

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF CESC PROJECTS LIMITED**

**Report on the Standalone Ind AS Financial Statements**

1. We have audited the accompanying Ind AS financial statements of **CESC PROJECTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March, 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flow and the statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to 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 Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.



### Opinion

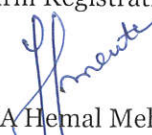
8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March, 31, 2018, and its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
10. As required by Section 143 (3) of the Act, we report that:
- 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss, the statement of cash flows and the statement of changes in equity dealt with by this report are in agreement with the books of account.
  - In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - On the basis of the written representations received from the directors as on March, 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March, 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
  - 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, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - The Company does not have any pending litigations as at March, 31, 2018 which would impact its financial position.
    - The Company did not have any long-term contracts including derivative contracts as at March, 31, 2018.
    - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March, 31, 2018.



For Batliboi, Purohit&Darbari  
Chartered Accountants  
Firm Registration Number: 303086E

  
(CA Hemal Mehta)  
Partner  
Membership Number 063404

**Annexure-A to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of CESC Projects Limited on the Ind AS financial statements as of and for the year ended March, 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.  
(c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- ii. The Company does not have any inventory and accordingly the provisions of Clause 3(ii) of the said Order are not applicable to the Company.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) & (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of provident fund and income tax and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
- viii. As the Company does not have any loan or borrowings from any financial institution or bank or Government nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. According to the information and explanations provided to us, managerial remuneration has not been paid or provided by the company during the year.



**Annexure-A to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of CESC Projects Limited on the Ind AS financial statements for the year ended March, 31, 2018

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company



For Batliboi, Purohit&Darbari  
Chartered Accountants  
Firm Registration Number: 303086E

A handwritten signature in blue ink that reads "Hemal Mehta".

(CA Hemal Mehta)  
Partner  
Membership Number 063404

Kolkata  
May 14<sup>TH</sup>, 2018

**Annexure-B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of CESC Projects Limited on the Ind AS financial statements for the year ended March 31, 2018

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of CESC Projects Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

2. 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 company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS financial statements, whether due to fraud or error.
5. 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 system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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



**Annexure-B to Independent Auditors' Report**

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of CESC Projects Limited on the Ind AS financial statements for the year ended March 31, 2018

(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 Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

Kolkata  
Dated: 14<sup>th</sup> May, 2018



For Batliboi, Purohit&Darbari  
Chartered Accountants  
Firm Registration Number: 303086E

  
(CA Hemal Mehta)  
Partner  
Membership Number 063404

CESC Projects Limited

Registered Office: CESC House, Chowringhee Square, Kolkata-700001

Balance Sheet as at 31st March, 2018

Particulars	Note	31 March 2018	31 March 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	3,28,704	5,03,392
Financial assets			
i. Loans	3(a)	5,72,394	2,11,920
ii. Others financial assets	3(b)	35,95,342	34,25,228
Other non-current assets	4	1,36,770	2,56,631
<b>Total non-current assets</b>		<b>46,33,210</b>	<b>43,97,171</b>
<b>Current assets</b>			
Financial assets			
i. Cash and cash equivalents	5(a)	62,72,397	87,64,652
ii. Loans	5(b)	1,66,135	71,644
iii. Others financial assets	5(c)	5,33,11,832	4,04,74,034
Other current Assets	6	7,75,020	10,28,683
<b>Total current assets</b>		<b>6,05,25,384</b>	<b>5,03,39,012</b>
<b>Total assets</b>		<b>6,51,58,594</b>	<b>5,47,36,184</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	7(a)	33,85,00,000	18,85,00,000
Other Equity	7(b)	(28,26,96,357)	(14,74,79,235)
<b>Total equity</b>		<b>5,58,03,643</b>	<b>4,10,20,765</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Provisions for employee benefits	8	33,72,458	30,93,363
<b>Total non-current liabilities</b>		<b>33,72,458</b>	<b>30,93,363</b>
<b>Current liabilities</b>			
Financial Liabilities			
i. Other financial liabilities	9	21,85,715	30,12,047
Provisions for employee benefits	10	25,07,120	36,25,282
Other current liabilities	11	12,89,657	39,84,726
<b>Total current liabilities</b>		<b>59,82,492</b>	<b>1,06,22,055</b>
<b>Total liabilities</b>		<b>93,54,950</b>	<b>1,37,15,418</b>
<b>Total equity and liabilities</b>		<b>6,51,58,594</b>	<b>5,47,36,184</b>

Significant accounting policies

Notes 1-22 form an integral part of financial statements.

This is the Balance Sheet referred to in our report of even date.

