

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
**Bikaner Electricity Supply Limited**

**Report on the Audit of the Financial Statements**

We have audited the accompanying financial statements of **Bikaner Electricity Supply Limited** ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2020, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, and Statement of Cash Flow for the year then ended and Notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies ( Indian Accounting Standards) Rule, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 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 financial statements.



**Other Information**

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the 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.

**Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows 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. This responsibility also includes 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 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 misstatements, whether due to fraud or error.

In preparing the 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 is also responsible for overseeing the company's financial reporting process.



**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- i. Identify and assess the risks of material misstatement of the 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.
- ii. 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 system in place and the operating effectiveness of such controls.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- iv. 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.
- v. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

### 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 section 143(11) of the Act, we give in "Annexure – I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit 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 other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
  - e. On the basis of written representations received from the Directors as on 31<sup>st</sup> March, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a Director in terms of Section 164(2) of the Act;
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 does not have any pending litigations which would impact its financial position.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



Place: Kolkata,  
Date: 25 June, 2020

For **GKSS & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 329049E

(Somnath Bhattacharya)  
Partner  
Membership No. 051455  
UDIN: 20051455AAAAAJ6590

**ANNEXURE – I TO THE INDEPENDENT AUDITORS' REPORT**

With reference to the Annexure I referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” section of our Report of even date to the members of **Bikaner Electricity Supply Limited** on the financial statements as of and for the year ended 31<sup>st</sup> March, 2020, we report the following:

1. In respect of the Company's fixed assets:
  - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b. The fixed assets of the Company were physically verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c. Since the Company does not hold any immovable property which requires title deeds, the clause 3(i)(c) of the Order is not applicable to the Company.
2. The management of the Company has physically verified its inventory during the year. In our opinion the frequency of verification is reasonable and no material discrepancies were noticed by the management on such verification.
3. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the said Order are not applicable to the company.
4. In respect of loans, investments, guarantees, and security provided by the Company, provisions of section 185 and 186 of the Act have been complied with.
5. The Company has not accepted any deposit from public and, therefore, the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under are not applicable.
6. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under sub-section (1) of section 148 of the Act. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained by the Company
7. (a) According to the records of the Company, the Company is regular in depositing the undisputed statutory dues like Provident Fund, Income Tax, GST, Service Tax, Cess and other statutory dues with the appropriate authorities during the year.



According to the information and explanation given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, income-tax, GST, Sales Tax, Service Tax, duty of Customs, duty of Excise and Value added tax which was at 31<sup>st</sup> March 2020, for a period of more than six months from the date they become payable.

(b) According to the information and explanation given to us and examination of the records of the Company, there are no dues of income-tax, Sales Tax, Service Tax, duty of Customs, duty of Excise and Value added tax which have not been deposited on account of any dispute.

8. According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or borrowing to the financial institutions, banks, government or dues to the debenture holders.
9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has raised moneys through term loans during the year and the same has been applied for the purpose for which it has been raised.
10. 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 nor we have been informed by the management any instance of fraud by the Company nor any fraud on the Company by its officers or employees.
11. According to the information and explanations given to us and based on our examination of the records, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.



- 15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions with the directors or persons connected with them.
  
- 16. According to the information and explanations given to us and the records of the Company examined by us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. .

**For GKSS & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 329049E



Place: Kolkata,  
Date: 25 June, 2020.

(Somnath Bhattacharya)  
Partner  
Membership No. 051455  
UDIN: 20051455AAAAAJ6590

**ANNEXURE – II TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in Paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" section of our Report of even date)

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

We have audited the internal financial controls over financial reporting of **Bikaner Electricity Supply Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management and the Board of Directors of the Company are 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 Companies Act, 2013.

