF, global output fell by 3.3% in 2020, which is unprecedented not just in terms of the size of the decline, but also in terms of its spread across the world.**

**India also registered a steep decline in output during the year. According to the Central Statistics Office (CSO), India's Gross Domestic Product (GDP) is estimated to have contracted by 7.3% in 2020-21, compared to a 4% growth in the previous year.** Both industry and services output declined sharply by 7.0% and 8.4% respectively in 2020-21. In contrast, agriculture registered a growth of 3.6%, mitigating some of the impact.

The Electricity, Gas and Water Supply component of GDP — which declined by 9.9% in the first quarter on 2020-21 (April-June) — recovered once the lockdown restrictions were lifted and ended-up registering a growth on 1.9% in 2020-21. This recovery was also visible in CESC's performance as the year progressed.

Even as the challenges posed by Covid-19 continue — with countries, including India, facing fresh waves of infection — overall risks seem to have receded somewhat with availability of multiple vaccines and with the world having adapted to pandemic life. Strong policy support by governments across the world have also improved the outlook. Considering these, **the IMF has projected that global output will bounce back sharply to grow at 6% in 2021 and 4.4% in 2022. India, too, is expected to register a strong rebound in GDP growth, which is estimated at 9.5% in 2021-22 by the Reserve Bank of India (RBI) in its Monetary Policy Report released on June 4, 2021.**

Although a worsening of the Covid-19 situation in India might lead to a moderation in this assessment, the outlook continues to be positive. For good reasons. Agricultural activity continues to be strong; and with a normal south-west monsoon expected in 2021, the outlook for the rural economy remains positive. This should also keep food prices in check. Urban demand, which revived gradually in 2020-21, should get further momentum from the ongoing vaccination drive as well as welfare measures taken by the government. At the same time, fiscal and policy support from the government to encourage manufacturing coupled with an accommodative monetary policy stance of the RBI should spur investments. This augurs well for the power sector, and keeps its medium to longer term outlook positive.

### CESC: INTRODUCTION AND KEY HIGHLIGHTS

2020-21 started with the economy under strict nationwide lockdown to contain the health emergency posed by the Covid-19 pandemic. As an integrated power utility providing essential service, CESC must operate 24x7 supplying electricity and service its 3.4 million Customers irrespective of the challenges. Amid unprecedented uncertainty regarding the duration of the Covid crisis and its eventual impact, CESC was on a completely uncharted path. It put to test not just the Company's readiness to handle adverse events from a technology and systems standpoint, but also the resolve of its employees, robustness of its processes and its strong work ethic as an organisation.

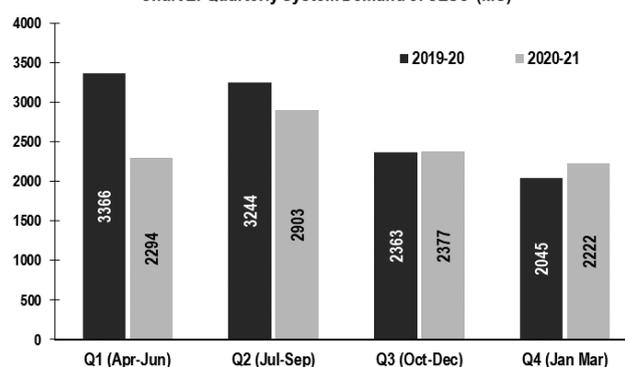
CESC's immediate priority was to ensure business continuity. This was achieved through deployment of appropriate work-from-home and remote working technologies, wherever possible. In areas where remote working was not an option — for instance, critical manpower in generation units or frontline employees in distribution and Customer service — CESC operated with the bare minimum workforce and ensured that employees adapted quickly, armed with best-in-class protective gear, trained in Covid protocols and supported by adequate health facilities provided by the Company. These have been discussed in the sections on 'Safety and Health' and 'Human Resources'.

The Company also had to contend with super cyclone *Amphan* in May 2020, which caused widespread disruption of its distribution network, especially the overhead networks. At a time when it was already reeling under severe manpower and operational constraints due to the pandemic, CESC managed to get the entire system up and running within a week — thanks to its strong disaster management process, investments in Industry 4.0 compliant sensor based predictive maintenance, systems automation and above all, built-in redundancies in the ring main electrical network. While this restoration is a record in itself, CESC could also prioritise its activities in a planned manner, ensuring that power supply to essential services and critical installations resumed promptly due to advance network mapping & preparation, embedded network automation, SCADA, HT Command Station & LT Control Room for prompt outage restoration through decentralised resource deployment coupled with GPS-enabled mobile teams and power back-ups.

With severe restrictions on economic activity and mobility during

the lockdown, there was a sharp fall in commercial and industrial demand for electricity — which account for roughly 40% of CESC's business. This situation continued for most of the first quarter, with the Company registering a 32% decline in demand to 2,294 million units (MU) in Q1 2020-21, compared to the 3,366 MU in the same period of the previous year. As shown in Chart E, the situation improved as the economy gradually unlocked starting June 2020, with impressive bounce back in sales — even reflecting an improvement over pre-Covid levels in Q3 and Q4.

Chart E: Quarterly System Demand of CESC (MU)



**But this growth was not sufficient to wipe out the deficit in demand during the lockdown — with units supplied in the system declining by 11.1% during the year, from 11,018 million units (MU) in 2019-20 to 9,796 MU in 2020-21.** With the tariffs remaining unchanged, this put considerable pressure on operating revenues during the year, which declined by 11.7% from Rs.7,836 crore in 2019-20 to Rs.6,921 crore in 2020-21 for CESC as a standalone entity.

**However, as mentioned earlier, both generation and distribution of supply remained unaffected despite the challenges and the Company could maintain its high service levels. Overall distribution losses were also effectively controlled.** Simultaneously, CESC strengthened technology-aided services for meter reading, billing, payment and collection, and introduced digital platforms for Customer contact and engagement. This contributed to greater adoption of e-services and enhanced Customer satisfaction during the year. Further details are provided in the sections on 'Generation', 'Distribution' and 'Customer Service'.

To make-up for the decline in revenue and limit its impact on performance and profitability, the Company made considerable efforts to optimise costs: be it fuel and transport, operational and other fixed expenses or finance costs. **Total expenses of CESC came down from Rs. 7395 crore in 2019-20 to Rs. 6711 crore in 2020-21.** Consequently, CESC has reported creditable results for 2020-21. Further details are available in the section on 'Financial Results'.

### BUSINESS PERFORMANCE

CESC's businesses comprise of 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, the operations are directly under CESC Limited.

- **Generation Projects:** Operational thermal and renewables projects with a cumulative generation capacity of over 800 MW. These are owned and operated by the various subsidiaries of CESC.
- **Distribution Ventures:** Distribution licence for Greater Noida (Uttar Pradesh); three distribution franchisees (DFs) in Kota, Bharatpur and Bikaner in Rajasthan; and its new DF in Malegaon, Maharashtra. These are operated by CESC's subsidiaries.

## KOLKATA OPERATIONS

### Generation

CESC has three generating stations at Budge Budge, Southern and Titagarh, with a cumulative capacity of 1,125 MW. In addition, Haldia Energy Limited (HEL), a 100% subsidiary of the Company, operates a 600 MW generating station at Haldia. HEL has a long-term power purchase agreement (PPA) for selling its power to CESC. **During the year, total generation from these plants was 9,738 million units (MU), out of which 9,648 MU or 99.1% of the total generation in 2020-21 came from Budge Budge and Haldia.**

Table 3: Performance of Key Generating Stations

Plant	Capacity (MW)	2020-21			2019-20		
		PAF%	PLF%	Gen (MU)	PAF%	PLF%	Gen (MU)
Budge Budge (BBGS), CESC	3 x 250	96.0%	82.5%	5,423	94.3%	88.0%	5,798
Haldia, HEL	2 x 300	93.5%	80.4%	4,225	96.9%	84.1%	4,430

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). There was decline in system demand in 2020-21, especially during the first quarter (April-June 2020) due to Covid-19 induced lockdowns. Despite this, **both plants recorded exceptional performance during the year. BBGS achieved the 14<sup>th</sup> highest PLF among all thermal plants in India, whereas Haldia ranked 18<sup>th</sup>.**

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. Its Asset Maintenance & Reliability Management system captures and analyses large amounts of data utilising cloud computing and big data analytics to provide a complete picture of plant health. Similarly, use of sensors and digital models have upgraded the predictive maintenance strategy. At the same time, CESC is also alive to the digital security threats and has taken suitable protective measures.

Both Budge Budge and Haldia stations are ISO 9001, ISO 14001 and

ISO 45001 certified in respect of Quality Management Systems, Environment Management Systems and Occupational Health and Safety Management Systems. They have consistently excelled in operating efficiencies, energy conservation, quality systems and processes.

**BBGS was awarded a Certificate of Merit in the National Energy Conservation Awards 2020 by Bureau of Energy Efficiency, Ministry of Power, Government of India. Only six plants in India have received this honour. It was also awarded the Platinum prize at the 8<sup>th</sup> FICCI Quality System Excellence Awards. Haldia won the 1<sup>st</sup> Runner up prize in the CII (ER) Energy Conservation Awards 2020.**

CESC has set stringent environmental standards, and both Budge Budge and Haldia plants continue to achieve 100% utilization of ash in an environment friendly manner. Ambient air quality and stack emission are monitored continuously and data is transmitted real time to statutory authorities. Both plants continuously optimise their water usage by reducing consumption, reusing and recycling wherever possible. BBGS is a zero liquid discharge (ZLD) station and has a robust water treatment system for optimal water usage. Water consumption at both plants has been maintained well below the national standard.

Over the years, CESC has also excelled in environment and sustainability. These include medicinal and herbal gardens, automatic organic compost machines, rainwater harvesting, butterfly parks, tree plantation drives and biodiversity mapping.

**In 2020-21, 15,000 and 2,300 saplings were planted at HEL and BBGS respectively, taking total tree plantation at both plants to over one lakh each. HEL has earned the distinction of having over 30% of the plant area under green cover.**

The administrative building at HEL was earlier converted to an IGBC-certified Platinum green building. Deployment of energy efficient appliances and fixtures in the building has resulted in water and energy savings to the tune of 35% to 40%, whereas the roof top solar plant now provides for 17% of the total energy demand of the buildings.

**The Company's initiatives in environment and sustainability have won it several awards. During the year, HEL won the prestigious Asian Power Award 2020 in the 'Environmental upgrade of the year – India' and 'Innovative Power Technology of the year – India' categories. It also won the 1<sup>st</sup> runner-up prize in the CII (ER) Clean and Green Awards 2020-21. BBGS won the Energy & Environment Foundations Global Water Conservation Awards 2020 and was recognised as 'Water Management Company of the Year'. It also won the Gold award in 'Water Stewardship' at the Apex India Foundation's Green Leaf Awards.**

### Distribution

CESC's distribution infrastructure serves its 3.4 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 2020-21, there was a considerable dip in power demand due to the Covid-19 pandemic. The peak power demand was 1,865 MW, compared to 2,337 MW in 2019-20, whereas the energy requirement came down by 11.1% from 11,018 million units (MU) in 2019-20 to 9,796 MU in 2020-21. About 91% of this requirement was met by CESC's own generation, including HEL.***

During 2020-21, about 1.06 lakh meters were installed on account of new supplies and replacements. CESC undertakes continuous upgradation of its distribution infrastructure to maintain and enhance the quality and reliability of supply as well as to reduce downtime, overloads and management of distribution losses. Distribution losses have been contained consistently over the last few years. This was made possible with technological interventions for charting a path of loss containment, through creation of a pilfer proof network with the use of theft-proof pillar boxes, co-axial cables and leveraging Smart Meter based automated remote surveillance cum theft prevention system.

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. Upgrade of one import point is currently in progress. Space consolidations is another focus area. Several measures have been implemented to optimise space requirement, as well as to upgrade and enhance capacities of existing substations. Besides, old and ageing equipment are regularly replaced through an optimised capex plan.
- Using Smart Meters with RF Mesh communication technology for last mile communication for remote billing, smart and proactive outage management systems. This has also been utilised for RMU automation as well as to identify thefts in certain loss-prone pockets by implementing micro energy audit based on analysis of data from these meters. Around 2,100 smart meters were installed in 2020-21.
- Using public network (4G) for RMU Automation and RTU integration with SCADA System for remote monitoring and control; deploying real time condition-based asset monitoring and Internet of Things (IoT) projects for remote monitoring of parameters and predictive maintenance of power and distribution transformers to enhance network health and thereby reduce any probable down time; using drones to periodically monitor transmission lines and outdoor yards; and introducing pan and tilt thermal cameras for monitoring hotspots with auto-alerts at outdoor yards to maintenance engineers.

- Development of centralised dashboard for real time analysis of system disturbances using state-of-the-art IEDs (Numerical Relays/Disturbance Recorders/Phasor Monitoring Units); use of augmented reality / virtual reality to monitor sub-stations and take corrective action; implementation of in-house developed automated alert system on the mobility platform leveraging digital twin technology to capture events from field protection devices, enabling quick decisions by operating engineers.
- Digitalisation of various processes to enable field force automation; analytics driven business intelligence to enable decision making processes.
- Installed a Battery Energy Storage System (BESS) with a capacity of 315 kWh to address frequency regulation, future solar intermittency planning, peak power saving and supply voltage improvement. The Company is also installing roof top solar PV at its offices and substations. These learnings will enable scaling-up deployment of solar PV technology by Consumers.
- Developed in-house various Artificial Intelligence / Machine Learning analytics-based use cases like HT Cable Fault prediction, Prioritization of Low Voltage Complaints for Capex, Power Transformers Health Indexing to enhance Operational Efficiency and to provide enriched Customer Services. Further, we have also developed Social Sentiment Analysis tool to track and engage with Consumers and provide superior Customer experience (CX).

#### Customer Service

CESC is committed to delivering best-in-class services to its 3.4 million Consumers through innovative processes as well as effective deployment of technology and mobility solutions. This became even more relevant in 2020-21 as the Covid-19 pandemic disrupted normal operations, necessitating swift changes to adapt to the new environment and servicing Customers in a safe and secure manner. Some of the key developments were:

- **New Connections:** CESC provided around 67,000 new connections in 2020-21. 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. The online application process was further simplified in 2020-21 and ***a new 'Ease of Doing Business' section was introduced on the Company's website, consisting of regulatory guidelines, relevant regulations and a dashboard for all prospective Consumers to further enhance prompt and hassle-free Customer friendly initiatives.***
- **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, provisions were made for payment of high value bills for new connection and bills for temporary supply for Durga Puja through NEFT/RTGS. ***By the end of 2020-21, almost 64% of Consumers were making online payments accounting to 72% of the revenue — compared to 51% and 66% respectively during the previous financial year.***

- **Customer Contact:** The Company's centralised 24x7 call centre acts as the primary touch point for all complaints and queries. A completely new operating model was introduced for the call centre incorporating safety, hygiene and social distancing norms due to the pandemic. As a large part of the call centre personnel was working from home, provisions were made through VPN and tech-enabled tools to enable their smooth functioning. In 2020-21, CESC also added a new helpline number to build redundancy and diversify its telecom service providers. Key Account Managers continued to provide personalised support to large corporate and institutional Consumers. At the same time, **around 12.3 lakh unique Customers interacted with the Company on the AI / ML enabled Chatbot (E-Buddy), without having to reach an agent. Social media interactions and engagements were also at an all-time high.**
- **Supply Interruptions:** CESC has over the years taken various 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. Use of GIS and field force automation have further contributed to improving operational efficiencies. Proactive outage information is sent to bulk Consumers and important LT Consumers. **In view of social distancing norms, the field force was deployed from multiple decentralised locations, which resulted in faster supply restoration during 2020-21. Special protocols have also been laid out to provide uninterrupted supply to Covid-19 hospitals, nursing homes and cold chain points for Covid-19 vaccine storage and distribution.**
- **Digital Services:** During the year, the focus was on promoting greater adoption of digital services and discouraging physical walk-ins in line with Covid protocols to enable Customers avail the services digitally on their finger tips from the safety of their homes and offices and also for ensuring safety of Customers and employees. Detailed billing information related to lockdown period was provided, whereas special SMS and communication campaigns were carried out for promoting e-bills and digital payment channels. Relevant information was also hosted on the Company's website and promoted through TV tickers. The coverage of cheque drop-boxes was also expanded for enhanced Customer convenience during the lockdown. **Apart from online payment & other digital services, HT Consumers can now view their power consumption status through our website which is updated every 15 minutes. Digital service penetration increased substantially during the year.**

#### Box 1: Special Initiatives During 2020-21

CESC appreciates Customer feedback and suggestions and is responsive to the needs of its Customers. Based on the feedback received by various stakeholders and keeping in mind Covid-19 protocols, it introduced several special services to enhance Customer service and satisfaction levels during this year. Some of these were:

- WhatsApp Bot: CESC launched yet another digital services

on WhatsApp in the third quarter of the 2020-21, which is enabled with artificial intelligence and machine learning capabilities, to provide yet another convenient service platform for its Customers. By sending a simple text message "Hi" to CESC's WhatsApp number, Consumers can avail of services like view/download monthly bill, registering a complaint or checking its status, report supply disruption, access FAQs and avail entire range of e-services. So far, it has received more than 15 lakh messages from around one lakh unique users.

- **Customer Engagement Activities:** As physical interactions and engagement with Customers through our usual channels and presence at stalls or events were not possible due to the pandemic, CESC conducted several online customer-connect events such as safety webinars and 'Puja Baithaki Adda' featuring eminent people. These virtual events were promoted through e-mails and SMS campaigns and received huge participation on cloud platform as well as impressive viewership on social media platforms such as Facebook and YouTube. The Company also conducted virtual safety workshops for electricians and HT Consumers which were received very well by the participants.
- **Environmental Initiatives:** As a responsible corporate entity, CESC promotes use of clean, safe and affordable technologies such as 5-Star rated appliances, electric cooking and electric vehicles through its #LiveFreeBreatheFree campaign on its website, social media handles, hoardings at prominent locations and through e-mail and other communications in absence of physical campaigns in different platforms which were otherwise done in FY19-20.

#### 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. As noted earlier, both key generating stations — BBGS and Haldia — are ISO 45001 certified for occupational health and safety management systems.

The Central Safety Cell has been instrumental in implementing safe work procedures as well as monitoring and control of unsafe situations in line with its corporate safety manual and internal safety standards for critical work. The Safety Cell has also been providing training to all its workers. Besides, officers have undergone safety-related training by institutions of international repute. Job site audits, communication meetings, safety workshops, hand holding exercises at sites and company-wide observation of 'Safety Day' are other activities that have contributed to increased awareness and reduction of incidents.

CESC has a structured communication system for coverage of its safety-related initiatives, which includes its bi-annual safety magazine 'Surakshabarta' (available in Bengali and Hindi) and a web-based monthly newsletter 'Safety Spotlight'. Besides, safety

mailers are regularly sent to its Consumers and seminars are organised to educate institutional and corporate Customers on electrical and fire safety.

CESC has a strong focus on health and well-being of its employees. It operates 28 well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities 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. It publishes a quarterly medical bulletin called 'Mediflash' for its employees. In 2020-21, it published one special issue of Mediflash and created special leaflets on Covid-19 awareness. Further details of its activities during the pandemic are presented in Box 2.

#### Box 2: Safety and Health During Covid-19 Pandemic

CESC operates in Kolkata and Howrah which were hotspots of Covid-19 outbreak in West Bengal. Ensuring safety and security of its people and providing proper medical care to those affected was the key to ensuring continuity of services and avoiding larger administrative challenges for the State.

- CESC took measures to generate awareness among employees on safety, hygiene and necessary precautions. While maintaining regular contact with government authorities and implementing their guidelines from time-to-time, steps were taken to practise social distancing, use of masks and sanitizers, use of PPE by its staff and regular sanitisation of premises.
- Protection gear was made available on our frontline workers and at-risk employees. While work from home was implemented wherever possible, strict Covid guidelines were implemented regarding spacing at workplace and staggered work schedule for critical functions.
- Facilities were created for screening, testing, contract-tracing and quarantine so that there was no panic. Arrangements were also made for Covid isolation beds for prompt treatment for all affected employees when hospital beds were not available easily.
- In February 2021, as the Covid vaccination programme started in India, CESC proactively ensured that its eligible employees got themselves vaccinated. A substantial proportion of its employees in the 45+ age groups have already been vaccinated.

*During the year, Budge Budge received Platinum award at the Grow Care India Safety Awards 2020; Gold award at the ICC National Occupational Health & Safety Awards 2020; FAME Platinum Awards for Safety Excellence 2020 and for best practices against Covid-19 and the Greentech Corona Warrior Digital Award for best practices against Covid-19. Haldia won the ICC Leadership Engagement Award in prevention strategy for Covid-19 at workplaces while Budge Budge won the Gold award.*

## 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 combined capacity of 640 MW as well as five operational wind and solar power projects with a combined capacity of 174 MW.

### Thermal

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

For Unit-II, DIL has long-term Power Purchase Agreements (PPAs) for supply of 100 MW power to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and 170 MW power to the Noida Power Company Limited (NPCL). During 2020-21, Unit II maintained PLF of 86%. In November 2019, DIL had secured a power purchase agreement for 185 MW with MAHAGENCO, which in turn supplies to MSEDCL. Under this agreement, DIL continues to supply power from Unit I. With this and other short-term contracts, Unit I achieved PLF of 75% in 2020-21, compared to 48% in 2019-20. ***The overall PLF for DIL was 80.5% in 2020-21, which is the highest ever since the commissioning of the project. This was also the 17<sup>th</sup> highest PLF among all thermal plants in India. DIL also recorded a commendable 98.3% plant availability factor (PAF) in 2020-21.***

DIL is certified in respect of Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001) and Occupational Health & Safety Management Systems (ISO 45001) and has consistently excelled in operating efficiencies, energy conservation, quality systems and processes.

Like Budge Budge and Haldia, it also has an Asset Maintenance & Reliability Management system involving high degree of digitisation and automation.

DIL has excelled in meeting high environmental standards in its operations through continuous innovations and efforts. It has established three online Ambient Air Quality Monitoring Stations. It has a highly efficient combustion control and fly ash separation units and has achieved 100% ash utilisation and an outstanding record on health and safety. ***During the year, it received several awards that underscore its performance in this respect: Gold award winner in Grow Care India 4<sup>th</sup> Annual Excellence Award 2020 for (i) Environment Management and (ii) Occupational Health & Safety as well as a Special Jury Appreciation at the ICC Innovation Contest on National Occupational Health & Safety in 2020.***

DIL has a strong commitment to environment and sustainability, which is reflected in its continuous efforts to conserve water through reducing consumption, recycling and reuse. Being a zero liquid

discharge (ZLD) plant, various initiatives such as rainwater harvesting and ash water recovery system have also been implemented. These have resulted in water consumption levels well below the national standards. It has also taken several measures to protect and enhance the biodiversity of the region, which include an orange orchard, a sandalwood corridor and a waterfowl species park.

**Asansol, West Bengal:** This is a 40 MW atmospheric fluidised bed combustion (AFBC) power plant using shale and washery rejects from the adjacent captive coal mine in Sarisatolli. The unit has been operational since July 2009. The power plant is owned by Crescent Power Limited, a CESC subsidiary, which operates in the merchant power market. ***In 2020-21, the plant generated 346 million units (MU) of power, compared to 195 MU in 2019-20. During the year, it won the Gold Award (Thermal Power Sector) of Apex India Green Leaf Award 2019 for "Environment Excellence" & Gold Award of Fame Excellence Award 2020 under "Best Innovative CSR Projects".***

#### Wind

**Dangri, Rajasthan:** This was the Company's first venture into the wind power business. The 24 MW project was implemented by Surya Vidyut Limited (SVL), a wholly owned subsidiary of CESC. The project, commissioned in 2012-13, has two long-term power purchase agreements with Jaipur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam Limited, subsidiaries of Rajasthan Urja Vikas Nigam Limited. During 2020-21, it generated 27.1 MU of electricity.

**Surendranagar, Gujarat:** This is CESC's second wind power project. The 26 MW project, undertaken through SVL, was commissioned in December 2014. Power from this project is being sold to Gujarat Urja Vikas Nigam Limited under a long term power purchase agreement. In 2020-21, it generated 42 MU of electricity.

**Nipaniya, Madhya Pradesh:** This is the third wind power project. The 36 MW project, also through SVL, was commissioned in March 2016. The power is being sold to the Madhya Pradesh Power Management Company Limited under a long term power purchase agreement. It generated 45 MU of electricity in 2020-21.

**Rojmal, Gujarat:** This is the Company's fourth wind power project. The 70 MW project, undertaken through SVL, became fully operational in 2017-18. Power is being sold to Gujarat Urja Vikas Nigam Limited under a long term power purchase agreement. During 2020-21, it generated 118.9 MU of electricity. It has achieved a high capacity utilisation factor due to innovations and adoption of best practices. ***In recognition of this, it was presented with the 'Performance Excellence Award' at the CII Performance Excellence Awards 2020 for Solar and Wind Plants.***

All four wind power projects are running successfully. During 2020-21, their combined generation was 233.0 MU (269.4 MU in 2019-20) with a capacity utilisation factor of 17.05% (19.72% in 2019-20). Combined supply of electricity by the four plants stood at 221 MU in 2020-21 (256 MU in 2019-20).

#### Solar

**Ramnathapuram, Tamil Nadu:** This is the Company's first venture into solar power. The 18 MW DC project has been undertaken through Crescent Power Limited, a subsidiary of CESC, and was commissioned in January 2016. Power is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement. During 2020-21, it generated 24.9 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. In the last few years, 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 2019-20.

**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 including a mix of industrial establishments as well as 118 fully electrified villages. Currently, around 8% of its 1,07,000 Customers comprise business establishments.

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

***In 2020-21, NPCL's peak load was 446 MW. Despite a considerable fall in sales during the first quarter due to the lockdowns, it was able to make-up for most of this decline — registering sales of 2,012 MU in 2020-21, compared to 2,081 MUs in the previous year.*** As a mature and efficient distribution business, its distribution losses continue to be stable in the range of 8% to 8.5%. Following prudent practices and proactive engagement with its Customers, ***NPCL was able to maintain collections at 100% in 2020-21. About 83% of its collections came through digital modes of payment, compared to 70% in the previous year.***

***NPCL received several awards and recognitions in 2020-21. Some of the key ones were: QCI D L Shah Award, Gold Award in CII's Challengers Trophy, Gold and Silver awards at CII's Champions Trophy and Strong Commitment in Innovation Award at CESC Knowledge Carnival. It also received multiple awards at ICC's 8<sup>th</sup> Innovation with Impact Award for DISCOMs, ICC's Green Urja Awards, 34<sup>th</sup> NCQC Competition and QCFI's CCQC Competition.***

**Kota, Rajasthan:** Kota Electricity Distribution Limited (KEDL), a

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

Due to lockdown and other restrictive measures to contain spread of the Covid-19 pandemic, Kota's economy, which is heavily dependent on education sector suffered a significant decline in activity. This adversely impacted KEDL's performance. **Sale of electricity came down to 849 MU in 2020-21 as against 1,016 MU in 2019-20. Even so, around 10,300 new Customers were added during the year, taking the total to 2.69 lakh at the end of the year.**

Efforts to strengthen the network and curb losses continued in 2020-21. This included installation of over 40 distribution transformers, replacement of open cables with armoured cables, replacement of old meters and gland sealing of meter boxes. With these efforts and focus on limiting power theft through stringent surveillance, **distribution losses were contained at 21.8% in 2020-21, compared to 20.4% in 2019-20, despite the challenging environment and significant decline in sales.**

**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.

BESL's focus is on minimising AT&C losses, bringing improvement in metering, billing and collection as well as enhancing Customer satisfaction by improving quality and reliability of service. During the year, operations came under pressure due to the pandemic and resulting lockdowns. Despite this, **the number of Consumers increased to 72,000 and the sale of electricity grew marginally to 249 MU in 2020-21, from 247 MU in the previous year. Distribution losses were also contained at 13.5% in 2020-21, compared to 12.3% in 2019-20.**

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

BKSEL has made considerable investments in deploying advanced technologies and upgrading the network to make it safe and robust. Open cables were replaced with armoured cables and new meters were installed to prevent losses. Besides, dedicated vigilance teams were set-up and operationalised. As a result, **distribution losses came down to 13.0% in 2020-21, compared to 14.4% in 2019-20 and 28% at the time of takeover. Although the Consumer base increased marginally, sale of electricity reduced from 683 MU in 2019-20 to 667 MU in 2020-21 due to decline in economic activity following the pandemic.**

**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 1.12 lakh Consumers. Approximately 75% of the demand comes

from the power loom sector.

2020-21 was the first full year of MPSL's operations. However, the Covid-19 pandemic and the resulting lockdown severely restricted the ability to achieve significant progress in terms of strengthening of the network. Even so, the team at MSPL has diligently maintained operations and Customer service levels. **MPSL registered sales of 596 MU in 2020-21. Despite the challenges, distribution losses improved to 44.6% during the year, down from over 50% at the time of takeover, by adopting Capex and Opex light model and improving meter reading and billing efficiency.** Going forward, focus will be on improvement of quality and reliability of supply, provisioning effective Customer services and reduction of distribution losses.

#### HUMAN RESOURCES (HR)

People are CESC's most valuable asset and its primary differentiator. The Company strives to achieve best-in-class HR practices by creating an environment that ensures growth, development and well-being of its employees. Accordingly, all HR strategies are formulated keeping employees at the core and supporting them to contribute to 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.

The Company's success in 2020-21 and its ability to provide its Consumers with uninterrupted power and highest level of service during the pandemic underscores its high-performance culture and emphasis on 'service excellence with cost leadership'. CESC strives to establish itself as an 'Employer of Choice' through its well-structured recruitment processes and engagement with campuses. Both 'Unmesh', its summer internship programme, and 'Anneswan', its annual induction process, were carried out on digital platforms in 2020-21.

Learning and development is an important focus area. CESC has a robust process for conducting training and other learning interventions in line with an annual training plan. Due to restriction in 2020-21, primary focus was on transforming the learning initiatives to digital means by introducing a bouquet of e-learning and web-based courses in both technical and managerial areas. **During 2020-21, the Company carried out 194 training programmes totalling around 5,906 man-days. Most of these were on digital and web-based platforms. The Annual Knowledge Carnival — CESC's flagship event to spread the culture of knowledge and innovation within the organization — was also organised on a digital platform.**

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

Asia Institute of Power Management — the training and consulting wing of CESC — has established itself in training of power professionals. In 2020-21, focus was on moving its training programmes to digital platforms. AIPM conducted 14 online training programmes providing 1,486 man-days of training executives working in power utilities in India.

contd...

Key topics in distribution included safety in the new normal scenario, network planning and reliability, best O&M practices and asset management. Considering sustainability goals as outlined in India's INDC, training programmes also focused on digitalisation, automation and RE integration along with smart grid activities.

AIPM also conducted three exclusive training programmes for Power Finance Corporation (PFC) to train 450 engineers on power quality, reliable network planning and advance O&M practices. Presently, it is stressing on online training activities on IT-OT backed smart applications which augment the capabilities of generation and distribution sector.

CESC has always focused on quality of life and overall well-being of its employees. It engages with its employees and their family members through events such as 'Ankur Samman' to recognise meritorious children of the employees and 'Avishkar', a talent search and promotion initiative for the employees and their family. In 2020-21, both these programmes were conducted successfully on digital platforms. **During the year, it conducted a survey of all its employees by the prestigious Great Place to Work Institute (GPTW) to renew its 'Great Place to Work' certification. It featured among 'India's 100 Best Companies to Work for' and 'India's Best Workplaces in Energy, Oil & Gas' by GPTW for 2020.**

As on March 31, 2021, CESC had 7,377 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 intrinsic to CESC's philosophy and is imbibed in a strong process driven business model. The established track record in Customer centricity and operational excellence have already been recognised in the CII EXIM Bank award for Business Excellence. CESC has continually upgraded its systems and processes with the right quality practices which is reflected in it being one of the most efficient utilities in India.

During the year, focus continued to be on reinforcement of qualitative, quantitative and motivational growth initiatives through Kaizens and workplace organisation contests. However, as physical interventions such as assessments, meetings and contests could not be carried out due to the pandemic, efforts were made to make the process digital. The best practices emerging from such initiatives were showcased at Quality Day — an annual event which was restructured as an online felicitation of the winners of Kaizen and workplace organisation contests.

Significant progress was made on promoting project discipline in its quality improvement journey through application of the DMAIC methodology — a data-driven improvement cycle used for improving, optimising and stabilising business processes and designs.

**In 2020-21, CESC's five-member team won the Platinum Award at ICQCC 2020 at Dhaka, Bangladesh. During the year, six of its improvement projects won the Gold at the state level, with five of these going ahead to win 'Par Excellence' at national level championship to qualify for international level event ICQCC 2021 which will be held in Sep 2021.**

Going forward, with the learnings from operating under the pandemic, focus will be on reinforcing a more robust process orientation as well as increasing the scope and coverage of quality tools and principles through digital platforms.

### Environment Social Governance (ESG)

CESC aspires to become a responsible and best in class Power Distribution Company and a process was initiated during this reporting period to formulate plans and approaches in alignment with the broader ESG agendas of the Nation. At CESC, sustainability is about supplying safe, cost effective, low carbon and reliable electricity through a responsible and diverse value chain.

To achieve this vision, an ESG policy has been instituted which provides guidance to the various departmental functions across distribution units and generating stations to understand the significance of key material issues, comply with legal requirements, apply improvement techniques and reach the highest standards of performance. The Company has identified the significant ESG issues through

- Identification and selection of material topics
- Identification and engagement with CESC's key stakeholders
- Discussion of findings with leadership team
- Development of the materiality matrix and list of material topics

Further, CESC has been a stakeholder centric organization and is committed to adopt ESG risk mitigation measures by developing strategies for integrating sustainability in every sphere of the operations of the Company. Over the period of time, more and more stakeholders including market leaders, investors, regulatory bodies to consumers are becoming aware of ESG parameters and their underlying risks, if not addressed.

**Accordingly, the Company is in the process of having in place a Sustainability Report adhering to ESG norms. The Business Responsibility Report and a report on ESG performance of the Company for the FY 2020 – 21 form part of this report and marked as Annexures 'E' and 'E-1' respectively.**

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a socially responsible organisation, CESC seeks to contribute to the development of communities where it operates as well as upliftment of the poor and underprivileged living in these areas. The Company undertakes programmes based on identified needs of the communities around healthcare, education, safe drinking water and sanitation, livelihood generation and skill development. Many of these projects are on-going in nature. The Company is also

participating in a project undertaken by RP-Sanjiv Goenka Group CSR Trust to set-up an international baccalaureate school in Kolkata.

***In 2020-21, the Company received the ICC Social Impact Award 2021 for 'Roshni' Project in the category 'Reducing Child Mortality & Improving Maternal Health'. The Company was also awarded the FAME Excellence Award 2020 for 'Prayas' Project.***

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 Report (Annexure 'E') forming part of this report.

## 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)

	Rs. Crore			
	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	6,921	7,836	11,639	12,159
Other Income	180	146	235	219
<b>Total Income</b>	<b>7,101</b>	<b>7,982</b>	<b>11,874</b>	<b>12,378</b>
Operating Costs	3,983	4,534	5,925	6,443
Employee Benefit Expenses	900	969	1,074	1,129
Depreciation	463	448	867	848
Finance Costs	502	544	1,226	1,378
Other Expenses	863	900	1,454	1,443
<b>Total Expenses</b>	<b>6,711</b>	<b>7,395</b>	<b>10,546</b>	<b>11,241</b>
Regulatory Income/ (Expense)	457	532	424	630
<b>Profit Before Taxes (PBT)</b>	<b>847</b>	<b>1,119</b>	<b>1,752</b>	<b>1,767</b>
<b>Profit After Taxes (PAT)</b>	<b>814</b>	<b>918</b>	<b>1,363</b>	<b>1,309</b>

### Standalone Performance

Total income (including other income) of CESC was Rs.7,101 crore in 2020-21, compared to Rs.7,982 crore in 2019-20 — reflecting a decline of 11%, mostly due to the Covid-induced lockdown in the first half of the year.

The Company made a strong effort to control costs on all fronts to counter the impact of this decline in sales. Operating expenses came down by 12.1% from Rs.4,534 crore in 2019-20 to Rs.3,983 crore in 2020-21. Employee costs also came down from Rs.969 crore in 2019-20 to Rs.900 crore in 2020-21. After including depreciation and finance costs, total expenses declined by 9.2% from Rs.7,395 crore to Rs.6,711 crore in 2020-21.

Profit before taxes (PBT), stood at Rs.847 crore in 2020-21, compared to Rs.1,119 crore in 2019-20. Profit after taxes (PAT) for 2020-21 was Rs.814 crore, compared to Rs.918 crore in the previous year.

### Key financial ratios

None of the key financial ratios - Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin and Net Profit Margin for the Financial Year 2020-21 reflected a change of 25% or more compared to financial year 2019-20. Return on Net worth for the Financial Year 2020-21 and 2019-20 stood at 8.16% and 9.14% respectively.

### Consolidated Performance

Total income (including other income) of CESC as a consolidated entity stood at Rs.11,874 crore in 2020-21, compared to Rs.12,378 crore in 2019-20 — reflecting a decline of 4.1% during the year. With strong measures to control costs, operating expenses came down by 8% to Rs.5,925 crore in 2020-21. Employee costs also declined by 4.9% from Rs. 1,129 to Rs.1,074 crore in 2020-21. After including depreciation and finance costs, total expenses came down by 6.2% from Rs.11,241 crore in 2019-20 to Rs.10,546 crore in 2020-21.

Profit before taxes (PBT), remained stable at Rs.1,752 crore in 2020-21, compared to Rs.1,767 crore in 2019-20. Profit after taxes (PAT) grew by 4.1% from Rs.1,309 crore in 2019-20 to Rs.1,363 crore in 2020-21.

### INTERNAL CONTROLS

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

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

### RISKS AND CONCERNS

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

At CESC, risks are systematically evaluated, categorised and suitable actions are taken to mitigate these. Divisions identify operational and tactical risks and suggest measures for mitigation and control. Departmental heads manage risks at the departmental level, whereas the top leadership team supervises and monitors the risk

identification and mitigation activities of each division. CESC has identified the following key areas of risks and concerns.

#### Box 4: Covid-19 Risks and Mitigation

The Covid-19 pandemic created unprecedented uncertainty, affecting lives and livelihoods and disrupting businesses. CESC was not an exception. In 2020-21, CESC saw a decline in demand for electricity. While the situation improved as the year progressed, there is still uncertainty, exposing CESC to risks ranging from maintaining day-to-day operations to longer term planning and performance.