For Batliboi, Purohit & Darbari  
Firm Registration Number:303086E

Chartered Accountants

  
CA Hemal Mehta  
Partner

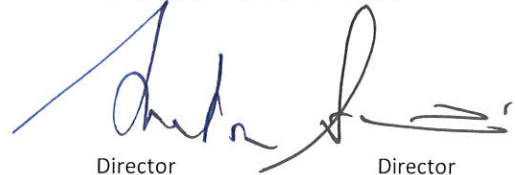
Membership.No. 063404

Place: Kolkata

Date: 14th May, 2018



For and on behalf of the Board

  
Director

Director

## Statement of profit and loss for the year ended 31st March, 2018

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
Other Income	12	3,74,497	3,69,254
<b>Total Income</b>		<b>3,74,497</b>	<b>3,69,254</b>
<b>Expenses</b>			
Employee Benefit Expenses	13	4,03,00,034	4,06,91,621
Depreciation and amortisation expenses	14	2,33,558	3,10,685
Other Expenses	15	1,44,26,052	1,68,78,443
<b>Total Expenses</b>		<b>5,49,59,644</b>	<b>5,78,80,750</b>
<b>Profit before exceptional items and tax</b>		<b>(5,45,85,147)</b>	<b>(5,75,11,496)</b>
<b>Profit before tax</b>		<b>(5,45,85,147)</b>	<b>(5,75,11,496)</b>
<b>Tax Expenses</b>			
Current Tax		-	-
Deferred Tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Profit for the period from continuing operations</b>		<b>(5,45,85,147)</b>	<b>(5,75,11,496)</b>
<b>Discontinued operations</b>			
Profit from discontinued operation before tax		-	-
Tax expense of discontinued operations		-	-
<b>Profit from discontinued operations</b>		<b>-</b>	<b>-</b>
<b>Profit for the year</b>		<b>(5,45,85,147)</b>	<b>(5,75,11,496)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plan		(6,31,974)	(16,88,439)
Income tax relating to above items		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>(6,31,974)</b>	<b>(16,88,439)</b>
<b>Total comprehensive income for the year</b>		<b>(5,52,17,121)</b>	<b>(5,91,99,935)</b>
Profit is attributable to:			
Owners of CESC Projects Limited		(5,45,85,147)	(5,75,11,496)
Other comprehensive income is attributable to:			
Owners of CESC Projects Limited		(6,31,974)	(16,88,439)
Total comprehensive income is attributable to:			
Owners of CESC Projects Limited		(5,52,17,121)	(5,91,99,935)
Total comprehensive income is attributable to owners of CESC Projects Limited arises from:			
Continuing operations		(5,52,17,121)	(5,91,99,935)
Discontinued operations		-	-
		(5,52,17,121)	(5,91,99,935)
<b>Earning per equity share for profit from continuing operations attributable to owners of CESC Projects Limited:</b>			
Basic earnings per share	16	(2.92)	(4.83)
Diluted earnings per share	16	(2.92)	(4.83)
<b>Earning per equity share for profit from discontinued operations attributable to owners of CESC Projects Limited:</b>			
Basic earnings per share		-	-
Diluted earnings per share		-	-
<b>Earning per equity share for profit from continued and discontinued operations attributable to owners of CESC Projects Limited:</b>			
Basic earnings per share	16	(2.92)	(4.83)
Diluted earnings per share	16	(2.92)	(4.83)

## Significant accounting policies

Notes 1-22 form an integral part of financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Batliboi, Purohit & Darbari  
Firm Registration Number:303086E  
Chartered Accountants

CA Hema Mehta  
Partner  
Membership.No. 063404  
Place: Kolkata  
Date: 14th May, 2018



For and on behalf of the Board

Director

Director



Statement of cash flows for the year ended 31st March, 2018

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from operating activities</b>			
<b>Profit before income tax from continuing operations</b>		<b>(5,45,85,147)</b>	<b>(5,75,11,496)</b>
Adjustments for:			
Depreciation and amortisation expenses	14	2,33,558	3,10,685
Notional income on remeasurement of loans net of amortisation	12	(10,131)	(5,748)
Notional income on remeasurement of security deposit net of amortisation	12	(36,659)	(83,190)
<b>Changes in operating assets and liabilities</b>			
(Increase) in other financial assets	3(b)&5(c)	(1,29,71,253)	(1,69,13,283)
Decrease in non current assets	4	1,19,861	4,05,331
(Increase)/Decrease in other current assets	6	2,53,662	(2,53,186)
(Decrease)/Increase in employee benefit obligations	8 & 10	(14,71,041)	22,17,407
(Decrease) in other financial liabilities	9	(8,26,332)	(37,95,900)
Increase in other current liabilities	11	(26,95,069)	23,42,025
<b>Cash generated from operations</b>		<b>(7,19,88,551)</b>	<b>(7,32,87,354)</b>
Income taxes paid		-	-
<b>Net cash outflow from operating activities</b>		<b>(7,19,88,551)</b>	<b>(7,32,87,354)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	2	(58,870)	(1,92,920)
Loans to employees	3(a)&5(b)	(4,44,834)	(96,171)
<b>Net cash inflow from investing activities</b>		<b>(5,03,704)</b>	<b>(2,89,091)</b>
<b>Cash flows from financing activities</b>			
Issue of equity shares	7(a)	15,00,00,000	-
Share application money pending allotment	7(b)	(8,00,00,000)	8,00,00,000
<b>Net cash inflow from financing activities</b>		<b>7,00,00,000</b>	<b>8,00,00,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>(24,92,255)</b>	<b>64,23,556</b>
Cash and cash equivalents at the beginning of the financial year	5(a)	87,64,652	23,41,096
<b>Cash and cash equivalents at the end of the year</b>	5(a)	<b>62,72,397</b>	<b>87,64,652</b>