**Auditors' Responsibility**

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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 judgment, 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 system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

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 (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 Financial Reporting**

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**

In our opinion, to the best of our information and according to the explanations given to us, 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



Place: Kolkata,  
Date: 25 June, 2020

### **For GKSS & ASSOCIATES**

Chartered Accountants

Firm Registration No: 329049E

(Somnath Bhattacharya)

Partner

Membership No. 051455

UDIN: 20051455AAAAAJ6590

BIKANER ELECTRICITY SUPPLY LIMITED  
Balance Sheet As at 31st March 2020

Particulars	Note No.	Rs. In Lacs	
		As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4	8,577.90	2,659.55
Capital work-in-progress		922.54	3,641.84
Intangible Assets	5	24.67	15.85
Financial Assets			
Loans	6	5.84	5.18
Deferred Tax Assets (Net)			
Other Non current assets	7	63.53	54.55
	(A)	<u>9,694.28</u>	<u>6,376.97</u>
<b>Current Assets</b>			
Inventories	8	102.96	141.47
Financial Assets			
Investments			
Trade receivables	9	9,491.84	11,299.56
Cash and cash equivalents	10	159.64	2,910.95
Bank balances other than cash & cash equivalents	11	6,520.23	6,280.71
Others	12	0.68	2.37
Current Tax Assets (Net)			
Other current assets	13	361.59	493.67
	(B)	<u>16,666.94</u>	<u>21,108.73</u>
<b>TOTAL ASSETS</b>	(A+B)	<u>26,261.22</u>	<u>27,485.70</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	14	12,005.00	12,005.00
Other Equity	15	(3,075.40)	(4,563.15)
	(C)	<u>8,029.60</u>	<u>7,441.85</u>
<b>Liabilities</b>			
<b>Non-current Liabilities :</b>			
<b>Financial Liabilities</b>			
Borrowings	16	1,500.00	-
Other Financial Liabilities	17	66.97	59.42
Provisions	18	35.33	22.24
Other non current liabilities	19	652.98	422.70
	(D)	<u>2,255.28</u>	<u>504.36</u>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	20	3,897.53	6,265.07
Trade Payables	21		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises		319.00	21.87
(b) Total outstanding dues to creditors other than micro enterprise & small enterprises		10,354.37	7,459.52
Other	22	774.04	592.00
Other current liabilities	23	631.15	5,200.85
Provisions	24	0.25	0.19
	(E)	<u>15,976.34</u>	<u>19,539.49</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	(C+D+E)	<u>26,261.22</u>	<u>27,485.70</u>

Notes forming part of Financial Statements

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

For and on behalf of Board of Directors

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E

Somnath Bhattacharya  
Partner

Membership No.: 051455  
Kolkata, 25 Jun, 2020

UDIN: 20051455AAAAAJ6590

*[Signature]*  
Director

*[Signature]*  
CFO

*[Signature]*  
Chairman



BIKANER ELECTRICITY SUPPLY LIMITED  
Statement of Profit and Loss For the year ended 31st March 2020

Rs. in Lacs

Particulars	Note No.	2019-20	2018-19
Revenue from operations	26	54,424.18	48,601.58
Other income	27	493.85	580.29
<b>Total Income</b>		<b>54,918.03</b>	<b>49,181.87</b>
<b>Expenses</b>			
Cost of electrical energy purchased	28	49,537.15	45,568.53
Employee benefit expenses	29	1,091.83	1,107.76
Finance costs		868.61	851.18
Depreciation and amortisation expense	4 & 5	198.37	52.35
Other expenses	30	2,832.01	2,981.81
<b>Total expenses</b>		<b>54,327.97</b>	<b>50,561.62</b>
<b>Profit / (Loss) before tax</b>		<b>590.06</b>	<b>(1,379.75)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit / (Loss) after tax</b>		<b>590.06</b>	<b>(1,379.75)</b>
<b>Other comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan		(2.32)	(0.76)
Deferred Tax expenses on above		-	-
<b>Total comprehensive Income/(loss) for the year (net of tax)</b>		<b>587.74</b>	<b>(1,380.51)</b>
<b>Earnings per equity share</b>			
Basic & Diluted ( Face value of ₹ 10 per share)	(₹)	0.49	(3.25)

Notes forming part of Financial Statements

This is the statement of Profit and Loss referred to in our Report of even date.