Accordingly, CESC's approach to mitigate risks associated with the Covid-19 crisis is at multiple levels:

- As the pandemic struck, CESC constituted a core committee with representatives from both management and trade union to establish a structured framework for quick decision making, communication, implementation, monitoring and review for the evolving dynamic situations in lines with directives issued time to time by the state and central governments.
- To ensure business continuity under lockdown, the Company (i) took measures to ensure adherence to safety, sanitisation and hygiene protocols by employees operating essential services, (ii) used technology and digital solutions to remotely manage operations as well as communicate within the organisation and with Consumers, and (iii) constantly co-ordinated with the government agencies and other major stakeholders. Its activities to ensure safety and health of frontline employees have already been covered earlier in the Report. This allowed the Company to maintain uninterrupted power supply with a skeletal manpower even during the nationwide lockdown.
- A 'Standard Operating Procedure (SOP) for Post Lockdown Operation Plan' was developed with a view to adopt and enforce a compliance framework by integrating it with the existing operational procedures for ensuring a safe and healthy work environment. Operational manpower was gradually raised in line with guidelines outlined in the phased unlocking process.
- While the demand outlook has improved, CESC is taking measures to mitigate risks associated with subdued sales volumes. It is focusing on optimising costs and increasing non-tariff revenues by leveraging its reach in the market. In the medium to longer term, it also expects to benefit from greater adoption of electric vehicles and appliances, which it is actively promoting.

#### Macroeconomic and Market Risks

The global economy and India both witnessed significant contraction in economic activity in 2020-21 due to the Covid-19 crisis. This has also impacted the power sector. Surplus power generation

capacities in the short term exposes the industry to risks associated with difficulties in executing PPAs and adverse price movements in the short-term power market. Although the situation was better in 2020-21 due to lower demand conditions, availability of coal, coal quality and linkages for new projects continue to be issues of concern.

CESC believes that the fundamentals of the Indian economy are strong. There is a global shift to electricity as a favoured and cleaner source of energy. As this trend gathers further momentum, demand of electricity will increase. To that extent, any impact due to the Covid-19 crisis will be transitory. CESC's efforts to mitigate Covid-19 risks have already been presented in Box 4. 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 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 existing and future 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. If the Company cannot build replacement plants at favourable sites, the cost of evacuating and distributing power from far flung locations into the licensed area might increase, impacting quality of service delivery and profitability. Other operational risks pertain to natural and man-made disasters such as earthquake, floods and fire that can affect the Company's ability to supply quality power to its Customers. 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.

The medium to long term risks associated with generation sites, availability and quality of power have been alleviated with the new generation plant at Haldia. To mitigate disaster related risks, the Company has a comprehensive disaster management plan which classifies such risks into two categories: fire safety management and disaster management arising out of natural calamities with each having detailed SOPs to handle such events. Online health monitoring of fire safety systems has been implemented. Periodic mock drill on fire fighting and evacuation during emergency are part of the yearly training calendar. Its success in handling the Covid crisis and the Amphan cyclone in 2020-21 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. This can make it more difficult to execute new projects as well as increase the cost of operations. Efficient managing and recycling of fly ash or order to install Flue Gas Desulphurisation (FGD) system in existing thermal power plants are such instances.

CESC is conscious of these risks. All generating stations of the Company have achieved 100% ash utilisation and meet emission norms other than SOx. As explained earlier, CESC, through its subsidiaries, is also exploring opportunities in power generation using renewable sources to mitigate this class of environmental risks.

## OUTLOOK

Global economic output contracted by 3.3% in 2020. India, too, saw a significant decline, with GDP falling by 7.3% in 2020-21. Although there are still risks in the form of loss of economic activity due to future waves of infections, the world today is better placed than a year ago — with multiple vaccines, better therapies and having adapted to operating under pandemic conditions and mobility restrictions. Most global agencies are predicting a sharp turnaround in macroeconomic performance in India and across the world in 2021-22.

Electricity is a growth sector globally, with its demand growing twice the rate of overall demand for energy. In India's case, fundamentals of the sector are strong and the long term demand outlook is positive. Even in 2020-21, although the demand slipped initially, there was a sharp recovery in once the lockdowns were lifted. Robust policy initiatives by the government to revive economic growth, focus on manufacturing, electric vehicles and universal

electricity access should all contribute to significant growth in demand for electricity once the situation starts to improve.

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

## Cautionary Statement

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

On behalf of the Board of Directors

Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

# Report on Corporate Governance (Annexure 'B' to the Board's Report)



Corporate Governance is a process of governing a corporate entity which includes a set of systems, procedures and practices to ensure that a valuable relationship of trust is maintained with all stakeholders. Fundamental of Corporate Governance includes transparency, accountability and independence which helps in creating an organization intended to maximize wealth for its stakeholders. In order to accomplish fair Corporate Governance, the Government of India has put in place a framework based on stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards etc. Company considers stakeholders as partners in its success.

## CESC's Philosophy on Corporate Governance

Our Corporate Governance is a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our Corporate Governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Commitment to good Corporate Governance practices serves as the foundation for long term success of CESC Limited ('CESC' or 'the Company'). CESC views Corporate Governance more as way of business life than a mere legal obligation. It forms a part of business strategy which includes, *inter alia*, creating an organization intended to maximize wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards the entire community and society. 'Corporate Governance' is not an end, it is just a beginning towards growth of a Company for long term prosperity. CESC being a consumer-oriented power utility service provider, is committed to continuous upgradation of standards in its operations and services. Such commitment is embedded in its good Corporate Governance practices. These practices are driven by strong Board oversight, transparent policy framework and high levels of integrity in its decision-making process. The corporate responsibilities of the Company are adequately articulated to ensure strategic guidance, effective monitoring and accountability to accomplish targeted performance establish fairness in dealings and enhance satisfaction of consumers and other stakeholders.

CESC strives to maintain the highest standards of Corporate Governance and its constant endeavor to adopt the best Corporate Governance practices keeping in view the international codes of Corporate Governance and practices of well-known global companies. The Company has established systems, processes, procedures and policies to ensure that its Board of Directors are well informed and well equipped to discharge overall responsibilities and provide management with the strategic direction catering to exigency of long term shareholders value. Its initiatives towards adhering to highest standards of governance includes self-governance, professionalization of the Board, fair and transparent process and reporting system.

Our Corporate Governance framework is guided by our core values – Customer first, Execution Excellence, Credibility, Agility, Risk taking and Humanness and is based on the following principles:

- To ensure legal compliance.
- To ensure transparency and maintain a high level of integrity.
- To be objective and ethical and deliver the best to earn trust and respect from our stakeholders.
- To build simple and transparent processes driven by business needs of all stakeholders.
- To communicate frequently with stakeholders, including clients, investors, shareholders and stock markets.
- To lead by example by ensuring independence of the Board and effectiveness of the Management.
- To safeguard the shareholder's capital as trustee and not as its owner.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of Corporate Governance norms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") by CESC for the year ended March 31, 2021.

## BOARD OF DIRECTORS

### COMPOSITION AND ATTENDANCE

As on March 31, 2021, the Board of Directors ('the Board') comprised of ten Directors, two Executive Directors, two Non-Executive Promoter Directors (including the Chairman), one Non-Executive Non-Independent Director and five Independent Directors including one Woman Director. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

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

**Table 1: Composition of the Board of Directors and attendance details as on March 31, 2021**

Name of the Directors	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director <sup>1</sup>	Member <sup>2</sup>	Chairman <sup>2</sup>	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Dr. Sanjiv Goenka	Promoter, Non-Executive	8	1	3	4	4	Yes
Mr. Shashwat Goenka	Promoter, Non-Executive	5	3	0	4	4	Yes
Mr. Pradip Kumar Khaitan	Non- Executive/ Non- Independent	7	4	2	4	4	Yes
Mr. Chandra Kumar Dhanuka	Independent	8	8	1	4	4	Yes
Ms. Rekha Sethi	Independent	5	3	0	4	4	Yes
Mr. Kalaikuruchi Jairaj	Independent	7	2	4	4	4	Yes
Mr. Pratip Chaudhuri	Independent	7	6	2	4	4	Yes
Mr. Sunil Mitra	Independent	8	5	2	4	4	No
Mr. Debasish Banerjee	Executive	2	0	0	4	4	Yes
Mr. Rabi Chowdhury	Executive	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/wp-content/uploads/policies/Familiarization\\_Policy\\_&\\_Programmes.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Familiarization_Policy_&_Programmes.pdf)
- Mr. Debanjan Mandal was appointed as an Additional Director and subject to approval of the members, as an Independent Director for a period of five years with effect from May 10, 2021. Mr. Mandal has requisite integrity, expertise and experience to be appointed as an Independent Director.
- 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. Phillips Carbon Black Limited 2. Saregama India Limited 3. RPSG Ventures Limited (formerly known as CESC Ventures Limited) 4. Spencer's Retail Limited 5. Firstsource Solutions Limited	Chairman/Non-Executive/Non-Independent
2.	Mr. Shashwat Goenka	1. Phillips Carbon Black Limited 2. Firstsource Solutions Limited 3. RPSG Ventures Limited (formerly known as CESC Ventures Limited) 4. Spencer's Retail Limited	Non-Executive/Non-Independent
3.	Mr. Pradip Kumar Khaitan	1. Firstsource Solutions Limited	Non-Executive / Non-Independent
		2. Electrosteel Castings Limited 3. Emami Limited 4. Graphite India Limited 5. India Glycols Limited 6. Dalmia Bharat Limited	Non-Executive/Independent
4.	Mr. Chandra Kumar Dhanuka	1. Emami Limited	Non-Executive/Independent
		2. Dhunseri Ventures Limited 3. Dhunseri Tea & Industries Limited	Executive/Non-Independent
		4. Dhunseri Investments Limited 5. Naga Dhunseri Group Limited 6. Mint Investments Limited	Chairman/Non-Executive/Non-Independent

Sl. No.	Name of the Directors	Directorship in Listed Entities	Category
5.	Ms. Rekha Sethi	1. Spencer's Retail Limited 2. Sun Pharmaceutical Industries Limited	Non-Executive/Independent
6.	Mr. Kalaikuruchi Jairaj	1. Adani Transmission Limited 2. RPSG Ventures Limited (formerly known as CESC Ventures Limited)	Non-Executive/ Independent
7.	Mr. Pratip Chaudhuri	1. Visa Steel Limited 2. Spencer's Retail Limited 3. Firstsource Solutions Limited 4. Muthoot Finance Limited	Non-Executive/Independent
		5. Cosmo Films Limited	Non-Executive/Non-Independent
8.	Mr. Sunil Mitra	1. Century Plyboards (India) Limited 2. Texmaco Rail & Engineering Limited 3. Firstsource Solutions Limited	Non-Executive/Independent
9.	Mr. Rabi Chowdhury	Nil	Nil
10.	Mr. Debasish Banerjee	Nil	Nil

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

The Company has a balanced and diverse Board. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and renowned persons from the fields of power, manufacturing, finance and banking, taxation, economics, law and governance etc. They take active part at the Board and Committee Meetings by providing valuable guidance and expert advice to the Board and the Management on various aspects of business, policy direction, governance and compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board.

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

- Finance & Audit
- Risk Management
- Regulatory Compliance, Governance and Board Service.
- Business operations including Human Resources, Technical and Marketing services.
- CSR, Sustainability and Environment.

While all the Board members possess the skills identified, their areas of core expertise are given below:

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. Kalaikuruchi Jairaj	✓	✓	✓	✓	✓	✓	✓
Mr. Pratip Chaudhuri	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Mitra	✓	✓	✓	✓	✓	✓	✓
Mr. Debasish Banerjee	✓	✓	✓	✓	✓	✓	✓
Mr. Rabi Chowdhury	✓	✓	✓	✓	✓	✓	✓

#### Role of the Board of Directors

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value through strategic directions to the Company.

- As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth.

- It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.
- It monitors the effectiveness of the Company's governance practices and makes changes as needed.
- It provides strategic guidance to the Company, ensures effective monitoring of the Management and is accountable to the Company and the shareholders.
- It exercises independent judgment on corporate affairs.
- It assigns sufficient number of Non-Executive members of the Board of Directors capable of exercising independent judgment in tasks where there is a potential for conflict of interest.
- It reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

### **Responsibilities of the Board leadership**

Dr. Sanjiv Goenka , 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 Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company. The Chairman takes a lead role in managing the Board and facilitates effective communication among directors. He is responsible for overseeing matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees, and individual directors in fulfilling their responsibilities. The Chairman provides independent leadership to the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board's administrative activities, such as meetings, schedules, agendas, communications and documentations. The Chairman is also instrumental for the overall strategy of the Company. The Chairman works actively with the Nomination and Remuneration Committee to plan the composition of the Board and Board Committees, induct directors to the Board, plan for directors' succession, participate effectively in the Board evaluation process and meet with individual director to provide constructive feedback and advice.

### **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 by law, which is noted and confirmed in the subsequent meetings of Board/Committee(s). Business Unit heads and Senior Management Personnel make presentations to the Board as and when 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. The agenda is circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. Usually meetings of the Board are held at the Corporate Office of the Company at Kolkata and during the financial year 2020-21, all the Board / Committee meetings were held through Video Conferencing / Other Audio Visual Means as per the guidelines issued by the Ministry of Corporate Affairs.

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

In 2020-21, the Board met four times on June 29, 2020, September 8, 2020, November 6, 2020 and January 13, 2021. The maximum gap between any two Board meetings was less than one hundred and twenty days or any statutory extension thereof.

The Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the proceedings of the meetings.

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

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

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

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

Schedule IV of 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. At such meetings, the Independent Directors discuss, among other matters, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman.

During 2020-21, Independent Directors met on January 13, 2021.

#### **CODE OF CONDUCT**

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2020-21 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website at [www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf](http://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf)

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

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

The Board, is responsible for assigning and fixing terms of service for committee members. The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the Committee meetings. The recommendations of the Committees are submitted to the Board for approval. During the year, all recommendations of the Committees were approved by the Board. The quorum for meetings is the higher of two members or one-third of the total number of members of the Committee.

The Board currently has five Committees namely:

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

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

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

##### **(i) 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 Auditor 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, 2021, 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.

**(ii) Meetings:**

The Committee met four times during the year on June 29, 2020, September 8, 2020, November 6, 2020 and January 13, 2021. 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	4
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. The Company Secretary acts as the Secretary to the Committee.

**(iv) Terms of reference**

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

- a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- d) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
1. 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.
  2. Changes, if any, in accounting policies and practices and reasons for the same.
  3. Major accounting entries involving estimates based on the exercise of judgment by management.
  4. Significant adjustments made in the financial statements arising out of audit findings.
  5. Compliance with listing and other legal requirements relating to financial statements.
  6. Disclosure of any related party transactions.
  7. Qualifications in the draft audit report, if any.
- e) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- f) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- g) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h) Discussion with internal auditors any significant findings and follow up thereon.
- i) Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j) Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k) Reviewing the Company's risk management policies.
- l) Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- m) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- n) Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- o) Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- p) Discuss any related issues with the internal and statutory auditors and the management of the Company.
- q) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- r) Approve subsequent modification of transactions of the Company with related parties.
- s) Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- t) Oversee the vigil mechanism / whistle blower policy of the Company.
- u) Reviewing the utilisation of loans and / advances from investment by the Company in its subsidiaries for an amount exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances / investments.
- 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, 2021, 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 June 26, 2020, September 8, 2020, November, 6 2020, January 13, 2021. 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	Executive	4	4
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	4	4

The Company Secretary acts as the Secretary to the Committee.

Details of the number and nature of complaints received and redressed during the financial year 2020-21 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, 2021, the Nomination Remuneration Committee comprises of four members consisting of Dr. Sanjiv Goenka, Mr. Pradip Kumar Khaitan, Mr. Kalaikuruchi Jairaj 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 once on June 26, 2020.

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	1	1
Dr. Sanjiv Goenka	Member	Non-Executive / Non- Independent	1	1
Mr. Kalaikuruchi Jairaj	Member	Non-Executive / Independent	1	1
Mr. Pradip Kumar Khaitan	Member	Non-Executive / Non- Independent	1	1

#### (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.

#### (v) Terms of Reference:

The role of the Nomination & Remuneration Committee includes:

- i. To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals, where necessary;
- ii. 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;
- iii. To evaluate the performance of every director, key managerial personnel and other employees;
- iv. To devise a policy on Board diversity.
- v. 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.
- vi. 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:

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive /independent directors through peer evaluation, excluding the director being evaluated.

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators, based on which the independent directors are evaluated, includes :

- The ability to contribute to and monitor our corporate governance practices
- The ability to contribute by introducing international best practices to address business challenges and risks
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director’s obligations and fiduciary responsibilities; these include participation in Board and committee meetings

To improve the effectiveness of the Board and its committees, as well as that of each individual director, a formal and rigorous Board review is internally undertaken on an annual basis. The evaluation process focused on Board dynamics and softer aspects. The process involved independent discussions with all Board members.

Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Act and the Listing Regulations, 2015.

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, 2021, the Corporate Social Responsibility Committee consisted of Dr. Sanjiv Goenka, Chairman of the Committee, Mr. Chandra Kumar Dhanuka and Mr. Rabi Chowdhury.

##### (iii) Meetings:

During the financial year, the Committee met on June 29, 2020. Table 5 below gives the attendance record of the Members at the Meeting.

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

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Dr. Sanjiv Goenka	Chairman	Non- Executive / Non-Independent	1	1
Mr. Chandra Kumar Dhanuka	Member	Non-Executive / Independent	1	1
Mr. Rabi Chowdhury	Member	Executive	1	1

The Company Secretary acts as the Secretary to the Committee.

(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. 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 at: [www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](http://www.cesc.co.in/wp-content/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, 2021, the Risk Management Committee consisted of Mr. Pradip Kumar Khaitan (Chairman), Mr. Rabi Chowdhury and Mr. Pratip Chaudhuri. Besides, the Committee also comprised of two senior executives viz. Executive Director (HR & Admin.) and Executive Director & CFO as its members. The Company Secretary acts as the Secretary the Committee.

(iii) **Meetings:**

During the financial year 2020-21, the Committee met on November 6, 2020. 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	1	1
Mr. Pratip Chaudhuri	Member	Non-Executive/Independent	1	1
Mr. Rabi Chowdhury	Member	Managing Director	1	1
Mr. Rajarshi Banerjee	Member*	Executive Director & CFO	1	1
Mr. Gautam Ray	Member*	Executive Director (HR & Admin.)	1	1

\*Not a director in the Board of the Company

(iv) **Terms of reference:**

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

## REMUNERATION OF DIRECTORS

Payment of remuneration to Managing Directors is governed by the agreements executed with the Company and is 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, 2021:

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2020-21 are as follows:

Dr. Sanjiv Goenka, Chairman - Rs. 14,00,000, Mr. Shashwat Goenka, Vice Chairman – Rs. 4,00,000, Mr. Pradip Kumar Khaitan - Rs. 7,00,000, Mr. Chandra Kumar Dhanuka - Rs. 12,00,000, Ms. Rekha Sethi - Rs. 10,00,000, Mr. Kalaikuruchi Jairaj - Rs. 6,00,000, Mr. Pratip Chaudhuri - Rs. 15,00,000 and Mr. Sunil Mitra – Rs. 5,00,000. Sitting fees include payment for Board-level committee meetings.

After taking into account the Non-Executive Directors' contribution to the Company in formulating its policy matters, their qualifications, experience, time spent by them on strategic matters, the Company, with the due approval of the shareholders, made payment of commission during the year 2020-21 at the rate of 3% of net profits for the financial year 2019-20, calculated under the applicable provisions of the Companies Act, 2013. A sum of Rs. 34.55 crore has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of Rs. 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 year 2021-22 on the same basis is Rs. 26.16 crores.

#### Remuneration of the Managing Directors:

The remuneration of Mr. Debasish Banerjee, Managing Director (Distribution) during the year, in accordance with the Resolution passed by the Shareholders at the Fortieth Annual General Meeting held on 21 December, 2018 was: Salary – Rs. 2.06 crores, Contribution to Pension and Provident Fund and Gratuity – Rs. 0.52 crore, Estimated value of other benefits – Rs. 2.19 crore, Total: Rs. 4.77 crore. 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, 2021, Dr. Sanjiv Goenka, Chairman and Non-Executive Director held 1,34,794 equity shares whereas Mr. Shashwat Goenka, Vice Chairman and Non-Executive Director held 1,11,408 equity shares of the Company. No other Non-Executive Director holds any equity share in CESC as on March 31, 2021. No convertible instruments of the Company were outstanding.

#### SUBSIDIARY COMPANIES

As on March 31, 2021, CESC had 19 subsidiaries. Haldia Energy Limited (HEL) was the only material subsidiary of the Company during the year in terms of Regulation 24 of the Listing Regulations. Mr. Kalaikuruchi Jairaj, Independent Director of the Company, was also a Director of HEL till March 31, 2021. 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. Web link of policy for determining material subsidiaries is given below:  
[https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

#### MANAGEMENT

#### MANAGEMENT DISCUSSION AND ANALYSIS

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

#### DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions, 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.

#### Committee recommendations

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

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

The financial statements have been prepared 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. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

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

Services rendered	Fees paid (Rs. crore)
Fees for Audit and Related Services	3.76
Reimbursement of expenses including applicable taxes	0.71
Total	4.47

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company amended the Code of Conduct to Regulate, Monitor and Report Trading by Insiders” effective from February 11, 2021 in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

The code lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company’s securities. The code clearly specifies, among other matters, that “Designated Persons” including Directors of the Company can trade in the Company’s securities only when the ‘Trading Window’ is open. The Trading Window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the Code.

Apart from the above, the Company also has in place a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in terms of the aforesaid regulations. The Company Secretary is the Compliance Officer of the Company. The above two codes are posted on the Company’s website at [https://www.cesc.co.in/wp-content/uploads/insid\\_trade/Insider\\_trading\\_prohibition\\_code.pdf](https://www.cesc.co.in/wp-content/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
May 19, 2020	Long term – Non- Convertible Debenture Issue	CARE AA; Stable (Double A; Outlook: Stable)	CARE Ratings Limited
October 5, 2020	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 Issue	CARE AA; Stable (Double A; Outlook: Stable)	
	Commercial Paper	CARE A1+ (A One Plus)	
December 23, 2020	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 Issue	CARE AA; Stable (Double A; Outlook: Stable)	
February 19, 2021	Commercial Paper	[ICRA] A1+	ICRA Limited

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

### (i) Risk Management Policy

Commodities form major part of the raw materials and input requirement of the Company, for the purpose of carrying out day to day activities and hence commodity price risk is one of important market risks of the Company. The Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from market volatility in terms of price and availability. Any commodity having exposure during a year exceeding 10% of the annual consolidated turnover as per the last audited financial statements 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: Rs. 1291 crore
- Exposure of the listed entity to various commodities:

Commodity Name	Exposure towards the particular commodity (Rs.)	Exposure in Qty towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Coal	*1291 crore	3.18 Million MT	NIL	NIL	NIL	NIL	NIL

\* Includes closing stock

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

The company has three coal based power generating plants situated in and around the city of Kolkata. Coal is sourced from own Captive Mine, by domestic long term linkage through Fuel Supply Agreements with Coal India Limited (CIL/its subsidiaries) and through Special Forward E-Auction conducted by CIL/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 unutilized fund for reporting of its utilization in terms of Regulation 32(7A) of Listing Regulations.

#### RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS) – 24 issued by the Institute of Chartered Accountants of India are disclosed in Note - 42 to the standalone financial statements for the year 2020-21. 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 posted at: [https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

#### ESTABLISHMENT OF VIGIL / WHISTLEBLOWER 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 victimization 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 & 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	1
Number of complaints disposed of during the financial year	1
Number of complaints pending as on end of the financial year	0

#### CEO/CFO CERTIFICATION

Certification by the CEO and the CFO as to the financial statements for the year has 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 Auditor confirming that none of its Directors has been debarred or disqualified from being appointed or continuing on the Board as Directors of any company by any statutory authority.

#### APPOINTMENT / RE-APPOINTMENT / CONTINUATION OF DIRECTORS

Mr. Rabi Chowdhury retires at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for reappointment.

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

Mr. Debanjan Mandal who was appointed by the Board as an Additional Director on May 10, 2021 shall hold office up to the date of the forthcoming Annual General Meeting. The Company has received requisite notice from a member proposing the candidature of Mr. Debanjan Mandal to the office of Director of the Company in accordance with the relevant provisions of the Act. The notice convening the ensuing Annual General Meeting includes appropriate resolution for his appointment as required in terms of the Act.

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

Name of the Director	Mr. Rabi Chowdhury
Age	61
Brief Resume	Mr. Rabi Chowdhury 61 years of age is a Bachelor of Electrical Engineering from Jadavpur University in the year 1982. He joined CESC 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 Station – commissioning of 2 x 250 MW Budge Budge Generation Station of the Company, project development, engineering, execution and commissioning of CESC's x 250 MW Budge Budge III Unit and played a key role in erection and commissioning of 600 MW power plant of the Company's subsidiary Haldia Energy Limited where he is also acting as Managing Director.
Other Directorship	Mr. Chowdhury is on the Boards of Haldia Energy Limited (Member of Corporate Social Responsibility Committee), Dhariwal Infrastructure Limited (Member of CSR Committee), Jarong Hydro-Electric Power Company Limited, CESC Green Power Limited and Ghaziabad Power Company Limited
Shareholding	228 fully paid Equity share of Rs. 10/- each

Name of the Director	Mr. Pradip Kumar Khaitan
Age	80
Brief Resume	Mr. Khaitan is a well-known attorney-at-law (Bell chambers gold medalist). He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the Board of Directors of CESC since 1992.
Other Directorship	Mr. Khaitan is on the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), Electrosteel Castings Limited (Chairman of the Board, Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Emami Limited, Firstsource Solutions Limited, Woodlands Multispecialty Hospital Limited (Chairman of the Board and member of Audit Committee and Nomination & Remuneration Committee) and Odisha Cement Limited (Member of Audit Committee).
Shareholding	Nil

Name of the Director	Mr. Debanjan Mandal
Age	47
Brief Resume	Mr. Debanjan Mandal is a Partner in Fox & Mandal, a premier multi-disciplinary law firm in Kolkata, established in 1896. The St. Xavier's alumnus has over 20 years of post-qualification experience in the fields of corporate and commercial laws, real estate, infrastructure, dispute resolution and mergers and acquisitions. He is a member of the Incorporated Law Society, High Court at Calcutta, Supreme Court Bar Association and International Bar Association, U.K. Mr. Mandal sits on the Boards of several companies in an array of sectors including in tea, retail, plywood and hospitality and is also a Member of the Executive Committee of Indian Chamber of Commerce and Chairman of ICC National Expert Committee on Corporate & Legal Affairs.
Other Directorship	Mr. Mandal is on the Boards of Century Plyboards (India) Ltd, Industrial and Prudential Investment Company Limited (member of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship committee) Spencers' Retail Limited (member of Audit Committee), Anmol Industries Limited, Edward Food Research & Analysis Centre Limited (also member of Nomination and Remuneration committee), Apeejay Tea Limited (member of Nomination and Remuneration Committee), West Bengal Infrastructure Development Finance Corporation Limited, Fox & Mandal Consultancy Solutions Pvt Limited, Apeejay Surrendra Parks Hotels Limited (also Chairman of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Member of Audit Committee) and India Chamber of Commerce Calcutta.
Shareholding	Nil

## COMMUNICATION TO SHAREHOLDERS

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

During the year, the Company's quarterly/half-yearly/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.

Pursuant to the relevant circulars issued by Ministry of Corporate Affairs, Government of India (MCA) and Securities & Exchange Board of India and in view of the prevailing situation of the pandemic, owing to the difficulties involved in dispatching of the physical copies of the Notice of the Forty-third AGM and the Annual Report of the Company for the year 2020-21, the said documents are being sent only by email to the shareholders.

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 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-third Annual General Meeting of the Company shall be held on Wednesday, the August 18, 2021 at 10.30 A.M. via Video Conferencing and Other Audio Visual Means.

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

Financial year	Date	Time	Venue	Special Resolutions Passed
2017-18	December 21, 2018	03.00 PM	CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064	Nine
2018-19	July 19, 2019	10:30 AM	SWISSOTEL Kolkata, City Centre Two, New Town Action Area 2 D, Plot No. 11/5, New Town, Rajarhat, Kolkata – 700157	Four
2019-20	August 3, 2020	10:00 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 2020-21. During the year under review the Company had sought approval of shareholders through postal ballot for alteration of Articles of Association by special resolution and 99.98% of the Votes were cast in favour of the said resolution. The Company had appointed Mr. Anil Kumar Murarka (FCS-3150, COP-1857), 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 2020-21, 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) 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

Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

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

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

1. The Corporate Governance Report prepared by CESC Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) 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, 2021 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, 2021 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, 2020 to March 31, 2021:
    - (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;
  - (h) Independent director meeting
- 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 prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2021, referred to in paragraph 4 above.

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

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

**per Kamal Agarwal**  
Partner  
Membership Number: 058652  
UDIN: 21058652AAAABX8724

Place of Signature: Kolkata  
Date: June 16, 2021

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



### ANNUAL GENERAL MEETING

Day & Date	: Wednesday, August 18, 2021
Time	: 10.30 A.M.
Venue	: Video Conferencing / Other Audio Visual Means

### FINANCIAL CALENDAR

: April 1 to March 31

For the year ended March 31, 2021, results were announced on:

First quarter	September 08, 2020
Second quarter	November 06, 2020
Third quarter	January 13, 2021
Fourth quarter and annual	June 16, 2021

For the year ending on March 31, 2022, results will be announced (subject to any changes arising out of any notification issued by the Ministry of Corporate Affairs, Government of India):

First quarter	On or before August 14, 2021*
Second quarter	On or before November 14, 2021*
Third quarter	On or before February 14, 2022*
Fourth quarter and annual	On or before May, 30, 2022*

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

### DIVIDEND

The Board of Directors at its meeting held on January 13, 2021 declared an interim dividend of Rs. 45 per equity share that was paid on and from February 5, 2021 . The said dividend was declared in terms of the Dividend Distribution Policy adopted by the Company in terms of the requirement of Listing Regulations. The Policy is available on the website of the Company at:

[https://www.cesc.co.in/wp-content/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Dividend_Policy.pdf)

### 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

Stock Exchanges	ISIN	Stock Code
BSE Limited (Phiroze Jeejeeboy Tower, Dalal Street, Mumbai – 400001)	INE486A01013	500084
The National Stock Exchange of India Limited (Bandra Kurla Complex, Bandra (E), Mumbai – 400051)		CESC

#### B. Listed Secured Non-Convertible Debentures

Stock Exchanges	ISIN	Coupon Rate	Principal amount Rs. (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

Note :-

- The Equity shares of the Company were delisted from the Calcutta Stock Exchange on a voluntary basis w.e.f. November 23, 2020.
- All listing and custodial fees to the stock exchanges and depositories have been duly paid upto financial year 2021-22.

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) for the year 2020-21 .

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

Month	Bombay Stock Exchange (BSE)		The National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April, 2020	666.00	383.35	668.30	386.25
May, 2020	674.60	534.00	664.50	533.60
June, 2020	666.30	556.00	668.00	560.55
July, 2020	678.50	547.75	679.00	547.35
August, 2020	665.00	539.00	663.90	538.65
September, 2020	700.00	592.35	700.00	596.25
October, 2020	635.00	560.15	627.00	560.10
November, 2020	609.45	555.25	609.80	555.10
December, 2020	639.80	553.10	640.00	561.10
January, 2021	730.00	602.10	731.00	602.45
February, 2021	640.00	580.10	638.00	590.00
March, 2021	646.00	583.10	646.00	580.10

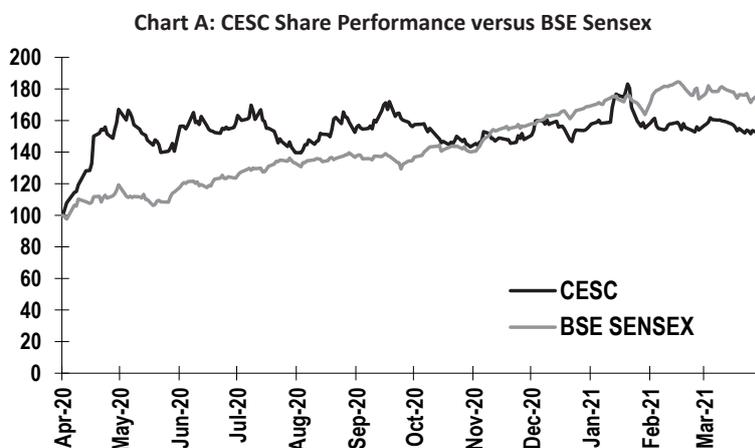
Note: There was no trading in the shares of the Company at CSE during the period of listing with CSE.

Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2020-21 :

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

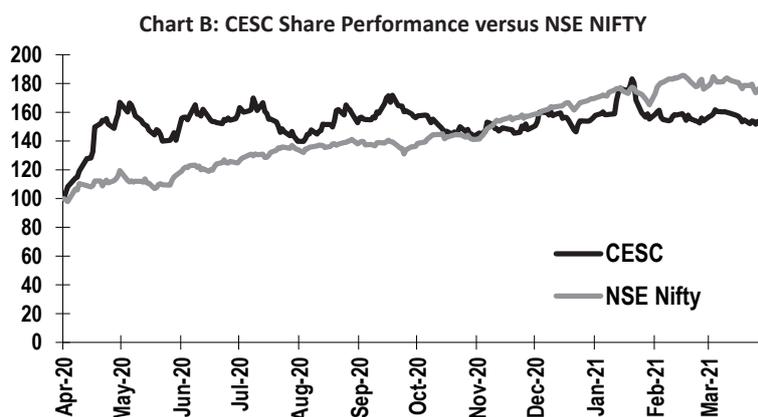
As on close of last trading day for each month	CESC's Closing Price on NSE (Rs.)	NSE Nifty	BSE Sensex	BSE 500 Index	BSE Power Index
April, 2020	656.00	9859.90	33717.62	12721.00	1490.51
May, 2020	552.35	9580.30	32424.10	12414.85	1481.53
June, 2020	622.00	10302.10	34915.80	13438.14	1574.86
July, 2020	549.55	11073.45	37606.89	14346.18	1538.93
August, 2020	600.45	11387.50	38628.29	14890.06	1669.87
September, 2020	614.00	11247.55	38067.93	14851.00	1652.97
October, 2020	563.00	11642.40	39614.07	15215.01	1729.35
November, 2020	581.40	12968.95	44149.72	16995.01	1999.37
December, 2020	614.30	13981.75	47751.33	18300.10	2062.13
January, 2021	610.50	13634.60	46285.77	17975.30	2004.65
February, 2021	605.70	14529.15	49099.99	19371.25	2418.77
March, 2021	593.55	14690.70	49509.15	19601.95	2475.13

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



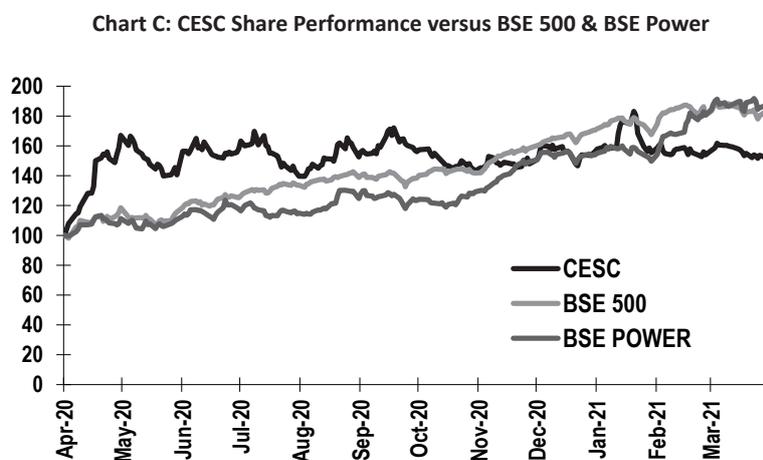
Note: Share price of CESC and BSE Sensex have been indexed to 100 on April 1, 2020.

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



Note: Share price of CESC and NSE NIFTY have been indexed to 100 on April 1, 2020.

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



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on April 1, 2020.

## INVESTOR SERVICES

CESC processes share transfers through its Registrar and Share Transfer Agent ('RTA'), whose details are given below :

LINK INTIME INDIA PRIVATE LIMITED  
Vaishno Chamber, 5 Floor, Flat No 502 & 503  
6, Brabourne Road  
Kolkata – 700 001  
Tel No. : 033-40049728  
Fax No. : 033-40731698  
E-mail : [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

Investors correspondence may be sent to the Company's 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  
Fax No. : 033-2236 3868  
E-mail : [secretarial@rpsg.in](mailto:secretarial@rpsg.in)

Non-Convertible Debentures ( 'NCDs') aggregating Rs. 920 crore was outstanding as on March 31, 2021 as may be referred to in Note 21 of the Standalone Financial Statements. 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](mailto:itsl@idbitrustee.com)  
Website : [www.idbitrustee.com](http://www.idbitrustee.com)

Mr. Subhasis Mitra ceased to be the Company Secretary of the Company with effect from May 10, 2021 and Mr. Jagdish Patra has been appointed in his place as the Company Secretary with effect from the same date. 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 Depository. 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 dematerialized form with effect from April 1, 2021.

As on March 31, 2021, dematerialised shares accounted for 99.08 % of total equity. There is no subsisting court order in legal proceedings against CESC in any share transfer matter. Table 3 give details of the number and nature of complaints for the year 2020-21 :

**Table 3: Complaints from Shareholders during 2020-21**

Particulars	Complaints				
	Non receipts of certificates	Non-Receipt of Dividend	Non Receipt of Annual Reports / Non Receipt of Demat Credit	Others	Total
Received during the year	3	6	-	1	10
Attended during the year	3	6	-	1	10
Pending as on March 31, 2021	-	-	-	-	-

## 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, 2021**

Category	As on March 31, 2021	
	Total No. of Shares	Percentage
1. Management Group / Families	<b>6,61,72,209</b>	<b>49.92%</b>
2. Institutional Investors		
a. Mutual Funds(including Alternate Investments Fund)	2,65,76,486	20.05%
b. Banks, Financial Institutions, Insurance Companies	50,16,962	3.79%
c. FIs	1,94,91,416	14.70%
Total	<b>5,10,84,864</b>	<b>38.54%</b>
3. Others		
a. Bodies Corporate	43,49,362	3.28%
b. Indian Public	87,23,224	6.58%
c. NRIs	11,08,968	0.84%
d. Others	11,18,416	0.84%
Total	<b>1,52,99,970</b>	<b>11.54%</b>
Grand Total	<b>132,557,043</b>	<b>100.00%</b>

**Table 5: Pattern of Shareholding by Share Class as on March 31, 2021**

Shareholding Class	No. of shareholders	No. of shares held	Shareholding %
1 to 500	82,837	51,15,916	3.86
501 to 1,000	1,697	13,01,792	0.98
1,001 to 2,000	746	11,03,674	0.83
2,001 to 3,000	208	5,23,208	0.39
3,001 to 4,000	115	4,04,284	0.31
4,001 to 5,000	70	3,30,308	0.25
5,001 to 10,000	125	8,83,250	0.67
10,001 and above	254	12,28,94,611	92.71
Total	86,052	13,25,57,043	100.00

## PLANT / OFFICE LOCATIONS

CESC's generating stations are located at Budge Budge, Southern and Titagarh in and around the city of Kolkata. 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 Dates of Payment, the Due Dates for Credit to IEPF and the Amounts**

Year	Date of Declaration	Due Date for Credit to IEPF	Amount Lying Unpaid /Unclaimed as on March 31, 2021 (Rs.)
2013-14	July 30, 2014	October 2, 2021	59,52,728.16
2014-15	July 31, 2015	October 1, 2022	77,34,357.23
2015-16	March 11, 2016	May 9, 2023	80,62,434.65
2016-17	February 15, 2017	April 14, 2024	91,78,594.62
2017-18	February 28, 2018	May 6, 2025	93,48,711.48
2018-19	February 5, 2019	April 10, 2026	1,57,24,578.25
2019-20	February 11, 2020	April 10, 2027	1,30,12,307.75
2020-21	January 13, 2021	March 17, 2028	2,11,03,487.16

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

Particulars	Amount (Rs)	Date of Transfer
Unclaimed Equity dividend for 2012-13	51,68,928	September 22, 2020

### C. Transfer of shares to IEPF :

Particulars	No. of Equity shares	Date of Transfer
Equity Shares relating to Unclaimed Equity Dividend for 2012-13	18,577	November 20, 2020

## UNCLAIMED SHARES

In terms of the Listing Regulations, 1,24,733 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, 2019	129	1,28,940
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	Transfer to IEPF	27	4,207
5	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	102	1,24,733

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 1,24,733 equity shares appear in the Company's website so that the concerned shareholders can lodge claims for the said shares immediately.