Significant accounting policies

Notes 1-22 form an integral part of financial statements.

This is the Statement of cash flows referred to in our report of even date.

For Batliboi, Purohit & Darbari  
Firm Registration Number:303086E  
Chartered Accountants

CA Hemal Mehta  
Partner  
Membership.No. 063404  
Place: Kolkata  
Date: 14th May, 2018



For and on behalf of the Board

Director

Director

CESC Projects Limited

Registered Office: CESC House, Chowringhee Square, Kolkata-700001

Statement of changes in Equity for the year ended 31st March, 2018

Equity Share Capital

Particulars	Balance as at 01 April, 2016	Changes in equity share capital during the year 2016-17	Balance as at 31 March, 2017	Changes in equity share capital during the year 2017-18	Balance as at 31 March, 2018
Equity Share Capital	18,85,00,000	-	18,85,00,000	15,00,00,000	33,85,00,000
	18,85,00,000	-	18,85,00,000	15,00,00,000	33,85,00,000

Other equity

Particulars	Notes	Share application money pending allotment	Reserves and Surplus	Total
			Retained Earnings	
Balance as at 01 April, 2016	7(b)(i)	-	(16,82,79,300)	(16,82,79,300)
Profit for the year	7(b)(i)	-	(5,75,11,496)	(5,75,11,496)
Appropriation during the year		-	-	-
Other Comprehensive Income		-	(16,88,439)	(16,88,439)
Total Comprehensive Income for the year	7(b)(i)	-	(5,91,99,935)	(5,91,99,935)
Dividends		-	-	-
Transfer to retained earnings		-	-	-
Any other change (to be specified):		8,00,00,000	-	8,00,00,000
Balance as at 31 March, 2017	7(b)(i)	8,00,00,000	(22,74,79,235)	(14,74,79,235)

Particulars	Notes	Share application money pending allotment	Reserves and Surplus	Total
			Retained Earnings	
Balance as at 01 April, 2017	7(b)(i)	8,00,00,000	(22,74,79,235)	(14,74,79,235)
Profit for the year	7(b)(i)	-	(5,45,85,147)	(5,45,85,147)
Appropriation during the year		-	-	-
Other Comprehensive Income		-	(6,31,974)	(6,31,974)
Total Comprehensive Income for the year	7(b)(i)	-	(5,52,17,121)	(5,52,17,121)
Dividends		-	-	-
Transfer to retained earnings		-	-	-
Any other change		(8,00,00,000)	-	(8,00,00,000)
Balance as at 31 March, 2018	7(b)(i)	-	(28,26,96,357)	(28,26,96,357)

Significant accounting policies

Notes 1-22 form an integral part of financial statements.

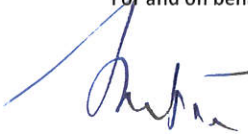
This is the Statement of Changes in equity referred to in our report of even date.


For Batliboi, Purohit & Darbari  
Firm Registration Number:303086E  
Chartered Accountants

CA Hemal Mehta  
Partner  
Membership.No. 063404  
Place: Kolkata  
Date: 14th May, 2018



For and on behalf of the Board

  
Director

  
Director

Pachi Hydropower Projects Limited

Registered Office: Thapar House, 124 Janpath, 2nd Floor, Western Wing, New Delhi - 110001.

### **Note-1: Significant Accounting Policies**

These 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013 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.

#### **b) Use of Estimate**

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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) Financial Assets**

The financial assets are classified in the following categories:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through profit and loss, if applicable.

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 its fair value plus, in the case of the financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.



Pachi Hydropower Projects Limited

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#### **Financial Assets measured at amortised cost**

Assets that are held for collection of contractual cash flows 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.

#### **Financial Assets measured at fair value through other comprehensive income**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, if applicable.

#### **Financial Assets measured at fair value through profit and loss**

Financial instruments that do not meet the above criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Fair value movements are recorded in statement of profit and loss.

#### **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 on Financial risk management - credit Risk.

#### **d) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes balances with banks in current account.

#### **e) Financial liabilities**

Financial liabilities are measured at amortised cost using the effective interest method.