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E  
Somnath Bhattacharya  
Partner  
Membership No: 051455  
Kolkata, 25 Jun, 2020

For and on behalf of Board of Directors

Sd/-

Company Secretary

Director

Director

UDIN: 20051455AAAAAJ6590



BIKANER ELECTRICITY SUPPLY LIMITED  
Cash flow statement for the period ended 31st March 2020

	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A. Cash flow from Operating Activities</b>		
Profit before Taxation	590.06	(1,379.74)
Adjustments for:		
Depreciation and amortisation expenses	198.37	52.34
Finance costs	868.61	851.18
Interest Income	(486.93)	(574.99)
<b>Operating Profit before Working Capital changes</b>	<b>1,170.11</b>	<b>(1,051.21)</b>
Adjustments for:		
Trade & other receivables	1,672.54	(4,215.11)
Inventories	38.52	192.62
Trade and other payables	(1,854.88)	3,802.09
<b>Cash Generated from Operations</b>	<b>1,026.29</b>	<b>(1,271.61)</b>
Income Tax paid		
<b>Net cash flow from Operating Activities</b>	<b>1,026.29</b>	<b>(1,271.61)</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment / Capital Worn-in-Progress	(3,406.24)	(3,601.23)
Interest received	486.93	574.99
<b>Net cash used in Investing Activities</b>	<b>(2,919.31)</b>	<b>(3,026.24)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Issue of Share Capital		7,800.00
Proceeds from Long Term Borrowings (net of refinance loan)	2,000.00	
Net increase / (decrease) in Short Term Borrowings	(2,367.54)	(427.66)
Receipt from consumers for Capital Jobs, Meter Security deposits	407.85	406.37
Finance Costs paid	(888.61)	(851.18)
<b>Net Cash flow from Financing Activities</b>	<b>(828.30)</b>	<b>6,987.53</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>(2,721.32)</b>	<b>2,689.68</b>
<b>Cash and Cash equivalents - Opening Balance</b>	<b>2,910.96</b>	<b>221.28</b>
<b>Cash and Cash equivalents - Closing Balance</b>	<b>189.64</b>	<b>2,910.96</b>
This is the Cash Flow Statement referred to in our Report of even date.	(0)	0

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E

Somnath Bhattacharya  
Partner  
Membership No.: 051455  
Kolkata, 25 Jun, 2020

UDIN 2051455AAAAAJ6590



For and on behalf of Board of Directors

Sd/-

Company Secretary

Director

CFO

Director

*Mamun*

**BIKANER ELECTRICITY SUPPLY LIMITED**

Statement of changes in equity for the period ended 31st March 2020

Rs. in Lacs

**A EQUITY SHARE CAPITAL**

	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
As at 31st March 2019	4,205.00	7,800.00	12,005.00
As at 31st March 2020	12,005.00	-	12,005.00

**B OTHER EQUITY**

	Retained Earning	Total
Balance as at 1 April 2019	-4,563.14	-4,563.14
Profit for the Year	590.06	590.06
Other Comprehensive income/(expense) for the year (net of tax)	-2.32	-2.32
Balance as at 31st March 2020	-3,975.40	-3,975.40

Particulars	Retained Earning	Total
Balance as at 1 April 2018	(3,182.64)	(3,182.64)
Profit for the Year	(1,379.74)	(1,379.74)
Other Comprehensive income/(expense) for the year (net of tax)	(0.76)	(0.76)
Balance as at 31st March 2019	(4,563.14)	(4,563.14)

This is the statement of changes in Equity referred to in our Report of even date.  
For and on behalf of Board of Directors

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E

Director

Director

Sd/-  
Company Secretary

*K. 051455*  
UDIN : 2051455AAAAAJ6590



**NOTE-1** The Company has entered into a Distribution Franchise Agreement (DFA) on 14 March 2017 with Jodhpur Vidyal Vitaran Nigam Limited (JVVNL) and CESC Limited for distribution of electricity in Bikaner City situated in the state of Rajasthan. The Company is a public company and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the Company is located at CESC House, 7, Chatterjee Sankar, Kolkata - 700021.