For and on behalf of the Board of Directors

Place : Kolkata  
Date : June 16, 2021

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 year 2020-21.

Place : Kolkata  
Date : June 16, 2021

Debasish Banerjee  
Managing Director (Distribution)  
(DIN: 06443204)

Rabi Chowdhury  
Managing Director (Generation)  
(DIN: 06601588)

#### CEO / CFO CERTIFICATE

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

Dear Sirs,

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 the cash flow statement of CESC Limited for the year ended March 31, 2021 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 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  
Date : June 16, 2021

Debasish Banerjee  
Managing Director (Distribution)  
(DIN: 06443204)

Rabi Chowdhury  
Managing Director (Generation)  
(DIN: 06601588)

Rajarshi Banerjee  
Executive Director & CFO

# Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended March 31, 2021  
(Annexure 'D' to the Board's Report )



## 1. Brief outline on CSR Policy of the Company:

In terms of the Companies Act, 2013 (the Act) read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company has modified the Corporate Social Responsibility Policy ('CSR Policy') of the Company and the same has been approved by the Board of Directors. The revised CSR Policy apart from other amendments, 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 Director	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, Non-Executive Director	1	1
2	Mr. Chandra Kumar Dhanuka	Member, Independent Director	1	1
3	Mr. Rabi Chowdhury	Member, Managing Director (Generation)	1	1

- Provide the web-link where Composition of CSR : Details of Composition of the CSR Committee, revised CSR Policy and CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company : projects to be undertaken by the Company during the financial year 2021-22 is uploaded on the website of the Company and can be accessed at: [https://www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf)
- Provide the details of Impact assessment of CSR : Not Applicable projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) -
- Details of the amount available for set off in pursuance of sub-rule (3) of rule of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set- off for the financial year, if any (in Rs. Crores)
N.A.			

Amount (Rs. in crore)

- Average net profit of the company as per section 135(5) 1096.15
- (a) Two percent of average net profit of the company as per section 135(5) 21.92
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. Nil
- (c) Amount required to be set off for the financial year, if any Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c) 21.92

## 8(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in crore)	Unspent Amount (Rs. 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 (Rs. in crore)	Date of transfer	Name of the Fund	Amount	Date of transfer
2.80	19.50	April 28, 2021	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	2 Name of the Project.	3 Item from the list of activities in Schedule VII to the Act.	4 Local area (Yes/No).	5 Location of the project.		6 Project duration.	7 Amount allocated for the project (Rs. in crore).	8 Amount spent in the current financial year (Rs. in crore).	9 Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (Rs. in crore).	10 Mode of Implementation - Direct (Yes/No).	11 Mode of Implementation - Through implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Setting up of an IB School in Kolkata	Promoting Education	Yes	West Bengal	Kolkata	Expected to be completed by the end of Financial Year 2022-23	19.50	Nil	19.50	No	RP Sanjiv Goenka Group CSR Trust	CSR00002382

NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount Spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
1	Health Camp Project	(i) promoting health care	Yes	West Bengal	Kolkata	194447	No	City Level Programme of Action for Street and working Children	NA
2	Suswasthya	(i) promoting health care	Yes	West Bengal	Kamarhati, North 24 Parganas	1504840	No	City Level Programme of Action for Street and working Children	NA
3	Roshni	(ii) promoting education	Yes	West Bengal	Kolkata	2018166	No	Child in Need Institute	NA
4	Grassroot Football Project	(vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Yes	West Bengal	Kolkata	200000	No	Debanjan Sen Foundation	NA
5	Nirmal Kolkata Project in Chetla	(i) Healthcare & Sanitation	Yes	West Bengal	Kolkata	2442600	Yes	NA	NA
6	Nirmal Abhiyan	(ii) promoting education	Yes	West Bengal	Kolkata	2282657	No	City Level Programme of Action for Street and working Children	NA
7	Hamari Awaaz	(ii) Child Protection	Yes	West Bengal	Kolkata	1214865	No	Child in Need Institute	NA
8	Health care Support	(i) Promoting Healthcare	Yes	West Bengal	Kolkata, South 24 Parganas, North 24 Parganas	44,68,996	Yes	NA	NA
9	Prayas	(ii) promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Kolkata	1292308	No	City Level Programme of Action for Street and working Children	NA
10	Saksham	(ii) promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Howrah, North 24 Paragana	1566547	No	NSHM Udaan Skills Foundation	NA

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount Spent for the project (in Rs.).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State	District			Name.	CSR registration number.
11	Udaan	(ii) promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Kolkata	59145	No	NSHM Udaan Skills Foundation	NA
12	Urja Chetha	(iv) environmental sustainability	Yes	West Bengal	Kolkata	373985	No	Centre for Environment Education	NA
13	Blind Students Education	(ii) promoting education	Yes	West Bengal	Kolkata	300000	No	Lighthouse for the Blind	NA
14	School Building Project at :-								
	a) Dhankheti High School	(ii) promoting education	Yes	West Bengal	Kolkata, South	3757000	Yes	NA	NA
	b) Mahakali Pathhsala, Kolkata				24 Parganas,	441261			
	c) Antaranaga School, Budge Budge				North 24 Parganas	431807			
	d) Satish Chandra Memorial school					1376710			
15	Playground Development	(vii) Promoting Sports	Yes	West Bengal	South 24 Parganas	232669	Yes	NA	NA
16	Skill Development	(ii) employment enhancing vocational skills	Yes	West Bengal	Kolkata	358572	Yes	NA	NA
17	Maintenance of elevated green median strip	(iv) environmental sustainability	Yes	West Bengal	Kolkata	2867000	No	The Kolkata Municipal Corporation	NA
18	Education Initiatives	(ii) promoting education	Yes	West Bengal	Kolkata	200000	Yes	NA	NA
						27583575			

(d) Amount spent in Administrative Overheads : Rs. 3,86,550

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

(f) Total amount spent for the - Financial Year (8b+8c+8d+8e) : Rs. 22,29,70,125

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (Rs. in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	21.92
(ii)	Total amount spent for the Financial Year	22.30
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.38
(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)]	0.38

9.(a) 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) (Rs.)	Amount spent in the reporting Financial Year (Rs.)	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 (Rs.)
				Name of the Fund	Amount (Rs.)	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (Rs.).	Amount spent on the project in the reporting Financial Year (Rs.).	Cumulative amount spent at the end of reporting Financial Year. (Rs.)	Status of the project - Completed /Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :

(a)	Date of creation or acquisition of the capital asset(s).	<b>Not Applicable</b>
(b)	Amount of CSR spent for creation or acquisition of capital asset.	
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. 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 the Ongoing Project (development of 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

Place : Kolkata  
Date : June 16,2021

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

Dr. Sajiv Goenka  
Chairman, CSR Committee  
DIN: 00074796

# Business Responsibility (BR) Report

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



## Section A : General Information about Company

1	Corporate Identity Number	L31901WB1978PLC031411
2	Name of the Company	CESC Limited
3	Registered address	CESC House, Chowringhee Square, Kolkata- 700 001
4	Website	<a href="http://www.cesc.co.in">www.cesc.co.in</a>
5	Email	secretarial@rpsg.in
6	Financial Year Reported	2020 – 21
7	Sectors engaged in	Code 40102 – Power Generation
8	Key products / services Company manufacturers	Electricity generation and distribution
9	Locations where business activities are undertaken by the Company.	Across 567 sq. km of licensed area in Kolkata and its neighborhood
10	Markets served by the Company	Kolkata and its neighborhood in the state of West Bengal.

## Section B : Financial Details of the Company

1	Paid-up Capital (Rs.)	133.22 crore
2	Total Income (Rs.)	7101 crore
3	Total profit after taxes (Rs.)	814 crore
4	Total Spending on CSR as % profit after tax	2% of the average net profit of three immediately preceding financial years
5	List of activities in which CSR expenses incurred	Please see Annexure – 'D' of the Board's Report.

## Section C : Other Details

1	Details on subsidiary companies	As on March 31, 2021, the Company has nineteen subsidiaries. For details, please refer to note no. 42 of the Standalone Financial Statements.
2	Participation of subsidiary companies in the BR initiatives of the parent Company	The Company and its subsidiaries participate in various BR / Corporate Social Responsibility ("CSR") initiatives in the respective local areas in which it operates. The Company along with its subsidiaries have been parties in setting up and are also regularly contributing to RP-Sanjiv Goenka Group CSR Trust in order to carry out CSR projects as may be decided by the Trust from time to time.
3	Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company	No other entity except as mentioned above, participates in BR initiatives of the Company.

## Section D : BR Information

1	Details of Director / Directors responsible for BR	CSR Committee of the Board of Directors of the Company Constituted in terms of Section 135 of the Companies Act, 2013 ('the Act') inter alia also monitors the BR functions of the Company.
	a. Details of director responsible for implementation of BR policies.	The CSR Committee of the Board functions under the Chairmanship of Dr. Sanjiv Goenka with Mr. Chandra Kumar Dhanuka, Independent Director and Mr. Rabi Chowdhury, Managing Director (Generation) being the two other members of the Committee. Mr. Rabi Chowdhury, Managing Director (Generation) is overall responsible for implementation of BR Policies of the Company.
	b. Details of BR Head	For the financial year 2020-21 Mr. Rabi Chowdhury, Managing Director (Generation) has been entrusted with the overall responsibility for BR activities. Details of Mr. Rabi Chowdhury are as under: i) DIN :06601588 ii) Designation : Managing Director(Generation) iii) Telephone No. :033 -22256040 iv) Email id :secretarial@rpsg.in

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

	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify	The policies of the Company generally conform to the Principles of the National Voluntary Guidelines (NVGs) on Social, Environment and Economic Responsibilities of Business, issued by the Ministry of Corporate Affairs (MCA), Government of India in July, 2011								
4.	Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	i) Code of business conduct and ethics for members of the board and senior management officers : <a href="https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf">https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf</a> ii) Whistle Blower Policy : <a href="http://www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf">www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf</a> iii) CSR Policy: <a href="http://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf">www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf</a> iv) Sustainability Policy : <a href="http://www.rpsgventuresltd.com/uploads/policies/Sustainability%20Policy.pdf">http://www.rpsgventuresltd.com/uploads/policies/Sustainability%20Policy.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. All the policies have been communicated to all key internal stakeholders. Communication is an ongoing process and hence intended to cover both internal and external stakeholders.								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes.								
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Yes. Stakeholders' Relationship Committee of the Board looks into the grievances of the Shareholders of the Company. Further, the Company also has in place a whistle blower mechanism to enable the Directors and employees of the Company to address their concerns about any instance of perceived irregularity, unethical practice and/or misconduct etc, to the Chairperson of the Audit Committee through the Company Secretary.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The evaluation of CSR activities undertaken by CESC and its subsidiaries are in line with the CSR policy. CSR Committee(s) constituted in terms of the provisions of the Act are responsible to oversee the progress and ensure the compliance thereof.								

## 3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1year	CSR Committee of the Board and senior management of the Company annually review the performance of respective policies covering the principles given in the Business Responsibility.
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(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	<p>The Securities and Exchange Board of India ('SEBI') vide circular dated May 10, 2021 has made Business Responsibility and Sustainability Reporting applicable to top 1000 listed entities (by market capitalisation) on voluntary basis for financial year 2021-22 and mandatory from financial year 2022-23, for disclosure of necessary Environmental, Social and Governance ("ESG") related information to the stakeholders associated with the Company.</p> <p>Further, CESC has been a stakeholder centric organization and is committed to adopt ESG risk mitigation measures by developing strategies for integrating sustainability in every sphere of the operations of the Company. Over the period of time, more and more stakeholders from market leaders, investors, regulatory bodies to consumers are becoming aware of ESG parameters and their subsequent risks if not addressed.</p> <p>Accordingly, the Company is in the process of having in place a Sustainability Report adhering to ESG norms. ESG performance of the Company for the financial year – 2020 – 21 is annexed with this report marked as Annexure 'E-1'.</p> <p>In terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Company publishes the BRR annually. The same is available at the website of the Company at <a href="http://www.cesc.co.in">http://www.cesc.co.in</a>.</p>
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## Section E : Principle-Wise Performance Disclosure of Performance in Annual Report

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

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

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

CESC employees are bound by "Ethics and Code of Conduct for RP–Sanjiv Goenka group employees" for taking part in activities outside their jobs in a lawful and ethical manner and without any conflict with their responsibilities as employees. It is also intended for ensuring fair and ethical dealing with customers, suppliers and colleagues.

Any violation of ethics, attracts appropriate disciplinary action.

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

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

### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

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

In line with the Vision and Mission of the Company, CESC is committed to provide safe and reliable power to the consumers under the licensed area. With a strong focus and commitment towards safety and occupational health of employees, all the thermal power plants of CESC are certified to ISO 45001:2018 standards.

Various innovative initiatives have been implemented with an aim to reduce our carbon footprint and to conserve energy. Operating the thermal power plants by maintaining the emission level far below the level permissible by the statute, ensuring 100% recycling of process effluents in all the power stations, sustaining 100% utilization of solid waste since 2000 including full utilization of dry ash in value added products have ensured safe and sustainable generation of electricity.

CESC has installed about 5728 nos. state-of-the-art technology SF6 Gas insulated RMUs (Ring Main Unit) and Consumer modules for protection and operation of its primary distribution network (6 KV / 11 KV). CESC is also installing 220/132 KV Indoor GIS substations & 33KV distribution

stations with SF6 Gas Insulated Switchgears along with modern protection systems for ensuring supply reliability and network redundancy. All the above initiatives have significantly contributed towards safety and sustainability of the products and services offered by CESC.

Replacement of around 21,800 (out of total 31,700+) Conventional Distribution Pillar Boxes with State-of-the-art Modified Pillar Boxes to ensure safety of general public and our own employees engaged in various maintenance activities. Also, the total no. of overhead pole earthing checked and redone and fixing of the insulated jackets during financial year 2020 – 21 are 5150 and 2100 respectively. Maintenance of around 8700 spans (260 km) of Overhead Mainline was conducted in financial year 2020 - 21

Keeping in mind the safety of general public and community at large, all the current installations of outdoor distribution transformers are of dry type (oil-free). Annual Failure Rate of Distribution Transformers has substantially reduced to 0.41% for around 8360 installed DTRs.

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

**A. Nursing homes & hospitals related:**

Thorough checking of CESC’s electrical installations at all the 145 Hospitals (both public and private) and the Nursing Homes with bulk HT and LT supply within the licensed area, including necessary refurbishment of service points at Hospitals and Nursing Homes.

**B. Bustee (Slums) related:**

Thorough checking and necessary overhauling of 1560 nos large meter board (having fire history) with around 26000 connected meters were carried out.

Safety is given high importance and priority in the organization. An Apex level safety committee formed with senior management team is actively involved to oversee the safety aspects in totality with structured systems and processes. There are Safety Committees headed by senior officers with participants from the levels of supervisors and experienced workers who effectively contribute in identification of still uncovered areas and training needs. Regular safety audits are undertaken with a focus on improved safety practices along with safe use of tools and tackles for the employees at field. Safety training for officers, supervisors, regular and contractual employees conducted round the year. Renowned external faculty and Government Institutes are partnered for specialized safety training. Safety perception survey and safety awareness survey are conducted by renowned external institutes. Result of the perception survey and awareness survey are encouraging and helped defining our path forward.

To sensitize the consumers and general public at large, CESC is actively engaged in various social events. During important festivals, CESC participates in various social awareness initiatives, focusing on promotion of its digital services, safety, social responsibility and civic consciousness including energy conservation. Mailers and Videos on electrical safety, energy conservation and related aspects are shared with consumers on a regular basis to increase awareness, through Social Media platforms, etc. Clean and Safe Energy usage through adaptation of Electric Cooking and Electric Vehicles is promoted through focused communication via, Emailers, social media, etc. and the Company website.

CESC sends safety communication via all types of media (Print, Television, Social) to consumers on a regular basis, and also conducts miking with safety messages locally, particularly prior to heavy rainfall, high tide, Nor’wester or Cyclone forecast.

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

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

**1. Please indicate the total number of employees.**

Total number of permanent employees as on March 31, 2021 : 7377

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

Total number of employees hired on	Temporary Basis	14
	Casual Basis	2
	Contractual Basis	4475

**2. Please indicate the Number of permanent women employees.**

Total number of permanent women employees: 496

**3. Please indicate the Number of permanent employees with disabilities.**

Total number of employees with permanent disabilities: 41

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

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

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

As on March 31, 2021, around 87% of our permanent employees are members of a recognized trade union, with balance in Management cadre (including Junior Management Staff).

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

Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
Child labour/ forced labour/ involuntary labour	NIL	NIL
Sexual harassment	1	NIL
Discriminatory employment	NIL	NIL

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

% Safety training in the last year for undermentioned employees	No. of persons as on March 31, 2021	% of Total Strength in respective category
Permanent Employees	1472	19.95%
Permanent Women Employees	1	0.20%
Casual/ Temporary/ Contractual Employees	1620	36.07%
Employees with Partial Disability	3	7.32%

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

% Skill upgradation training in the last year for under mentioned employees	No. of persons as on March 31, 2021	% of Total Strength in respective category
Permanent Employees	1089	14.76%
Permanent Women Employees	120	24.19%
Casual/ Temporary/ Contractual Employees*	60	1.34%
Employees with Partial Disability	2	4.88%

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

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

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

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

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

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

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

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

**Principle 5 : Businesses should respect and promote human rights**

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

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

Existing Values / Policy / Guidelines	Aspect on Human Rights	Applicability
Core values of CESC	• Humaneness	All employees
Management Staff Regulations	• Ethics & Code of Conduct • Prevents acts of sexual harassment	All Management Staff
Standing Orders	• Right to a fair trial	All workmen under Company payroll
MOS on Wages for Contracted workmen	• Ensuring compliance to compensation & benefits	All Contracted employees
Recognizing Trade Unions	• Right to freedom of expression & collective bargaining (Through elections as per West Bengal Trade Union Rules)	All permanent employees
CSR Policy	• Promote employability • Promote education, health, hygiene & environment	Community beneficiaries
Anti-Sexual Harassment Policy	• Prevention of sexual harassment at workplace	All employees
Safety Policy	• To safeguard occupational health & safety hazards	All regular and contractual personnel including external stakeholders
Whistle Blower Policy/Vigil Mechanism Policy	• Right to freedom of expression	All employees
Remuneration Policy	• Harmonizing the aspirations of human resources consistent with the goals of the Company	All employees
Recruitment Policy	• No discrimination on the basis of caste, sex, creed and religion	Management staff & other employees
Web Tendering	• Promote equal opportunity	All Suppliers

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

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

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

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

Regular energy audits are undertaken at various establishments of the Company and steps taken on an ongoing basis to improve energy efficiencies. CESC House, the registered office of the Company was accredited with LEED Gold rating in 2015 followed by Platinum rating in O&M Category in Nov 2020 from U.S Green Building Council, thus being the first Company in India for such achievement. The 132 KV Chakmir substations was accredited with Platium rating from IGBC in 2018.

CESC procures power from co-generation sources and is regularly responsive to consumers willing to install Roof Top Solar PV Sources as per applicable guidelines. Total capacity of grid connected Roof Top Solar PV Sources by the consumers is around 38.28 MWp (0.92 MWp added during 2020 – 21). CESC has also installed Roof Top Solar installations as a means to be energy conservative by reduction of energy consumption at its own premises.

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

Various studies, recommendation from Energy Audits reports, benchmarking with similar utilities within and outside India, have resulted in conceptualization and implementation of various energy conservative projects by means of adoption of new technology and process

improvisation leading to improvement of Auxiliary power consumption of the Generating stations. All the generating stations are certified to ISO 14001:2015 Environment Management System standards.

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

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

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

CESC, being a responsible corporate citizen and in line with its Mission and Vision, has always ensured to respect and protect the environment as a part of its business strategy. With an effort to restore the environment, during the year, several awareness sessions (On virtual platform, considering current Pandemic crisis) with the commercial segment of customers for promoting "e-cooking" to replace conventional cooking system has resulted in 67 Restaurants converting to Electrical cooking. As a part of future preparedness for "usage of EV" as a mean to curb environment impact, CESC has provided 13 nos. of EV to WBTC's Electric Bus Charging Stations and installed 3 Electric Vehicle Public Charging Stations (EVCS) at strategic locations in the city of Kolkata in association with KMC. Furthermore, for captive usage, one EVCS has been installed at CESC House along with procurement of 2 EVs for own internal use.

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

**1 Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes, the Company is a member of the following chambers and associations:**

- (a) Indian Chamber of Commerce (ICC)
- (b) Bengal Chamber of Commerce and Industry (BCC&I)
- (c) Bengal National Chamber of Commerce and Industry (BNCCI)
- (d) Federation of Indian Chambers of Commerce & Industry (FICCI)
- (e) Confederation of Indian Industries (CII)
- (f) The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- (g) The Committee of International Council on Large Electric Systems, India (CIGRE)
- (h) India Smart Grid Forum (ISGF)
- (i) National Productivity Council (NPC)
- (j) National Safety Council (NSC)
- (k) Central Board of Irrigation & Power (CBIP)
- (l) All India Management Association (AIMA)
- (m) Calcutta Management Association (CMA)
- (n) Edison Electric, US (EEI)
- (o) National HRD Network (NHRDN)
- (p) Employers' Federation of India (EFI)
- (q) Society of Human Resource Management (SHRM)
- (r) Administrative Staff College of India (ASCI)

- (s) British Council Limited(BCL)
- (t) Tracxn Technologies Private Limited
- (u) Global Compact Network India (GCNI)
- (v) Indian Energy Exchange (IEx)
- (w) Power Exchange of India Ltd (PIL)
- (x) Merchants Chamber of Commerce (MCC)
- (y) Association of Power Producers (APP)
- (z) Quality Circle Forum of India (QCFI)
- (aa) IAPQR (Indian Association for Productivity Quality & Reliability)
- (ab) State productivity Council
- (ac) Council of Power Utility

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

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

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

**Principle 8 : Businesses should support inclusive growth and equitable development**

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

The CSR projects of CESC are designed in alignment with the Millennium Development Goals (MDGs), the National Voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (NVGs) and the national development goals. CESC believes in supplementing and contributing to the nation's development process through its CSR initiatives.. The Corporate Social Responsibility Committee – formed by the Board of Directors, is responsible to formulate the CSR Policy and reporting of CSR initiatives. CESC has been implementing several CSR projects in the areas of education, health, environment development and community development to support and facilitate development of the underprivileged and disadvantaged sections of the society. CSR projects are undertaken after assessments of area-specific needs and in consultation with the stakeholders to ensure that they are relevant and respond to the needs of the community among which they are implemented.

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

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

**3. Have you done any impact assessment of your initiatives?**

Apart from regular monitoring and evaluation of CSR projects, baseline and end line surveys are conducted for individual projects to measure impact against certain key parameters/ indicators. Annual perception surveys by third parties are also undertaken to assess beneficiary and stakeholder perception of the Company's CSR activities and their level of satisfaction. However, the Company was not required to carry out any impact assessment as required in terms of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

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

**Education Projects**

Sl. No	Project Name	Brief about the Project	Amount (in Rs.)
1	Nirmal Abhiyan	Water and sanitation project in government schools	22,82,657
2	Roshni	Promotion of education among underprivileged children through life-cycle approach	20,18,166
3	School Building Project	Infrastructure development of government/government-aided schools	60,06,778
4	Blind Students Education	Imparting education to blind students	3,00,000
5	Education Initiatives	Supporting educational initiatives for underprivileged students	2,00,000

**Health Projects:**

Sl. No	Project Name	Brief about the Project	Amount (in Rs.)
1	Suswasthya	Promotion of maternal, child and adolescent health	15,04,840
2	Health Camp	General health check-up and eye camps for underprivileged communities in Kolkata	1,94,447
3	Nirmal Kolkata Project	Promotion of community sanitation in slums of Kolkata	24,42,600
4	Healthcare Support	Supply of ICU beds in hospitals, hearing aids, wheel chairs, ventilators and other medical equipment to public health facilities	44,68,996

**Environment Projects:**

Sl. No	Project Name	Brief about the Project	Amount (in Rs.)
1	Urja Chetana	Promotion of environment and energy education in schools	3,73,985
2	Maintenance of elevated green median strip	Maintenance of elevated green median strip in certain areas of the city of Kolkata	28,67,000

**Community Development Projects:**

Sl. No	Project Name	Brief about the Project	Amount (in Rs.)
1	Saksham	Skill Development and livelihood promotion for youth in Tiljala – Topsia area	15,66,547
2	Prayas	Skill Development and livelihood promotion for youth in Kamarhati and Howrah	12,92,308
3	Hamari Awaaz	Community sensitization programme on child protection in Tiljala	12,14,865
4	Udaan	Skill development and livelihood promotion for youth in Garden Reach and Khidderpore	59,145
5	Skill Development	Providing sewing machines to needy women for self-employment	3,58,572

**Others:**

Sl. No	Project Name	Brief about the Project	Amount (in Rs.)
1	Grassroot Football Project	Promotion of football among underprivileged youth	2,00,000
2	Playground Development	Developing school playground for promotion of sports	2,32,669
3	Administrative Expenses		3,86,550
4	Setting up of a IB School in Kolkata	RP-Sanjiv Goenka Group CSR Trust has undertaken a project for setting up of an International Baccalaureate school, on a 1.2 acre plot of land, with modern facilities to impart or provide education of an international standard.  Construction of School building started since August 2020 and is expected to be completed during the year 2022-23 (as per current estimate which may vary arising out of uncertainty due to prevailing pandemic situation).	*19,50,00,000

\* The amount has been transferred to Unspent CSR Account and would be made available from time to time to RP-Sanjiv Goenka Group CSR Trust ("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

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

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

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

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

As on March 31, 2021, negligible percentage of customer complaints are pending. The Company's centralized 24x7 customer care call center to address supply & billing related issues acts as the primary touch point for all complaints and queries. We extended the 24-hour Call Centre for our HT Consumers as well. All calls are guided through Interactive Voice Recording System (IVR) and the docketed calls are routed to the concerned Department for quick resolution. During 2020-21, engagement levels on CESC's social media network reflected an increasing trend.

In addition to the same, the Company has appointed a nodal officer who also ensures redressal of customer complaints expeditiously.

Challenges during Lockdown due to COVID-19

During the Lockdown Period, CESC successfully maintained 24X7 stable Supply, and kept the Call Centre and Break-down Operations fully functional.

The Major Challenges faced during this period are :-

- Continuously realigning the manpower planning and business processes while complying with Social Distancing Guidelines issued by Government Authorities from time to time.
- Constantly updating Consumers regarding the continuous changes in different processes dynamically, through various communication channels like SMS, Email, Newspaper and TV Advertisements. A special instructional video on online payment was also created to aid Customers.
- Regularly interacting with different Government Agencies and adapting to various Government Directives, both at Central as well as State Level.

Operations during Amphan

While the Organisation was gradually coming to Terms with the prevailing Pandemic and the New Way of life, the fury of Super Cyclone "Amphan" struck the city like a Thunderbolt and razed the Overhead Distribution Network. During the first 2 to 3 days, the restoration work was disrupted due to uprooted Trees lying on Damaged Poles and Overhead Lines. However, the restoration process gradually picked up momentum once free access to work was obtained and thereafter, with enhancement of manpower, CESC was able to restore supply of all Consumers within a week. On a positive note, this critical situation has once again stretched the Organisation to rise to the occasion and enhanced its trust in its capabilities. CESC firmly believes that its efforts will help it to gain the full trust of its Consumers.

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

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

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

There is no case pending with regard to unfair trade practices, irresponsible advertising and/ or anticompetitive behaviour as on March 31, 2021.

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

Customer Satisfaction Surveys consist of indicators to measure levels of customer satisfaction with respect to Key Business Parameters. These surveys are conducted annually across all segments i.e. commercial, industrial and residential consumers. An Annual Perception and Digital survey is carried out by a renowned market research agency to arrive at Customer Satisfaction Scores. Additionally, Company has in place regular feedback mechanism on various services which enables it to understand what its Customers want and whether they are satisfied with the existing services or not. Based on the feedback through multiple Channels, the Management identifies gaps & identifies key improvement areas which are shared with the concerned Departments and accordingly necessary action is taken there on. However, in view of the prevailing Pandemic, the Annual Perception Survey had to be discontinued in financial year 2020 – 21 as it involves physical interaction with Customers.

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

For and on behalf of the Board of Directors

Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman  
DIN :00074796

# ESG Performance

## (Annexure 'E1' to the Boards' Report)

CESC aspires to become a responsible and best in class Power Distribution Company, hence the process was initiated during this reporting period to formulate plans and approaches in alignment with the broader ESG agendas of the Nation. At CESC sustainability is about supplying safe, cost effective, low carbon and reliable electricity through a responsible and diverse value chain.

To achieve this vision, an ESG policy has been instituted which provides guidance to the various departmental functions across distribution units and generation stations to understand the significance of key material issues, comply with legal requirements, apply improvement techniques and reach the highest standards of performance. The Company has identified the significant ESG issues through

- Identification and selection of material topics
- Identification and engagement with CESC’s key stakeholders
- Discussion of findings with leadership team
- Development of the materiality matrix and list of material topics

The materiality map alongside provides the outcome of the above exercise and prioritizes the material issues.

So far the Company has had success in building trust amongst its stakeholders, in pursuance of its efforts towards sustainable development the details of which are available in the inaugural ESG report of the Company aligned to the GRI Standards.

Some of these successes and the management approaches are summarized in the following sections.

### Reliable Power Supply

The Company is cognizant of the fact that along with digital installation, robust governance structure and on ground technological infrastructure is imperative to effectively identify and apply predictive measures to reduce fault occurrence and fault remediation time. CESC’s strategic LT Fault Management Center plays a pivotal role in assessing and mitigating any risks that arises from faults and outages which tend to transform into customer grievances, and the process is enabled by various digital initiatives including the customer relationship management, 24x7 call centres, MASD systems, SCADA based analytics and SOS systems.

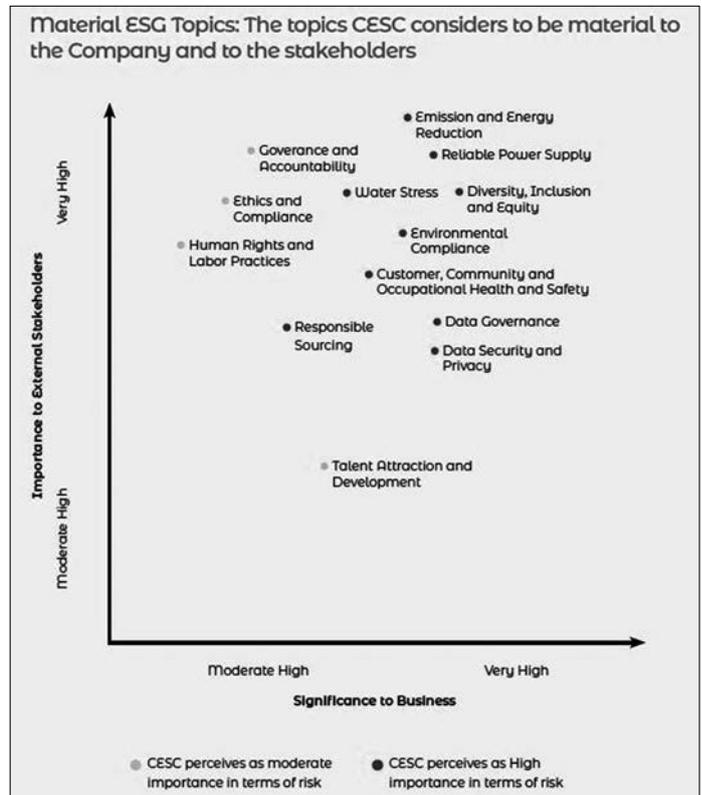
Further to prevent such outages CESC adopts strategic network planning and innovative technology interventions that address increasing power demand and deviations in power quality arising from population growth and dearth of space in urban metropolitan cities.

CESC’s readiness to face and mitigate any adverse challenges were developed through these consistent efforts over a period, which in turn helped the organization to seamlessly adapt during any kind of crisis such as the recent pandemic COVID as well as the climate related disaster, cyclone ‘Amphan’.

The penetration of smart meters to the consumers has not only enabled the Company to implement contactless metre reading during the extraordinary situation during COVID but also enabled the Company to monitor pilferage losses in the distribution network.

Distribution loss control is a key performance indicator that ensures sustainable business growth as the function not only ensures reliability to the consumer but also contributes positively to the Company’s overall carbon footprint and identifies communities facing power poverty. The Company’s conscious efforts in preventing distribution losses over the decades through technological interventions like the installation of the smart street lighting system and pillar box modification, and strengthening the social structure have reduced losses significantly.

The successes of reliable power would be unheard of without the contribution of a robust and responsible supply chain.



## Responsible Sourcing

CESC continuously strives to create a supply chain that is reliable, resilient and above all responsible. A responsible supply chain means identifying and assessing environmental, social and regulatory risks, pre-emptively mitigating or adapting the assessed risks thereby, future proofing any disruptions. Hence business partners of CESC are expected to commit to the Supplier Policy that embraces the principle of “We Source Responsibly”. Business partners are assessed through the Know Your Vendor form which is based on six assessment pillars and it enables suitable supplier selection.

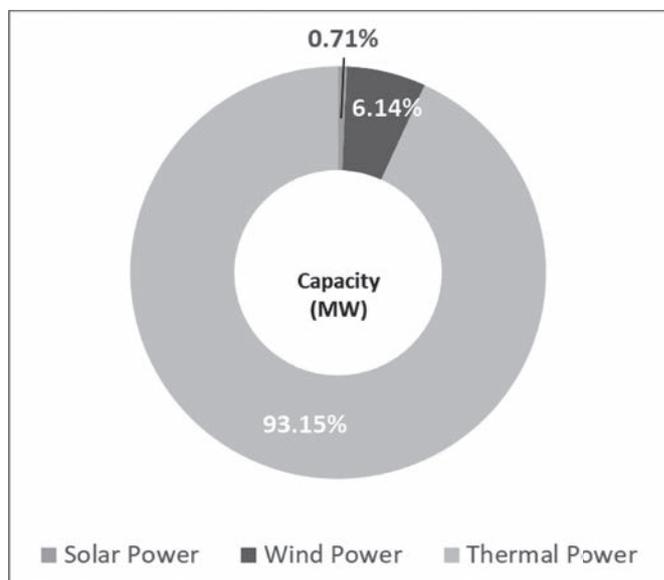
The Company has been a precursor to the business growth of several local micro, small and medium scale industries who were the key partners in the organization’s resilience during the cyclone Amphan in timely supplying critical material. Going forward the support of local suppliers will support adaptation to any supply chain disruptions including disruptions due to climate change. The Company’s approach towards assessing environmental and climate change risk and opportunities and aligning to the national goals and targets represented in the subsequent section will enable its sustainable and transformative journey.

## Emissions and Energy Reduction

CESC has been conscious about climate change and at a very early stage have proactively contributed through energy efficiency measures and thereby reducing greenhouse gas emissions released in the air from fossil fuel consumption. The strategic focus of the Company has been on steady growth by developing and assimilating technologies of tomorrow to remain competitive in the challenging market in power generation, and distribution, while striving for customer satisfaction through better performance in contributing to sustainable development.

The Company continues to augment its renewable energy mix in its auxiliary power consumption. Aligned with the Nation’s commitment to set up 175 GW of renewable energy, CESC seeks to cautiously increase its renewable energy portfolio. Currently CESC and its Subsidiaries operate 174 MW of renewable energy capacity which accounts for 6.85% of the total operating capacity.

The Company does not intend to add further to its’ thermal power portfolio and is investing in Battery Energy Storage Systems that will enable the distribution network to build resilience to the intermittent supply of renewable energy to its consumers and also maintain trust amongst consumers. The technology will enable more acceptance of renewable energy in the future and will help increase the renewable energy mix in the power supply chain.



The commitment to climate change would be difficult to meet just by making CESC responsible for clean power supply, as this requires a collaborative effort. CESC’s stakeholders can reduce energy demand at their own facilities and create a profound positive impact on the carbon footprint of CESC, hence CESC’s green buildings can provide just the inspiration needed. CESC facilities and infrastructure follow green building principles to become environmentally responsible and resource efficient throughout the building lifecycle and at the same time ensure processes and materials used should not have any negative impact on human health. The pathbreaking transformative journey of converting 1.27 million sqft. of operational area into green building certified spaces testifies the Company’s long term sustainability commitment. CESC House rated as Platinum LEED certified by USGBC, was highlighted in various international forums as a landmark achievement for a historical building built during pre independence era.

The Company promotes the use of electric vehicles amongst the public by installing charging stations as well as create awareness on alternate fuels for cooking that would make the city of Kolkata greener and cleaner.

## Water Stress Management

Water is a primary requirement for power plants to generate electricity, hence availability of water is viewed as a significant risk to CESC. CESC continuously strives to reduce its water intensity through various water conservation initiatives such as ash water recirculation, rain water harvesting and others.

CESC optimizes its internal water use and ensures water availability in the surrounding area for irrigation and drinking water as per the requirements of local communities and maintains specific water consumption levels well below MoEF&CC benchmark of 3.5 m<sup>3</sup>/MWh. The Company has achieved Zero Liquid discharge in all its generation stations excluding the generation station located at Haldia. Through such inclusive approach to preserving natural resources CESC aims at exceeding expectations of the statutory environmental compliances.

### **Environmental Compliance**

In a constant endeavour to protect and preserve ecological goods and services through judicious use, CESC ensures compliance to applicable environmental regulations in India and de-risks its operations from potential risks through a sound Environmental Management System.

CESC monitors compliances to existing and emerging regulations and undertakes timely actions to manage risk whilst upholding its social and environmental commitments. The power generation plants use digital and ICT technology extensively to continuously monitor environmental parameters related to emission, effluents and air quality in real time which are shared with statutory bodies through dedicated online channels for necessary compliance. The Company ensures 100% utilization of fly ash and responsibly disposes hazardous and non hazardous wastes as per statutory norms. The generation stations continue to maintain and improve the green belt area surrounding the facility and has also undertaken a biodiversity assessment for one of the generation stations of its subsidiary at Haldia.

The Company is in the process of having its generating units compliant to Integrated Management System (IMS) standards and has initiated the tendering process for installation of Wet Limestone Based Flue Gas Desulphurisation (WLFGD) System for generation stations.