#### **f) Taxes**

Provision for current tax is made on the basis of estimated taxable income for the year.

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.



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Since the Company has incurred loss during the year, no provision for taxation has been made in the accounts.

**g) Expenditure During Construction**

Company has been set up to develop Power projects and is yet to commence commercial production. Indirect expenses, which are not directly related to the project, have been charged off to the Statement of Profit and Loss. Expenses that are directly related to the project and incidental thereto are disclosed under Capital Work in Progress and are to be capitalized subsequently.



CESC Projects Limited

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Note 2: Property, plant and equipment

Particulars	Furniture and fixtures	Office equipment	Total
<b>Gross carrying value</b>			
<b>Deemed cost as at 01 April, 2016</b>	<b>3,14,962</b>	<b>6,82,454</b>	<b>9,97,416</b>
Additions	-	1,92,920	1,92,920
Disposals / adjustments	-	-	-
<b>Gross carrying amount as at 31 March, 2017</b>	<b>3,14,962</b>	<b>8,75,374</b>	<b>11,90,336</b>
<b>At 01 April, 2017</b>	<b>3,14,962</b>	<b>8,75,374</b>	<b>11,90,336</b>
Additions	-	58,870	58,870
Disposals / adjustments	-	-	-
<b>Gross carrying amount as at 31 March, 2018</b>	<b>3,14,962</b>	<b>9,34,244</b>	<b>12,49,206</b>
<b>Accumulated depreciation</b>			
<b>At April 1, 2016</b>	<b>82,806</b>	<b>2,93,453</b>	<b>3,76,259</b>
Depreciation expense	61,032	2,49,653	3,10,685
Disposals / adjustments	-	-	-
<b>At March 31, 2017</b>	<b>1,43,838</b>	<b>5,43,106</b>	<b>6,86,944</b>
<b>At 01 April, 2017</b>	<b>1,43,838</b>	<b>5,43,106</b>	<b>6,86,944</b>
Depreciation expense	44,985	1,88,573	2,33,558
Disposals / adjustments	-	-	-
<b>At 31 March, 2018</b>	<b>1,88,823</b>	<b>7,31,679</b>	<b>9,20,502</b>
<b>Net carrying value 31 March, 2018</b>	<b>1,26,139</b>	<b>2,02,565</b>	<b>3,28,704</b>
<b>Net carrying value 31 March, 2017</b>	<b>1,71,124</b>	<b>3,32,268</b>	<b>5,03,392</b>



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Note 3: Financial assets

3(a): Loans

Particulars	31-Mar-2018	31-Mar-2017
<b>Unsecured considered good</b>		
Loans to employees	5,72,394	2,11,920
<b>Total</b>	<b>5,72,394</b>	<b>2,11,920</b>

3(b): Other financial assets

Particulars	31-Mar-2018	31-Mar-2017
Security Deposit	35,95,342	34,25,228
<b>Total</b>	<b>35,95,342</b>	<b>34,25,228</b>

Note 4: Other non current assets

Particulars	31-Mar-2018	31-Mar-2017
Deferred employee cost	1,36,770	50,497
<b>Advances other than capital advances</b>		
Prepaid Lease Rentals	-	2,06,134
<b>Total</b>	<b>1,36,770</b>	<b>2,56,631</b>



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**Note 5: Financial assets****5(a): Cash and cash equivalents**

Particulars	31-Mar-2018	31-Mar-2017
<b>Balances with banks</b>		
- In current accounts	62,72,397	87,64,652
- Bank Deposits with original maturity of upto 3 months		
- Bank Deposits with original maturity more than 3 months		
<b>Total</b>	<b>62,72,397</b>	<b>87,64,652</b>

For the purpose of cash flow statement, cash and cash equivalents comprise of:

Particulars	31-Mar-2018	31-Mar-2017
<b>Balances with banks</b>		
- In current accounts	62,72,397	87,64,652
- Bank Deposits with original maturity of upto 3 months		
- Bank Deposits with original maturity more than 3 months		
<b>Total</b>	<b>62,72,397</b>	<b>87,64,652</b>

**5(b): Loans**

Particulars	31-Mar-2018	31-Mar-2017
<b>Unsecured considered good</b>		
Loans to employees	1,66,135	71,644
<b>Total</b>	<b>1,66,135</b>	<b>71,644</b>

**5(c): Other financial assets**

Particulars	31-Mar-2018	31-Mar-2017
Advance to Projects	1,14,50,624	1,14,50,624
Receivable towards claims and services rendered	4,15,78,208	2,89,05,410
Security deposit	2,83,000	1,18,000
<b>Total</b>	<b>5,33,11,832</b>	<b>4,04,74,034</b>