**NOTE-2** The operations of the Company are governed by the Electricity Act, 2003 and various Regulations and / or Policies framed thereunder by the appropriate authorities read with the aforesaid DFA. Accordingly, in preparing the financial statements the relevant provisions of the said Act, Regulations, DFA etc. have been duly considered.

**NOTE-3 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 (as amended from time to time) notified 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 certain financial assets and liabilities which are measured at fair value.

**(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) Property, plant and equipment**

**i) Tangible Asset**

Tangible Assets are stated at cost of acquisition together with any incidental expenses related to acquisition 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 market value or value in use, whichever is higher.

**Useful Life of Tangible Assets is as follows:**

Particulars	Useful Life of Assets
Buildings and Structures	20-30 Years
Distribution System	18-25 Years
Furniture and Fixings	15-20 Years
Metering Equipment	15-25 Years
Office Equipment	5-20 Years
Plant, Machinery and Equipment	15-25 Years

**ii) Intangible Asset**

Intangible assets comprising computer software expected to provide future enduring economic benefits are stated at cost of acquisition / implementation / development less accumulated amortisation.

**iii) Amortisation**

Cost of computer software related expenditure, are amortised in three years over its estimated useful life.

**(d) 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

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 Company measures a financial asset at its fair value.

**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. The losses arising from impairment are recognized in the profit or loss.



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**Financial Instruments measured at fair value through profit and loss**

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.

**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 32)

For trade receivables the simplified approach of expected lifetime losses has been recognised from initial recognition of the receivables as required by Ind AS 105 Financial Instruments.

**(e) Investments**

Investments in mutual funds are measured at fair value through profit and loss.

**(f) Inventories**

Inventories 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 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.

**(g) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits. For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash, deposits and draft on hand, balances with banks which are unrestricted for withdrawal/usage 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 overdrafts are shown within borrowing in current liabilities in the balance sheet.

**(h) Financial liabilities**

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

**(i) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM).

**(j) Revenue from Operations**

Revenue from Operations include earnings from sale of electricity and other operating income and is recognised following the revenue recognition principles as appropriate.

Earnings from sale of electricity is net of discount for prompt payment of bills and do not include taxes and duties payable.

Other operating income represents income earned which are incidental to distribution of electricity, like asset rental etc., and are accounted on accrual basis.

The contribution received from consumers in accordance with the regulations which is being used for property, plant & equipment in order to connect the consumers to power distribution network are recognised as revenue when the service is performed.

**(k) Other income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable. Interest income arising from financial assets is accounted for using amortised cost method.

Late payment surcharge, as a general practice is determined and recognised on a receipt of overdue payment from consumers.

**(l) Purchase of Electrical Energy**

Cost of electrical energy purchased represents power purchased from Jharkhand by the Company computed as per the methodology provided in the DFR. Such cost is net of incentive for prompt payment of bills.

**(m) Employee Benefits**

Employee benefits include cost incurred on human resources deployed by the Company through direct employment, deputation from Jharkhand, secondment. The salaries and wages, contributions to Provident Fund and Contributory Pension Fund are accounted for on accrual basis. Provident Fund contributions are made to a fund administered through the office of the Regional Provident Fund Commissioner. The Company, as per its schemes, extend 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 and leave encashment to the extent applicable, made by independent actuary. Actuarial gain and losses are recognised in Other Comprehensive Income Profit & Loss account, as the case may be.



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(f) **Finance Costs**

Finance Costs comprise interest expenses and other borrowing costs. Such Finance Costs is charged off to revenue. Interest expense arising from financial liabilities is accounted for in effective interest rate method.

(g) **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 differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements (taxable temporary differences) that have been enacted or substantively 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 payments or recoveries 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.

(h) **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 will be required to settle the obligation and a reliable estimate can be made. A contingent liability 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, wholly or partly not within the control of the Company.