During financial year 2020-21, there has been no cases, show cause notices and fines levied for non-compliance with environmental norms and standards. The labour relations policy instituted along with the ESG policy during the reporting period ensures full compliance of applicable labour laws discussed in the following sections.

### **Diversity, Inclusion and Equity**

CESC is committed to upholding the fundamental responsibilities to respect and protect human rights. Respect for human rights include ensuring the business uphold decent work, do not indulge in child labour, forced labour, discrimination and provide opportunities for employees to report grievances and ensure satisfactory resolution in a timely manner. The three tier grievance redressal mechanism managed by the Employee relations department endorses this commitment.

Equity seeks to ensure fair treatment, equality of opportunity, and fairness in access to information and resources for all. This belief is only possible in an environment built on respect and dignity. The Labour Relations policy provides the Company including its business partners effective guidance to monitor and remediate human right incidents.

Implementing a robust grievance mechanism and safeguarding human rights are fundamental for talent attraction and development which is discussed in the next section.

### **Talent Attraction and Development**

CESC believes talent attraction and development, motivation of the human capital through engagement and rewarding their actions, are key elements to employee retention and maintaining the employee productivity at the workplace. CESC has been Great Place to Work certified for two consecutive years and is amongst the Top 30 best workplaces in manufacturing.

The RP-Sanjiv Goenka Group Foundation Day held annually recognizes employee contributions and actions aligned with the Core Values. CESC organizes various motivational employee engagements like Coffee with MD, International Women's Day and promoting health and fitness.

All of these contribute to the low attrition rate and a high employee satisfaction index across different categories of permanent employees as well as contract workers. These efforts are further justified by the conscious and robust governance and management of health and safety in its operations.

### **Customer, community and occupational health and safety**

CESC believes that every accident is avoidable and excellence in safety practices is an outcome of creating a safety culture within the organization. These are achieved by implementing safety work procedures, promoting a safety culture, undertaking regular trainings and monitoring and controlling unsafe work condition in the journey towards 'Zero Incidents'. The Corporate Safety Manual and the Corporate Safety Policy along with the seven sets of Internal Safety Standard. The Company's generation stations are ISO 45001 certified, which ensure zero tolerance and no negligence of potential safety incidents.

CESC's operations and activities require public safety management processes that concern not only safe installations but also ensuring the public are fully aware of the safety precautions while handling the installations through various tableau movements, safety posters and hosting various safety awareness programmes at societies, schools and colleges, hospitals amongst others.

Most of the public safety concerns are associated with unauthorised abstraction of electricity. The Company's community initiatives is considered to be a two pronged sword, the initiatives not only aided the local community to alleviate from societal evils but also ensured that CESC's operation is conducted in a harmonious way by reducing distribution losses, benefitting both the Company and the community around the area of operation.

### Strengthening Communities

CESC believes that strong communities are the underpinning of a successful and responsible business. CESC upholds its brand equity, builds trust and harmonizes its relationship with the communities in which it operates by listening to their voices, responding to their needs and actively participating through engagements that are designed to facilitate the provision of these needs. The interventions of CESC encompass education and child protection, skill development, health and environment, the highlights of the impact of some of these projects is showcased below.

Thematic Areas	Programmes	Focus Area
Education and Child Protection	<ul style="list-style-type: none"> <li>- Roshni</li> <li>- Hamari Awaaz</li> <li>- School Build</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitating underprivileged children in urban slums to acquire quality education</li> <li>- Creating awareness on child protection and child rights and prevention of child abuse and violence</li> <li>- Provision of access to basic healthcare services/facilities, providing conducive and child-friendly environment for learning and development by improving school infrastructure</li> </ul>
Health	<ul style="list-style-type: none"> <li>- Suswasthya</li> <li>- Upgradation of Public Health Facilities</li> </ul>	<ul style="list-style-type: none"> <li>- Emphasises on improvement of maternal and child health care in urban slums</li> <li>- Improving health related infrastructure in public health facilities</li> </ul>
Environment	<ul style="list-style-type: none"> <li>- City Beautification Project</li> </ul>	<ul style="list-style-type: none"> <li>- Maintenance of green verge on some of the major arterial roads of Kolkata in its commitment to protect the environment of the city</li> </ul>
Skill Development	<ul style="list-style-type: none"> <li>- Saksham</li> <li>- Prayas</li> <li>- Udaan</li> </ul>	<ul style="list-style-type: none"> <li>- Undertaking Skill Development and Employment Generation programmes</li> </ul>
Access to Clean Drinking Water, Sanitation and Hygiene	<ul style="list-style-type: none"> <li>- Nirmal Abhiyan</li> <li>- Nirmal Sankalp</li> <li>- Nirmal Kolkata</li> </ul>	<ul style="list-style-type: none"> <li>- Creating a child-friendly environment in government schools by providing safe drinking water and sanitation facilities.</li> <li>- Providing access to safe drinking water and sanitation and conducting health awareness camps</li> <li>- Providing access to hygienic sanitation facilities through its Community sanitation projects</li> </ul>

CESC encourages its employees passionate about serving its communities with empathy to dedicate time off to volunteer.

### Data Governance and Security

CESC strives to adopt the best practices and establish a sound governance structure to assess potential risks, monitor the information systems and security controls and take preventive and corrective actions wherever applicable for which it imparts regular training to its information security personnel. The corporate data centre is ISO 27001 certified. The Company endeavours to use digital and ICT technology to extensively monitor the material issues and identify risk, as it has been monitoring for environmental compliance and predicting critical faults and failures across the value chain. The Company continues to update and publish the Corporate ICT Policy in the Company's intranet page from time to time and has a practice of periodic IT-OT security assessment by CERT-IN empanelled auditors.

On behalf of the Board of Directors

Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman  
DIN: 00074796

# Secretarial Audit Report

## (Annexure 'F' to the Board's Report)



### SECRETARIAL AUDIT REPORT (Form No. MR-3)

FOR THE FINANCIAL YEAR ENDED 31 March, 2021

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, including by way of remote mode, in view of the current Covid pandemic we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.March 2021 ('Audit Period') complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2021 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act; 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company:- **As reported to us, there were no FDI and ODI transactions in the Company during the Audit Period**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, ;
  - 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) Regulations, 2014; **Not Applicable during the year.**
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.**
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **As mentioned hereinafter.**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not applicable to the Company during the year**
  - i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;

- ii. Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited

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

1. A sum of ₹ 2.79 crores was spent on CSR Activities by the company directly and a sum of ₹ 19.50 crores was transferred to CESC Limited Unspent CSR Account 2020-21 for contributing to school project undertaken by RP-Sanjiv Goenka Group CSR Trust and recognized by the Company as its "Ongoing Project"

Total amount required to be spent by the Company on CSR was ₹ 21.92 crores and the amount spent during the year under report was ₹ 22.30 crores.

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice was given to all directors to schedule the Meetings of the Board and Committees of the Board. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
3. All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board as the case may be.
4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-
  - (i) The Electricity Act, 2003 and the Electricity Rules, 2005.
  - (ii) The Factories Act, 1948.
  - (iii) The Payment of Bonus Act, 1965.
  - (iv) The Industrial Disputes Act, 1947.
  - (v) The Employees Provident Fund and Miscellaneous

Provisions Act, 1952.

- (vi) The Employees' State Insurance Act, 1948.

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

1. The Board of Directors of the Company have inter-alia decided to re-orient and re-organise the power distribution business of the Company under Eminent Electricity Distribution Limited("Eminent"), a wholly owned subsidiary of the Company, as its distribution arm and, over a period of time and subject to applicable laws, consolidate in Eminent all investments of the company in distribution business (other than in its operations in Kolkata and adjoining areas).
2. The Company issued and allotted on private placement basis secured listed redeemable non-convertible debentures aggregating to ₹ 300 crores on 21 May, 2020 to ICICI Bank Limited. The said debentures are secured by a pari pasu first charge on the company's movable and immovable fixed assets in terms of the Information Memorandum to the issue/ Debenture trust deed, as applicable.
3. The Company had issued and allotted on private placement basis secured unlisted redeemable non-convertible debentures aggregating to ₹ 250 crores for cash at par to DBS Bank Limited on 13 October, 2020.
4. The Company had issued and allotted on private placement basis secured listed redeemable non-convertible debentures aggregating ₹ 200 crores for cash at par to CITIbank N.A. on 24 December, 2020.
5. As informed to us necessary compliances will be done within the requisite timeline in terms of the above issues respectively.
6. The company has created/modified/satisfied various charges with the Registrar of Companies during the Audit period, as per details available at the MCA portal.
7. Article 88 of the Articles of Associations of the Company was altered by a special resolution passed by the shareholders of the Company through Postal Ballot on 15 April,2021 to inter alia enable it to increase its number of directors to 15.
8. The Equity shares of the Company were delisted from the Calcutta Stock Exchange Limited with effect from 23 November, 2020.
9. During the year under review Noida Power Company Limited has become a subsidiary of the Company.
10. In this Certificate, we have not taken into consideration the events which are already in public domain and also not those events which have not come to our knowledge while conducting this audit.
11. This certificate is being issued under precautionary measures of work from home due to COVID-19 with limited resources available to us.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its officers for systems and mechanism set-up by the Company for compliances under applicable Laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

(S.M.Gupta)

Partner

S.M.Gupta & Co.,

Company Secretaries

Firm Registration No. : P1993WB046600

Membership No.- FCS No:896

C P No:2053

Place: Kolkata

Date: June 16, 2021

Enclo: Annexure forming an integral part of this Report

Peer Review No: 718/2020

UDIN: F000896C000472532

To,  
The Members,

**CESC Limited**  
Registered Office- CESC House, Chowringhee Square  
Kolkata-700 001

“Annexure”

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

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

(S. M. Gupta)

Partner

S. M. Gupta & Co.,  
Company Secretaries

Firm Registration No. : P1993WB046600

Membership No. - FCS No:896

C P No. :2053

Peer Review No: 718/2020

UDIN: F000896C000472532

Place: Kolkata

Date: June 16, 2021

# Secretarial Audit Report (Annexure 'F1' to the Board's Report)



## SECRETARIAL AUDIT REPORT (Form No. MR-3) FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021

[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, 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, 2021 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 31<sup>ST</sup> March, 2021 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 Stock 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 2<sup>nd</sup> 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 (SS-1 & SS-2) 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;

**We further report that**, during the financial year under review, following events/ actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

- (a) Company became "**Subsidiary**" of CESC Ltd. as per section 2 (87)(ii) of the Companies Act,2013 and the rules made thereunder.

R.K. & Associates  
Company Secretaries

Place: Kanpur  
Date: May 22, 2021

Rekha Kejriwal  
F5978/COP24476  
UDIN: F005978C000353151

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 2020-2021 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.

Place: Kanpur  
Date: May 22, 2021

R.K. & Associates  
Company Secretaries  
Rekha Kejriwal  
F5978/COP24476  
UDIN: F005978C000353151

# Secretarial Audit Report

## (Annexure 'F2' to the Board's Report)



### SECRETARIAL AUDIT REPORT (Form No. MR-3)

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2021

[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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 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 there under 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 there under **(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 there under;
- (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, 2009 (till November 09, 2018);
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (w.e.f. November 10, 2018);
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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, 2009; and
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the financial year ended on 31<sup>st</sup> March, 2021, 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. 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 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 Company has accorded the consent of members to the Board of Directors for the following specific events/action:

- 1) Approval of members was taken for payment of Remuneration of ₹ 4,50,000/- of M/s. Shome & Banerjee, Cost accountants, as Cost auditors of the Company for the Financial year ending 31.03.2021.
- 2) Approval of members was taken pursuant to provisions of the Section 14 and other applicable provisions of the Companies Act, 2013 including any statutory modifications or re-enactment thereof for the time being in force, for alteration of Article 171 of the Articles of Association by substituting the same with the following new Article 171: "The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorized by it in that behalf, and except in the presence of any two Directors or by a Director and the company secretary or one Director or the Company Secretary or such other person as the Board may appoint who shall sign every instrument to which the Seal of the Company is so affixed in his presence".

Place: Kolkata  
Date: June 15, 2021

For M/s Manoj Shaw & Co  
(Company Secretaries)  
Manoj Prasad Shaw (Proprietor)  
FCS No. 5517 C P No.: 4194  
UDIN: F005517C000464250

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,**  
**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  
UDIN: F005517C000464250

Place: Kolkata  
Date: June 15, 2021

# Secretarial Audit Report

(Annexure 'F3' to the Board's Report)



## SECRETARIAL AUDIT REPORT (Form No. MR-3)

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March 2021

[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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March, 2021 according to the provisions of:

- a) The Companies Act, 2013 (the Act) (including amendments made thereto) 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);

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. Electricity Act, 2003 and the Electricity Rules, 2005.
- b. Factories Act, 1948
- c. The Industrial Dispute Act, 1947
- d. The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- e. The Employees State Insurance Act, 1948

- f. The Indian Contract Act, 1872;
- g. Minimum Wages Act, 1948;
- h. Contract Labour (Regulation and Abolition) Act, 1970;
- i. The Sexual Harassment of Women at Workplace (Prevention, Prohibition, Redressal) Act, 2013;

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 there under;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (not applicable pursuant to MCA notification no. G.S.R. 43(E) dated 22.01.2019)
- (iii) 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, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

During the financial year ended on 31st March, 2021, 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, Non-Executive Directors and Independent Directors. No changes took place in the composition of the Board of Directors during the period under review.

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.

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 have accorded their consent for the following specific events/ actions having a major bearing on the Company's affairs:-

- To re- appoint Mr. Goutam Ghosal (DIN: 08153492), Whole time Director of the Company, with effect from 8 June 2020.

For M/s Manoj Shaw & Co.  
(Company Secretaries)

Manoj Prasad Shaw

Place: Kolkata (Proprietor) FCS No. 5517; C P No.: 4194

Date: June 15, 2021 UDIN NO: F005517C000464602

**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  
UDIN NO: F005517C000464602

Date: June 15, 2021  
Place: Kolkata

# Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended March 31, 2021 (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. Standardization to higher rated UG cables, 1000 mm<sup>2</sup> at 33 kV & 300 mm<sup>2</sup> at 6/11 kV Distribution Network as an ongoing process.
3. Continued augmentation of Substation plant capacity and laying new underground and overhead lines.
4. Induction of energy efficient Distribution Transformers with low losses by including Loss Capitalization as a bid evaluation criterion as an ongoing process.
5. Installing around 800 nos. Modified Pillar Boxes with HRC fuses.

## B. Additional investment/proposals

1. During the year, several major plant and equipment and lines were commissioned. These include:
  - a. 50 MVA 132/33kV old and outlived power transformer at Majerhat Substation has been replaced by 75 MVA new transformer.
  - b. 13-Panel 33 kV GIS Board has been extended at Kasba Receiving Station
  - c. 5 Panel 33 kV GIS has been installed at Kona Distribution Station.
  - d. One new 16 MVA Distribution Station named Maheshtala (N) D/S has been commissioned along with 3 panel 33kV GIS board.
  - e. 2nd 25 MVA transformer at Taratala (West) Distribution Station
  - f. At the 33/11-6 kV Distribution Station level, 41MVA of capacity was added at various Distribution Stations.
  - g. 99 Nos Distribution Transformers (DTs ) aggregating 47.24 MVA were added during the year taking the installed base to 8535 DTs and 2908MVA.
  - h. 132 kV GF ckts between WBSETCL Lilloah and Belur Receiving Station have been replaced by 800 sq mm XLPE cable.
  - i. Lengths of lines added at different voltage levels were: 0.75 ckm at 220 kV, 4.18ckm at 132 kV, 8.406ckm at 33 kV, 66.88 ckm at 11 & 6 kV and 268.83ckm 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.
- Portable Outdoor Power Distribution Centre (PDC) i.e. a containerized E-House at a Distribution Station for optimizing space utilization, cost and reduction of execution time has been planned for two distribution stations.
- AMI based smart metering - around 26000 smart meters installed in CESC system.
- Installation of centralized Video surveillance system in the power cable tunnel (constructed in 1931) under the river Hooghly and at different EHV substations.
- Installation of SCADA through wireless at fringe area Distribution substations.
- Online PD measurement technology using HFCT (High Frequency Current Transformer) technique (improved version) for monitoring live cables.

- Real-time monitoring of hot spot in out-door yard using thermal cameras.
  - Drone based infra-red thermography of outdoor yard.
  - Drone based mapping of power corridor of all the existing overhead 132kV and 220kV lines.
  - Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.
  - 2050 nos. Automatic Power Factor Controllers (APFC) in LT distribution network for effective capacity utilization and loss reduction .
  - Electric Vehicle Charging station at 3 different locations for charging public electricvehicles in association with Kolkata Municipal Corporation.
  - Installation of Battery Energy Storage System (BESS). The Company has installedBESS of 315 kWh capacity in association with Exide Industries. BESS is targeted to address frequency regulation, solar intermittency, peak power shaving and supplyvoltage improvement.
  - Incorporated Industrial IoT based Field Devices/Sensors for real-time condition monitoring of Power & Distribution Transformers.
  - 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 for Metering complaint related Inspection Activity for handling Customer Complaints through Smart Tablet causing substantial reduction in Cycle Time of activities.
  - Registered applications for Patents for a few innovations / technology absorption.
  - Installation of Direct Stroke Lightning protection system to enhance reliability of lightning protection system
  - Installation of Solar PV cell at company's establishments
  - Technology trials with 4G & NBIoT in the AMR & smart metering segments for scattered deployment , beyond the currently employed 2G communication, as 2G isbecoming fast fading out, given the backdrop that 3G, a relatively newer offering compared to 2G has already become obsolete before 2G
  - Self-healing Distribution Station has been rolled out for strategic station(s) for fasterrestoration, without any manual intervention, in case of 33kV cable outage.
- D.** Research and Development activities continued to be an area of focus for the Companyfor achieving constant improvements in various operational functions for enhancing quality, productivity and consumer satisfaction. The expenses on such activities have been Rs. 0.24 crore during the year (previous year Rs. 0.30 crore).

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There have been foreign exchange earnings during the year of Rs. 0.003 crore (previous year- Nil). The total foreign exchange outgo was Rs. 2.15 crore (previous year Rs. 1.70 crore).

For and on behalf of the Board of Directors

Place : Kolkata  
 Date : June 16,2021

Dr. Sanjiv Goenka  
 Chairman  
 DIN : 00074796

(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. Kalaikuruchi Jairaj, Mr. Pradip Kumar Khaitan, Mr. Sunil Mitra and Ms. Rekha Sethi to the median remuneration of the employees of the Company for the financial year 2020-21 and increase in their remuneration during the said financial year (Percentage) is 57.91:1 (2.33%), 2.87 : 1 (4.17%), 2.53 : 1 (-12%), 196.8 : 1 (-51.13%), 195.7 : 1 (NA)# 1.84 : 1 (-15.79%) 1.95 :1 (-15%) 1.72 :1 (NA)# and 2.30 : 1 (17.65%), respectively. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 0.25% and 4.27% respectively. During the said financial year, there was a decrease\* of 7.38% in the median remuneration of employees on the rolls as at March 31, 2021. There were 7377 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2020-21 the average decrease\* in remuneration was 0.03% (3) The average percentage decrease\* in the salaries of employees on roll as at 31.3.2021 other than the managerial personnel was 1.78% in 2020-21 whereas the increase in the managerial remuneration for the same financial year was 5.79%. (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company. (\*Arrear salary pursuant to Memorandum of Settlement with effect from April 1, 2018 was paid during the financial year 2019-20, the effect of which if neutralised, the average increase in remuneration work out to 4.08% and the average percentage increase in the salaries of employees on roll as at March 31, 2021 other than the managerial personnel work out to 2.93%, # Not comparable since appointed in the later part of the financial year 2019-20.)

For and on behalf of the Board of Directors

Place : Kolkata  
Date : June 16, 2021

Dr. Sanjiv Goenka  
Chairman  
DIN :00074796

# INDEPENDENT AUDITORS' 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 2021, 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, 2021, 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 judgement, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2021. 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 and corresponding asset / liability (as described in note 39 of the standalone financial statements)

#### Key Audit Matter:

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

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

## Independent Auditors' Report (Contd.)

reference to the APR process and the tariff regulations.

- We have assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".
2. Investments in subsidiaries of the Company (as described in note 7 of the standalone financial statements)

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder Information, Report on

Corporate Social Responsibility Activities, Business Responsibility Report and Statement containing salient features of the financial statements of Subsidiaries/Joint Ventures, 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.
- 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, 2021 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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;

## Independent Auditors' Report (Contd.)



(g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 31 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards,

for material foreseeable losses, if any, on long-term contracts including derivative contracts in the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

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

per **Kamal Agarwal**  
Partner

Place of Signature: Kolkata  
Date: June 16, 2021

Membership Number: 058652  
UDIN: 21058652AAAABT9334

# “Annexure 1” to Independent Auditors’ Report

## Annexure 1 referred to in paragraph 1 of the section on “Report on Other Legal and Regulatory Requirements” of our report on even date

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets except those in distribution system for which we have been informed that physical verification is not possible, have been physically verified by the management according to phased programme designed to cover all items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company, except for land aggregating to ₹ 188.66 crores, of which the lease deeds have expired. As explained to us, the Company is in the process of renewal of expired lease deeds.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have substantially been confirmed by them as at March 31, 2021 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation and distribution of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income-tax, sales tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (₹ In crores)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs Duty	19.38	2011-12 and 2012-13	Customs, Excise and Service Tax Appellate Tribunal.

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. There was no repayment due to debenture holders during the year. The Company did not have any outstanding loans or borrowings in respect of a financial institution or Government during the year.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instrument in the nature of non-convertible debentures and term loans for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no

## “Annexure 1” to Independent Auditors’ Report (Contd.)



- material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- x. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Place of Signature: Kolkata  
Date: June 16, 2021

per **Kamal Agarwal**  
Partner  
Membership No.: 058652  
UDIN: 21058652AAAABT9334

## “Annexure 2” to Independent Auditors’ Report

### 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, 2021 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 Companies Act, 2013, 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 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 these 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 these 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 these Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to these 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 these standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## “Annexure 2” to Independent Auditors’ Report (Contd.)



### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to these standalone financial statements

were operating effectively as at March 31, 2021, 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 Control Over Financial Reporting issued by the ICAI.

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

Place of Signature: Kolkata  
Date: June 16, 2021

per **Kamal Agarwal**  
Partner  
Membership Number: 058652  
UDIN: 21058652AAAABT9334

## Balance Sheet as at 31st March, 2021

Particulars	Note No.	₹ in crore	
		As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4	14,265.22	14,629.69
Capital work-in-progress		66.31	89.28
Investment Property	5	62.87	62.63
Intangible Assets	6	109.28	117.51
<b>Financial Assets</b>			
Investments	7	5,060.45	4,430.57
Loans	8	51.64	40.07
Others	9	63.67	75.17
Other non-current assets	10	120.27	120.09
	(A)	19,799.71	19,565.01
<b>Current Assets</b>			
Inventories	11	379.91	387.17
<b>Financial Assets</b>			
Investments	12	13.49	15.01
Trade receivables	13	1,394.42	991.19
Cash and cash equivalents	14	551.94	1,050.23
Bank balances other than cash and cash equivalents	15	404.87	362.61
Others	16	130.95	89.47
Other current assets	17	223.07	250.15
	(B)	3,098.65	3,145.83
Regulatory deferral account balances	(C)	4,759.18	4,240.80
<b>TOTAL ASSETS</b>	(A+B+C)	27,657.54	26,951.64
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	19	133.22	133.22
Other Equity	20	9,844.36	9,904.81
	(D)	9,977.58	10,038.03
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	21	5,410.61	3,688.46
Trade Payables		-	-
(a) Total outstanding dues of micro enterprises & small enterprises		50.60	48.10
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		1,715.84	1,622.67
Consumers' Security Deposits	45	130.61	238.82
Others	22	455.83	409.35
Provisions	23	3,384.81	3,480.78
Deferred tax liabilities (net)	24	184.08	189.11
Other non-current liabilities	25	11,332.38	9,677.29
	(E)		
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	26	913.89	1,590.01
Trade Payables		-	-
(a) Total outstanding dues of micro enterprises & small enterprises	27	18.43	13.83
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		778.12	583.66
Others	28	2,540.98	2,863.60
Other current liabilities	29	434.67	555.16
Provisions	30	84.79	62.56
Current tax liabilities (net)		50.81	103.15
	(F)	4,821.69	5,771.97
Regulatory deferral account balances	(G)	1,525.89	1,464.35
<b>TOTAL EQUITY AND LIABILITIES</b>	(D+E+F+G)	27,657.54	26,951.64
Notes forming part of Financial Statements	1-54		

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

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 16th June, 2021

Chairman  
 Managing Director - Generation  
 Managing Director - Distribution  
 Company Secretary  
 Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
 Rabi Chowdhury DIN : 06601588  
 Debasish Banerjee DIN : 06443204  
 Jagdish Patra  
 Rajarshi Banerjee

## Statement of Profit and Loss for the year ended 31st March, 2021

		₹ in crore	
Particulars	Note No.	2020-21	2019-20
Revenue from operations	32	6,921.48	7,835.93
Other income	33	180.19	145.88
<b>Total Income</b>		<b>7,101.67</b>	<b>7,981.81</b>
<b>Expenses</b>			
Cost of electrical energy purchased		2,649.06	2,965.99
Cost of fuel	34	1,317.47	1,550.74
Purchase of stock-in-trade		17.31	16.75
Employee benefits expense	35	899.95	968.73
Finance costs	36	501.68	544.23
Depreciation and amortisation expense	37	462.74	447.65
Other expenses	38	862.98	900.97
<b>Total expenses</b>		<b>6,711.19</b>	<b>7,395.06</b>
<b>Profit before regulatory income/ (expense) and tax</b>		<b>390.48</b>	<b>586.75</b>
Regulatory Income/ (Expense) (net)	39	456.92	531.86
<b>Profit before tax</b>		<b>847.40</b>	<b>1,118.61</b>
<b>Tax expense</b>	44		
Current tax		(128.82)	(195.06)
Deferred tax - Income / (Expense)		95.89	(5.80)
<b>Profit for the year</b>		<b>814.47</b>	<b>917.75</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(40.13)	(40.20)
Income tax on above		7.01	7.02
Gain/(loss) on fair value of Investments		(0.34)	0.02
Deferred tax (charge)/credit on above		0.08	(0.00)
Regulatory Income/ (Expense) -deferred tax		(0.08)	0.00
Other comprehensive Income for the year (net of tax)		(33.46)	(33.16)
<b>Total comprehensive income for the year</b>		<b>781.01</b>	<b>884.59</b>
Basic & Diluted Earnings per equity share (Face value of ₹10 per share)	47	61.44	69.23
Notes forming part of Financial Statements	1-54		

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

For and on behalf of Board of Directors

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 16th June, 2021

Chairman  
Managing Director - Generation  
Managing Director - Distribution  
Company Secretary  
Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
Rabi Chowdhury DIN : 06601588  
Debasish Banerjee DIN : 06443204  
Jagdish Patra  
Rajarshi Banerjee

# Statement of Cash Flow for the year ended 31st March, 2021



	₹ in crore	
Particulars	2020-21	2019-20
<b>A. Cash flow from Operating Activities</b>		
Profit before tax	847.40	1,118.61
Adjustments for :		
Depreciation and amortisation expense	462.74	447.65
Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net)	(0.35)	5.02
Gain on sale/fair valuation of current investments (net)	(15.68)	(42.57)
Provision for Bad Debt	8.23	36.58
Bad debts, advances (net) written off	3.66	29.51
Dividend Income	-	(29.73)
Finance costs	501.68	544.23
Interest Income	(29.92)	(24.78)
Other non-operating income	(57.68)	(18.09)
<b>Operating Profit before Working Capital changes</b>	<b>1,720.08</b>	<b>2,066.43</b>
Adjustments for change in:		
Trade & other receivables	(334.09)	203.12
Inventories	7.26	(4.54)
Net change in regulatory deferral account balances	(456.92)	(531.86)
Trade and other payables	45.26	(286.21)
<b>Cash Generated from Operations</b>	<b>981.59</b>	<b>1,446.94</b>
Income Tax paid (net of refund)	(171.83)	(164.60)
<b>Net cash flow from Operating Activities</b>	<b>809.76</b>	<b>1,282.34</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(439.01)	(624.06)
Proceeds from Sale of Property, Plant and Equipment	8.08	5.36
Investment in subsidiaries including advance for share subscription	(622.10)	(31.36)
Sale/(purchase) of Current Investments (net)	17.20	542.60
Income from investment property	-	7.19
Net movement in Bank Balances other than Cash and Cash equivalents	(42.26)	(60.33)
Dividend received	-	29.73
Interest received	13.06	17.16
<b>Net cash used in Investing Activities</b>	<b>(1,065.03)</b>	<b>(113.71)</b>

# Statement of Cash Flow for the year ended 31st March, 2021



₹ in crore

Particulars	2020-21	2019-20
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Non Current Borrowings*	2,414.88	1,497.00
Repayment of Non Current Borrowings*	(892.66)	(1,170.37)
Net movement in Cash credit facilities and other Current Borrowings	(676.12)	104.57
Payment of Lease Liabilities	(32.47)	(25.81)
Finance Costs paid	(462.62)	(526.29)
Dividend paid	(594.03)	(264.31)
Tax on Dividend paid	-	(54.49)
<b>Net Cash used in Financing Activities</b>	<b>(243.02)</b>	<b>(439.70)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(498.29)</b>	<b>728.93</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 14]</b>	<b>1,050.23</b>	<b>321.30</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 14]</b>	<b>551.94</b>	<b>1,050.23</b>

\* Net of ₹ 542.62 crore (previous year: Nil) utilized for refinancing of borrowings.

₹ in crore

Changes in liabilities arising from financing activities	1-Apr-20	Cash Flows	Others	31-Mar-21
Current borrowings	1,590.01	(676.12)	-	913.89
Non-Current borrowings (including current maturities)	4,878.86	1,522.22	(15.67)	6,385.41
Lease Liabilities	268.76	(32.47)	(81.91)	154.38
<b>Total liabilities from financing activities</b>	<b>6,737.63</b>	<b>813.63</b>	<b>(97.58)</b>	<b>7,453.68</b>

Changes in liabilities arising from financing activities	1-Apr-19	Cash Flows	Others	31-Mar-20
Current borrowings	1,485.44	104.57	-	1,590.01
Non-Current borrowings (including current maturities)	4,577.50	326.62	(25.26)	4,878.86
Lease Liabilities	65.68	(25.81)	228.89	268.76
<b>Total liabilities from financing activities</b>	<b>6,128.62</b>	<b>405.38</b>	<b>203.63</b>	<b>6,737.63</b>

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

For S.R. BATLIBOI & Co. LLP  
Chartered Accountants  
Firm Registration Number -301003E/E300005

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 16th June, 2021

For and on behalf of Board of Directors

Chairman  
Managing Director - Generation  
Managing Director - Distribution  
Company Secretary  
Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
Rabi Chowdhury DIN : 06601588  
Debasish Banerjee DIN : 06443204  
Jagdish Patra  
Rajarshi Banerjee

## Statement of changes in Equity for the year ended 31st March 2021

### A Equity Share Capital

₹ in crore

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares of ₹ 10 each issued, subscribed and fully paid			
As at 31 March 2020	133.22	-	133.22
<b>As at 31 March 2021</b>	<b>133.22</b>	-	<b>133.22</b>

### B Other Equity

₹ in crore

Particulars	Reserves and Surplus *				Total
	Retained Earnings	Equity Instruments through Other Comprehensive Income	Capital Reserve	Fund for unforeseen exigencies	
<b>Balance as at 1 April, 2020</b>	<b>10,432.30</b>	<b>5.51</b>	<b>(812.10)</b>	<b>279.10</b>	<b>9,904.81</b>
Profit for the year	814.47				814.47
Other Comprehensive loss for the year (net of tax)	(33.12)	(0.34)			(33.46)
<b>Total</b>	<b>11,213.65</b>	<b>5.17</b>	<b>(812.10)</b>	<b>279.10</b>	<b>10,685.82</b>
Dividends paid (including tax there on) [refer note 19(f)]	(596.51)				(596.51)
Transfer to/from retained earnings	(19.50)			19.50	-
Withdrawal of additional depreciation during the year (refer note 49)	(243.57)				(243.57)
Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (refer note 49)	(1.38)				(1.38)
<b>Balance as at 31 March, 2021</b>	<b>10,352.69</b>	<b>5.17</b>	<b>(812.10)</b>	<b>298.60</b>	<b>9,844.36</b>

Particulars	Reserves and Surplus *				Total
	Retained Earnings	Equity Instruments through Other Comprehensive Income	Capital Reserve	Fund for unforeseen exigencies	
Balance as at 1 April, 2019	10,177.03	5.49	(812.10)	260.43	9,630.85
Profit for the year	917.75				917.75
Other Comprehensive loss for the year (net of tax)	(33.18)	0.02			(33.16)
<b>Total</b>	<b>11,061.60</b>	<b>5.51</b>	<b>(812.10)</b>	<b>260.43</b>	<b>10,515.44</b>
Dividends paid (including tax there on)	(319.60)				(319.60)
Transfer to/ from retained earnings	(18.67)			18.67	-
Withdrawal of additional depreciation during the year (refer note 49)	(286.89)				(286.89)
Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (refer note 49)	(4.14)				(4.14)
<b>Balance as at 31 March, 2020</b>	<b>10,432.30</b>	<b>5.51</b>	<b>(812.10)</b>	<b>279.10</b>	<b>9,904.81</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

 Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 16th June, 2021

Chairman	Sanjiv Goenka	DIN : 00074796
Managing Director - Generation	Rabi Chowdhury	DIN : 06601588
Managing Director - Distribution	Debasish Banerjee	DIN : 06443204
Company Secretary	Jagdish Patra	
Executive Director & CFO	Rajarshi Banerjee	

# Notes forming Part of Financial Statements



**NOTE-1** The operations of the Company are governed by the Electricity Act, 2003 and various Regulations and / or Policies framed thereunder by the appropriate authorities. Accordingly, in preparing the financial statements the relevant provisions of the said Act, Regulations etc. have been duly considered.

## **NOTE-2A SIGNIFICANT ACCOUNTING POLICIES**

The standalone financial statements have been prepared to comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 and the regulations under the Electricity Act, 2003 to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

### **(a) Basis of Accounting**

The financial statements have been prepared on the historical cost convention except for the following:

- i. Investments, except investment in subsidiaries and joint ventures, are carried at fair value.
- ii. Certain financial assets and liabilities (including derivative instruments) are measured at fair value.

### **(b) Use of estimates**

As required under the provisions of Ind AS for preparation of financial statements in conformity thereof, the management has made judgements, estimates and assumptions that affect the application of accounting policies, and the reported amount of assets, liabilities, income, and expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

### **(c) Property, plant and equipment (PPE)**

#### **Tangible Assets and Depreciation**

Tangible Assets are stated either at deemed cost as considered on the date of transition to Ind- AS or at cost of acquisition / construction together with any incidental expenses related to acquisition and appropriate borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets, other than freehold land is provided on straight line method on a pro rata basis at the useful life specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Leasehold land is amortized over the unexpired period of the lease as appropriate. Additional charge of depreciation for the year on increase in value arising from fair valuation on date of transition to Ind AS, is recouped from Retained Earnings. Leasehold improvement is amortized over the unexpired period of the lease.

Useful Life of Tangible Assets is as follows:

Particulars	Useful Life of Assets
Buildings and Structures	25-50 Years
Plant and Equipment	5-25 Years
Distribution System	25-35 Years
Meters	7-15 Years
River Tunnel	50 Years
Furniture and Fixtures	15 Years
Office Equipment	5-15 Years
Vehicles	5 Years
Railway Sidings	50 Years

### **(d) Investment properties**

Property that is held for long term rental yields is classified as investment property. Carrying amount as per previous GAAP has been considered as deemed cost as on date of transition to Ind AS.

## (e) Intangible Assets and amortisation

Intangible assets comprising computer software and mining rights, expected to provide future enduring economic benefits are stated either at deemed cost as considered on date of transition to Ind AS or at cost of acquisition / implementation / development less accumulated amortisation. The present value of the expected cost of restoration of the coal mine is included in its cost. An impairment loss is recognized where applicable, when the carrying value of intangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

Cost of intangible assets, comprising Computer Software related expenditure, are amortised in three years over its estimated useful life. Mining rights are also amortised over the estimated useful life of the assets of twenty years based on management's internal assessment.

## (f) Lease

### Company as a lessee

The Company's lease asset classes primarily consist of leases for land, plant & equipment, buildings and offices. The Company assesses whether a contract contains a lease, at the inception of a contract.

At the date of commencement of the lease, the Company recognizes a right of use asset (ROU) and a corresponding lease liability for all lease arrangements, in which it is a lessee, except for leases with a term of twelve months or less (short-term leases), non lease components (like maintenance charges, etc.) and leases of low value assets.

For these short-term leases, non lease components and lease of low value assets, the Company recognizes the lease rental payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. An impairment loss is recognised where applicable, when the carrying value of ROU assets of cash generating units exceed its fair value or value in use, whichever is higher.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of the future lease payments.

### Company as 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 on the date of transition to Ind-AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer Note 41).

For trade receivables the simplified approach of expected life time losses has been used from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

### **(h) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

Cost of commitment for borrowings of subsidiaries are recognised as a liability at the time such commitment is issued. The liability is initially measured at fair value and subsequently at the amount initially recognised less cumulative amortisation.

### **(i) Derivatives**

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives also give rise to regulatory income or expense which is recognised through Statement of Profit and Loss and would be considered in determining the Company's future tariff as per the tariff regulations.

### **(j) Inventories**

Inventories of stores, fuel and traded goods are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

### **(k) Foreign Currency Transactions**

The Company's financial statements are presented in INR which is also the functional currency of the Company. Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement/translation of monetary items is recognized in the Statement of Profit and Loss.

The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement also gives rise to regulatory income or expense which is recognised as refundable or recoverable, which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the derivative contracts entered into for managing risks thereunder.

### **(l) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at banks, cash on hand and term deposits with original maturity of three months or less.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash, cheques and draft on hand, Balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### **(m) Revenue from Operations**

Revenue from contracts with customers is recognised on supply of electricity or when services are rendered to the customers at an amount that reflects the consideration to which the company is entitled under appropriate regulatory framework.

Revenue to be earned from sale of electricity is regulated based on parameters set out in tariff regulations issued from time to time.

Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty collected from consumers and payable to the State Government.

The Company receives contribution from consumers in accordance with the Regulation, that is being used to construct or acquire items of property, plant and equipment in order to connect the consumer to the Company's distribution network. The Company recognises revenue in respect for such contributions so received from consumers in the year they are connected to the distribution network.

Income from meter rent is accounted for as per the approved rates.

### **(n) Other Income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, wherever applicable. Delayed Payment Surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers. Interest income arising from financial assets is accounted for using amortised cost method. Dividend Income is recognised when the right to receive is established.

### **(o) Employee Benefits**

The Company recognises contributions to provident fund, pension funds on an accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Company, impact of which is ascertained by way of actuarial valuation as at the year end. The Company, as per its schemes, extends employee benefits current and/or post retirement which are accounted for on accrual basis, and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, done by independent actuary. Actuarial gains and losses, where applicable, are recognised through Other Comprehensive Income. Compensation in respect of voluntary retirement scheme is charged to revenue.