**Note 6: Other current assets**

Particulars	31-Mar-2018	31-Mar-2017
<b>Advances other than capital advances</b>		
Prepaid Leave Travel Assistance	-	60,750
Advance to employees for expenses	1,72,022	2,58,152
Prepaid Lease Rentals	2,06,134	2,98,454
Deferred employee cost	49,882	21,001
Prepaid insurance	3,46,982	3,90,326
<b>Total</b>	<b>7,75,020</b>	<b>10,28,683</b>





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Note 7: Equity share capital & other equity

7(a): Equity share capital

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>Authorised</b>		
50,000,000 (31.03.2017: 20,000,000) Equity Shares of Rs 10/- each	50,00,00,000	20,00,00,000
<b>Issued, subscribed and paid-up capital</b>		
33,850,000 (31.03.2017: 18,850,000) Equity Shares of Rs 10/- each	33,85,00,000	18,85,00,000
<b>Total</b>	<b>33,85,00,000</b>	<b>18,85,00,000</b>

Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting period are as given below:

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	Rs	Number of shares	Rs
Number of shares outstanding at the beginning of the period	1,88,50,000	18,85,00,000	1,22,50,000	12,25,00,000
Add:	1,50,00,000	15,00,00,000	66,00,000	6,60,00,000
Less:	-	-	-	-
<b>Number of shares outstanding at the end of the period</b>	<b>3,38,50,000</b>	<b>33,85,00,000</b>	<b>1,88,50,000</b>	<b>18,85,00,000</b>

Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10/- per share.

Each holder of equity is entitled to one vote per share. The company has not declared any dividend to its shareholders since inception. In the event of liquidation of the company the holders of equity shares will be entitled to receive 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.

Shares of the company held by holding/ ultimate holding company

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	%	Number of shares	%
Name of the shareholder				
CESC Limited	3,38,50,000	100%	1,88,50,000	100%

Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March, 2018		As at 31 March, 2017	
	Number of shares	%	Number of shares	%
Name of the shareholder				
CESC Limited	3,38,50,000	100%	1,88,50,000	100%

CESC Limited is also the Holding Company of CESC Projects Limited and percentage of shares held is stated above.



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7(b): Other equity

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>Retained earnings</b>		
Retained earnings comprise of the Company's prior years' undistributed earnings after taxes.	(28,26,96,357)	(22,74,79,235)
Share application money pending allotment	-	8,00,00,000
<b>Total</b>	<b>(28,26,96,357)</b>	<b>(14,74,79,235)</b>

(i): Retained earnings

Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening balance	(22,74,79,235)	(16,82,79,300)
Net profit for the period	(5,45,85,147)	(5,75,11,496)
<b>Other items of comprehensive income</b>		
Remeasurement of defined benefit plan	(6,31,974)	(16,88,439)
<b>Total</b>	<b>(28,26,96,357)</b>	<b>(22,74,79,235)</b>

Note 8: Provisions for employee benefits

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for Leave Encashment	19,67,229	17,18,895
Provision for Gratuity	14,05,229	13,74,468
<b>Total</b>	<b>33,72,458</b>	<b>30,93,363</b>

Note 9: Financial Liabilities

Other financial liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
Payable towards expenses	-	2,62,939
Salary Payable	-	22,660
Payable towards claim and services received	21,53,315	26,94,948
Audit fees Payable	32,400	31,500
<b>Total</b>	<b>21,85,715</b>	<b>30,12,047</b>

Note 10: Provisions for employee benefits

Particulars	As at 31 March, 2018	As at 31 March, 2017
Provision for Leave Encashment	14,82,225	22,77,746
Provision for Gratuity	10,24,895	13,47,536
<b>Total</b>	<b>25,07,120</b>	<b>36,25,282</b>

Note 11: Other current liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017
Statutory dues payable	12,89,657	16,91,177
Filing Fees Payable	-	22,93,549
<b>Total</b>	<b>12,89,657</b>	<b>39,84,726</b>



**Note 12: Other income**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Other non-operating income</b>		
Notional Income on remeasurement of employee loan	39,384	21,719
Notional Income on remeasurement of security deposit	3,35,113	3,47,535
<b>Total</b>	<b>3,74,497</b>	<b>3,69,254</b>

**Note 13: Employee benefit expense**

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and bonus	3,65,16,829	3,57,46,355
Contribution to provident and other funds	27,56,156	39,90,701
Staff welfare expenses	9,97,796	9,38,596
Employee loan amortised	29,253	15,971
<b>Total</b>	<b>4,03,00,034</b>	<b>4,06,91,621</b>

**a) Defined Benefit Plan**

The Company also provides for gratuity and leave encashment benefit to the employees. Annual actuarial valuations at the end of the each year are carried out by independent actuary in compliance with IND AS 19 on "Employee Benefits".