**NOTE 4A - 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 3A (c) 14
- Estimates used in Actuarial Valuation of Employee benefits - Note 25B

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Notes forming part of Financial Statements (Contd.)

**NOTE - 4 PROPERTY PLANT AND EQUIPMENT**

PARTICULARS	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at 1st April 2019	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st Mar, 2020	As at 1st April 2019	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st Mar, 2020	As at 31st Mar, 2019
	Rs. In Lacs								
Buildings & Structures	24.37	-	-	24.37	1.15	0.82	-	1.97	23.21
Plant and Equipment	4.49	20.22	-	33.71	0.40	0.24	-	0.63	4.10
Distribution System	1,897.90	4,922.86	-	6,820.66	51.80	144.77	-	196.67	1,846.00
Meters and Other	550.08	1,137.06	-	1,688.04	0.78	33.43	-	34.21	550.20
Furniture and Fixtures	120.66	4.52	-	125.18	13.02	7.94	-	20.96	107.64
Office Equipment	143.59	21.56	-	165.15	15.19	9.48	-	24.67	128.40
Vehicles	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,741.99</b>	<b>6,116.03</b>	<b>-</b>	<b>8,857.01</b>	<b>82.44</b>	<b>196.67</b>	<b>-</b>	<b>279.11</b>	<b>8,577.90</b>
Previous Year	017.00	1,824.92	-	2,741.99	31.79	50.65	-	82.44	2,659.55

**NOTE - 5 OTHER INTANGIBLE ASSETS**

PARTICULARS	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at 1st April 2019	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st Mar, 2020	As at 1st April 2019	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st Mar, 2020	As at 31st Mar, 2019
	Rs. In Lacs								
Computer Software	18.79	10.61	-	29.30	2.94	1.70	-	4.63	15.85
<b>Total</b>	<b>18.79</b>	<b>10.61</b>	<b>-</b>	<b>29.30</b>	<b>2.94</b>	<b>1.70</b>	<b>-</b>	<b>4.63</b>	<b>15.85</b>
Previous Year	18.79	-	-	18.79	1.25	1.68	-	2.94	15.85

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Notes forming part of Financial Statements (Contd.)

		Rs. in Lacs	
		As at 31st March 2020	As at 31st March 2019
<b>NOTE - 6</b>	<b>NON CURRENT - LOANS</b>		
	Considered Good - Unsecured	5.64	5.18
		<u>5.64</u>	<u>5.18</u>
<b>NOTE - 7</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Capital Advance	63.53	54.55
		<u>63.53</u>	<u>54.55</u>
<b>NOTE - 8</b>	<b>INVENTORIES</b>		
	Stores and spares	102.96	141.47
		<u>102.96</u>	<u>141.47</u>
<b>NOTE - 9</b>	<b>TRADE RECEIVABLES</b>		
	Considered Good - Unsecured	9,491.84	11,299.56
		<u>9,491.84</u>	<u>11,299.56</u>
<b>NOTE - 10</b>	<b>CASH AND CASH EQUIVALENTS</b>		
a)	Balances with banks		
	- In current accounts	170.46	34.20
	- deposits with original maturity upto 3 months		2,800.00
b)	Cheques, drafts on hand	16.73	41.85
c)	Cash on hand	2.45	34.90
		<u>189.64</u>	<u>2,910.95</u>
<b>NOTE - 11</b>	<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
	Balance in Escrow Account	386.23	126.71
	Deposits with original maturity of more than 3 months	6,134.00	6,134.00
		<u>6,520.23</u>	<u>6,260.71</u>
	(As security for payment of the Secured Obligations in accordance with the DFA, the Company, in the capacity of Distribution Franchisee as the legal and/or beneficial owner of the secured Amounts has hypothecated by way of first ranking charge of the aforesaid Escrow Account in favour of JdVVNL.)		
<b>NOTE - 12</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Others	0.68	2.37
		<u>0.68</u>	<u>2.37</u>
<b>NOTE - 13</b>	<b>OTHER CURRENT ASSETS</b>		
	Others	361.59	493.67
		<u>361.59</u>	<u>493.67</u>



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Notes forming part of Financial Statements (Contd.)