### **(p) Finance Costs**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets up to the date, where such assets are ready for their intended use. The balance Finance costs is charged off to Statement of Profit and Loss. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the derivative contracts entered into for managing risks thereof. Interest expense arising from financial liabilities is accounted for under effective interest rate method.

### **(q) Taxes**

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

The Company reviews the MAT credit entitlement at each reporting date and recognises the credit against the tax payable to the extent that it is probable that it will be able to utilise the same against normal tax during the specified period.

Since tax on profits forms part of chargeable expenditure under the applicable regulations, current tax liability and deferred tax liability or asset is recoverable or payable, as applicable 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 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 has elected to adopt Ind AS 114, Regulatory Deferral Accounts. Expenses/Income are recognized as Regulatory Income/Expenses in the Statement of Profit and Loss to the extent recoverable or payable in subsequent periods based on the Company's understanding of the provision of the applicable regulations framed by the West Bengal Electricity Regulatory Commission (WBERC) and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances, at their present value duly considering discounting methodology using such rates in consonance with the applicable regulations and prudence. Regulatory Deferral Account balances are adjusted from the year in which these crystallise.

**NOTE-2B Summary of significant judgements and assumptions**

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :-

Estimated useful life of Intangible Assets	- Note -2A (e)
Estimated Fair Valuation/Impairment assessment of certain Investments	- Note-7 & Note-2 A (g)
Estimation of Regulatory Items	- Note -18 & 39
Estimation of Restoration Liability	- Note- 2A (e)
Impairment of Trade Receivables	- Note - 2A (g)
Estimates used in Actuarial Valuation of Employee benefits	- Note-35
Estimates used in Lease liabilities	- Note-50

**NOTE-3 Changes in existing Ind AS**

Amendments and interpretations as outlined below apply for the year ending 31st March 2021, but do not have an impact on the financial statements.

(a) Ind AS 116: Covid-19-Related Rent Concessions.

(b) Ind AS 103: Definition of 'Business'.

(c) Ind AS 1 and Ind AS 8: Definition of Material

(d) Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

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, 2020	Add: Adjustments	Less: Withdrawals/ Adjustments	As at 1st April, 2020	Add: Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2021	As at 31st March, 2020
Land *	3,052.14	-	-	99.04	19.44	-	2,933.66	2,953.10
Buildings and Structures **	1,016.32	18.84	101.01	184.70	43.72	1.76	707.49	831.62
Plant and Equipment	5,872.16	105.20	7.11	1,592.43	284.21	4.17	4,097.78	4,279.73
Distribution System	7,367.82	281.86	4.74	1,241.31	290.75	4.01	6,116.89	6,126.51
Meters and Other Apparatus on Consumers' Premises	370.67	20.47	7.82	116.06	40.26	5.48	232.48	254.61
River Tunnel	2.78	-	-	2.76	-	-	0.02	0.02
Furniture and Fixtures	36.12	1.00	0.39	11.03	2.29	0.18	23.59	25.09
Office Equipment	112.10	8.37	0.16	43.31	9.86	0.14	67.28	68.79
Vehicles	13.47	2.10	3.27	3.13	2.22	2.16	9.11	10.34
Railway Sidings	94.55	-	-	14.67	2.96	-	76.92	79.88
<b>Previous Year</b>	<b>17,938.13</b>	<b>437.84</b>	<b>124.50</b>	<b>3,308.44</b>	<b>695.71</b>	<b>17.90</b>	<b>14,265.22</b>	<b>14,629.69</b>
	17,173.09	814.86	49.82	2,619.86	723.88	35.30	14,629.69	

\* 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 ₹ 200.75 crore (31.03.2020: ₹ 210.34 crore) and Net Block ₹ 188.66 crore (31.03.2020: ₹ 199.27 crore)

3. ₹ 101.01 crore of withdrawal from Buildings and Structures includes ₹ 96.08 crore relating to adjustment on account of modification/termination of lease agreements.

**NOTE - 5 INVESTMENT PROPERTY**

PARTICULARS	COST / DEEMED COST		DEPRECIATION / AMORTISATION		NET BLOCK	
	As at 1st April, 2020	As at 31st March, 2021	As at 1st April, 2020	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Land - Freehold	62.63	0.24	-	-	62.87	62.63
	<b>62.63</b>	<b>0.24</b>	-	-	<b>62.87</b>	<b>62.63</b>
Previous Year	56.03	6.60	-	-	62.63	62.63

a) Income earned recognised in Statement of profit and loss ₹ 8.71 crore (previous year : ₹ 12.27 crore )

b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 283 crore (as on 31.03.20 : ₹ 279 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.

c) The lease term in respect of Investment Property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Company. This lease has been granted to Quest Properties India Limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said company. Incentive given by the Company by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one to five years ₹ 12.00 crore (as on 31.03.20: ₹ 12.26 crore) in each of the years and later than five years ₹ 79.98 crore (as on 31.03.20: ₹ 94.02 crore).

**NOTE - 6 INTANGIBLE ASSETS**

PARTICULARS	COST / DEEMED COST		AMORTISATION		NET BLOCK	
	As at 1st April, 2020	As at 31st March, 2021	As at 1st April, 2020	As at 31st March, 2021	As at 31st March, 2021	As at 31st March, 2020
Computer Software	27.88	2.37	26.38	2.86	1.01	1.50
Mining Rights	151.88	-	35.87	7.74	108.27	116.01
	<b>179.76</b>	<b>2.37</b>	<b>62.25</b>	<b>10.60</b>	<b>109.28</b>	<b>117.51</b>
Previous Year	178.70	1.06	51.59	10.66	117.51	117.51

## Notes forming Part of Financial Statements (Contd.)



	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE - 7 NON-CURRENT INVESTMENTS</b>		
<b>a Investments in Equity Instruments, unquoted, fully paid up, carried at fair value through other comprehensive income (FVTOCI) :</b>		
3,250 (31.03.2020 : 3,250) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	5.18	5.52
<b>b Investment in Subsidiary Companies, unquoted, fully paid up, carried at cost :</b>		
<b>(i) In Equity Instruments</b>		
8,03,50,000 (31.03.2020 : 73,50,000) Equity Shares of Malegaon Power Supply Limited of ₹ 10 each	80.64	7.64
4,16,50,000 (31.03.2020 : 3,91,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each *	-	-
13,55,05,800 (31.03.2020 : 13,55,05,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each	135.51	135.51
1,10,00,000 (31.03.2020 : 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each	1.85	1.85
2,87,00,000 (31.03.2020 : 2,87,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each *	-	-
28,23,615 (31.03.2020 : 28,23,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each *	-	-
44,20,983 (31.03.2020 : 44,20,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each *	-	-
35,30,80,000 (31.03.2020 : 26,40,80,000) Equity Shares of Kota Electricity Distribution Limited of ₹ 10 each @	355.40	266.36
12,75,50,000 (31.03.2020 : 12,00,50,000) Equity Shares of Bikaner Electricity Supply Limited of ₹ 10 each	128.99	121.49
2,00,50,000 (31.03.2020 : 2,00,50,000) Equity Shares of Bharatpur Electricity Services Limited of ₹ 10 each	20.61	20.56
4,07,00,000 (31.03.2020 : 4,07,00,000) Equity Shares of Crescent Power Limited of ₹ 10 each	71.91	71.91
1,20,34,41,049 (31.03.2020 : 1,20,34,41,049) Equity Shares of Haldia Energy Limited of ₹ 10 each	1,206.95	1,206.78
2,24,27,68,954 (31.03.2020 : 2,24,27,68,954) Equity Shares of Dhariwal Infrastructure Limited of ₹ 10 each @	2,561.64	2,561.27
3,56,50,000 (31.03.2020 : ₹ 3,40,50,000) Equity Shares of Jharkhand Electric Company Limited of ₹ 10 each *	-	-
20,53,000 (31.03.2020 : 20,53,000) Equity Shares of Jarong Hydro-Electric Power Company Limited of ₹ 10 each *	-	-
10,80,00,000 (31.03.2020 : 10,80,00,000) Equity Shares of Au Bon Pain Café India Limited of ₹ 10 each *	-	-
50,50,000 (31.03.2020 : 50,000) Equity Shares of Eminent Electricity Distribution Limited of ₹ 10 each	5.05	0.05
50,000 (31.03.2020 : 50,000) Equity Shares of CESC Green Power Limited of ₹ 10 each	0.05	0.05
2,97,28,500 (31.03.2020 : 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 (31.03.2020 : NIL) Optionally Convertible Redeemable Preference shares of face value ₹ 10 each issued by Eminent Electricity Distribution Limited	455.00	-
<b>c Investment in Joint Venture, unquoted, fully paid up, carried at cost :</b>		
24,29,800 (31.03.2020 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each *	-	-
<b>d Investment in Preference Shares , unquoted, fully paid up, carried at fair value through profit &amp; loss (FVTPL) :</b>		
5,00,000 (31.03.2020 : 5,00,000) Redeemable Preference shares of face value ₹ 100 each issued by Spencer's Retail Limited.	1.04	0.95
	<b>5,060.45</b>	<b>4,430.57</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	-	-
Aggregate Market value	-	-
<b>Investment in unquoted investments:</b>		
Aggregate Book value	5,060.45	4,430.57
<b>Aggregate provision for impairment in value of investments</b>	57.79	53.69
* Fully impaired.		
@ Based on valuation carried out by an Independent third party, there is no impairment .		

## Notes forming Part of Financial Statements (Contd.)

		₹ in crore	
		As at 31st March, 2021	As at 31st March, 2020
<b>NOTE - 8</b>	<b>NON CURRENT - LOANS</b>		
	Considered good - Unsecured		
	a. Security Deposit	47.83	36.94
	b. Loan to employees	3.81	3.13
		51.64	40.07
<b>NOTE - 9</b>	<b>NON CURRENT - OTHER FINANCIAL ASSETS</b>		
	a. Share application money to subsidiaries	8.50	20.00
	b. Lease Receivables	55.17	55.17
		63.67	75.17
<b>NOTE - 10</b>	<b>OTHER NON-CURRENT ASSETS</b>		
	a. Capital advances	54.55	50.95
	b. Other advances	65.72	69.14
		120.27	120.09
<b>NOTE -11</b>	<b>INVENTORIES</b>		
	a. Fuel (includes goods in transit 31.03.2021 : ₹ 67.98 crore ; 31.03.2020 : ₹ 61.49 crore )	193.45	208.54
	b. Stores and Spares	183.68	176.85
	c. Stock-in-trade	2.78	1.78
		379.91	387.17
<b>NOTE -12</b>	<b>CURRENT INVESTMENTS</b>		
	<b>Quoted</b>		
	<b>Investments in Mutual Funds carried at fair value through profit and loss (FVTPL) :</b>		
	442,780.675 units of ₹ 304.7364 each (31.03.2020 : 442,780.675 units of ₹ 293.7816 each) of ICICI Prudential Liquid Fund - Direct - Growth	13.49	13.01
	Nil (31.03.2020 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹ 10 each	-	2.00
	<b>Unquoted</b>		
	Investments in Commercial Paper carried at amortised cost*	-	-
		13.49	15.01
	<b>Investment in quoted investments:</b>		
	Aggregate Book value	13.49	15.01
	Aggregate Market value	13.49	15.01
	<b>Investment in unquoted investments:</b>		
	Aggregate Book value	-	-
	<b>Aggregate provision for impairment in value of investments</b>	30.00	30.00
	* Fully impaired.		
<b>NOTE -13</b>	<b>TRADE RECEIVABLES</b>		
	a. Considered good - Secured	793.04	540.31
	b. Considered good - Unsecured	601.41	450.91
	c. Credit Impaired	14.39	42.73
		1,408.84	1,033.95
	Less : Allowances for bad and doubtful debts	14.42	42.76
		1,394.42	991.19
	Trade Receivables includes a sum of unbilled revenue of ₹29.14 crore (31.03.2020: ₹28.93 crore)		

## Notes forming Part of Financial Statements (Contd.)



		₹ in crore	
		As at 31st. March, 2021	As at 31st. March, 2020
<b>NOTE-14</b>	<b>CASH AND CASH EQUIVALENTS</b>		
a.	Balances with banks		
	- In current accounts	546.69	1,044.91
b.	Cheques, drafts on hand	2.60	2.13
c.	Cash on hand	2.65	3.19
		<b>551.94</b>	<b>1,050.23</b>
<b>NOTE-15</b>	<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
	Unpaid Dividend Account	9.01	6.54
	Bank Deposits with original maturity more than 3 months	395.86	356.07
		<b>404.87</b>	<b>362.61</b>
a.	Amount lying in deposit accounts with banks as at 31st March, 2021 includes ₹ 279.85 crore (31.03.2020: ₹ 261.86 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.		
b.	Bank deposits with original maturity more than 3 months include ₹ 285.79 crore (31.03.2020 : ₹ 279.53 crore ) having original maturity more than 12 months as on the reporting date.		
<b>NOTE-16</b>	<b>OTHER FINANCIAL ASSETS</b>		
	<b>Unsecured, considered good</b>		
	Receivable from Related Parties	71.27	47.37
	Interest accrued on Bank Deposits	35.88	19.02
	Derivative financial instruments	6.87	22.50
	Receivable towards claims and services rendered	16.93	0.58
		<b>130.95</b>	<b>89.47</b>
<b>NOTE-17</b>	<b>OTHER CURRENT ASSETS</b>		
	Advances for goods and services	84.27	108.60
	Others	138.80	141.55
	(Includes prepaid expenses etc and also refer Note 31 (b))		
		<b>223.07</b>	<b>250.15</b>
<b>NOTE-18</b>	<b>REGULATORY DEFERRAL ACCOUNT BALANCES</b>		
	<b>Regulatory deferral account - debit balances</b>	<b>4,759.18</b>	<b>4,240.80</b>
	<b>Regulatory deferral account - credit balances</b>	<b>1,525.89</b>	<b>1,464.35</b>
	(Refer note no. 39 for details)		
<b>NOTE -19</b>	<b>EQUITY</b>		
a.	Authorised Share Capital		
	315,60,00,000 Equity Shares of ₹ 10/- each fully paid up (31.03.2020 : 315,60,00,000) Equity Shares of ₹ 10/- each fully paid up	<b>3,156.00</b>	<b>3,156.00</b>
b.	Issued Capital		
	13,88,57,015 ( 31.03.2020 : 13,88,57,015) Equity Shares of ₹ 10/- each fully paid up	<b>138.86</b>	<b>138.86</b>
c.	Subscribed and paid up capital		
	13,25,57,043 (31.03.2020 :13,25,57,043) Equity Shares of ₹ 10/- each fully paid up	<b>132.56</b>	<b>132.56</b>
d.	Forfeited Shares (amount originally paid up)	<b>0.66</b>	<b>0.66</b>
		<b>133.22</b>	<b>133.22</b>

## Notes forming Part of Financial Statements (Contd.)

e. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	Amount (₹ in crore)	No. of shares	Amount (₹ in crore)
At the beginning of the year	13,25,57,043	132.56	13,25,57,043	132.56
Add : Change during the year	-	-	-	-
At the end of the year	13,25,57,043	132.56	13,25,57,043	132.56

For the period of five years immediately preceding 31st March, 2021, no share was : - (i) allotted as fully paid up pursuant to any contract without payment being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

f Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10/- per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 45/- per equity share (31.03.2020: ₹ 20/- per equity share) has been paid during the year ended 31st March 2021. 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 The Board of Directors of the Company has approved a proposal to sub divide / split Company's existing 1(one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) fully paid-up into 10(ten) Equity Shares of ₹ 1/- (Rupee One Only) each fully paid-up, subject to approval of the shareholders and such other authorities, as may be necessary.

h Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [Refer Note 42 A]	5,87,96,632	44	5,87,96,632	44
HDFC Trustee Company Limited	1,19,54,406	9	1,19,30,021	9

₹ in crore	
As at 31st March, 2021	As at 31st March, 2020

### NOTE -20 OTHER EQUITY

A. Retained Earnings	10,352.69	10,432.30
Equity Instruments through Other Comprehensive Income	5.17	5.51
Capital Reserve	(812.10)	(812.10)
Fund for unforeseen exigencies	298.60	279.10
	<b>9,844.36</b>	<b>9,904.81</b>

## Notes forming Part of Financial Statements (Contd.)



	₹ in crore	
	As at 31st March,2021	As at 31st March,2020
<b>NOTE -20 OTHER EQUITY ..Contd.</b>		
<b>B i) Retained Earnings</b>		
Surplus at the beginning of the year	10,432.30	10,177.03
Add : Profit for the year	814.47	917.75
Less: Transfer to fund for unforeseen exigencies	19.50	18.67
Less : Withdrawal on account of depreciation / amortisation of surplus on fair valuation (refer note 49)	243.57	286.89
Less : Withdrawal of the residual surplus on fair valuation consequent to sale/disposal of assets (refer note 49)	1.38	4.14
Less: Dividends	596.51	265.11
Less: Dividend distribution tax on above	-	54.49
Less: Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan (Net of tax)	33.12	33.18
	<b>10,352.69</b>	<b>10,432.30</b>
<b>ii) Equity Instruments through Other Comprehensive Income</b>		
At the beginning of the year	5.51	5.49
Add : Gain/(loss) on fair value of Investment	(0.34)	0.02
At the end of the year	<b>5.17</b>	<b>5.51</b>
<b>iii) Capital Reserve [refer note C (ii)]</b>	<b>(812.10)</b>	<b>(812.10)</b>
<b>iv) Fund for unforeseen exigencies</b>		
At the beginning of the year	279.10	260.43
Add : Transfer during the year from Retained Earnings	19.50	18.67
At end of the year	<b>298.60</b>	<b>279.10</b>
	<b>9,844.36</b>	<b>9,904.81</b>

### C. Nature and purpose of other reserves

i) Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.

ii) Capital reserve which had arisen consequent to a scheme of arrangement in financial year ended 31st March 2018 and was adjusted with retained earnings, has now been shown separately for more appropriate presentation of composition of Other Equity.

	₹ in crore	
	As at 31st March,2021	As at 31st March,2020
<b>NOTE -21 NON-CURRENT - BORROWINGS</b>		
<b>a. Secured</b>		
Non Convertible Debentures	920.00	170.00
Term Loans		
Rupee Loans from Banks	5,447.03	4,252.32
Foreign Currency Loans from Banks	18.38	56.54
	<b>6,385.41</b>	<b>4,478.86</b>
<b>b. Unsecured</b>		
Term loans		
Rupee Loans from Banks	-	400.00
	<b>6,385.41</b>	<b>4,878.86</b>
Less : Current maturities of long term debt transferred to Other Current Financial Liabilities (refer note 28)	954.36	1,174.48
Less : Unamortised front end fees	20.44	15.92
	<b>5,410.61</b>	<b>3,688.46</b>

## Notes forming Part of Financial Statements (Contd.)

### c. Nature of Security :

i Out of the Term Loans in (a) above, loans amounting to:

- (a) ₹ 2855.78 crore (31.03.2020 - ₹ 3125.89 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. (refer Note 4) as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal (refer Note 11), book debts, monies receivable (refer Note 13) and bank balances (refer Note 14). However, creation of the said mortgage security in respect of three Rupee Loans (31.03.2020 : eight Rupee Loans), aggregating ₹ 240.12 crore (31.03.2020 - ₹ 1255 crore) is in process;
- (b) ₹ 333.56 crore (31.03.2020 - ₹ 327.26 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the fixed assets of the Company as a first charge. However, creation of the said mortgage security in respect of one Rupee Loan (31.03.2020 : ₹ Nil), aggregating ₹ 100.00 crore (31.03.2020 - ₹ Nil) is in process;
- (c) ₹ 600 crore (31.03.2020 - ₹ Nil) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Company as a first charge;
- (d) ₹ 462.50 crore (31.03.2020 - ₹ 350.00 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets of the Company as a first charge and by hypothecation of the Company's current assets as a second charge;
- (e) ₹ 713.57 crore (31.03.2020 - ₹ 505.71 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets of the Company as a first charge; and
- (f) ₹ 500 crore (31.03.2020 - ₹ Nil) 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 fixed assets of the Company as a second charge. However, creation of the said mortgage security is in process.

ii Out of the Debentures in (a) above, Debentures amounting to:

- (a) ₹ 620 crore (31.03.2020 - ₹ 170 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets of the Company as a first charge. Out of the above, debenture aggregating to ₹ 200 crore (31.03.2020: ₹ Nil) is listed. However, in respect of one Debenture (31.03.2020 - one Debenture) aggregating ₹ 200 crore (31.03.2020 - ₹ 170 crore), security has been created and the filing of such security is in process; and
- (b) ₹ 300.00 crore (31.03.2020 - ₹ Nil) are secured, listed, ranking pari passu inter se, by equitable mortgage / hypothecation of the fixed assets of the Company as a first charge.

### d. Major terms of repayment of Non Current Borrowings :

₹ in crore

Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2021	Debentures	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto 1 year	-	52.85	18.38	71.23	71.23
Borrowings with maturity between 1 and 3 years	370.00	1,009.50	-	1,379.50	368.00
Borrowings with maturity between 3 and 5 years	550.00	2,070.78	-	2,620.78	211.71
Borrowings with maturity between 5 and 10 years	-	2,313.90	-	2,313.90	303.42
Borrowings with maturity beyond 10 years	-	-	-	-	-
<b>Total</b>	<b>920.00</b>	<b>5,447.03</b>	<b>18.38</b>	<b>6,385.41</b>	<b>954.36</b>

Interest rates on Rupee Term Loans from Banks 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 of ₹ 920 crore are due for maturity on the following dates : 21-May-25 - ₹ 37.50 crore; 21-Feb-25 - ₹ 37.50 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; 13-Oct-22 - ₹ 50.00 crore and 18-Feb-22 - ₹ 60.00 crore

₹ in crore

Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2020	Debentures	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto 1 year	-	439.50	-	439.50	439.50
Borrowings with maturity between 1 and 3 years	-	535.71	56.54	592.25	273.91
Borrowings with maturity between 3 and 5 years	170.00	1,148.02	-	1,318.02	177.49
Borrowings with maturity between 5 and 10 years	-	2,329.09	-	2,329.09	268.58
Borrowings with maturity beyond 10 years	-	200.00	-	200.00	15.00
<b>Total</b>	<b>170.00</b>	<b>4,652.32</b>	<b>56.54</b>	<b>4,878.86</b>	<b>1,174.48</b>

Interest rates on Rupee Term Loans from Banks are based on spread over respective lenders' benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. Interest rate on Debentures are based on spread over 364 days T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures of ₹ 55 crore, ₹ 55 crore and ₹60 crore are due for maturity on 02-Feb-24, 10-Feb-23 and 18-Feb-22 respectively.

- e. Outstanding foreign currency loans as on 31st March, 2021 as disclosed above, stand fully hedged in Indian Rupees.

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE -22 NON CURRENT - OTHER FINANCIAL LIABILITIES</b>		
Lease liabilities	127.08	238.82
Others	3.53	-
	<b>130.61</b>	<b>238.82</b>
<b>NOTE -23 NON CURRENT - PROVISIONS</b>		
a Provision for employee benefits	417.36	373.59
b Restoration liabilities	38.47	35.76
	<b>455.83</b>	<b>409.35</b>
<b><u>Reconciliation of movement in Restoration Liabilities</u></b>		
Opening balance	35.76	33.06
Add: Accrual for the year	2.71	2.70
Closing balance	<b>38.47</b>	<b>35.76</b>
The Company has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.		
<b>NOTE -24 DEFERRED TAX LIABILITIES (NET)</b>		
Deferred Tax Liabilities	3,571.36	3,633.74
Deferred Tax Assets	(186.55)	(152.96)
Total Deferred Tax Liabilities (net) (refer note 44 for further details)	<b>3,384.81</b>	<b>3,480.78</b>
<b>NOTE -25 OTHER NON CURRENT LIABILITIES</b>		
Advance received from consumers	63.96	79.45
Others	120.12	109.66
	<b>184.08</b>	<b>189.11</b>

## Notes forming Part of Financial Statements (Contd.)



	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE -26 CURRENT - BORROWINGS</b>		
a. <b>Secured</b>		
Loans repayable on demand from banks	763.89	1,290.01
b. <b>Unsecured</b>		
Commercial Paper (from Banks)	150.00	300.00
	<b>913.89</b>	<b>1,590.01</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 and coal (refer note 11), book debts, monies receivable (refer note 13) and bank balances (refer note 14) as a first charge and, as a second charge, by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc (refer note 4). However, creation of the said security in respect of working capital facilities from banks aggregating ₹ 630.65 crore (31.03.2020: ₹ 180.65 crore) is in process.

### NOTE - 27 CURRENT - TRADE PAYABLES

₹0.01 crore (31.03.2020-₹0.07 crore ), ₹ Nil ( 31.03.2020 - ₹ Nil), ₹ 0.34 crore (31.03.2020- ₹ 0.40 crore ) and ₹ 2.71 crore (31.03.2020- ₹2.37 crore), ₹ Nil ( 31.03.2020 -₹ Nil ) representing interest due on amount outstanding as at the year end ,interest paid along with amount of payment made beyond the appointed day, interest due and payable for the period of delay in making payment during the year, amount of interest accrued and remaining unpaid at the year end, amount of further interest remaining due and payable in the succeeding years, respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 on information available with the Company.

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE- 28 OTHER FINANCIAL LIABILITIES</b>		
a. Current maturities of long term debt	954.36	1,174.48
b. Interest accrued but not due	43.18	17.61
c. Unclaimed dividends	9.01	6.54
d. Others (refer note e)	1,534.43	1,664.97
	<b>2,540.98</b>	<b>2,863.60</b>

e. Others include current portion of consumer security deposit (including accrued interest thereon) ₹ 218.77 crore (31.03.2020: ₹ 209.27 crore), employee related liabilities ₹ 112.85 crore (31.03.2020: ₹ 203.39 crore), lease liabilities ₹ 27.30 crore (31.03.2020: ₹ 29.94 crore) and ₹ 917.00 crore (31.03.2020: ₹ 917.00 crore) payable to Haldia Energy Limited.

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE- 29 OTHER CURRENT LIABILITIES</b>		
a. Receipt from consumers for jobs	161.81	178.61
b. Liability towards statutory taxes, duties, etc.	262.93	360.74
c. Advances received from consumers	9.93	15.81
	<b>434.67</b>	<b>555.16</b>

### NOTE -30 CURRENT PROVISIONS

a. Provision for employee benefits	84.57	62.34
b. Others	0.22	0.22
	<b>84.79</b>	<b>62.56</b>

## NOTE -31 CONTINGENT LIABILITIES AND COMMITMENTS

- Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account and letter of comforts towards borrowing / financing obligations of subsidiaries from banks, not provided for amount to ₹ 71.12 crore (31.03.2020 : ₹ 76.73 crore) and ₹ 1292.73 crore ( 31.03.2020 : ₹ 1458.96 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 in the books of account.
- The Company has given bank guarantee of ₹ 155.95 crore (31.03.2020 : ₹ 224.56 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). The future cash outflow in respect of above cannot be ascertained at this stage.
- Commitments relating to leasing arrangement , refer note 50

## NOTE - 32 REVENUE FROM OPERATIONS

	2020-21	₹ in crore 2019-20
a Earnings from sale of electricity	6,733.91	7,645.64
b Other Operating Revenue		
Meter Rent	52.93	52.36
Contribution from Consumers	105.30	100.29
Earnings from sale of traded goods	20.63	20.06
Others	8.71	17.58
	<b>6,921.48</b>	<b>7,835.93</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 on a net basis from month to month amounting to ₹ 82.56 crore ( previous year : ₹ 94.12 crore).

## NOTE- 33 OTHER INCOME

	2020-21	₹ in crore 2019-20
a Interest Income	29.92	24.78
b Dividend Income	-	29.73
c Gain on sale/ fair valuation of current investments (net)	15.68	42.57
d Profit on sale of property, plant and equipment (net)	0.35	-
e Income from financial assets at amortised cost	4.41	3.73
f Liabilities written back	52.00	-
g Other Non -operating Income *	77.83	45.07
	<b>180.19</b>	<b>145.88</b>

\* includes Delayed payment surcharge, Usance fee , etc.

## NOTE -34 COST OF FUEL

- Cost of Fuel includes freight ₹ 270.51 crore (previous year : ₹ 308.27 crore)
- Consumption of fuel :

Particulars	UOM	2020-21	2019-20
(a) Consumption of coal			
Quantity	Tonnes	3,227,353	3,607,657
Value	₹ in crore	1310.99	1540.57
(b) Consumption of oil			
Quantity	Kilolitres	1,390.24	2,039.78
Value	₹ in crore	6.48	10.17
(c) Total Value	₹ in crore	1317.47	1550.74

## Notes forming Part of Financial Statements (Contd.)

	₹ in crore	
	2020-21	2019-20
<b>NOTE - 35 EMPLOYEE BENEFITS EXPENSE</b>		
a. Salaries, wages and bonus	<b>881.34</b>	968.41
b. Contribution to provident and other funds	<b>118.88</b>	105.69
c. Employees' welfare expenses	<b>48.41</b>	48.31
	<b>1,048.63</b>	1,122.41
Less : Transfer to PPE / CWIP etc.	<b>108.55</b>	113.48
	<b>940.08</b>	1,008.93
Less : Transfer to Other Comprehensive Income*	<b>40.13</b>	40.20
	<b>899.95</b>	968.73

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit plan has been recognised in Other Comprehensive Income.

(i) **Defined contribution plans**

The Company makes contributions for provident fund and family pension schemes (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plan, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. The fund has the form of trust and is governed by the Board of Trustees. During the year, based on applicable rates, the Company has contributed and charged ₹ 63.03 crore (previous year : ₹ 71.67 crore) on this count in the Statement of Profit and Loss .

The Company also sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The Company makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible funds for qualifying employees.

Liabilities at the year end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary.

(ii) **The amounts recognised in the balance sheet and the movements in the total defined benefit obligation over the year are as follows:**

Gratuity (Funded)	2020-21			2019-20		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
<b>Opening Balance</b>	<b>443.04</b>	<b>(414.23)</b>	<b>28.81</b>	438.03	(405.74)	32.29
Current service cost	<b>21.45</b>	-	<b>21.45</b>	19.31	-	19.31
Interest expense/(income)	<b>26.60</b>	<b>(25.82)</b>	<b>0.78</b>	27.00	(29.01)	(2.01)
<b>Total amount recognised in profit and loss</b>	<b>48.05</b>	<b>(25.82)</b>	<b>22.23</b>	46.31	(29.01)	17.30
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	<b>(9.86)</b>	<b>(9.86)</b>	-	(0.54)	(0.54)
(Gain)/loss from change in demographic assumptions	-	-	-	(2.01)	-	(2.01)
(Gain)/loss from change in financial assumptions	<b>(1.42)</b>	-	<b>(1.42)</b>	18.64	-	18.64
Experience (gains)/losses	<b>44.91</b>	-	<b>44.91</b>	0.62	-	0.62
<b>Total amount recognised in other comprehensive income</b>	<b>43.49</b>	<b>(9.86)</b>	<b>33.63</b>	17.25	(0.54)	16.71
Employer contributions	-	<b>(34.03)</b>	<b>(34.03)</b>	-	(37.49)	(37.49)
Benefit payments	<b>(67.78)</b>	<b>67.78</b>	-	(58.55)	58.55	-
<b>Closing Balance</b>	<b>466.80</b>	<b>(416.16)</b>	<b>50.64</b>	443.04	(414.23)	28.81

(₹ in crore)

Leave Obligation (Unfunded)	2020-21	2019-20
	Present value of obligation	Present value of obligation
<b>Opening Balance</b>	<b>178.87</b>	169.18
Current service cost	<b>11.69</b>	10.78
Interest expense/(income)	<b>11.83</b>	10.63
<i>Remeasurements</i>		
(Gain)/loss from change in demographic assumptions	-	(0.01)
(Gain)/loss from change in financial assumptions	<b>(0.75)</b>	10.91
Experience (gains)/losses	<b>9.99</b>	(6.07)
<b>Total amount recognised in profit and loss</b>	<b>32.76</b>	26.24
Benefit payments	<b>(18.94)</b>	(16.55)
<b>Closing Balance</b>	<b>192.69</b>	178.87

(₹ in crore)

	Post retirement medical benefit		Pension	
	2020-21	2019-20	2020-21	2019-20
<b>Opening Balance</b>	<b>132.09</b>	86.12	<b>96.16</b>	75.53
Current service cost	<b>3.50</b>	4.31	<b>0.64</b>	0.41
Interest expense/(income)	<b>8.39</b>	5.71	<b>6.25</b>	5.54
Past Service Cost	-	28.55	<b>17.98</b>	9.24
<b>Total amount recognised in profit and loss</b>	<b>11.89</b>	38.57	<b>24.87</b>	15.19
<i>Remeasurements</i>				
(Gain)/loss from change in demographic assumptions	-	1.19	-	-
(Gain)/loss from change in financial assumptions	<b>(0.87)</b>	13.13	<b>(0.49)</b>	5.64
Experience (gains)/losses	<b>3.26</b>	(3.28)	<b>4.60</b>	6.80
<b>Total amount recognised in other comprehensive income</b>	<b>2.39</b>	11.04	<b>4.11</b>	12.44
Benefit payments	<b>(6.16)</b>	(3.64)	<b>(6.79)</b>	(7.00)
<b>Closing Balance</b>	<b>140.21</b>	132.09	<b>118.35</b>	96.16

(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-21</b>					
<b>Defined benefit obligation (gratuity)</b>	<b>61.79</b>	<b>212.77</b>	<b>212.33</b>	<b>265.95</b>	<b>752.84</b>
<b>Leave obligation</b>	<b>20.02</b>	<b>72.43</b>	<b>84.90</b>	<b>185.91</b>	<b>363.26</b>
<b>Post-employment medical benefits</b>	<b>8.51</b>	<b>46.89</b>	<b>81.86</b>	<b>315.29</b>	<b>452.55</b>
<b>Pension</b>	<b>8.01</b>	<b>39.96</b>	<b>58.09</b>	<b>123.68</b>	<b>229.74</b>
<b>Total</b>	<b>98.33</b>	<b>372.05</b>	<b>437.18</b>	<b>890.83</b>	<b>1,798.39</b>
<b>31-Mar-20</b>					
Defined benefit obligation (gratuity)	71.35	193.21	202.56	223.76	690.88
Leave obligation	21.62	62.76	77.29	171.38	333.05
Post-employment medical benefits	6.15	35.02	65.30	337.46	443.93
Pension	8.03	38.75	44.55	80.20	171.53
Total	107.15	329.74	389.70	812.80	1,639.39

## Notes forming Part of Financial Statements (Contd.)

### (iv) Sensitivity Analysis

(₹ in crore)

	Gratuity		Post-employment medical benefits (PRMB)		Leave Obligation		Pension	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
DBO at 31st March with discount rate +1%	<b>440.01</b>	418.99	<b>124.87</b>	117.00	<b>178.74</b>	165.94	<b>109.24</b>	89.50
Corresponding service cost	<b>19.88</b>	17.96	<b>2.57</b>	3.17	<b>10.58</b>	9.74	<b>0.56</b>	0.37
DBO at 31st March with discount rate -1%	<b>496.88</b>	469.91	<b>159.70</b>	151.39	<b>208.65</b>	193.57	<b>128.84</b>	103.72
Corresponding service cost	<b>23.26</b>	20.86	<b>4.12</b>	5.02	<b>13.02</b>	12.03	<b>0.73</b>	0.47
DBO at 31st March with +1% salary/benefit escalation	<b>493.11</b>	455.23	<b>149.27</b>	140.98	<b>212.47</b>	196.80		
Corresponding service cost	<b>23.07</b>	20.16	<b>3.66</b>	4.46	<b>13.37</b>	12.33		
DBO at 31st March with -1% salary/benefit escalation	<b>439.51</b>	429.37	<b>132.34</b>	124.40	<b>175.72</b>	163.38		
Corresponding service cost	<b>19.84</b>	18.45	<b>3.00</b>	3.67	<b>10.32</b>	9.51		
DBO at 31st March with +50% withdrawal rate	<b>467.07</b>	443.42	<b>139.58</b>	131.42	<b>192.70</b>	178.84		
Corresponding service cost	<b>21.47</b>	19.34	<b>3.23</b>	3.95	<b>11.70</b>	10.79		
DBO at 31st March with -50% withdrawal rate	<b>466.57</b>	442.70	<b>141.23</b>	133.14	<b>192.61</b>	178.74		
Corresponding service cost	<b>21.43</b>	19.28	<b>3.36</b>	4.10	<b>11.69</b>	10.77		
DBO at 31st March with +10% mortality rate	<b>466.95</b>	443.23	<b>137.92</b>	129.60	<b>192.67</b>	178.81	<b>114.44</b>	93.09
Corresponding service cost	<b>21.46</b>	19.32	<b>3.21</b>	3.92	<b>11.69</b>	10.78	<b>0.62</b>	0.41
DBO at 31st March with -10% mortality rate	<b>466.69</b>	442.90	<b>143.04</b>	135.11	<b>192.63</b>	178.77	<b>122.65</b>	99.51
Corresponding service cost	<b>21.44</b>	19.30	<b>3.38</b>	4.13	<b>11.69</b>	10.78	<b>0.65</b>	0.42

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

### (v) Major categories of total plan assets as per the Gratuity Trust Fund

	31-Mar-21	31-Mar-20
<b>Gratuity</b>		
Cash & cash equivalents	<b>416.18</b>	414.23
Unquoted market price	<b>416.18</b>	414.23

### (vi) Actuarial assumptions

Particulars	31-Mar-21			
	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	6.55%	6.55%	6.55%	6.55%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

31-Mar-20				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	6.50%	6.50%	6.50%	6.50%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

Expected Remaining Life (in years)	2020-21	2019-20
Employees Gratuity Fund	6.77	6.90
Executive Gratuity Fund	7.34	6.96
Leave Encashment	8.59	8.62
PRMB - Non Cov	14.63	12.33
PRMB - Cov	14.28	14.22
Pension	18.18	18.39

Expected contributions to be paid in next year for gratuity ₹ 73.93 crore.

Expected contributions to be paid for next year for leave obligation, medical & pension is ₹ Nil.

(vii) **Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life**

	2020-21	2019-20
Actual return on plan assets (₹ in crore)	35.68	29.55

(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 be 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 for all last drawn salary linked defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB & pension are not dependant on future salary levels.