**i) The results of the actuarial study for the obligation for employee benefits as computed by the actuary are shown below:**

Particulars	Gratuity		Leave Encashment	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>Actuarial study analysis</b>				
<b>Principal actuarial assumptions</b>				
Discount rate	7.65%	7.07%	7.65%	7.07%
Range of compensation increase	5.00%	5.00%	5.00%	5.00%
Weighted average duration of the defined benefit plan(in years)	10.46	9.52	10.36	8.46
<b>Components of statement of income statement charge</b>				
Current service cost	5,43,439	7,03,687	7,84,450	12,92,352
Interest cost	1,51,799	40,570	2,11,427	1,80,798
Recognition of past service cost	-	-	-	-
Settlement/curtailment/termination loss	-	-	-	-
<b>Total charged to consolidated statement of profit or loss</b>	<b>6,95,238</b>	<b>7,44,257</b>	<b>9,95,877</b>	<b>14,73,150</b>
<b>Other Comprehensive Income</b>				
Actuarial (gains) / losses	1,62,722	14,62,249	4,69,252	2,26,190
(Excess) / insufficient return on plan assets (excl. interest income)	-	-	-	-
Change in unrecognized assets	-	-	-	-
Revaluation of reimbursement right	-	-	-	-
<b>Expense / (income) recognized in Other comprehensive income</b>	<b>1,62,722</b>	<b>14,62,249</b>	<b>4,69,252</b>	<b>2,26,190</b>
<b>Movements in net liability/(asset)</b>				
Net liability at the beginning of the year	27,22,004	5,15,498	39,96,641	22,97,301
Employer contributions	(11,49,840)	-	(20,12,316)	-
Total expense recognised in the consolidated statement of profit or loss	6,95,238	7,44,257	9,95,877	14,73,150
Total amount recognised in OCI	1,62,722	14,62,249	4,69,252	2,26,190
<b>Net liability at the end of the year</b>	<b>24,30,124</b>	<b>27,22,004</b>	<b>34,49,454</b>	<b>39,96,641</b>
<b>Reconciliation of benefit obligations</b>				
Obligation at start of the year	27,22,004	5,15,498	39,96,641	22,97,301
Current service cost	5,43,439	7,03,687	7,84,450	12,92,352
Interest cost	1,51,799	40,570	2,11,427	1,80,798
Benefits paid directly by the Group	(11,49,840)	-	(20,12,316)	-
Actuarial loss	1,62,722	14,62,249	4,69,252	2,26,190
<b>Defined benefits obligations at the end of the year</b>	<b>24,30,124</b>	<b>27,22,004</b>	<b>34,49,454</b>	<b>39,96,641</b>
<b>Re-measurements of defined benefit plans</b>				
Actuarial gain/(loss) due to changes in financial assumptions	-	-	-	-
Actuarial gain/(loss) on account of experience adjustments	-	-	-	-
<b>Total actuarial gain/(loss) recognised in OCI</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Calculation Net position</b>				
Actuarial present value of retirement pension commitment (DBO)	24,30,124	27,22,004	34,49,454	39,96,641
Fair value of plan assets	-	-	-	-
<b>Net funded status – liability/(asset)</b>	<b>24,30,124</b>	<b>27,22,004</b>	<b>34,49,454</b>	<b>39,96,641</b>
<b>Net liability / (asset) recognized in Balance Sheet</b>	<b>24,30,124</b>	<b>27,22,004</b>	<b>34,49,454</b>	<b>39,96,641</b>
<b>Annual comparison</b>				
in absolute terms:				
Defined benefit obligation (DBO)	24,30,124	27,22,004	34,49,454	39,96,641
<b>Net funded status</b>	<b>24,30,124</b>	<b>27,22,004</b>	<b>34,49,454</b>	<b>39,96,641</b>
<b>Estimated Cash Flows (Undiscounted) in subsequent years</b>				
1st Year	10,63,375	13,94,358	15,37,875	23,56,889
2 to 5 years	2,93,726	4,91,136	3,47,046	5,40,935
6 to 10 years	5,37,612	2,75,202	9,13,381	4,55,283
Above 10 years	38,90,351	37,94,318	53,09,265	47,05,889
<b>Change in fair value of plan assets</b>				
Contributions made by the company	11,49,840	-	20,12,316	-
Benefits paid	(11,49,840)	-	(20,12,316)	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## ii) Sensitivity analysis of significant assumptions

The following table present a sensitivity analysis to one of the relevant actuarial assumption, holding other assumptions constant, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at the reporting date.