Particulars	As at 31st Mar 2020	Rs. In Lacs
		As at 31st Mar 2019
<b>NOTE 14 EQUITY</b>		
a) Authorised Share Capital 15,00,00,000 Equity Shares of ₹ 10 each	15,000	15,000
b) Issued, Subscribed and paid up Capital 12,00,50,000 ( 31.03.2019 : 12,00,50,000) fully paid up Equity Shares of ₹ 10/- each	12,005	12,005

c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st Mar 2020		As at 31st Mar 2019	
	No. of shares	Amount in Lacs	No. of shares	Amount in Lacs
Balance at the beginning of the year	12,00,50,000	12,005	4,20,50,000	4,205
Add: Share Issued and allotted during the year	-	-	7,80,00,000	7,800
Closing Balance	12,00,50,000	12,005	12,00,50,000	12,005

d) 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. 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.

e) Details of shareholders holding more than 5% shares in the Company and shares held by holding co.

Name of shareholder	As at 31st Mar 2020		As at 31st Mar 2019	
	No. of shares	% of holding	No. of shares	% of holding
GESCO Limited along with nominees (Holding Company)	12,00,50,000	100	12,00,50,000	100



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Notes forming part of Financial Statements (Contd.)

	Rs. In Lacs	
	As at 31st March 2020	As at 31st March 2019
<b>NOTE -15 OTHER EQUITY</b>		
Share Application Money Pending Allotment		
Retained Earnings		
Surplus/(Deficit) at the beginning of the year	(4,563.14)	(3,182.64)
Add : Profit/ (Loss) for the Year	587.74	(1,380.51)
	<u>(3,975.40)</u>	<u>(4,563.15)</u>
<b>NOTE -16 NON CURRENT - BORROWINGS</b>		
Secured term Loan	1,500.00	-
	<u>1,500.00</u>	<u>-</u>
<b>NOTE -17 NON CURRENT - OTHER FINANCIAL LIABILITIES</b>		
Meter Security Deposit	66.97	59.42
	<u>66.97</u>	<u>59.42</u>
<b>NOTE -18 NON CURRENT - PROVISIONS</b>		
Provision for employee benefits	35.33	22.24
	<u>35.33</u>	<u>22.24</u>
<b>NOTE -19 OTHER NON CURRENT LIABILITIES</b>		
Receipt from consumers for capital jobs	662.98	422.70
<b>Total</b>	<u>853</u>	<u>422.70</u>



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	Rs. In Lacs	
	As at 31st March 2020	As at 31st March 2019
<b>NOTE - 20 CURRENT - BORROWINGS</b>		
<i>Secured</i>		
Overdraft from banks (Repayable on demand)	3,897.53	6,265.07
	<u>3,897.53</u>	<u>6,265.07</u>

Overdraft facilities from banks are secured, ranking pari passu inter se, by hypothecation of the Company's current assets, as a second charge

**NOTE - 21 TRADE PAYABLES**

<i>Trade Payables</i>		
(a) Total outstanding dues to Creditors other than MSME	10,354.37	7,459.52
(b) Total outstanding dues to Micro Enterprise & Small Enterprises	319.00	21.87
	<u>10,673.38</u>	<u>7,481.39</u>

Nil (31.03.2019 – Nil), Nil (31.03.2019 – Nil), Nil (31.03.2019 – Nil) and Nil (31.03.2019 – Nil), Nil (31.03.2019 – Nil) Representing interest due to amount outstanding as at the year end, interest paid along with amount of payment made beyond the appointed day, interest due and payable for the period of delay in making payment during the year, amount of interest accrued and remaining unpaid at the year end, amount of further interest remaining due and payable in the succeeding years, respectively due to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 on information available with the Company.