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

**NOTE- 36 FINANCE COSTS**

	₹ in crore	
	2020-21	2019-20
a) Interest expense	492.65	535.56
b) Other Borrowing Costs	9.03	8.67
	<b>501.68</b>	<b>544.23</b>

**NOTE- 37 DEPRECIATION AND AMORTISATION EXPENSE**

a) Depreciation/ amortisation of Property, Plant & Equipment	695.71	723.88
b) Amortisation of intangible assets	10.60	10.66
	<b>706.31</b>	<b>734.54</b>
Less : Recoupment from Retained Earnings (refer note 49)	<b>243.57</b>	<b>286.89</b>
	<b>462.74</b>	<b>447.65</b>

		₹ in crore	
		2020-21	2019-20
<b>NOTE-38</b>	<b>OTHER EXPENSES</b>		
a	Consumption of stores and spares	65.19	84.12
b	Repairs		
	Building	18.51	13.12
	Plant and Machinery	81.33	74.65
	Distribution System	91.65	101.26
	Others	8.21	6.36
		<b>199.70</b>	<b>195.39</b>
c	Insurance	18.73	16.81
d	Rent	10.30	8.99
e	Rates and taxes	10.71	8.60
f	Bad debts / Advances made		
	Bad debts / Advances written off during the year	40.24	37.42
	Less: Adjustment for Provision for Bad Debts made in earlier years	<b>(36.58)</b>	<b>(18.29)</b>
		<b>3.66</b>	<b>19.13</b>
g	Provision for Bad Debts	8.23	36.58
h	Loss on sale / disposal of Property , Plant & Equipment (net)	-	5.02
i	Interest on Consumers' Security Deposits	114.14	106.04
j	Foreign Exchange Restatement loss / (gain)	<b>(15.66)</b>	<b>(25.26)</b>
k	Mark to Market loss / (gain) on derivatives	15.64	18.46
l	Corporate social responsibility activities (refer note 51)	22.30	22.15
m	Miscellaneous expenses	410.04	404.94
		<b>862.98</b>	<b>900.97</b>
<b>NOTE-39</b>	<b>REGULATORY INCOME</b>	<b>456.92</b>	<b>531.86</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. 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 ₹ (77.17) crore [Previous year ₹ (81.14) crore], ₹ 630.00 crore (Previous year ₹ 614.00 crore), ₹ (95.89) crore ( Previous year ₹ 5.80 crore ) and ₹ (0.02) crore [Previous year ₹ (6.80) crore] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balances (refer Note 18).

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) exchange fluctuation (c) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 3384.81 crore (31.03.2020 : ₹ 3480.78 crore), ₹ 7.14 crore ( 31.03.2020 : ₹ 22.79 crore ) and ₹ 1367.23 crore (31.03.2020 : ₹ 737.23 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, and (b) MTM Gain amounting to ₹ 1519.02 crore ( 31.03.2020 : ₹ 1441.85 crore ), and ₹ 6.87 crore ( 31.03.2020 : ₹ 22.50 crore) respectively. These balances have been recognised with discounting methodology, assuming recovery over a period of time using such rate in consonance with the applicable regulations and application of prudence.

Accordingly, the accurate quantification and disposal of the matters with regard to Regulatory Deferral Account balances, shall be given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Company effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

## 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-21			31-Mar-20		
	Cost/ Amortized cost	FVTOCI	FVTPL	Cost/ Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments						
- Equity	4,599.23	5.18		4,424.10	5.52	
- Mutual funds			13.49			15.01
- Preference Shares	455.00		1.04			0.95
Loans	51.64			40.07		
Trade Receivables	1,394.42			991.19		
Cash and cash equivalents	551.94			1,050.23		
Bank balances other than cash and cash equivalents	404.87			362.61		
Lease Receivables	55.17			55.17		
Receivable from Related Parties	79.77			67.37		
Interest accrued on Bank Deposit	35.88			19.02		
Derivative Financial Instrument			6.87			22.50
Receivable towards claims and services rendered	16.93			0.58		
<b>Total financial assets</b>	<b>7,644.85</b>	<b>5.18</b>	<b>21.40</b>	<b>7,010.34</b>	<b>5.52</b>	<b>38.46</b>
<b>Financial liabilities</b>						
Borrowings	7,278.86			6,452.95		
Trade Payables	847.15			645.59		
Interest accrued	43.18			17.61		
Unclaimed dividend	9.01			6.54		
Consumers' Security Deposits	1,828.91			1,733.13		
Others	1,551.97			1,793.33		
<b>Total financial liabilities</b>	<b>11,559.08</b>	-	-	<b>10,649.15</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 2021</b>					
<b>Financial assets</b>					
Investment in equity shares			5.18	5.18	5.18
Investment in liquid mutual fund units	13.49			13.49	13.49
Investment in Preference Share			1.04	1.04	1.04
Derivative financial instrument - cross currency swap		6.87		6.87	6.87
<b>Total</b>	<b>13.49</b>	<b>6.87</b>	<b>6.22</b>	<b>26.58</b>	<b>26.58</b>
<b>As at 31 March 2020</b>					
<b>Financial assets</b>					
Investment in equity shares			5.52	5.52	5.52
Investment in liquid mutual fund units	15.01			15.01	15.01
Investment in Preference Share			0.95	0.95	0.95
Derivative financial instrument - cross currency swap		22.50		22.50	22.50
<b>Total</b>	<b>15.01</b>	<b>22.50</b>	<b>6.47</b>	<b>43.98</b>	<b>43.98</b>

The different levels have been defined below:

Level 1: financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is determined using the closing price. The mutual funds are valued using the closing NAV.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data.

### c) The following methods and assumptions were used to estimate the fair values

- i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.
- ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
- iii. The fair value of preference share is determined on the basis of discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would 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 (31.03.20 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 ₹ 0.11 crore and ₹ 0.10 crore respectively
- iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, receivable from related parties, other bank balances, interest accrued payable/receivable, other receivables/payables, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- v. Loans, non-current borrowings, lease receivable/payable and security deposits are based on discounted cash flows using the current borrowing rate.
- vi. 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 / matters by the authority.

The Company being the sole provider of electricity in the licenced area has been managing the operations keeping in view its profitability and liquidity in terms of above regulations. In order to manage credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority. Credit risk towards Investment of surplus funds is managed by obtaining support of credit rating and appraisal by external agencies and lending bodies. The Company extends financial support to its subsidiaries including that of letter of comforts etc. to their lenders.

The Company manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Company's market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through relevant regulations and availability of bulk commodity namely coal is generally sourced from own captive mine, domestic long term linkage and Special Forward E-Auction conducted by Coal India Limited and/or its subsidiaries.

While managing the capital, the Company ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

**NOTE-42 Related Parties and their Relationship**

**A. Parent- under de facto control as defined in Ind AS -110**

Rainbow Investments Limited

**B. 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 transaction during the year**

**(i) Entities under common control**

Integrated Coal Mining Limited
RPG Power Trading Company Limited
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
Sarala Real Estate Limited
Saregama India Limited
Open Media Network Limited
Bowlopedia Restuarants India Limited
Omnipresent Retail India Private Limited
RPSG Resources Private Limited ( Formerly known as Accurate Commodeal Private Limited)
Apricot Foods Private Limited
Guiltfree Industries Limited
Nature's Basket Limited (w.e.f. 4th July,2019)
Kolkata Metro Networks Limited
Firstsource Solutions Limited
RPSG Ventures Limited (Formerly known as CESC Ventures Limited)
RP-SG Ventures Advisory LLP
Business Media Private Limited
ATK Mohun Bagan Private Limited (w.e.f. 17th June,2020)
Quest Properties India Limited (QPIL)

(ii) **Key Management Personnel (KMP)**

Name	Relationship
Mr. S. Goenka	Chairman
Mr. Shashwat Goenka	Vice-Chairman (w.e.f. 14th November, 2019)
Mr. P. Chaudhuri	Director
Mr. C .K Dhanuka	Director
Mr. K. Jairaj	Director
Mr. P.K. Khaitan	Director
Ms. R.Sethi	Director
Mr. Sunil Mitra	Director (w.e.f. 14th November, 2019)
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 from 1st July, 2019.

\*\*Associate upto 9th February, 2021. Subsidiary w.e.f 10th February, 2021.

# Notes forming Part of Financial Statements (Contd.)

D. Details of transaction between the Company and related parties and status of outstanding balances												₹ in crore	
Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110, Subsidiaries & Joint Venture		Entities under common control		Key Management Personnel		Other Related Parties		Total			
		31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20		
1	Investment	613.60	11.36	-	-	-	-	-	-	613.60	11.36		
2	Advance for Share Subscription	8.50	20.00	-	-	-	-	-	-	8.50	20.00		
3	Expense (Reimbursed)/ Recovered (net)	6.26	5.83	3.91	4.62	-	-	-	-	10.17	10.45		
4	Income from sale/services	47.48	30.75	22.86	30.94	-	-	-	-	70.34	61.69		
5	Dividend Income	-	29.73	-	-	-	-	-	-	-	29.73		
6	Cost of Power Purchase	2,184.70	2,256.78	142.29	121.98	-	-	-	-	2,326.99	2,378.76		
7	Expenses/Services Received	15.95	15.58	493.07	399.02	-	-	3.21	5.51	512.23	420.11		
8	Provident Fund & Retiral funds	-	-	-	-	-	-	318.89	253.58	318.89	253.58		
9	Balances written off /Provided	4.10	10.39	-	-	-	-	-	-	4.10	10.39		
10	Security Deposit Received/ (Paid)	-	-	(11.96)	0.05	-	-	-	-	(11.96)	0.05		
11	Dividend paid	264.58	117.59	31.91	14.18	1.11	0.49	0.17	0.08	297.77	132.34		
12	Remuneration of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-		
	Short Term Employee Benefits	-	-	-	-	11.93	10.93	-	-	11.93	10.93		
	Post Employment Benefits	-	-	-	-	0.99	1.70	-	-	0.99	1.70		
13	Remuneration of Directors	-	-	-	-	26.89	35.31	-	-	26.89	35.31		
<b>Outstanding Balance</b>		-	-	109.64	21.53	-	-	-	-	109.64	21.53		
1	Debit	-	-	-	-	26.16	34.55	18.72	68.97	1,527.16	1,413.66		
2	Credit	1,482.28	1,310.14	-	-	-	-	-	-	-	-		

- a. Shares allotted during the year in respect of Share Application money paid to subsidiaries ₹ 20 crores (31.03.21 : Nil).  
b. Refer Note 31(a) relating to commitments (letter of comfort) provided to banks towards borrowing obligations as on 31.03.2021 in respect of subsidiary companies.  
c. Outstanding balances are unsecured and settlement occurs in cash.

NOTE-43 Miscellaneous expenses shown in Note no. 38 (m), include Auditors' Remuneration and expenses :

PARTICULARS	(₹ in crore)	
	2020-21	2019-20
As Statutory Auditors :		
Statutory audit and Limited reviews	2.86	2.76
Other services	0.67	0.85
As a Tax Auditor	0.13	0.12
Reimbursement of expenses including applicable taxes	0.71	0.80

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:

PARTICULARS	(₹ in crore)			
	April 1, 2020	Recognised through P&L	Recognised through OCI	March 31, 2021
<b>Liabilities</b>				
Difference in WDV of Property, Plant and Equipment	(3,603.22)	49.80	-	(3,553.42)
Fair Valuation of Equity Investment as per IND AS	(1.28)	-	0.08	(1.20)
Others	(29.24)	12.50	-	(16.74)
<b>Assets</b>				
Items covered under section 43B of Income Tax Act, 1961	5.07	68.00	-	73.07
Others including items covered under section 35DDA of Income Tax Act, 1961	147.89	(34.41)	-	113.48
<b>Total Deferred Tax Liabilities (Net)</b>	<b>(3,480.78)</b>	<b>95.89</b>	<b>0.08</b>	<b>(3,384.81)</b>

PARTICULARS	(₹ in crore)			
	April 1, 2019	Recognised through P&L	Recognised through OCI	March 31, 2020
<b>Liabilities</b>				
Difference in WDV of Property, Plant and Equipment	(3,510.94)	(92.28)	-	(3,603.22)
Fair Valuation of Equity Investment as per IND AS	(1.28)	-	(0.00)	(1.28)
Others	(23.00)	(6.24)	-	(29.24)
<b>Assets</b>				
Items covered under section 43B of Income Tax Act, 1961	4.62	0.45	-	5.07
Others including items covered under section 35DDA of Income Tax Act, 1961	55.62	92.27	-	147.89
<b>Total Deferred Tax Liabilities (Net)</b>	<b>(3,474.98)</b>	<b>(5.80)</b>	<b>(0.00)</b>	<b>(3,480.78)</b>

a) Tax expense

i) Tax recognised in Statement of profit and loss

PARTICULARS	(₹ in crore)	
	March 31, 2021	March 31, 2020
<b>Current tax expense</b>		
Provision for tax no longer required written back	(164.81)	(195.06)
	35.99	-
	(128.82)	(195.06)
<b>Deferred tax</b>		
Deferred tax- Income / (expense)	95.89	(5.80)
<b>Total tax expense</b>	<b>(32.93)</b>	<b>(200.86)</b>

ii) Tax recognised in Other Comprehensive Income (OCI)

PARTICULARS	(₹ in crore)	
	March 31, 2021	March 31, 2020
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	7.01	7.02
<b>Deferred tax</b>		
Deferred Tax (charge)/credit	0.08	(0.00)
Regulatory Income / (expense) -deferred tax	(0.08)	0.00
<b>Total tax expense relating to OCI items</b>	<b>7.01</b>	<b>7.02</b>

b) Reconciliation of tax expense and accounting profit

PARTICULARS	(₹ in crore)	
	March 31, 2021	March 31, 2020
<b>Accounting profit before tax after Other Comprehensive Income</b>	<b>806.93</b>	1078.43
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)	281.97	376.84
Tax effect of amounts adjustable in calculating taxable income/expenses not considered for tax purpose including difference in depreciation	(56.56)	(76.34)
Incentive, deduction, etc. allowed under Income Tax Act, 1961	(70.60)	(76.53)
MAT Adjustment etc. *	(128.89)	(30.13)
<b>Tax expense</b>	<b>25.92</b>	193.84

\* includes unrecognised credit of MAT related to earlier years

**NOTE- 45** Liability in respect of the security deposit collected by the Company, in terms of applicable regulations of the WBERC, has been classified as non – current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

**NOTE- 46** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Company's business includes Generation and Distribution of power within its licensed area in the state of West Bengal, India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company, its subsidiaries and joint venture except some lower demand and its consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Company has duly ensured compliance with specific regulatory directives issued in the related matter.

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

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

The Company is also monitoring the operations of its subsidiaries and joint venture, basis which, no impairment is required to be recognised in respect of such investments.

**NOTE- 47 Earnings per share:**

(i) Computation of Earnings per share (net of tax)

Particulars		2020-21	2019-20
Profit after tax (₹ in crore)	(A)	814.47	917.75
Weighted Average no. of shares for Earnings per share	(B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		61.44	69.23

(ii) Computation of Earnings per share (net of tax)

Particulars		2020-21	2019-20
Profit after Tax excluding regulatory income (₹ in crore)	(A)	454.11	478.80
Weighted Average no. of shares for Earnings per share	(B)	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		34.26	36.12

## Notes forming Part of Financial Statements (Contd.)

**NOTE- 48** The Company is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is within India.  
The Company is also running a single retail store in state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.

**NOTE- 49** Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Company's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Company continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relatable to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹243.57 crore (31.03.20 : ₹ 286.89 crore) and corresponding withdrawal of ₹ 1.38 crore ( 31.03.20 : ₹ 4.14 crore ) consequent to sale / disposal of such assets and the same will be followed in subsequent years .

**NOTE- 50** Property, Plant and Equipment of the Company includes right-of-use assets in the opening balance as on 01.04.2020, additions, deletion, depreciation and closing balance for the year ended 31.03.2021 amounting to ₹ 888.72 crore (01.04.2019: ₹ 663.97 crore), ₹ 5.69 crore (31.03.2020: ₹ 278.74 crore), ₹ 96.08 crore (31.03.2020: Nil), ₹ 55.66 crore (31.03.2020: ₹ 53.99 crore) and ₹ 742.67 crore (31.03.2020: ₹ 888.72 crore) respectively. Carrying value of right-of-use assets as on 31.03.2021 in respect of land, buildings, plant & machinery and vehicles amounts to ₹ 459.36 crore (31.03.2020: ₹ 478.80 crore), ₹ 263.30 crore (31.03.2020: ₹ 382.23 crore), ₹ 19.98 crore (31.03.2020: ₹ 27.64 crore) and ₹ 0.03 crore (31.03.2020: ₹ 0.05 crore) respectively and its related depreciation/ amortisation expense for the year ended 31.03.2021 in respect of land, buildings, plant & machinery and vehicles amounts to ₹ 19.44 crore (31.03.2020: ₹ 19.61 crore), ₹ 28.54 crore (31.03.2020: ₹ 28.44 crore), ₹ 7.66 crore (31.03.2020: ₹ 5.92 crore) and ₹ 0.02 crore (31.03.2020: ₹ 0.02 crore) respectively.

The movement in lease liabilities for the year 2020-21 is as below:	₹ in crore
Lease liabilities as on 1st April, 2020	268.76
Additions	1.84
Deletions (pertaining to modification/termination of lease agreements during the year)	(97.24)
Finance cost (refer note 36)	13.49
Payment during the year (including interest ₹ 13.49 crore)	(32.47)
Balance as on 31st March, 2021	154.38

The movement in lease liabilities for the year 2019-20 is as below:	₹ in crore
Lease liabilities as on 1st April, 2019	65.68
Additions	212.54
Finance cost (refer note 36)	16.35
Payment during the year (includes interest ₹ 16.35 crore)	(25.81)
Balance as on 31st March, 2020	268.76

Future minimum lease payments during next one year ₹ 13.82 crore (31.03.2020: ₹ 29.94 crore) and ₹ 13.47 crore (31.03.2020: ₹ Nil), later than one year but not later than five years ₹ 29.63 crore (31.03.2020: ₹ 143.82 crore) and ₹ 54.94 crore (31.03.2020: ₹ Nil) and later than five years ₹ 5.68 crore (31.03.2020: ₹ 95 crore) and ₹ 36.84 crore (31.03.2020: ₹ Nil) applying 10% and 7% respectively as weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 2.47 crore (31.03.2020: ₹ 2.56 crore) and low-value assets of ₹ 0.67 crore (31.03.2020: ₹ 0.70 crore), net of applicable taxes.

**NOTE- 51** The Company's obligation towards CSR for the year amounts to ₹ 21.92 crore ( previous year : ₹ 21.84 crore). The Company has spent an amount of ₹ 2.80 crore on various eligible CSR programmes / projects. The Board has approved to make the Company's CSR contribution towards an 'Ongoing Project' as per the notification issued by Ministry of Corporate Affairs vide notification. No. CG-DL-E-22012021-224640 dated January 22, 2021. Accordingly, the Company has transferred a sum of ₹ 19.50 crore to the Unspent CSR Bank Account, as per the provisions of the Act.

## Notes forming Part of Financial Statements (Contd.)



**NOTE- 52** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 178.61 crore, out of which ₹ 13.87 crore has been dealt with in the revenue account during the year, on satisfaction of performance obligation. The balance of the said contract liability as at the year-end stood at ₹ 161.81 crore pending satisfaction of the performance obligation.

**NOTE - 53** **Quantitative information :** **(Million kWh)**

	<b>2020-21</b>	<b>2019-20</b>
(a) Total number of units generated during the year	<b>5513</b>	6137
(b) Total number of units consumed in Generating Stations	<b>428</b>	477
(c) Total number of units sent out	<b>5085</b>	5660
(d) Total number of units purchased during the year	<b>4877</b>	5632
(e) Total number of units through Unscheduled Interchange (Net)	<b>16</b>	23
(f) Energy received for wheeling	<b>1</b>	0
(g) Total number of units delivered	<b>9979</b>	11315
(h) Total number of units sold as per meter readings	<b>8930</b>	9991
(i) Total number of units sold to persons other than own consumers and WBSEDCL	<b>178</b>	291
(j) Total number of units consumed in Company's premises	<b>35</b>	42
(k) Units conveyed including additional units allowed by Commission for wheeling	<b>1</b>	0
(l) Total number of Units sold to WBSEDCL	<b>13</b>	8

The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2021 was 1125000 kW (31st March, 2020 : 1125000 kW).

**NOTE- 54** 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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 16th June, 2021

Chairman	Sanjiv Goenka	DIN : 00074796
Managing Director - Generation	Rabi Chowdhury	DIN : 06601588
Managing Director - Distribution	Debasish Banerjee	DIN : 06443204
Company Secretary	Jagdish Patra	
Executive Director & CFO	Rajarshi Banerjee	

# INDEPENDENT AUDITORS' 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 2021, 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, 2021, 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, 2021. 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, 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 and corresponding asset / liability** (as described in note 40 of the consolidated financial statements)

#### **Key Audit Matter:**

The Group recognizes regulatory income / 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 past experience from the issued Tariff/ APR orders including interpretation of the regulations. Such regulatory deferral balances are discounted over an estimated period of recovery using a 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, including the procedures performed by auditors of a subsidiary Company in respect of this matter reported by them, included the following:

- We considered the Group's accounting policies with respect to accrual for regulatory deferrals and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts".
- We have understood and carried out testing of the design and implementation of key financial controls related to accrual of such regulatory balances and its disclosure in the consolidated financial statements of the Group.
- 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.

# INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited



- 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 have assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".
2. **Valuation of non-current investment** (as described in note 8 of the consolidated financial statements)
- Key Audit Matter:**
- As reported by the auditor of a subsidiary company, the subsidiary company has investments in the equity and preference shares of an entity, which is carried at fair value through Other Comprehensive Income (OCI). The said investments were valued as at 31 March 2021 by an independent valuer using discounted cash flow ("DCF") method.
- Management's determination of fair valuation of investments is complex and requires estimation and judgement around assumptions used which include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure and any change in these assumptions could significantly affect the fair values.
- The application of significant judgement in this matter required substantial involvement of senior personnel on the audit engagement.
- Accordingly, considering the materiality of balances, complexity of valuation and significance of judgement involved, fair valuation of aforesaid investments has been considered to be a key audit matter for current year's audit.
- Evaluated the independent valuation specialist's competencies, expertise and objectivity.
  - Assessed the appropriateness of the valuation methodology used to arrive at the estimated fair value of the investments and reasonableness of the assumptions such as discount rates using an auditor's expert.
  - Tested the accuracy of the input data provided by the management to the valuation specialist.
  - Tested the reasonableness of the key assumptions used in the cash flow projections and fair valuation, such as growth rates, targeted savings, discount rate, etc considering our understanding of the business, industry and relevant key factors.
  - Performed sensitivity analysis on aforesaid key assumptions to determine impact of estimation uncertainty on the fair valuation.
  - Tested the mathematical accuracy of the cash flow projections and fair valuation computation.
  - Evaluated the adequacy of disclosures made in the financial statement in relation to such investments as required by applicable accounting standards.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, Management Discussion and Analysis, Report on Corporate Governance, Additional Shareholder Information, Report on Corporate Social Responsibility Activities, Business Responsibility Report and Statement containing salient features of the financial statement of Subsidiaries/ Joint Venture, 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

# INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited



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 the Group and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

## **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 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

# INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited



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.

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, 2021 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

We did not audit the financial statements and other financial information, in respect of 19 subsidiaries, whose financial statements include total assets of ₹16,698.09 crores as at March 31, 2021, and total revenues of ₹7,558.92 crores and net cash inflows of ₹84.13 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net loss of ₹ 0.00 crore for the year ended March 31, 2021, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements, other financial information have been audited by other auditors and whose report have 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.

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.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of

subsidiaries 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 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, 2021 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 its joint venture, incorporated in India, is disqualified as on March 31, 2021 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, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2021 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

# INDEPENDENT AUDITORS' REPORT

To the Members of CESC Limited



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 its joint venture in its consolidated financial statements – Refer Note 32 and 57 to the consolidated financial statements;
- ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection

Fund by the Holding Company, its subsidiaries and joint venture, incorporated in India during the year ended March 31, 2021.

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

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**  
Partner

Place of Signature: Kolkata  
Date: June 16, 2021

Membership Number: 058652  
UDIN: 21058652AAAABU8675

## **Annexure 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, 2021, 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.

#### **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

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT



to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31,2021, 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 these 18 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

Place of Signature: Kolkata  
Date: June 16, 2021

**per Kamal Agarwal**  
Partner  
Membership Number: 058652  
UDIN: 21058652AAAABU8675

## Consolidated Balance Sheet as at 31st March, 2021

Particulars	Note No.	₹ in crore	
		As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	5	23,970.96	24,504.63
Capital work-in-progress		133.56	167.60
Investment Property	6	62.87	62.63
Intangible Assets	7	163.64	171.87
Financial Assets			
Investments	8	139.41	164.65
Loans	9	51.87	40.69
Others	10	55.65	55.65
Other non-current assets	11	194.13	148.25
	(A)	24,772.09	25,315.97
<b>Current Assets</b>			
Inventories	12	597.67	720.17
Financial Assets			
Investments	13	168.96	15.01
Trade receivables	14	2,314.98	1,839.18
Cash and cash equivalents	15	839.60	1,262.41
Bank balances other than cash and cash equivalents	16	1,018.33	716.19
Loans	17	25.70	17.52
Others	18	211.62	192.07
Current tax assets (net)		3.39	24.06
Other current assets	19	417.15	419.18
	(B)	5,597.40	5,205.79
Regulatory deferral account balances	(C)	5,492.04	4,935.26
<b>TOTAL ASSETS</b>	(A+B+C)	35,861.53	35,457.02
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	20	133.22	133.22
Other Equity	21	9,739.56	9,278.42
Non-controlling interest	41	396.31	364.53
<b>Total Equity</b>	(D)	10,269.09	9,776.17
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Financial Liabilities			
Borrowings	22	10,898.78	9,760.11
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		64.14	71.65
Consumers' Security Deposits	55	1,997.65	1,887.69
Others	23	270.71	345.52
Provisions	24	475.95	424.67
Deferred tax liabilities (net)	43	4,158.34	4,042.28
Other non-current liabilities	25	191.32	195.39
	(E)	18,056.89	16,727.31
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	26	1,566.46	2,421.49
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises	27	29.92	19.32
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	27	909.28	796.74
Others	28	2,420.18	3,147.90
Other current liabilities	29	575.07	645.33
Provisions	30	91.88	68.94
Current tax liabilities (net)		69.84	113.86
	(F)	5,662.63	7,213.58
Regulatory deferral account balances	(G)	1,872.92	1,739.96
<b>TOTAL EQUITY AND LIABILITIES</b>	(D+E+F+G)	35,861.53	35,457.02

Notes forming part of Consolidated Financial Statements

1-58

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

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 16th June, 2021

Chairman Sanjiv Goenka DIN : 00074796  
 Managing Director - Generation Rabi Chowdhury DIN : 06601588  
 Managing Director - Distribution Debasish Banerjee DIN : 06443204  
 Company Secretary Jagdish Patra  
 Executive Director & CFO Rajarshi Banerjee

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

Particulars	Note No.	₹ in crore	
		2020-21	2019-20
Revenue from operations	33	11,638.61	12,158.89
Other income	34	234.67	218.99
<b>Total Income</b>		<b>11,873.28</b>	<b>12,377.88</b>
<b>Expenses</b>			
Cost of electrical energy purchased		2,778.14	2,977.20
Cost of fuel	35	3,130.16	3,448.67
Purchases of stock-in-trade		17.31	16.75
Employee benefits expense	36	1,074.21	1,129.08
Finance costs	37	1,225.91	1,377.67
Depreciation and amortisation expense	38	866.65	847.98
Other expenses	39	1,453.27	1,443.20
<b>Total expenses</b>		<b>10,545.65</b>	<b>11,240.55</b>
<b>Profit before regulatory Income/(Expense) and tax</b>		<b>1,327.63</b>	<b>1,137.33</b>
Regulatory Income / (expense) (net)	40	423.91	630.29
<b>Profit before tax</b>		<b>1,751.54</b>	<b>1,767.62</b>
<b>Tax expense</b>			
Current tax	44	272.29	328.55
Deferred tax	43	116.44	130.07
<b>Total Tax expenses</b>		<b>388.73</b>	<b>458.62</b>
<b>Profit for the year</b>		<b>1,362.81</b>	<b>1,309.00</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(40.11)	(41.91)
Income tax on above		6.86	7.32
Gain / (loss) on fair valuation of Investments		4.54	(3.52)
Deferred Tax (charge) / credit on above		0.38	(0.03)
Regulatory Income/(expense) - deferred tax		(0.08)	-
		<b>(28.41)</b>	<b>(38.14)</b>
<i>Items that will be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		(0.02)	0.07
		<b>(0.02)</b>	<b>0.07</b>
<b>Other Comprehensive Income for the year (net of tax)</b>		<b>(28.43)</b>	<b>(38.07)</b>
<b>Total comprehensive Income for the year</b>		<b>1,334.38</b>	<b>1,270.93</b>
<b>Profit attributable to</b>			
Owners of the equity		1,330.93	1,267.04
Non-controlling interest		31.88	41.96
		<b>1,362.81</b>	<b>1,309.00</b>
<b>Other Comprehensive loss attributable to</b>			
Owners of the equity		(28.33)	(37.91)
Non-controlling interest		(0.10)	(0.16)
		<b>(28.43)</b>	<b>(38.07)</b>
<b>Total Comprehensive Income attributable to</b>			
Owners of the equity		1,302.60	1,229.13
Non-controlling interest		31.78	41.80
		<b>1,334.38</b>	<b>1,270.93</b>
Basic & Diluted Earnings per equity share (Face value of ₹ 10 per share)	45	100.40	95.58
Notes forming part of Consolidated Financial Statements	1-58		

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

For S.R. BATLIBOI & Co. LLP  
 Chartered Accountants  
 Firm Registration Number - 301003E/E300005

For and on behalf of Board of Directors

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 16th June, 2021

Chairman  
 Managing Director - Generation  
 Managing Director - Distribution  
 Company Secretary  
 Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
 Rabi Chowdhury DIN : 06601588  
 Debasish Banerjee DIN : 06443204  
 Jagdish Patra  
 Rajarshi Banerjee

# Consolidated Statement of Cash flow for the year ended 31st March, 2021



Particulars	₹ in Crore	
	2020-21	2019-20
<b>A. Cash flow from Operating Activities</b>		
Profit before tax	1,751.54	1,767.62
Adjustments for :		
Depreciation and amortisation expense	866.65	847.98
Loss on sale / disposal of property, plant and equipment (net)	0.22	6.88
Gain on sale/fair valuation of current investments (net)	(17.53)	(46.27)
Dividend Income	(11.30)	(12.59)
Allowances for doubtful debts / Advances made / Security deposits	6.00	27.71
Bad debts, advances (net), written off	56.73	45.99
Finance Costs	1,225.91	1,377.67
Interest Income	(56.35)	(45.95)
Share Issue Expenses	0.24	-
Effect of Foreign Currency Transactions / Translation (net)	(0.02)	0.07
Other Non Operating Income	(59.10)	(19.07)
<b>Operating Profit before Working Capital changes</b>	<b>3,762.99</b>	<b>3,950.04</b>
Adjustments for change in :		
Trade and other receivables	(793.92)	56.85
Net change in regulatory deferral account balances	(423.91)	(630.29)
Inventories	122.50	(19.72)
Trade and other payables	471.32	353.46
<b>Cash Generated from Operations</b>	<b>3,138.98</b>	<b>3,710.34</b>
Income Tax paid (net of refund)	(320.46)	(302.34)
<b>Net cash flow from Operating Activities</b>	<b>2,818.52</b>	<b>3,408.00</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment / Capital Work-in-Progress	(682.81)	(918.80)
Proceeds from sale of Property, Plant & Equipment	8.39	5.82
Income from investment property	-	7.19
Purchase of Non-current investments	(452.05)	-
Sale/(purchase) of Current Investments (net)	(135.95)	547.22
Sale of Non-current Investments	30.00	30.00
Dividend received	11.30	12.59
Interest received	34.02	38.17
Net movement in Bank Balances not considered as Cash and Cash Equivalents	(302.14)	(188.08)
<b>Net cash used in Investing Activities</b>	<b>(1,489.24)</b>	<b>(465.89)</b>

**Consolidated Statement of Cash flow for the year ended 31st March, 2021 (Contd.)**

Particulars	₹ in Crore	
	2020-21	2019-20
<b>C. Cash flow from Financing Activities</b>		
Share Issue Expenses	(0.24)	-
Proceeds from Non Current Borrowings *	2,514.88	1,777.75
Repayment of Non Current Borrowings *	(1,598.49)	(2,266.90)
Payment of Lease Liabilities	(41.07)	(51.93)
Net movement in Cash Credit facilities and other current Borrowings	(855.03)	34.56
Finance Costs paid	(1,178.11)	(1,350.87)
Dividends paid	(594.03)	(294.58)
Tax on dividend paid	-	(66.95)
<b>Net Cash used in Financing Activities</b>	<b>(1,752.09)</b>	<b>(2,218.92)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(422.81)</b>	<b>723.19</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 15]</b>	<b>1,262.41</b>	<b>539.22</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 15]</b>	<b>839.60</b>	<b>1,262.41</b>

\* Net of ₹ 542.62 crore (previous year : Nil) utilized for refinancing of borrowings.

₹ in crore

Changes in liabilities arising from financing activities	1-Apr-20	Cash flows	Other	31-Mar-21
Current borrowings	2,421.49	(855.03)	-	1,566.46
Non-Current borrowings (including Current Maturities)	11,628.61	916.39	(15.66)	12,529.34
Lease Liabilities	310.53	(41.07)	(33.87)	235.59
<b>Total liabilities from financing activities</b>	<b>14,360.63</b>	<b>20.29</b>	<b>(49.53)</b>	<b>14,331.39</b>

₹ in crore

Changes in liabilities arising from financing activities	1-Apr-19	Cash flows	Other	31-Mar-20
Current borrowings	2,386.93	34.56	-	2,421.49
Non-Current borrowings (including Current Maturities)	12,150.93	(489.15)	(33.17)	11,628.61
Lease Liabilities	75.42	(51.93)	287.04	310.53
<b>Total liabilities from financing activities</b>	<b>14,613.28</b>	<b>(506.52)</b>	<b>253.87</b>	<b>14,360.63</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

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 16th June, 2021

Chairman  
 Managing Director - Generation  
 Managing Director - Distribution  
 Company Secretary  
 Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
 Rabi Chowdhury DIN : 06601588  
 Debasish Banerjee DIN : 06443204  
 Jagdish Patra  
 Rajarshi Banerjee

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2021



₹ in crore				
A Equity Share Capital	Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
	Equity Shares of ₹ 10 each issued, subscribed and fully paid up			
	As at 31 March 2020	133.22	-	133.22
	<b>As at 31 March 2021</b>	<b>133.22</b>	<b>-</b>	<b>133.22</b>

₹ in crore								
B Other Equity	Particulars	Reserves and Surplus *				Non Controlling Interest	Total	
		Retained Earnings	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Capital Reserve			Fund for unforeseen exigencies
	<b>Balance as at 1 April, 2020</b>	10,228.60	5.80	12.83	(1,250.24)	281.43	364.53	<b>9,642.95</b>
	Profit for the year	1,330.93	-	-	-	-	31.88	<b>1,362.81</b>
	Other Comprehensive Income /(expense) for the year (net of tax)	(33.15)	4.84	(0.02)	-	-	(0.10)	<b>(28.43)</b>
	<b>Total</b>	<b>11,526.38</b>	<b>10.64</b>	<b>12.81</b>	<b>(1,250.24)</b>	<b>281.43</b>	<b>396.31</b>	<b>10,977.33</b>
	Dividends paid (including tax there on) (Note 20(f) )	(596.51)	-	-	-	-	-	<b>(596.51)</b>
	Transfer to/from retained earnings	(19.50)	-	-	-	19.50	-	-
	Withdrawal of additional depreciation during the year (Refer Note 47)	(243.57)	-	-	-	-	-	<b>(243.57)</b>
	Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (Refer Note 47)	(1.38)	-	-	-	-	-	<b>(1.38)</b>
	<b>Balance as at 31 March, 2021</b>	<b>10,665.42</b>	<b>10.64</b>	<b>12.81</b>	<b>(1,250.24)</b>	<b>300.93</b>	<b>396.31</b>	<b>10,135.87</b>

₹ in crore							
Particulars	Reserves and Surplus *@					Non Controlling Interest @	Total
	Retained Earnings	Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Capital Reserve	Fund for unforeseen exigencies		
Balance as at 1 April, 2019	9,625.29	9.35	12.76	(1,250.24)	262.76	322.73	8,982.65
Profit for the year	1,267.04	-	-	-	-	41.96	1,309.00
Other Comprehensive Income /(expense) for the year (net of tax)	(34.43)	(3.55)	0.07	-	-	(0.16)	(38.07)
<b>Total</b>	<b>10,857.90</b>	<b>5.80</b>	<b>12.83</b>	<b>(1,250.24)</b>	<b>262.76</b>	<b>364.53</b>	<b>10,253.58</b>
Dividends paid (including tax there on) (Note 20(f) )	(319.60)	-	-	-	-	-	<b>(319.60)</b>
Transfer to/from retained earnings	(18.67)	-	-	-	18.67	-	-
Withdrawal of additional depreciation during the year (Refer Note 47)	(286.89)	-	-	-	-	-	<b>(286.89)</b>
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (Refer Note 47)	(4.14)	-	-	-	-	-	<b>(4.14)</b>
<b>Balance as at 31 March, 2020</b>	<b>10,228.60</b>	<b>5.80</b>	<b>12.83</b>	<b>(1,250.24)</b>	<b>281.43</b>	<b>364.53</b>	<b>9,642.95</b>

@ refer note 56

\* 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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 16th June, 2021

Chairman  
Managing Director - Generation  
Managing Director - Distribution  
Company Secretary  
Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
Rabi Chowdhury DIN : 06601588  
Debasish Banerjee DIN : 06443204  
Jagdish Patra  
Rajarshi Banerjee

## NOTE-1 Significant accounting policies

These Consolidated financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 and the regulations under the Electricity Act, 2003 to the extent applicable. A summary of important accounting policies which have been applied consistently are set out below.

### Basis of Accounting

The Consolidated financial statements have been prepared on a historical cost convention, except for the following:

- a) 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.

#### **(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 of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

#### **(b) Use of estimates**

As required under the provision of Ind AS for preparation of financial statements in conformity thereof, the management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

#### **(c) Property, plant and equipment (PPE)**

##### **Tangible Assets and Depreciation**

Tangible assets are stated either at deemed cost as considered on the date of transition to Ind AS or at cost of acquisition/construction together with any incidental expenses related to acquisition and appropriate borrowing costs, less accumulated depreciation and accumulated impairment loss, if any. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its fair value or value in use, whichever is higher.

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
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. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. An impairment loss is recognised where applicable, when the carrying value of ROU assets of cash generating units exceeds its fair value or value in use, whichever is higher.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of the future lease payments.

#### **Group as lessor**

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

#### **(g) Financial asset**

The financial assets are classified in the following categories:

1. Financial assets measured at amortised cost,
2. Financial assets measured at fair value through profit and loss, and
3. Equity instruments

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets are measured at its fair value.

#### **Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

#### **Financial instruments measured at fair value through profit and loss (FVTPL)**

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in statement of profit and loss.

Investments in mutual funds are measured at fair value through profit and loss.

#### **Equity Instruments 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 assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer note 46).

For trade receivables the simplified approach of expected lifetime losses has been used from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

#### **(h) Financial Liabilities**

Financial liabilities are measured at amortised cost using the effective interest rate method.

## **(i) Derivatives**

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. 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, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

## **(k) Foreign currency translation**

### **(i) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the Group and its Indian subsidiaries whereas the functional currency of foreign subsidiary is the currency of its country of domicile.

### **(ii) Transaction and balances**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations of monetary items are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

The outstanding loans repayable in foreign currency 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 the amount settled duly considering as appropriate, the impact of the derivative contracts entered into for managing risks thereunder.

### **(iii) Foreign Operations**

The translation of financial statements of the foreign subsidiary to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity.