Particulars	Gratuity		Leave Encashment	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>Discount rate</b>				
+ 1.00% discount rate	22,64,741	25,54,154	32,18,117	37,81,174
Corresponding service cost	5,03,508	6,54,860	7,20,429	12,21,567
- 1.00% discount rate	26,29,290	29,28,121	37,27,509	42,59,922
Corresponding service cost	5,91,361	7,63,220	8,61,448	13,77,840
<b>Salary increase</b>				
+ 1.00% salary growth	26,32,700	29,30,431	37,32,265	42,62,866
Corresponding service cost	5,92,181	7,63,885	8,62,766	13,78,790
- 1.00% salary growth	22,59,462	25,49,690	32,10,725	37,75,428
Corresponding service cost	5,02,232	6,53,556	7,18,384	12,19,668
<b>Withdrawal rate</b>				
+ 0.50% withdrawal rate	24,35,540	27,25,505	34,60,821	40,05,820
Corresponding service cost	5,44,218	7,04,003	7,87,646	12,95,127
- 0.50% withdrawal growth	24,24,560	27,18,348	34,37,869	39,87,257
Corresponding service cost	5,42,627	7,03,333	7,81,190	12,89,517
<b>Mortality rate</b>				
+ 0.50% mortality rate	24,31,663	27,23,196	34,51,575	39,98,137
Corresponding service cost	5,43,803	7,04,029	7,85,036	12,92,822
- 1.00% mortality growth	24,28,579	27,20,808	34,47,323	39,95,138
Corresponding service cost	5,43,074	7,03,343	7,83,861	12,91,880

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumptions used for the valuation of the defined benefit obligations by one percentage, keeping all other actuarial assumptions constant.

## b) Defined contribution plan

The Company maintains a Provident Fund with the Regional Provident Fund authorities where contributions are made by the Company as well as by the employees. An amount of Rs. 18,98,196 (31 March, 2017– Rs.17,84,195) has been charged off to Statement of Profit and Loss.

## Note 14: Depreciation and amortization expense

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment	2,33,558	3,10,685
<b>Total</b>	<b>2,33,558</b>	<b>3,10,685</b>

## Note 15: Other expenses

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Rates & Taxes	4,650	4,400
Rent	96,03,479	90,32,303
Power and fuel	4,39,071	2,43,854
Travelling and conveyance expenses	6,92,926	3,00,729
Sponsorship & Conference	2,13,800	-
Legal and professional charges	8,16,695	7,03,577
Fees/charges to other authorities	13,602	23,00,077
Remuneration to auditors		
- Statutory audit	35,400	34,500
Car Hire Charges	6,42,679	10,55,273
Prepaid lease rental amortised	2,98,454	2,64,345
General charges	16,65,297	29,39,386
<b>Total</b>	<b>1,44,26,052</b>	<b>1,68,78,443</b>

## Note 16: Earnings per share

The calculation of basic earnings per share at 31 March 2018 was based on the loss attributable to equity shareholders of INR (552,17,121) [(Previous year INR (591,99,935))] and a weighted average number of equity shares outstanding (1,88,91,096) (Previous year 122,68,082), calculated as follows:

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Face value of equity shares	10	10
Weighted average number of equity shares outstanding	1,88,91,096	1,22,68,082
Profit/ (loss) for the year (continuing operations)	(5,52,17,121)	(5,91,99,935)
Weighted average earnings per share (basic and diluted)	(2.92)	(4.83)
Profit for the year (discontinued operations)	-	-
Weighted average earnings per share (basic and diluted)	-	-
Profit/ (loss) for the year	(5,52,17,121)	(5,91,99,935)
Weighted average earnings per share (basic and diluted)	(2.92)	(4.83)



**Note 17: Related Party Transaction**

**(a) Parent entities**

The group is controlled by the following entity

Name	Type	Place of incorporation	Ownership interest	
			31-Mar-18	31-Mar-17
CESC Limited	Parent Entity	India	100%	100%

**(b) Transactions with related party**

The following transaction incurred with related party:

Particulars	31-Mar-18		31-Mar-17	
	Parent entity	Fellow subsidiary company	Parent entity	Fellow subsidiary company
Issue of equity shares	15,00,00,000	-	-	-
Share Application money pending allotment	-	-	8,00,00,000	-
<b>Reimbursement of Expenses:</b>				
CESC Infrastructure Limited	-	-	-	10,31,462
<b>Expenses Recovered:</b>				
Surya Vidyut Limited	-	14,75,071	-	2,35,499
Quest Properties India Limited	-	-	-	8,59,639
Haldia Energy Limited	-	10,00,034	-	8,59,639
Ranchi Power Distribution Company Limited	-	87,447	-	-
<b>Expenses Recoverable:</b>				
CESC Limited	39,54,724	-	1,59,74,580	-
Crescent Power Limited	-	4,93,247	-	-
Surya Vidyut Limited	-	4,93,247	-	14,75,071
Quest Properties India Limited	-	-	-	-
Haldia Energy Limited	-	4,90,825	-	10,00,034
Kota Electricity Distribution Limited	-	-	-	87,447
Ranchi Power Distribution Company Limited	-	-	-	87,447
<b>Expenses Payable:</b>				
CESC Limited	-	-	12,764	-
CESC Infrastructure Limited	-	-	-	48,386