When a subsidiary is disposed off in full or the parent ceases the control, the relevant amount in foreign currency translation reserve is transferred to net profit in the Statement of Profit and Loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

## **(l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and cash on hand and term deposits with original maturity of three months or less.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash, cheques and draft on hand, balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the balance sheet.

## **(m) Revenue from Operations**

Revenue from Contracts with Customers is recognised on supply of electricity or when services are rendered to the customers at an amount that reflects the consideration to which the Group is entitled to under applicable regulatory framework.

Revenue to be earned from sale of electricity is regulated based on parameters set out in tariff regulations issued from time to time. Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty collected from consumers and payable to the State Government.

The Group receives contribution from consumers in accordance with the applicable Regulation that is being used to construct or acquire items of property, plant and equipment in order to connect the consumers to the distribution network. Revenue is recognised in respect for such contributions so received from consumers in the year they are connected to the distribution network.

Income from meter rent is accounted for as per the approved rates.

## **(n) Other Income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, wherever applicable. Delayed Payment Surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers. Interest income arising from financial assets is accounted for using amortised cost method. Dividend income is recognised when right to receive is established.

## **(o) Employee Benefits**

The Group recognises Contributions to Provident Fund and Pension Funds on an accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Group, impact of which is ascertained by way of actuarial valuation as at the year end.

The Group, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on an accrual basis and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, done by independent actuary.

Actuarial gains and losses where applicable are recognised through Other Comprehensive Income.

Compensation in respect of voluntary retirement scheme is charged off to Statement of Profit and Loss.

## **(p) Finance Costs**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets upto the date, where such assets are ready for their intended use. The balance Finance Costs is charged off to Statement of Profit and Loss. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the derivative contracts entered into for managing risks, therefore, interest expense arising from financial liabilities is accounted for under effective interest rate method.

## **(q) Taxes**

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period in the country where the Parent and its subsidiaries operate and generate taxable income.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related Deferred Tax Asset (DTA) is realised or the Deferred Tax Liability (DTL) is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

The Group reviews the MAT credit entitlement at each reporting date and recognises the credit against the tax payable to the extent that it is probable that it will be able to utilise the same against normal tax during the specified period.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

In case of the Parent and two subsidiary companies, tax on profits forms part of chargeable expenditure under the applicable regulations, current tax liability and deferred tax liability or asset is recoverable or payable, as applicable 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 associated with the asset will be recognized and there is a reasonable certainty for such tax credit benefit will be taken in the period(s) till which it is available.

Deferred Tax Liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

## **(r) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

## **(s) Business combination**

### **Other than under common control**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

### **Under common control**

Business combination 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 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 their pronouncements/orders by the applicable commission, with corresponding balances shown in the Balance-sheet as Regulatory Deferral Account balances, at their present value duly considering discounting methodology using such rates in consonance with the applicable regulations and prudence. Regulatory Deferral Accounts balances are adjusted from the year in which these crystallise.

**NOTE-2 Summary of significant judgements and assumptions**

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :-

- Estimation of Restoration liability - Refer Note 1(e)
- Impairment of Trade Receivables - Refer Note 1(g)
- Estimates used in actuarial valuation of employee benefits -Refer Note 36
- Estimates of useful life of intangible assets -Refer Note 1(e)
- Estimation of Regulatory Items - Note 31 and 40
- Impairment assessment of Investment - Refer Note 1(g)
- Estimates used in Lease liabilities -Note 48

**NOTE-3 Amendments to existing Ind AS**

Amendments and interpretations as outlined below apply for the year ending 31st March 2021, but do not have an impact on the financial statements.

- a. Ind AS 116: Covid 19-Related Rent Concessions,
- b. Ind AS 103: Definition of "Business",
- c. Ind AS 1 and Ind AS 8 : Definition of "Material",
- d. Ind AS 107 and Ind AS 109 : Interest Rate Benchmark Reform

The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

**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, 2021	Percentage of ownership interest as at 31st March, 2020
1	Haldia Energy Limited (HEL)	India	100.00	100.00
2	Dhariwal Infrastructure Limited (DIL)	India	100.00	100.00
3	Surya Vidyut Limited (SVL)	India	100.00	100.00
4	Malegaon Power Supply Limited	India	100.00	100.00
5	CESC Projects Limited *	India	100.00	100.00
6	Bantal Singapore Pte Limited	Singapore	100.00	100.00
7	Pachi Hydropower Projects Limited *	India	100.00	100.00
8	Papu Hydropower Projects Limited *	India	100.00	100.00
9	Ranchi Power Distribution Company Limited *	India	100.00	100.00
10	Crescent Power Limited (CPL)	India	67.83	67.83
11	Kota Electricity Distribution Limited (KEDL)	India	100.00	100.00
12	Bikaner Electricity Supply Limited (BKSL)	India	100.00	100.00
13	Bharatpur Electricity Services Limited (BESL)	India	100.00	100.00
14	CESC Green Power Limited *	India	100.00	100.00
15	Eminent Electricity Distribution Limited * #	India	100.00	100.00
16	Noida Power Company Limited (NPCL) (Refer Note 56)	India	72.73	72.73
17	Jharkhand Electric Company Limited *	India	100.00	100.00
18	Jarong Hydro-Electric Power Company Limited *	India	100.00	100.00
19	Au Bon Pain Café India Limited	India	93.10	93.10
20	Mahuagarhi Coal Company Private Limited (joint venture)	India	50.00	50.00

\* Yet to commence their commercial operations

# Subsidiary from 01.07.2019

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE - 5 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / DEEMED COST			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1st April, 2020	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 1st April, 2020	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2021	As at 31st March, 2020
Land #	3,378.31	0.27	-	113.37	22.82	-	3,242.39	3,264.94
Buildings and Structures *	2,235.01	82.07	107.27	378.17	89.22	1.86	1,744.28	1,856.84
Plant and Equipment	14,015.83	124.11	7.16	2,943.54	542.59	4.23	10,650.88	11,072.29
Distribution System	9,001.69	394.34	6.15	1,517.27	354.78	5.22	7,523.05	7,484.42
Meters and Other Apparatus on Consumers' Premises	528.64	49.91	8.83	140.05	48.10	6.13	387.70	388.59
River Tunnel	2.78	-	-	2.76	-	-	0.02	0.02
Furniture and Fixtures	80.24	2.05	0.48	24.86	4.62	0.23	52.56	55.38
Office Equipment	166.96	17.65	0.85	67.14	14.76	0.74	102.60	99.82
Vehicles	25.35	2.57	3.64	8.58	3.48	2.33	14.55	16.77
Railway Sidings	320.72	0.57	-	55.16	13.20	-	252.93	265.56
<b>Previous Year</b>	<b>29,755.53</b>	<b>673.54</b>	<b>134.38</b>	<b>5,250.90</b>	<b>1,093.57</b>	<b>20.74</b>	<b>23,970.96</b>	<b>24,504.63</b>
	28,596.40	1,216.96	57.83	4,172.35	1,119.52	40.97	24,504.63	

# includes leasehold land

\* includes leasehold improvements

Note:

1. Property, Plant & Equipment includes right of use assets recognised upon adoption of IndAS 116 (Refer Note 48)
2. The Parent is in the process of renewing the lease agreement in respect of certain leasehold land having Gross Block ₹ 200.75 crore (31.03.2020 : ₹ 210.34 crore) & Net Block ₹ 188.66 crore (31.03.2020 : ₹ 199.27 crore)
3. ₹ 107.27 crore of withdrawal from Buildings & Structures includes ₹ 96.08 crore relating to adjustment on account of modification/termination of lease agreements.

**NOTE - 6 INVESTMENT PROPERTY**

PARTICULARS	COST/DEEMED COST				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2020	Add: Additions / Adjustments	Less: Withdrawals / Adjustments	As at 31st March, 2021	As at 1st April, 2020	Add: Additions / Adjustments	Less: Withdrawals / Adjustments	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2020
Land - Freehold	62.63	0.24	-	<b>62.87</b>	-	-	-	<b>62.87</b>	-	62.63
Previous Year	<b>62.63</b>	<b>0.24</b>	-	<b>62.87</b>	-	-	-	<b>62.87</b>	-	62.63
	56.03	6.60	-	62.63	-	-	-	62.63	-	

- a) Income earned recognised in Statement of profit and loss ₹ 8.71 crore (31.03.2020 : ₹ 12.27 crore).
- b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 283 crore (31.03.2020 : ₹ 279 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.
- c) The lease term in respect of Investment Property given under Operating Lease is 25 years which can be extended upon the sole discretion of the 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 ₹ 12 crore (31.03.2020 : ₹ 12.26 crore) in each of the years and later than five years ₹ 79.98 crore (31.03.2020 : ₹ 94.02 crore).

**NOTE - 7 INTANGIBLE ASSETS**

PARTICULARS	COST/DEEMED COST				AMORTISATION				NET BLOCK	
	As at 1st April, 2020	Add: Additions / Adjustments	Less: Withdrawals / Adjustments	As at 31st March, 2021	As at 1st April, 2020	Add: Additions / Adjustments	Less: Withdrawals / Adjustments	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2020
Licences	33.87	-	-	<b>33.87</b>	5.55	1.35	-	<b>6.90</b>	-	28.32
Computer Software	67.34	8.42	-	<b>75.76</b>	39.96	7.50	-	<b>47.46</b>	-	27.38
Mining Rights	151.88	-	-	<b>151.88</b>	35.87	7.74	-	<b>43.61</b>	-	116.01
Other Intangibles	0.46	-	-	<b>0.46</b>	0.30	0.06	-	<b>0.36</b>	-	0.16
Previous Year	<b>253.55</b>	<b>8.42</b>	-	<b>261.97</b>	<b>81.68</b>	<b>16.65</b>	-	<b>98.33</b>	-	171.87
	247.52	6.03	-	253.55	66.33	15.35	-	81.68	-	171.87

₹ in Crore

As at 31st March, 2021	As at 31st March, 2020
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**NOTE - 8 NON CURRENT - INVESTMENTS**

**a. Investments carried at fair value through other comprehensive income (FVTOCI)**

**(i) Investments in Equity Instruments - Quoted, fully paid up**

1,21,95,122 (31.03.2020 : 1,21,95,122) Equity Shares of Resource Generation Limited	<b>4.41</b>	2.56
3,84,608 (31.03.2020 : 3,84,608) Equity Shares of ₹ 5 each of ICICI Securities Limited	<b>14.72</b>	10.63

**(ii) Investments in Equity Instruments - Unquoted, fully paid up**

13,000 (31.03.2020 : 13,000) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	<b>20.70</b>	22.08
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**(iii) Investments in Preference Shares - Unquoted, fully paid up**

9,68,80,000 (31.03.2020 : 12,68,80,000) Preference Shares of Integrated Coal Mining Limited of ₹ 10 each	<b>96.88</b>	126.88
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**b. Investments in Government Securities - Unquoted, (held till Maturity) carried at Amortised Cost**

1,35,000 (31.03.2020 : 1,35,000) 8.33% Government of India Treasury Bonds *	<b>1.35</b>	1.35
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**c. Investments carried at fair value through profit and loss (FVTPL)**

**(i) Investments in Mutual Funds - Quoted**

1,06,866 (31.03.2020 : 1,06,866) units of UTI Balance Fund Dividend Plan *	<b>0.31</b>	0.20
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**(ii) Investments in Preference Shares - Unquoted, fully paid up**

5,00,000 (31.03.2020 : 5,00,000) Preference shares of face value ₹ 100 each issued by Spencer's Retail Limited	<b>1.04</b>	0.95
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<b>139.41</b>	<b>164.65</b>
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**Investment in quoted investments:**

Aggregate Book value	<b>19.44</b>	13.39
Aggregate Market value	<b>19.44</b>	13.39

**Investment in unquoted investments:**

Aggregate Book value	<b>119.97</b>	151.26
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\* Appropriated towards fund for unforeseen exigencies

**NOTE - 9 NON CURRENT - LOANS**

Considered Good - Unsecured

**a. Security Deposit**

<b>45.44</b>	34.56
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**b. Loans to employees**

<b>6.43</b>	6.13
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<b>51.87</b>	40.69
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**NOTE -10 NON CURRENT - OTHER FINANCIAL ASSETS**

**a. Lease Receivables**

<b>55.17</b>	55.17
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**b. Others**

<b>0.48</b>	0.48
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<b>55.65</b>	55.65
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# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE -11 OTHER NON-CURRENT ASSETS</b>		
a. Capital advances	112.16	56.01
b. Other advances	81.97	92.24
(Includes amount incurred by the group for setting up power projects to be transferred to the specific project on completion of the same, prepaid expenses etc.)		
	194.13	148.25
<b>NOTE -12 INVENTORIES</b>		
a. Fuel (includes goods in transit 31.03.2021 : ₹ 77.55 crore; 31.03.2020 : ₹ 87.42 crore)	310.47	434.66
b. Stores and Spares	284.42	283.73
c. Stock-in-trade	2.78	1.78
	597.67	720.17
<b>NOTE -13 CURRENT INVESTMENTS</b>		
<b>Quoted</b>		
Investment in Mutual funds carried at fair value through profit and loss	168.96	15.01
<b>Unquoted</b>		
Investments in Commercial Paper carried at amortised cost *	-	-
	168.96	15.01
<b>Investment in quoted investments:</b>		
Aggregate Book value	168.96	15.01
Aggregate Market value	168.96	15.01
<b>Investment in unquoted investments:</b>		
Aggregate Book value	-	-
<b>Aggregate provision for impairment in value of investments</b>	30.00	30.00
* Fully impaired		
<b>NOTE -14 TRADE RECEIVABLES</b>		
a. Considered good - Secured	919.32	625.83
b. Considered good - Unsecured	1,395.69	1,213.38
c. Credit Impaired	106.25	124.56
	2,421.26	1,963.77
Less : Allowances for bad and doubtful debts	106.28	124.59
	2,314.98	1,839.18
Trade Receivables includes a sum of unbilled revenue of ₹ 90.66 crore (31.03.2020: ₹ 60.56 crore)		
<b>NOTE-15 CASH AND CASH EQUIVALENTS</b>		
a. Balances with banks		
- In current accounts	777.46	1,193.20
- Bank Deposits with original maturity upto 3 months	55.68	50.83
b. Cheques, drafts on hand	3.42	14.90
c. Cash on hand	3.04	3.48
	839.60	1,262.41
<b>NOTE-16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Unpaid Dividend Account	9.01	6.54
Escrow accounts*	111.87	116.62
Bank Deposits with original maturity more than 3 months	897.45	593.03
	1,018.33	716.19

\* As security for payment of the secured obligation in accordance with Distribution Franchisee Agreement in respect of certain subsidiaries.

- a. Amount lying in deposit accounts with banks as at 31st March, 2021 includes ₹ 279.85 crore (31.03.2020 : ₹ 261.86 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.
- b. Bank deposits with original maturity more than 3 months include ₹ 303.56 crore (31.03.2020 : ₹ 288.87 crore) having original maturity more than 12 months as on the reporting date.

# Notes forming Part of Consolidated Financial Statements (Contd.)



	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE-17 LOANS</b>		
Considered Good - Unsecured		
a. Security Deposit	24.47	16.48
b. Loans to employees	1.23	1.04
	<b>25.70</b>	<b>17.52</b>
<b>NOTE-18 OTHER FINANCIAL ASSETS</b>		
Unsecured, Considered Good		
a. Receivable from Related Party	29.43	18.33
b. Interest accrued on Bank Deposits	43.16	21.69
c. Derivative financial instruments	6.87	22.50
d. Receivable towards claims and services rendered	89.45	85.31
e. Miscellaneous advances to Bodies Corporate	42.05	41.65
f. Others	0.66	2.59
	<b>211.62</b>	<b>192.07</b>
<b>NOTE-19 OTHER CURRENT ASSETS</b>		
Advances for goods and services	84.90	172.76
Prepaid Expenses	21.51	13.58
Others (includes deferred rent, advance to employees etc. and also refer note 32(d))	310.74	232.84
	<b>417.15</b>	<b>419.18</b>
<b>NOTE -20 EQUITY</b>		
a. <b>Authorised Share Capital</b>		
315,60,00,000 (31.03.2020: 315,60,00,000) Equity Shares of ₹ 10 each	<b>3,156.00</b>	<b>3,156.00</b>
b. <b>Issued Capital</b>		
13,88,57,015 ( 31.03.2020 : 13,88,57,015 ) Equity Shares of ₹ 10 each fully paid up	<b>138.86</b>	<b>138.86</b>
c. <b>Subscribed and paid up capital</b>		
13,25,57,043 (31.03.2020 :13,25,57,043) Equity Shares of ₹ 10 each fully paid up	<b>132.56</b>	<b>132.56</b>
d. <b>Forfeited Shares (amount originally paid up)</b>	<b>0.66</b>	<b>0.66</b>
	<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, 2021		As at 31st March, 2020	
	No. of shares	Amount (₹ in crore)	No. of shares	Amount (₹ in crore)
At the beginning of the year	13,25,57,043	132.56	13,25,57,043	132.56
Add : Change during the year	-	-	-	-
At the end of the year	<b>13,25,57,043</b>	<b>132.56</b>	13,25,57,043	132.56

For the period of five years immediately preceding 31st March, 2021, no shares were : - (i) allotted as fully paid up pursuant to any contract without consideration being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 45 per equity share (31.03.20 : ₹ 20 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.

g. The Board of Directors of the Company has approved a proposal to sub divide / split Company's existing 1 (One) Equity Share of face value of ₹ 10/- (Rupees Ten Only) fully paid-up into 10 (Ten) Equity Shares of face value of ₹ 1/- (Rupee One Only) each fully paid-up, subject to approval of the shareholders and such other authorities, as may be necessary.

h. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [ refer note 54 (a) ]	58,796,632	44	58,796,632	44
HDFC Trustee Company Limited	11,954,406	9	11,930,021	9

**NOTE -21 OTHER EQUITY**

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
A Retained Earnings	10,665.42	10,228.60
Foreign Currency Translation Reserve	12.81	12.83
Equity Instruments through Other Comprehensive Income	10.64	5.80
Capital Reserve (Refer note B (ii))	(1,250.24)	(1,250.24)
Fund for unforeseen exigencies	300.93	281.43
	<b>9,739.56</b>	<b>9,278.42</b>

B Nature and purpose of other reserves

i) Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income. Foreign Currency Translation Reserve represents exchange difference relating to translation of Group's foreign operation from their functional currencies to Group's presentation currency.

ii) Capital reserve which had arisen consequent to a scheme of arrangement in financial year ended 31st March 2018 and was adjusted with retained earnings has now been shown separately for more appropriate presentation of composition of Other Equity and also includes ₹ 438.14 crore attributable to the transaction detailed in Note 56.

**NOTE -22 NON-CURRENT BORROWINGS**

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
A <b>Secured</b>		
Non Convertible Debentures	920.00	170.00
Term Loans		
(i) Rupee loans from banks	10,793.46	10,157.07
(ii) Rupee loans from financial institutions	697.50	720.00
(iii) Foreign Currency loans from banks	18.38	56.54
	<b>12,429.34</b>	<b>11,103.61</b>
B <b>Unsecured</b>		
Term Loans		
(i) Rupee loans from banks	100.00	525.00
<b>Total</b>	<b>12,529.34</b>	<b>11,628.61</b>
Less: Current maturities of long term debt transferred to Other Current Financial Liabilities (refer note 28 )	1,576.25	1,809.26
Less: Unamortised front end fees	54.31	59.24
	<b>10,898.78</b>	<b>9,760.11</b>

**C Nature of Security :**

- 1 (i) Out of the Term Loans in (A) above in respect of the Parent:
  - a) ₹ 2855.78 crore (31.03.2020: ₹ 3125.89 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent including its land, building and any other constructions thereon, plant and machinery etc (refer note 5) as a first charge and as a second charge by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12), book debts, monies receivable (refer note 14) and bank balances (refer note 15). However, creation of the said mortgage security in respect of three Rupee Loans (31.03.2020 – eight Rupee Loans) aggregating ₹ 240.12 crore (31.03.2020 - ₹ 1255.00 crore) is in process.
  - b) ₹ 333.56 crore (31.03.2020 – ₹ 327.26 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent as a first charge. However, creation of the said mortgage security in respect of one Rupee Loan (31.03.2020: Nil), aggregating ₹ 100.00 crore (31.03.2020 - Nil) is in process.
  - c) ₹ 600 crore (31.03.2020: Nil) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Parent as a first charge;
  - d) ₹ 462.50 crore (31.03.2020 – ₹ 350 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets of the Parent as a first charge and by hypothecation of the current assets of the Parent as a second charge.
  - e) ₹ 713.57 crore (31.03.2020- ₹ 505.71 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets of the Parent as a first charge; and
  - f) ₹ 500 crore (31.03.2020- ₹ Nil) are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets as a first charge and by equitable mortgage/hypothecation of the fixed assets of the Parent as a second charge. However, creation of the said mortgage security is in process.
- (ii) Out of the Debentures in (A) above in respect of the Parent:
  - a) ₹ 620 crore (31.03.2020 – ₹ 170 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets of the Parent as a first charge. Out of the above, debenture aggregating to ₹ 200 crore (31.03.2020: ₹ Nil) is listed. However, in respect of one Debenture (31.03.2020 - one Debenture) aggregating ₹ 200 crore (31.03.2020 – ₹ 170 crore), security has been created and the filing of such security is in process; and
  - b) ₹ 300.00 crore (31.03.2020 - ₹ Nil) are secured, listed, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent as a first charge.
- 2 Out of the Term Loan in (A) above, ₹ 2882.72 crore (31.03.2020: ₹ 3127.15 crore) in respect of another subsidiary are secured with first charge by way of mortgage / hypothecation of the fixed assets and current assets of the subsidiary including its land, buildings, the constructions thereon where exists, plant and machinery etc. (refer note 5).
- 3 (i) Out of the Term Loan in (A) above, ₹ 2259.25 crore (31.03.2020- ₹ 2332.13 crore) in respect of another subsidiary are secured, with first charge by way of mortgage / hypothecation of subsidiary's fixed and current assets including its land, buildings and the construction thereon where exists, plant and machinery etc (refer note 5), loans amounting to ₹ 151.87 crore (31.03.2020- ₹ 221.25 crore) are secured with second charge on all assets of the subsidiary.
  - (ii) Out of the Term Loan in (A) above, loan of ₹ 133.33 crore (31.03.2020- ₹ 155.56 crore) in respect of the above subsidiary are secured with subservient charge on all current and movable fixed assets of the subsidiary.
- 4 In respect of one of the subsidiaries, the Term Loans of ₹ 474.65 crore (31.03.2020- ₹ 526.96 crore) in (A) above are secured / to be secured by an exclusive charge by way of mortgage/hypothecation in respect of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. (refer note 5) and by way of hypothecation of current assets of the subsidiary, with respect to the project for which the loan was availed.
- 5 Term Loan of ₹ 55.86 crore (31.03.2020- ₹ 62.63 crore) in (A) above, in respect of one of the subsidiaries, is secured by an exclusive charge by way of mortgage/hypothecation in respect of fixed assets including its land, building, constructions thereon where exist, plant and machinery etc.(refer note 5) and by way of hypothecation of current assets including book debts, receivables,(refer note 14) projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathpuram, Tamil Nadu.
- 6 Out of the Term Loan in (A) above, ₹ 71.25 crore (31.03.2020- ₹ 96.56 crore) in respect of another subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL).

- 7 Out of the Term Loan in (A) above, ₹ 15 crore (31.03.2020- ₹ 20 crore) in respect of another subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL).

D Major terms of repayment of Non Current Borrowings :

₹ in crore

Maturity profile of Non Current Borrowings outstanding as at 31st March, 2021	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Non Convertible Debentures	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto one year	152.86	-	-	18.38	171.24	171.23
Borrowings with maturity between 1 and 3 years	1,480.36	-	370.00	-	1,850.36	593.67
Borrowings with maturity between 3 and 5 years	2,070.78	-	550.00	-	2,620.78	216.71
Borrowings with maturity between 5 and 10 years	2,948.33	-	-	-	2,948.33	386.65
Borrowings with maturity beyond 10 years	4,241.13	697.50	-	-	4,938.63	207.99
<b>Total</b>	<b>10,893.46</b>	<b>697.50</b>	<b>920.00</b>	<b>18.38</b>	<b>12,529.34</b>	<b>1,576.25</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 ₹ 920 crore are due for maturity on 21-May-25 - ₹ 37.50 crore; 21-Feb-25 - ₹ 37.50 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; 13-Oct-22 - ₹ 50.00 crore and 18-Feb-22 - ₹ 60.00 crore.

₹ in crore

Maturity profile of Non Current Borrowings outstanding as at 31st March, 2020	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Non Convertible Debentures	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto one year	564.50	-	-	-	564.50	564.50
Borrowings with maturity between 1 and 3 years	876.27	-	-	56.54	932.81	386.97
Borrowings with maturity between 3 and 5 years	1,573.83	-	170.00	-	1,743.83	286.82
Borrowings with maturity between 5 and 10 years	2,849.12	-	-	-	2,849.12	330.79
Borrowings with maturity beyond 10 years	4,818.35	720.00	-	-	5,538.35	240.18
<b>Total</b>	<b>10,682.07</b>	<b>720.00</b>	<b>170.00</b>	<b>56.54</b>	<b>11,628.61</b>	<b>1,809.26</b>

Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over lender's benchmark rate and that of Foreign Currency Loan based on spread over LIBOR. Interest rate on Debentures are based on spread over 364 days T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures of ₹ 55 crore, ₹ 55 crore and ₹ 60 crore are due for maturity on 02-Feb-24, 10-Feb-23 and 18-Feb-22 respectively.

E Outstanding foreign currency loans as on 31st March, 2021 as disclosed above, stand fully hedged in Indian Rupees. 167

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE -23 NON CURRENT- OTHER FINANCIAL LIABILITIES</b>		
a. Lease liabilities	203.76	278.57
b. Others	66.95	66.95
	<b>270.71</b>	<b>345.52</b>
<b>NOTE -24 NON CURRENT- PROVISIONS</b>		
a. Provision for employee benefits	437.48	388.91
b. Restoration liabilities	38.47	35.76
	<b>475.95</b>	<b>424.67</b>
<b><u>Reconciliation of movement in Restoration liabilities</u></b>		
Opening balance	35.76	33.06
Add : Accrual for the year	2.71	2.70
	<b>38.47</b>	<b>35.76</b>
The Group has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.		
<b>NOTE -25 OTHER NON CURRENT LIABILITIES</b>		
a. Advance received from consumers	69.35	94.54
b. Others	121.97	100.85
	<b>191.32</b>	<b>195.39</b>
<b>NOTE -26 CURRENT- BORROWINGS</b>		
<b>A Secured</b>		
Loans repayable on demand from banks	1,201.46	1,921.49
<b>B Unsecured</b>		
Loans repayable on demand		
(i) Short term loan from banks	215.00	200.00
(ii) Commercial Paper (from Banks)	150.00	300.00
	<b>1,566.46</b>	<b>2,421.49</b>

**C Nature of Security**

- Working capital facilities from banks in respect of the Parent amounting to ₹ 763.89 crore (31.03.2020: ₹ 1290.01 crore) in (A) above are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15) as a first charge and as a second charge by equitable mortgage/ hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc (refer note 5). However, creation of the said security in respect of working capital facilities from banks aggregating ₹ 630.65 crore (31.03.2020: ₹ 180.65 crore) is in process.
- The loans repayable on demand from banks in respect of one of the subsidiaries amounting to ₹ 20.00 crore (31.03.2020: ₹ 179.60 crore) in (A) above, is secured with first charge by way of mortgage/hypothecation of the subsidiary's fixed and current assets including its land and buildings, the construction thereon where exists, plant and machinery etc (refer note 5) of the subsidiary.

- 3 The loans repayable on demand from banks in respect of certain subsidiaries amounting to ₹ 17.41 crore (31.03.2020: ₹ 30.22 crore) in (A) above, was secured by pari passu charge on movable and immovable fixed assets (refer note 5) of the subsidiary and charge over escrow account for routing of cash flows pertaining of 40 MW AFBC Thermal Power project of the subsidiary.
- 4 The loans repayable on demand from banks in respect of one of the subsidiary amounting to ₹ 235.00 crore (31.03.2020: ₹ 249.24 crore) in (A) above, is secured with first charge by way of mortgage / hypothecation of fixed assets and current assets of the subsidiary including its land, building, the construction thereon where exists, plant and machinery etc (refer note 5).
- 5 Working capital facilities from banks in respect of certain subsidiaries amounting to ₹ 157.18 crore (31.03.2020: ₹ 172.42 crore) in (A) above, is secured ranking pari passu inter se, by hypothecation of respective subsidiary's current assets as a second charge.
- 6 The loans repayable on demand from banks in respect of one of the subsidiary amounting to ₹ 7.98 crore (31.03.2020: ₹ Nil) in (A) above, is secured by a second ranking charge by way of hypothecation of the movable fixed assets, receivables and current assets of the 26MW and 20MW wind power projects of the subsidiary.

	₹ in crore	
	As at 31st March, 2021	As at 31st March, 2020
<b>NOTE - 27 TRADE PAYABLES</b>		
a. Total outstanding dues of micro enterprises & small enterprises	29.92	19.32
b. Total outstanding dues of creditors other than micro enterprises & small enterprises	909.28	796.74
	<b>939.20</b>	<b>816.06</b>
<b>NOTE- 28 OTHER FINANCIAL LIABILITIES</b>		
a. Current maturities of long term debt	1,576.25	1,809.26
b. Interest accrued but not due	44.60	20.02
c. Unclaimed dividends	9.01	6.54
d. Others (refer note e)	790.32	1,312.08
	<b>2,420.18</b>	<b>3,147.90</b>
e. Others include current portion of consumer security deposit (including accrued interest thereon) ₹ 218.86 crore (31.03.2020: ₹ 209.70 crore), employee related liabilities ₹ 120.59 crore (31.03.2020: ₹ 209.82 crore), lease liabilities ₹ 31.83 crore (31.03.2020: ₹ 31.96 crore), etc.		
<b>NOTE- 29 OTHER CURRENT LIABILITIES</b>		
a. Liabilities towards statutory taxes, duties, etc.	294.42	389.56
b. Advances received from consumers	25.79	44.23
c. Receipt from consumers for jobs	232.50	191.43
d. Others	22.36	20.11
	<b>575.07</b>	<b>645.33</b>
<b>NOTE- 30 CURRENT PROVISIONS</b>		
a. Provision for employee benefits	91.66	68.72
b. Others	0.22	0.22
	<b>91.88</b>	<b>68.94</b>
<b>NOTE-31 REGULATORY DEFERRAL ACCOUNT BALANCES</b>		
<b>REGULATORY DEFERRAL ACCOUNT BALANCES -CREDIT BALANCES</b>	<b>1,872.92</b>	<b>1,739.96</b>
<b>REGULATORY DEFERRAL ACCOUNT BALANCES -DEBIT BALANCES</b>	<b>5,492.04</b>	<b>4,935.26</b>
(Refer Note 40 for details)		

**NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS**

a. The appeals filed under the Electricity Act, 2003 in the Hon'ble Appellate Tribunal for Electricity (APTEL) in respect of power purchase arrangement in respect of one of its subsidiaries and the related tariff determined by the applicable regulatory commission are pending before the APTEL and the impact thereof on the consolidated financial statements is not ascertainable at this stage.

b. Other matters for which the Group is contingently liable:

(₹ in crore)

Particulars	31st March, 2021	31st March, 2020
- Pending Court Cases	0.05	-
- Bank Guarantees	449.76	543.63

c. Commitments of the Group on account of estimated amount of contracts remaining to be executed on capital account not provided for amount to ₹ 103.93 crore (31.03.2020: ₹ 126.49 crore)

d. The Ministry of Coal had encashed the bank guarantee of the Parent amounting to ₹ 66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the Coal Mine Development and Production Agreement (CMDPA). Further, in terms of the above letter, the Ministry had directed the Parent to top-up the bank guarantee with the aforesaid encashed amount. The Hon'ble High Court of Delhi while disposing the petition filed by the Parent against the Ministry's letter dated 25.04.2018, stayed the operation of this letter and further directed the Parent to approach the Tribunal. The Parent has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Parent expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account.

e. Commitments relating to leasing arrangement, refer note 48

**NOTE - 33 REVENUE FROM OPERATIONS**

	₹ in crore	
	2020-21	2019-20
a Earnings from sale of electricity	11,351.77	11,879.32
b Other Operating Revenue		
Meter Rent	53.50	52.36
Contribution from Consumers	144.47	130.24
Earnings from sale of traded goods	20.63	20.06
Others	68.24	76.91
	<b>11,638.61</b>	<b>12,158.89</b>

c 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 on a net basis from month to month amounting to ₹ 115.37 crore (previous year : ₹ 118.73 crore).

**NOTE - 34 OTHER INCOME**

	₹ in crore	
	2020-21	2019-20
a Interest Income	56.35	45.95
b Dividend Income	11.30	12.59
c Gain on sale/fair valuation of current investments (net)	17.53	46.27
d Liabilities Written Back	52.00	-
e Other Non-operating Income *	97.49	114.18
	<b>234.67</b>	<b>218.99</b>

\* includes Delayed payment surcharge, Usance fee, etc

**NOTE-35 COST OF FUEL**

- a) Cost of Fuel includes freight ₹ 901.11 crore (previous year : ₹ 956.61 crore)  
b) Consumption of fuel:

Particulars	₹ in Crore	
	2020-21	2019-20
(a) Consumption of coal	3120.35	3432.85
(b) Consumption of oil	9.81	15.82
(c) Total (a+b)	3,130.16	3448.67

**NOTE-36 EMPLOYEE BENEFITS EXPENSE**

- a. Salaries, wages and bonus  
b. Contribution to provident and other funds  
c. Employees' welfare expenses

	₹ in crore	
	2020-21	2019-20
a. Salaries, wages and bonus	1,048.87	1,125.42
b. Contribution to provident and other funds	130.42	114.87
c. Employees' welfare expenses	54.61	54.17
	1,233.90	1,294.46
Less : Transfer to PPE/ CWIP etc.	119.58	123.47
	1,114.32	1,170.99
Less: Transfer to Other Comprehensive Income *	40.11	41.91
	1,074.21	1,129.08

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit plan has been recognised in Other Comprehensive Income.

**(i) Defined Contribution Plans**

The Group makes contribution for Provident Fund towards defined contribution retirement benefit plan for eligible employees. Under the plan, the Group is required to contribute a specific percentage of the employees' salaries to fund the benefit. 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, where applicable. 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 ₹ 71.24 crore. (previous year: ₹ 78.74 crore) on this count in the Statement of Profit and Loss.

The Group also sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The 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.

**(ii) The amounts recognised in the balance sheet and the movements in the total defined benefit obligation over the year are as follows:**

Gratuity (Funded)	2020-21			2019-20		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
Opening Balance	464.03	(425.97)	38.06	455.63	(416.37)	39.26
Current service cost	24.02	-	24.02	21.55	-	21.55
Interest expense/(income)	27.62	(26.53)	1.09	27.92	(29.67)	(1.75)
Past service cost	5.77	-	5.77	0.10	-	0.10
<b>Total amount recognised in profit and loss</b>	<b>57.41</b>	<b>(26.53)</b>	<b>30.88</b>	<b>49.57</b>	<b>(29.67)</b>	<b>19.90</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	(9.80)	(9.80)	-	(0.47)	(0.47)
(Gain)/loss from change in demographic assumptions	-	-	-	(2.01)	-	(2.01)
(Gain)/loss from change in financial assumptions	(1.77)	-	(1.77)	18.70	-	18.70
Experience (gains)/losses	45.17	0.01	45.18	2.19	0.02	2.21
<b>Total amount recognised in other comprehensive income</b>	<b>43.40</b>	<b>(9.79)</b>	<b>33.61</b>	<b>18.88</b>	<b>(0.45)</b>	<b>18.43</b>
Employer contributions	-	(34.04)	(34.04)	-	(38.25)	(38.25)
Benefit payments	(69.89)	67.87	(2.02)	(60.05)	58.77	(1.28)

Closing Balance	494.95	(428.46)	66.49	464.03	(425.97)	38.06
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(₹ in crore)

Leave Obligation (Unfunded)	2020-21	2019-20
	Present value of obligation	Present value of obligation
<b>Opening Balance</b>	<b>191.32</b>	176.72
Current service cost	<b>12.87</b>	14.57
Interest expense/(income)	<b>12.45</b>	11.17
Past service cost	<b>0.04</b>	0.03
<i>Remeasurements</i>		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
(Gain)/loss from change in demographic assumptions	-	(0.01)
(Gain)/loss from change in financial assumptions	<b>(0.79)</b>	11.06
Experience (gains)/losses	<b>10.72</b>	(4.84)
<b>Total amount recognised in profit and loss</b>	<b>35.29</b>	31.98
(Gain)/loss from change in financial assumptions	-	-
Experience (gains)/losses	-	-
<b>Total amount recognised in other comprehensive income</b>	-	-
Employer contributions	-	-
Benefit payments	<b>(22.52)</b>	(17.38)
<b>Closing Balance</b>	<b>204.09</b>	191.32

(₹ in crore)

	Post retirement medical benefit (PRMB)		Pension	
	2020-21	2019-20	2020-21	2019-20
	<b>Opening Balance</b>	<b>132.09</b>	86.12	<b>96.16</b>
Current service cost	<b>3.50</b>	4.31	<b>0.64</b>	0.41
Interest expense/(income)	<b>8.39</b>	5.71	<b>6.25</b>	5.54
Past Service Cost	-	28.55	<b>17.98</b>	9.24
<b>Total amount recognised in profit or loss</b>	<b>11.89</b>	38.57	<b>24.87</b>	15.19
<i>Remeasurements</i>				
(Gain)/loss from change in demographic assumptions	-	1.19	-	-
(Gain)/loss from change in financial assumptions	<b>(0.87)</b>	13.13	<b>(0.49)</b>	5.64
Experience (gains)/losses	<b>3.26</b>	(3.28)	<b>4.60</b>	6.80
<b>Total amount recognised in other comprehensive income</b>	<b>2.39</b>	11.04	<b>4.11</b>	12.44
Employer contributions	-	-	-	-
Benefit payments	<b>(6.16)</b>	(3.64)	<b>(6.79)</b>	(7.00)
<b>Closing Balance</b>	<b>140.21</b>	132.09	<b>118.35</b>	96.16

(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-21</b>					
Gratuity	<b>68.05</b>	<b>217.10</b>	<b>218.53</b>	<b>297.93</b>	<b>801.61</b>
Leave obligation	<b>21.68</b>	<b>75.12</b>	<b>87.52</b>	<b>204.77</b>	<b>389.09</b>
Post-employment medical benefits	<b>8.51</b>	<b>46.89</b>	<b>81.86</b>	<b>315.29</b>	<b>452.55</b>
Pension	<b>8.01</b>	<b>39.96</b>	<b>58.09</b>	<b>123.68</b>	<b>229.74</b>
<b>Total</b>	<b>106.25</b>	<b>379.07</b>	<b>446.00</b>	<b>941.67</b>	<b>1,872.99</b>
<b>31-Mar-20</b>					
Gratuity	73.03	195.48	208.45	251.58	728.54
Leave obligation	23.57	64.17	80.25	186.22	354.21
Post-employment medical benefits	6.15	35.02	65.30	337.46	443.93
Pension	8.03	38.75	44.55	80.20	171.53
<b>Total</b>	<b>110.78</b>	<b>333.42</b>	<b>398.55</b>	<b>855.46</b>	<b>1,698.21</b>

(iv) Sensitivity Analysis

(₹ in crore)

	Gratuity		Leave Obligation		Post-employment medical benefits (PRMB)		Pension	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
DBO at 31st March with discount rate +1%	<b>454.64</b>	427.04	<b>189.74</b>	175.39	<b>124.87</b>	117.00	<b>109.24</b>	89.50
Corresponding service cost	<b>20.11</b>	18.15	<b>10.81</b>	9.95	<b>2.57</b>	3.17	<b>0.56</b>	0.37
DBO at 31st March with discount rate -1%	<b>515.40</b>	481.27	<b>222.29</b>	205.22	<b>159.70</b>	151.39	<b>128.84</b>	103.72
Corresponding service cost	<b>23.58</b>	21.11	<b>13.34</b>	12.31	<b>4.12</b>	5.02	<b>0.73</b>	0.47
DBO at 31st March with +1% salary/benefit escalation	<b>511.46</b>	466.30	<b>226.12</b>	208.46	<b>149.27</b>	140.98		
Corresponding service cost	<b>23.38</b>	20.41	<b>13.68</b>	12.61	<b>3.66</b>	4.46		
DBO at 31st March with -1% salary/benefit escalation	<b>454.23</b>	437.60	<b>186.69</b>	172.80	<b>132.34</b>	124.40		
Corresponding service cost	<b>20.07</b>	18.64	<b>10.53</b>	9.71	<b>3.00</b>	3.67		
DBO at 31st March with +50% withdrawal rate	<b>483.52</b>	453.01	<b>204.92</b>	189.32	<b>139.58</b>	131.42		
Corresponding service cost	<b>21.74</b>	19.56	<b>11.97</b>	11.03	<b>3.23</b>	3.95		
DBO at 31st March with -50% withdrawal rate	<b>482.97</b>	452.26	<b>204.77</b>	189.18	<b>141.23</b>	133.14		
Corresponding service cost	<b>21.70</b>	19.50	<b>11.95</b>	11.01	<b>3.36</b>	4.10		
DBO at 31st March with +10% mortality rate	<b>483.24</b>	452.64	<b>204.87</b>	189.26	<b>137.92</b>	129.60	<b>114.44</b>	93.09
Corresponding service cost	<b>21.73</b>	19.54	<b>11.96</b>	11.02	<b>3.21</b>	3.92	<b>0.62</b>	0.41
DBO at 31st March with -10% mortality rate	<b>483.28</b>	452.56	<b>204.83</b>	189.22	<b>143.04</b>	135.11	<b>122.65</b>	99.51
Corresponding service cost	<b>21.71</b>	19.52	<b>11.96</b>	11.02	<b>3.38</b>	4.13	<b>0.65</b>	0.42

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compare to the prior period

(v) Major categories of total plan assets as per the Gratuity Trust Fund

	31-Mar-2021	31-Mar-2020
<b>Gratuity</b>		
Cash and cash equivalents	426.05	426.82
Un-quoted market price	426.05	426.82

(vi) Actuarial assumptions

Particulars	31-Mar-21			
	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	4.5-6.95%	4.5-6.95%	6.55%	6.55%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

31-Mar-20				
Particulars	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	4.58-6.75%	4.58-6.67%	6.50%	6.50%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

Expected Remaining Life (years)	2020-21	2019-20
Employees Gratuity Fund	6.77	6.90
Executive Gratuity Fund	2.07-20.52	2.37-19.16
Leave Encashment	2.51-20.52	2.96-19.18
PRMB - Non Cov	14.63	12.33
PRMB - Cov	14.28	14.22
Pension	18.18	18.39

Expected contributions to be paid in next year for gratuity fund ₹ 73.93 crore

Expected contributions to be paid for next year for leave obligation, medical & pension is ₹nil

(vii) Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

	2020-21	2019-20
Actual return on plan assets (₹ in crore)	36.33	30.14

(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 for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB & pension are not dependant on future salary levels.

**Demographic Risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

	₹ in crore	
	2020-21	2019-20
<b>NOTE- 37 FINANCE COSTS</b>		
a Interest expense	1,166.93	1,331.87
b Other Borrowing Costs	58.98	46.53
c Applicable net loss on foreign currency transactions and translation	-	(0.73)
	<b>1,225.91</b>	<b>1,377.67</b>
<b>NOTE- 38 DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation/ amortisation of property, plant & equipment	1,093.57	1,119.52
Amortisation of intangible assets	16.65	15.35
	<b>1,110.22</b>	<b>1,134.87</b>
Less : Recoupment from Retained Earnings (refer Note 47)	243.57	286.89
	<b>866.65</b>	<b>847.98</b>
<b>NOTE-39 OTHER EXPENSES</b>		
a Power and Fuel	3.14	6.70
b Consumption of stores and spares	106.69	131.66
c Repairs		
Building	18.81	13.82
Plant and Machinery	207.25	179.15
Distribution System	161.86	171.79
Others	20.33	22.39
	<b>408.25</b>	<b>387.15</b>
d Insurance	40.69	36.88
e Rent	13.97	11.55
f Rates and taxes	11.67	10.26
g Bad debts / Advances made		
Bad debts / Advances written off during the year	56.73	45.99
Less: Adjustment for Provision for Bad Debts made in earlier years	(36.58)	(18.29)
	<b>20.15</b>	<b>27.70</b>
h Loss on sale / disposal of Property, Plant & Equipment (net)	0.58	6.88
i Provision for Bad Debts	42.58	46.00
j Interest on Consumers' Security Deposits	114.14	106.04
k Foreign Exchange Restatement loss / (gain)	(15.66)	(25.26)
l Corporate social responsibility activities	32.47	73.00
m Mark to Market loss / (gain) on derivatives	15.64	18.46
n Miscellaneous expenses	658.96	606.18
	<b>1,453.27</b>	<b>1,443.20</b>

#### NOTE - 40 REGULATORY INCOME

- a Regulatory Income / (Expenses) arise to the Parent 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 ₹ (77.17 crore) [Previous year ₹ (81.14 crore)], ₹ 384.89 crore (Previous year ₹ 588.47 crore), ₹ 116.21 crore (Previous year ₹ 129.76 crore) and ₹ (0.02 crore) [Previous year ₹ (6.80 crore)] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balances (Refer Note 31).

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) exchange fluctuation and (c) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 4,117.68 crore ( 31.3.2020 : ₹ 4,001.55 crore) , ₹ 7.13 crore ( 31.3.2020 : ₹ 22.79 crore ) and ₹ 1,367.23 crore ( 31.3.2020 : ₹ 910.92 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) MTM Gain and (c) cost adjustments having bearing on revenue account amounting to ₹ 1,794.63 crore (31.3.2020 : ₹ 1,717.46 crore) , ₹ 6.87 crore ( 31.3.2020 : ₹ 22.50 crore) and ₹ 71.42 crore ( 31.3.2020 : ₹ Nil) respectively. These balances have been now recognised with discounting methodology, assuming recovery over a period of time using such rate in consonance with the applicable regulations and application of prudence.

Accordingly, the accurate quantification and disposal of the matters with regard to Regulatory deferral account balances, shall be given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Parent effective 1 April, 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

- b In respect of one of the subsidiary company, in the latest Tariff Order dated 4 December, 2020, the applicable Commission (UPERC) has approved the ARR for FY 2020-21 and has true up regulatory deferral account balance up to 31 March, 2019 at ₹ 61.74 crore as against ₹ 199.22 crore as per books of accounts excluding amount recoverable towards deferred tax liabilities of ₹ 43.79 crore. UPERC has deviated on already several settled principles, practices/ methodologies as per UPERC MYT Regulations, 2014 and followed till previous orders/ true-up orders. The said subsidiary is not in agreement with the methodology followed in the aforesaid tariff order and has filed an appeal against the same before the APTEL on 25 January, 2021. Based on the evaluation supported by legal opinion, the said subsidiary is of the view that it is more likely than not the matters will be decided in its favour. Accordingly, necessary adjustment, if any, will be made on final adjudication of the Appeal.

UPERC vide Tariff Order dated 4th December, 2020 approved the same tariff as approved vide tariff order dated 3 September, 2019. Accordingly, during FY 2020- 21, the billing has been done as per tariff rates approved by UPERC vide its order dated 3 September, 2019.

#### 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, 2021	31 March, 2020	31 March, 2021	31 March, 2020	31 March, 2021	31 March, 2020
Non Current assets	1,272.71	1,178.80	357.61	403.83	-	-
Current assets	800.13	365.34	74.92	114.96	0.74	1.01
Regulatory deferral account debit balances	50.29	210.66	-	-	-	-
<b>Total Assets</b>	<b>2,123.13</b>	<b>1,754.80</b>	<b>432.53</b>	<b>518.79</b>	<b>0.74</b>	<b>1.01</b>
Non Current liabilities	324.68	296.66	93.79	171.90	-	-
Current liabilities	603.02	435.97	59.64	80.25	0.48	0.70
Regulatory deferral account credit balances	71.42	-	-	-	-	-
<b>Total Liabilities</b>	<b>999.12</b>	<b>732.63</b>	<b>153.43</b>	<b>252.15</b>	<b>0.48</b>	<b>0.70</b>
<b>Net Assets</b>	<b>1,124.01</b>	<b>1,022.17</b>	<b>279.10</b>	<b>266.64</b>	<b>0.26</b>	<b>0.31</b>
<b>Accumulated Non Controlling Interest</b>	<b>306.52</b>	<b>278.75</b>	<b>89.79</b>	<b>85.78</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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenue	1,720.14	1,741.31	135.64	142.15	0.17	0.11
Profit / (Loss) after tax	101.28	139.92	13.25	11.82	(0.06)	(0.11)
Total Other Comprehensive Income for the year, net of tax	0.56	(0.31)	(0.78)	(0.24)	-	-
<b>Total Comprehensive Income for the year</b>	<b>101.84</b>	<b>139.61</b>	<b>12.47</b>	<b>11.58</b>	<b>(0.06)</b>	<b>(0.11)</b>
<b>Profits allocated to NCI</b>	<b>27.77</b>	<b>38.08</b>	<b>4.01</b>	<b>3.72</b>	*	*

\* Negative hence not disclosed

₹ in crore

Summarised Cash Flows	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Cash Flow from Operating Activities	538.31	383.86	76.51	(15.71)	(0.08)	(0.16)
Cash Flow from Investing Activities	(529.28)	(282.60)	38.52	35.84	0.08	0.07
Cash Flow from Financing Activities	0.52	(88.40)	(114.51)	(64.10)	0.00	0.00
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>9.55</b>	<b>12.86</b>	<b>0.52</b>	<b>(43.97)</b>	<b>(0.00)</b>	<b>(0.09)</b>

**NOTE-42** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 191.43 crore, on satisfaction of performance obligation it is dealt with in the revenue account, as applicable. The balance of the said contract liability as at the year-end stood at ₹ 232.50 crore pending satisfaction of the performance obligation.

**NOTE-43** The major components of net Deferred Tax Assets / (Liabilities) based on the temporary difference are as under :

₹ in crore

Deferred Tax Liabilities	April 1, 2020	Recognised through P&L	Recognised through OCI	Others	March 31, 2021
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(4,521.10)	10.41	-	-	(4,510.69)
Financial Instruments at Fair Value through OCI	(6.10)	-	0.38	-	(5.72)
Other temporary difference	(33.42)	13.74	-	-	(19.68)
<b>Assets</b>					
Business loss and Unabsorbed depreciation	303.09	(179.26)	-	-	123.83
Other temporary differences	215.25	38.67	-	-	253.92
<b>Net Deferred Tax Liability</b>	<b>(4,042.28)</b>	<b>(116.44)</b>	<b>0.38</b>	<b>-</b>	<b>(4,158.34)</b>

₹ in crore

Deferred Tax Liabilities	April 1, 2019	Recognised through P&L	Recognised through OCI	Others	March 31, 2020
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(4,401.09)	(120.01)	-	-	(4,521.10)
Financial Instruments at Fair Value through OCI	(6.07)	-	(0.03)	-	(6.10)
Other temporary difference	(27.63)	(5.79)	-	-	(33.42)
<b>Assets</b>					
Business loss and Unabsorbed depreciation	431.82	(128.73)	-	-	303.09
Other temporary differences	90.66	124.46	-	0.13	215.25
<b>Net Deferred Tax Liability</b>	<b>(3,912.31)</b>	<b>(130.07)</b>	<b>(0.03)</b>	<b>0.13</b>	<b>(4,042.28)</b>

**NOTE-44 Tax expense**

**a i) Tax recognised in Statement of profit and loss**

₹ in crore

Particulars	March 31, 2021	March 31, 2020
<b>Current tax expense *</b>	<b>272.29</b>	328.55
<b>Deferred tax</b>		
Deferred tax - expense	116.44	130.07
<b>Total tax expense</b>	<b>388.73</b>	458.62

**ii) Tax recognised in Other Comprehensive Income (OCI)**

Particulars	March 31, 2021	March 31, 2020
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	(6.86)	(7.32)
<b>Deferred tax</b>		
Deferred Tax on Gain on fair value of Investment	0.38	0.03
<b>Total tax expense relating to OCI items</b>	<b>(6.48)</b>	(7.29)

\* Net of provision for tax no longer required, written back ₹ 36 crore (previous year Nil).

**b Reconciliation of tax expense and accounting profit**

Particulars	March 31, 2021	March 31, 2020
<b>Accounting profit before tax after Other comprehensive income</b>	<b>1,715.95</b>	1,722.26
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)	599.62	601.83
Income/expenses not considered for tax purpose including difference in depreciation	(110.47)	(145.27)
Incentive & deduction allowed under Income Tax including MAT Adjustments *	(74.05)	(157.87)
Other adjustments	(32.85)	152.64
<b>Tax expense</b>	<b>382.25</b>	451.33

\* includes unrecognised credit of MAT related to earlier years.

**NOTE-45 Earnings per share:**

**(i) Computation of Earnings per share**

Particulars	2020-21	2019-20
A. Profit after tax attributable to owners of the equity (₹ in Crore)	1330.93	1267.04
B. Weighted Average no. of shares for Earnings per share	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	100.40	95.58

**(ii) Computation of Earnings per share - excluding regulatory (income)/ expense (net)**

Particulars	2020-21	2019-20
A. Profit after tax attributable to owners of the equity (₹ in Crore)	960.76	724.20
B. Weighted Average no. of shares for Earnings per share	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	72.48	54.63

**NOTE-46 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 /matters by the authority.

The Group being the provider of electricity in the licensed area has been managing the operations keeping in view its profitability and liquidity in terms of the above regulations. In order to manage the credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority (for consumers providing utility service), credit rating and appraisal by external agencies and lending bodies.

The Group manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Group market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through applicable regulations, long term sale contracts and availability of bulk commodity namely coal is generally sourced from own captive mine, domestic long term linkage and Special Forward E-Auction conducted by Coal India Limited and/or its subsidiaries.

While managing the capital, the Group ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

**NOTE- 47** Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an Act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Parent's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Parent continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relatable to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹ 243.57 crore ( 31.03.2020 : ₹ 286.89 crore) and corresponding withdrawal of ₹ 1.38 crore ( 31.03.2020 : ₹ 4.14 crore ) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

**NOTE- 48** Property, Plant and Equipment of the Group includes right-of-use assets in the opening balance as on 01.04.2020, additions, deletion, depreciation and closing balance for the year ended 31.03.2021 amounting to ₹ 1159.79 crore (01.04.2019 : ₹ 876.39 crore), ₹ 47.63 crore (31.03.2020 : ₹ 346.93 crore), ₹ 96.15 crore (31.03.2020 : ₹ Nil), ₹ 64.36 crore (31.03.2020 : ₹ 63.53 crore) and ₹ 1046.91 crore (31.03.2020 : ₹ 1159.79 crore) respectively. Carrying value of right-of-use assets as on 31.03.2021 in respect of land, building, plant & machinery and vehicles amounts to ₹ 694.09 crore (31.03.2020 : ₹ 620.60 crore), ₹ 332.81 crore (31.03.2020 : ₹ 382.23 crore), ₹ 19.98 crore (31.03.2020 : ₹ 27.64 crore) and ₹ 0.03 crore (31.03.2020 : ₹ 0.05 crore) respectively and its related depreciation / amortisation expense for the year ended 31.03.2021 in respect of land, building, plant & machinery and vehicles amount to ₹ 22.34 crore ( 31.03.2020 : ₹ 21.06 crore), ₹ 34.34 crore ( 31.03.2020 : ₹ 28.44 crore), ₹ 7.66 crore (31.03.2020 : ₹ 5.92 crore) and ₹ 0.02 crore (31.03.2020 : ₹ 0.02 crore) respectively.

<b>The movement in lease liabilities for the year 2020-2021 is as below</b>		₹ in crore
Lease liabilities as at April 1, 2020		<b>310.53</b>
Additions		<b>43.78</b>
Deletions (pertaining to modification/termination of lease agreements during the year)		<b>(97.31)</b>
Finance cost expense (refer note 37)		<b>19.66</b>
Payment during the year (including interest ₹ 19.66 crore)		<b>(41.07)</b>
<b>Balance as on 31st March 2021</b>		<b>235.59</b>
<b>The movement in lease liabilities for the year 2019-2020 is as below</b>		₹ in crore
Lease liabilities as at April 1, 2019		75.42
Additions		268.13
Finance cost expense (refer note 37)		18.91
Payment during the year (Including interest ₹ 18.91 crore)		(51.93)
<b>Balance as on 31st March 2020</b>		<b>310.53</b>

Future minimum lease payments during next one year ₹ 17.78 crore (31.03.2020 : ₹ 31.27 crore) and ₹ 13.47 crore (31.03.2020 : ₹ Nil), later than one year but not later than five years ₹ 54.65 crore (31.03.2020 : ₹ 152.07 crore) and ₹ 54.94 crore (31.03.2020 : ₹ Nil) and later than five years ₹ 57.91 crore (31.03.2020 : ₹ 127.19 crore) and ₹ 36.84 crore (31.03.2020 : ₹ Nil) applying 10% and 7% respectively as weighted average incremental borrowing rate.

# Notes forming Part of Consolidated Financial Statements (Contd.)



Other Expenses include short term leases of ₹ 2.59 crore (31.03.2020 : ₹ 2.69 crore) and low-value assets of ₹ 0.69 crore (31.03.2020: ₹ 0.73 crore), net of applicable taxes.

**NOTE-49** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Group's business includes Generation and Distribution of power in India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Group except some lower demand and its, consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Group has duly ensured compliance with specific regulatory directives issued in the related matter.

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

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

The Group is also monitoring the performance of its assets, basis which, no impairment is required to be recognised in respect of such assets.

**NOTE-50** 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 2021

Sl No.	Name of the Entities	Country of Incorporation	₹ in crore							
			31-Mar-21	2020-21	2020-21	2020-21	2020-21	2020-21	2020-21	
			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	9,977.58	101.06%	814.47	61.20%	(33.46)	118.13%	781.01	59.96%
	<b>Subsidiaries - Indian</b>									
1	Haldia Energy Limited (HEL)	India	2,952.52	29.91%	361.49	27.16%	4.00	(14.14%)	365.49	28.06%
2	Dhariwal Infrastructure Limited	India	518.13	5.25%	105.66	7.94%	(0.53)	1.88%	105.13	8.07%
3	Surya Vidyut Limited (SVL) (54% CESC, 46% HEL)	India	303.12	3.07%	8.71	0.65%	0.00	(0.01%)	8.71	0.67%
4	Malegaon Power Supply Limited	India	39.30	0.40%	(23.06)	(1.73%)	(0.00)	0.00%	(23.06)	(1.77%)
5	CESC Projects Limited	India	6.11	0.06%	(1.63)	(0.12%)	(0.01)	0.03%	(1.64)	(0.13%)
6	Pachi Hydropower Projects Limited	India	1.58	0.02%	(0.00)	(0.00%)	-	0.00%	(0.00)	(0.00%)
7	Papu Hydropower Projects Limited	India	0.77	0.01%	(0.00)	(0.00%)	-	0.00%	(0.00)	(0.00%)
8	Ranchi Power Distribution Company Limited	India	(3.94)	(0.04%)	(0.53)	(0.04%)	0.00	(0.01%)	(0.53)	(0.04%)
9	Kota Electricity Distribution Limited	India	91.28	0.92%	(48.82)	(3.67%)	(0.02)	0.07%	(48.84)	(3.75%)
10	Bharatpur Electricity Services Limited	India	20.71	0.21%	1.15	0.09%	0.00	(0.01%)	1.15	0.09%
11	Bikaner Electricity Supply Limited	India	120.27	1.22%	32.48	2.44%	(0.00)	0.01%	32.48	2.49%
12	Crescent Power Limited (CPL) (67.83% CESC)	India	279.10	2.83%	13.25	1.00%	(0.78)	2.76%	12.47	0.96%
13	CESC Green Power Limited	India	0.04	0.00%	(0.00)	(0.00%)	-	0.00%	(0.00)	(0.00%)
14	Jharkhand Electric Company Limited	India	30.61	0.31%	(1.45)	(0.11%)	(0.00)	0.01%	(1.45)	(0.11%)
15	Jarong Hydro Electric Power Company Limited	India	1.54	0.02%	(0.00)	(0.00%)	-	0.00%	(0.00)	(0.00%)
16	Eminent Electricity Distribution Limited (Eminent)	India	457.68	4.64%	(2.36)	(0.18%)	-	0.00%	(2.36)	(0.18%)
17	Au Bon Pain Café India Limited (93.1% CESC)	India	0.26	0.00%	(0.06)	(0.00%)	-	0.00%	(0.06)	(0.00%)
18	Noida Power Company Limited (49.55% CESC, 23.18% Eminent)	India	1,124.01	11.38%	101.28	7.61%	0.56	(1.98%)	101.84	7.82%
	<b>Subsidiaries - Foreign</b>									
19	Bantal Singapore Pte Limited	Singapore	4.80	0.05%	(0.19)	(0.01%)	1.82	(6.43%)	1.63	0.13%
	Non Controlling interest		(396.31)	(4.01%)	(31.88)	(2.40%)	0.10	(0.35%)	(31.78)	(2.44%)
	<b>Investment in Joint Venture (Equity Method)</b>									
20	Mahuagarhi Coal Company Private Limited	India	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	Adjustment		(5,656.38)	(57.31%)	2.42	0.17%	(0.01)	0.04%	2.41	0.17%
			<b>9,872.78</b>	<b>100%</b>	<b>1,330.93</b>	<b>100%</b>	<b>(28.33)</b>	<b>100%</b>	<b>1,302.60</b>	<b>100%</b>

**NOTE-51 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, 2021 stands at 50%. The company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom. However the entity, being not material related disclosure has not been given.

**NOTE-52 Fair value measurements**

a) The carrying value and fair value of financial instruments by categories as at March 31, 2021 and March 31, 2020 is as follows: ₹ in crore

	31-Mar-21			31-Mar-20		
	Cost / Amortized cost	FVTOCI	FVTPL	Cost / Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments						
- Equity	-	39.83	-	-	35.27	-
- Preference shares	-	96.88	1.04	-	126.88	0.95
- Mutual funds	-	-	169.27	-	-	15.21
- Others	1.35	-	-	1.35	-	-
Loans	77.57	-	-	58.21	-	-
Trade Receivables	2,314.98	-	-	1,839.18	-	-
Cash and cash equivalents	839.60	-	-	1,262.41	-	-
Bank balances other than cash and cash equivalents	1,018.33	-	-	716.19	-	-
Derivative Financial Instrument	-	-	6.87	-	-	22.50
Other financial assets	260.40	-	-	225.22	-	-
<b>Total financial assets</b>	<b>4,512.23</b>	<b>136.71</b>	<b>177.18</b>	<b>4,102.56</b>	<b>162.15</b>	<b>38.66</b>
<b>Financial liabilities</b>						
Borrowings	14,041.49	-	-	13,990.86	-	-
Trade Payables	1,003.34	-	-	887.71	-	-
Consumers' Security Deposit	2,110.72	-	-	1,998.15	-	-
Others	1,001.57	-	-	1,573.70	-	-
<b>Total financial liabilities</b>	<b>18,157.12</b>	<b>-</b>	<b>-</b>	<b>18,450.42</b>	<b>-</b>	<b>-</b>

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method.

Financial assets and liabilities measured at fair value	₹ in crore				
	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
<b>As at 31 March 2021</b>					
<b>Financial assets</b>					
Investment in equity shares	19.13	-	20.70	39.83	39.83
Investment in preference shares	-	-	97.92	97.92	97.92
Investment in liquid mutual fund units	169.27	-	-	169.27	169.27
Derivative financial instrument - cross currency swap	-	6.87	-	6.87	6.87
<b>Total financial assets</b>	<b>188.40</b>	<b>6.87</b>	<b>118.62</b>	<b>313.89</b>	<b>313.89</b>
<b>As at 31 March 2020</b>					
<b>Financial assets</b>					
Investment in equity shares	13.19	-	22.08	35.27	35.27
Investment in preference shares	-	-	127.83	127.83	127.83
Investment in liquid mutual fund units	15.21	-	-	15.21	15.21
Derivative financial instrument - cross currency swap	-	22.50	-	22.50	22.50
<b>Total financial assets</b>	<b>28.40</b>	<b>22.50</b>	<b>149.91</b>	<b>200.81</b>	<b>200.81</b>

The different levels have been defined below:

Level 1: financial instruments measured using quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price. The mutual funds are valued using the closing NAV.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

**c) The following methods and assumptions were used to estimate the fair values**

i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.

ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.

iii. The fair value of preference share is determined basis discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would 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 (31.03.20 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 ₹ 0.42 crore and ₹ 0.41 crore respectively.

iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, other bank balances, interest accrued payable/receivable, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.

v. Loans, non-current borrowings, lease receivable and security deposits are based on discounted cash flows using a current borrowing rate.

vi. Fair Value of financial Instruments which is determined on the basis of discounted cash flow analysis , considering the nature , risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.

d) Ind AS requires all financial assets / liabilities to be carried at fair value. Accordingly the difference between fair value and transaction value has been recognised as per applicable Ind AS.

**NOTE-53** The Group is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. The Parent is also running a single retail store in the state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.

The Group primarily operates in India and has all significant assets in India. No disclosure given for geographical segment as it is not material for CODM.

**NOTE-54 Related Party and their relationship**

**a) Parent- under de facto control as defined in Ind AS -110**

Rainbow Investments Limited

**b) (i) Entities under common control**

Name
Integrated Coal Mining Limited
RPG Power Trading Company Limited
Phillips Carbon Black Limited
Harrison Malayalam Limited
STEL Holdings Limited
Dotex Merchandise Private Limited
Castor Investments Limited
Shaft Investments Private Limited
Spencer's Retail Limited (formerly known as RP-SG Retail Limited)
Woodlands Multispeciality Hospital Limited
Sarala Real Estate Limited
Saregama India Limited
Open Media Network Limited

Name
Omnipresent Retail India Pvt Limited
RPSG Resources Private Limited ( Formerly known as Accurate Commodeal Private Limited)
Apricot Foods Private Limited
Guiltfree Industries Limited
Nature's Basket Limited (w.e.f. 4th July, 2019)
Kolkata Games And Sports Private Limited (KGSPL)
Kolkata Metro Networks Limited
Bowlopedia Restaurants India Limited
RPSG Ventures Limited (Formerly known as CESC Ventures Limited)
Firstsource Solutions Limited
Quest Properties India Limited
Business Media Private Limited
ATK Mohun Bagan Private Limited (w.e.f. 17th June,2020)
RP-SG Ventures Advisory LLP

**(ii) Key Management Personnel**

Name	Relationship
Mr. S. Goenka	Chairman
Mr. Shashwat Goenka	Vice Chairman (w.e.f. 14th November, 2019)
Mr. P. Chaudhuri	Director
Mr. C .K Dhanuka	Director
Mr. K. Jairaj	Director
Mr. P.K. Khaitan	Director
Ms. R.Sethi	Director
Mr. Sunil Mitra	Director (w.e.f. 14th November, 2019)
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

## c) Details of transaction between the Company and related parties and status of outstanding balance

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-21	31-Mar-20			31-Mar-21	31-Mar-20	
1	Investment/Acquisition of Shares	-	-	452.05	-	-	-	452.05
2	Redemption of Preference Share	-	-	30.00	-	-	-	30.00
3	Expense (Reimbursed) /Recovered (net)	-	-	(9.51)	(4.12)	-	-	(9.51)
4	Income from sale / services	-	-	115.06	107.77	-	-	115.06
5	Dividend Received	-	-	10.72	12.18	-	-	10.72
6	Expenses/Services Received	-	-	685.29	539.61	-	8.28	693.57
7	Provident Fund & Retiral funds	-	-	-	-	-	318.89	253.58
8	(Sale) /Purchase of Assets	-	-	-	(0.01)	-	-	(0.01)
9	Dividend paid	264.58	117.59	31.92	28.09	1.11	0.17	297.78
10	Security Deposit Received/(Paid)	-	-	(17.96)	0.05	-	-	(17.96)
11	Remuneration of Key Managerial Personnel							
	Short Term Employee Benefits	-	-	-	14.67	15.93	-	15.93
	Post Employment Benefits	-	-	-	1.99	3.76	-	3.76
12	Remuneration of Directors	-	-	-	51.76	48.58	-	48.58
	<b>Outstanding Balance :</b>							
1	Debit	-	-	135.68	22.36	-	-	135.68
2	Credit	-	-	-	-	47.85	18.72	66.57
					50.95		68.97	119.92

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.

₹ in crore

**NOTE-55** Liability in respect of the security deposit collected by the Parent company, in terms of applicable regulations, has been classified as non-current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

**NOTE-56** During the year, the Group has acquired 23.18% of equity shares in Noida Power Company Limited (NPCL) thereby making NPCL a subsidiary company. The financial information in the financial statements in respect of prior year has been restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination, using pooling of interest method as per requirement of Ind AS 103 for business combination for common control transaction. The increase/(decrease) in the total income and profit after tax of consolidated financial statements of the Group in the previous year on account of restatement are: Increase in Total income and Profit after tax by ₹ 1,161 crore and ₹ 3 crore respectively.

**NOTE-57** (a) 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 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 as per the provisional order of UPERC prevailing at that time. The excess payments made to UPPCL amounting to ₹ 20.77 crore have been included 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 (b) 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 ascertainable at this stage.

(b) 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 being 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 the UPPCL both had 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.

The additional payments made to UPPCL per directions of UPERC and Hon'able High Court amounting to ₹ 10 crore have been included under Other Current Financial Assets.

(c) 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.

(d) 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 a 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 the UPERC for issuing direction to UPPTCL for handing over physical possession of the R. C. Green Substation to the subsidiary company. The UPERC vide its 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.

(e) 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.

(f) 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.

**NOTE-58** The Group has reclassified previous year's figures to conform to this years classification alongwith 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

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 16th June, 2021

Chairman  
 Managing Director - Generation  
 Managing Director - Distribution  
 Company Secretary  
 Executive Director & CFO

Sanjiv Goenka DIN : 00074796  
 Rabi Chowdhury DIN : 06601588  
 Debasish Banerjee DIN : 06443204  
 Jagdish Patra  
 Rajarshi Banerjee

## Major Statistics: 2020 - 2021

<b>Generating Capacity</b>	Budge Budge Generating Station	750 MW	
	Southern Generating Station	135 MW	
	Titagarh Generating Station	240 MW	
<b>220/132/33 KV Substations</b>	Installed Capacity	1440 MVA	
<b>132/33 KV Substations</b>	Installed Capacity	3052 MVA	
<b>Distribution Stations</b>	No. of Stations	117	
	Transformer Capacity	3898 MVA	
<b>LT Substations</b>	No. of AC Substations	8633	
	Transformer Capacity	2954 MVA	
<b>Package Substations (PSS)</b>	No. of Substations	116	
	Installed Capacity	110 MVA	
<b>Distribution Network (Circuit Km.)</b>			
	220 KV UG	47 Ckt. Km.	
	220 KV OH	221 Ckt. Km.	
	132 KV UG	317 Ckt. Km.	
	132 KV OH	81 Ckt. Km.	
	33 KV UG	1559 Ckt. Km.	
	33 KV OH	92 Ckt. Km.	
	20 KV UG	50 Ckt. Km.	
<b>HT Distribution</b>	11 & 6 KV UG	6953 Ckt. Km.	
	11 & 6 KV OH	87 Ckt. Km.	
	3.3 KV UG	21 Ckt. Km.	
<b>LT Distribution</b>	UG	8103 Ckt. Km.	
	OH	5695 Ckt. Km.	
<b>HT Capacitor</b>	132 & 33 kV	640 MVAR	
	6 & 11 kV	273 MVAR	
<b>LT Capacitor (APFC)</b>	0.4 kV	204 MVAR	
<b>Additions During the Year</b>			
220/132/33 KV Substations	0.0 MVA	LT UG Mains	113.74 Ckt. Km.
132/33 KV Substations	25.0 MVA	LT OH Mains	155.09 Ckt. Km.
Distribution Stations	41.0 MVA	220 KV UG	0.75 Ckt. Km.
LTAC Substations	46.2 MVA	220 KV OH	NIL
Package Substations (PSS)	1.0 MVA	132 KV UG	4.18 Ckt. Km.
No. of LT Services	8884 Nos	33 KV UG	8.40 Ckt. Km.
No. of HT Services	19 Nos	6 & 11 KV UG	66.88 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 of the Companies Act, 2013 read with Rule 5 of Companies (Account) Rules, 2014)**

**Part A: Subsidiaries**

Sr No	Name of the Subsidiary	Reporting Period	Share Capital	Other Equity / Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	Surya Vidhyut Limited	April- March	251.91	51.22	793.41	793.41	-	117.39	10.64	(1.93)	8.71	-	100.00%
2	Malegaon Power Supply Limited	April- March	80.35	(41.04)	148.85	148.85	-	449.79	(23.06)	-	(23.06)	-	100.00%
3	CESC Projects Limited	April- March	41.65	(35.54)	7.05	7.05	-	-	(1.63)	-	(1.63)	-	100.00%
4	Bantal Singapore Pte. Limited \$	April- March	56.68	(51.88)	4.89	4.89	4.40	-	(0.19)	-	(0.19)	-	100.00%
5	Ranchi Power Distribution Company Limited	April- March	28.70	(32.63)	2.04	2.04	-	-	(0.53)	-	(0.53)	-	100.00%
6	Pachi Hydropower Projects Limited	April- March	4.42	(2.85)	2.59	2.59	-	-	-	-	-	-	100.00%
7	Papu Hydropower Projects Limited	April- March	2.82	(2.05)	0.78	0.78	-	-	-	-	-	-	100.00%
8	Au Bon Pain Café India India	April- March	116.00	(115.74)	0.74	0.74	-	-	(0.05)	-	(0.05)	-	93.10%
9	Haldia Energy Limited	April- March	1,203.44	1,749.08	7,662.44	7,662.44	131.12	2,184.39	681.28	(319.79)	361.49	-	100.00%
10	Dhariwal Infrastructure Limited	April- March	2,242.77	(1,724.64)	4,126.06	4,126.06	-	1,496.54	105.66	-	105.66	-	100.00%
11	Kota Electricity Distribution Limited	April- March	353.08	(261.80)	504.08	504.08	-	723.60	(48.82)	-	(48.82)	-	100.00%
12	Bikaner Electricity Supply Limited	April- March	127.55	(7.28)	322.60	322.60	-	557.59	32.27	(0.21)	32.48	-	100.00%
13	Bharatpur Electricity Services Limited	April- March	20.05	0.66	125.53	125.53	-	208.46	1.53	(0.37)	1.16	-	100.00%
14	Crescent Power Limited	April- March	60.00	219.10	432.53	432.53	112.40	122.71	16.07	(2.82)	13.25	-	67.83%
15	CESC Green Power Limited	April- March	0.05	(0.01)	0.04	0.04	-	-	-	-	-	-	100.00%
16	Jharkhand Electric Company Limited	April- March	35.65	(5.04)	32.31	32.31	-	-	(1.45)	-	(1.45)	-	100.00%
17	Jarong Hydro-Electric Power Company Limited	April- March	2.05	(0.51)	1.57	1.57	-	-	-	-	-	-	100.00%
18	Eminent Electricity Distribution Limited	April- March	460.05	(2.37)	457.77	457.77	452.05	-	(2.29)	(0.07)	(2.36)	-	100.00%
19	Noida Power Company Limited	April- March	60.00	1,064.01	2,072.84	2,072.84	157.12	1,698.44	132.31	(31.03)	101.28	-	72.73%

Notes:

\$ Converted to Indian Rupees at the Exchange Rate, 1 USD= Rs. 74.21

For and on behalf of Board of Directors

Chairman	Sanjiv Goenka	DIN : 00074796
Managing Director - Generation	Rabi Chowdhury	DIN : 06601588
Managing Director - Distribution	Debasish Banerjee	DIN : 06443204
Company Secretary	Jagdish Patra	
Executive Director & CFO	Rajarshi Banerjee	

Place : Kolkata  
Date : June 16, 2021

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 read with Rule 5 of Companies (Account) 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, 2021
Shares of Associate/ Joint Venture held by the company on the year end	2429800
Amount of Investment in Associate/ Joint Venture (Rs. crore)	-
Extent of Holding %	50%
Description of how there is significance influence	By way of shareholding
Reason why the associate /joint venture is not consolidated	NA
Net Worth 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

Place : Kolkata  
Date : June 16, 2021

Chairman	Sanjiv Goenka	DIN : 00074796
Managing Director - Generation	Rabi Chowdhury	DIN : 06601588
Managing Director - Distribution	Debasish Banerjee	DIN : 06443204
Company Secretary	Jagdish Patra	
Executive Director & CFO	Rajarshi Banerjee	

## 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 7558, 033-2469 6886  
033-2469 3608, 033-2469 7557

#### Titagarh

B. T. Road, P.O. Khardah, Titagarh  
24 Parganas (N), Pin : 700119  
Phone: 033-2553 3392, 033-2553 3303

### 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

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**1912**

**033-4403 1912**

**1860 500 1912**

**033-3501 1912**

### CUSTOMER RELATIONS

#### CESC House

Chowringhee Square  
Kolkata 700 001

Phone : 033-2225 6040 - 49

### Corporate Office Address

2/4 Judges Court Road,  
Alipore, Kolkata - 700 027,  
West Bengal

### Investor Service

Secretarial Department  
CESC House  
Chowringhee Square  
Kolkata 700 001

Phones:

For resident shareholders

033-6634 0814

For non-resident shareholders

+91 033-6634 0814 / 0909

Fax: 033-2236 3868

E-mail: secretarial@rpsg.in

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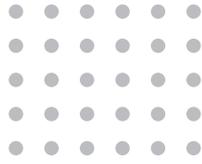
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Enriching the learning environment in schools

Empowering people through education and skill development for livelihood generation



**REGISTERED OFFICE**

CESC House

Chowringhee Square, Kolkata - 700 001

Phone: (033) 2225 6040 (10 lines), 2204 0300, 6634 0300

Fax: (033) 2225 5155

CIN: L31901WB1978PLC031411

Email: [secretarial@rpsg.in](mailto:secretarial@rpsg.in)

Website: [www.cesc.co.in](http://www.cesc.co.in)