**(c) Outstanding balances arising from claims lodged**

Particulars	31-Mar-18	31-Mar-17
CESC Limited	2,95,91,979	2,56,37,255
Crescent Power Limited	4,93,247	-
Surya Vidyut Limited	4,93,247	14,75,071
Haldia Energy Limited	4,90,825	10,00,034
Kota Electricity Distribution Limited	87,447	87,447
Ranchi Power Distribution Company Limited	-	87,447
CESC Infrastructure Limited	-	(48,386)
<b>Total outstanding balances</b>	<b>3,11,56,745</b>	<b>2,82,38,868</b>

**(d) Terms and conditions of outstanding balances, including whether they are secured, and the nature of the consideration to be provided in settlement**

Transaction relating to expenses payable were on the same terms and conditions that are applicable to other stakeholders.

All outstanding balances are unsecured and are payable in cash and cash equivalents.



**Note 18: Financial instruments**

a) The carrying value and fair value of financial instruments by categories as at March 31 2018 & March 31, 2017 is as follows:

Particulars	31-Mar-18			31-Mar-17		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Security deposits	35,95,342	-	-	34,25,228	-	-
Loans to employees	7,38,529	-	-	2,83,564	-	-
Advances to Others	4,15,78,208	-	-	2,89,05,410	-	-
Cash and cash equivalents	62,72,397	-	-	87,64,652	-	-
Other financial assets	1,17,33,624	-	-	1,15,68,624	-	-
<b>Total</b>	<b>6,39,18,100</b>	-	-	<b>5,29,47,478</b>	-	-
<b>Financial liabilities</b>						
Other financial liabilities	21,85,715	-	-	30,12,047	-	-
<b>Total</b>	<b>21,85,715</b>	-	-	<b>30,12,047</b>	-	-

The carrying amount of short term loans and advances, other receivables, other payables and cash and cash equivalents are considered to be same as their fair values, due to their short term nature.

**Note 19: Financial risk management objective and policies**

The Company's principal financial liabilities comprise other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans and other receivables, and cash & cash equivalents.

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. This note presents information about the risks associated with its financial instruments, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

**A. Credit Risk**

The Company is exposed to credit risk as a result of the risk of counterparties defaulting on their obligations. The Company's exposure to credit risk primarily relates to loans, accounts receivable and cash and cash equivalents. The Company monitors and limits its exposure to credit risk on a continuous basis. The Company periodically reviews the financial reliability of its customers, taking into account the financial condition, current economic trends and analysis of historical bad debts and ageing of accounts receivables. The carrying amount of financial assets represents maximum credit risk exposure.

**Cash and cash equivalents**

Cash and cash equivalents comprise deposits which are readily convertible to cash. These are subject to insignificant risk of change in value or credit risk.

Particulars	31-Mar-18	31-Mar-17
Cash & cash equivalents	62,72,397	87,64,652
	<b>62,72,397</b>	<b>87,64,652</b>

**B. Liquidity risk**

The Company is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Company monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Company has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Company's liquidity risk, the Company's policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Company's reputation.

**C. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will not affect the Company's or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.



**CESC Projects Limited**

**Registered Office: CESC House, Chowringhee Square, Kolkata-700001**

**Note 20: Capital Management**

**a) Risk management**

The group objectives when managing capital are to

- i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other shareholders, and
- ii) Maintain an optimal capital structure to reduce the cost of capital.

The Board of Directors has the primary responsibility to maintain a strong capital base and reduce the cost of capital through prudent management of deployed funds and leveraging opportunities in domestic and international financial markets so as to maintain investor, creditor and market confidence and to sustain future development of the business.

For the purpose of Company's capital management, capital includes issued capital and all other equity reserves. The Company manages its capital structure in light of changes in the economic and regulatory environment and the requirements of the financial covenants.

In order to maintain or adjust the capital structure, the group may issue new shares to reduce debt.

The company doesn't have any borrowings as at the end of the reporting period.

Since the company has incurred loss during the year, the company has not proposed any dividend during the year.



CESC Projects Limited

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**Note 24:** The Company is engaged in the business of development of power projects and does not operate in any other reportable segment.

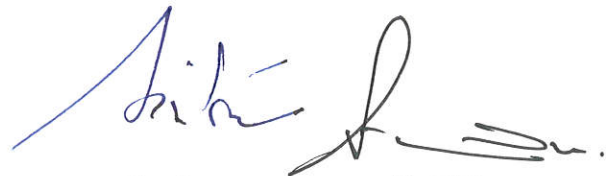
**Note 25:** Previous year figures have been re-classified/regrouped wherever necessary.

For Batliboi, Purohit & Darbari  
Firm Registration Number - 303086E  
Chartered Accountants



CA Hemal Mehta  
Membership. No. 063404

For and on behalf of the Board



Director

Director

Place: Kolkata  
Date: 14<sup>th</sup> May, 2018.