**NOTE - 22 OTHER FINANCIAL LIABILITIES**

<i>Payable towards miscellaneous services to</i>		
-Related parties	274.04	592.00
Other Body Corporate	(0.00)	(0.00)
Current maturity of long term debt	500.00	-
	<u>774.04</u>	<u>592.00</u>

**NOTE - 23 OTHER CURRENT LIABILITIES**

a) Liability towards taxes, duties etc.	40.87	75.03
b) Others	590.28	5,125.82
	<u>631.15</u>	<u>5,200.85</u>



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Notes forming part of Financial Statements (Contd.)

	Rs. In Lacs	
	As at 31st March 2020	As at 31st March 2019
<b>NOTE -24 NON CURRENT - PROVISIONS</b>		
Provision for employee benefits	0.25	0.19
	<u>0.25</u>	<u>0.19</u>

**NOTE -25 CONTINGENT LIABILITIES AND COMMITMENTS**

- a) Other money for which the company is contingently liable :  
 (i) Bank Guarantee - 3300 lakh (Previous year - 3300 lakh)

Particulars	Rs. In Lacs	Rs. In Lacs
	For the year ended 31st March 2020	For the year ended 31st March 2019

**NOTE - 26 REVENUE FROM OPERATIONS**

a) Earnings from sale of electricity - Net of rebate 150.77 lakh (31.03.2019; 102.83 lakh)	53,140.93	47,546.19
b) Other Operating Revenue:		
Meter Rent	205.45	217.37
Contribution from Consumer	344.26	268.28
Others	733.54	569.74
	<u>64,424.18</u>	<u>48,601.58</u>

**NOTE - 27 OTHER INCOME**

Interest income	488.93	574.99
Miscellaneous income	6.02	5.30
	<u>493.95</u>	<u>580.29</u>

Notes forming part of Financial Statements (Contd.)

**NOTE - 28 COST OF ELECTRICAL ENERGY PURCHASED**

Particulars	Rs. In Lacs	
	As at 31st March 2020	For the year ended 31st March 2019
Cost of electrical energy purchased	49,537.15	45,568.53
	<u>49,537.15</u>	<u>45,568.53</u>

[Cost of electrical energy purchased is computed as per terms of DFA based on provisional Average Billing Rate (ABR) which may necessitate adjustments on finalisation.]

**NOTE - 29 EMPLOYEE BENEFIT EXPENSES**

a) Salaries, wages and bonus	1,063.97	1,092.58
b) Contribution to provident and other funds	17.77	10.09
c) Employees' welfare expenses	10.69	5.10
	<u>1,091.83</u>	<u>1,107.76</u>



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**Employee Benefits**

The Company makes contributions for provident fund and pension towards retirement benefit plans for eligible employees. Under the said plans, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. Liabilities at the year-end for gratuity and leave encashment have been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in Ind AS 19 - 'Employee Benefits' of the Companies (Indian Accounting Standards) Rules 2015.

**Net Liability / (Asset) recognized in the Balance Sheet:**

	in lakh		in lakh	
	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Present value of funded obligation	19.39	16.17	12.22	10.21
Fair Value of Plan Assets	-	-	-	-
	19.39	16.17	12.22	10.21
Present value of unfunded obligation	-	-	-	-
Unrecognized past service cost	-	-	-	-
<b>Net Liability/(Asset)</b>	<b>19.39</b>	<b>16.17</b>	<b>12.22</b>	<b>10.21</b>

**Expenditure shown in the Note to Statement of Profit and Loss, as follows:**

	in lakh		in lakh	
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Current Service Cost	3.92	3.32	1.83	2.19
Interest Cost	0.94	0.77	0.69	0.20
Actuarial loss/(gain)	-	2.26	-	5.49
Past Service Cost	-	-	-	-
<b>Total</b>	<b>4.86</b>	<b>6.35</b>	<b>2.52</b>	<b>7.88</b>

**Other Comprehensive Income**

	in lakh		in lakh	
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Actuarial loss/(gain)	2.32	-	0.76	-
<b>Total</b>	<b>2.32</b>	<b>-</b>	<b>0.76</b>	<b>-</b>

**Reconciliation of Opening and Closing Balances of the present value of obligations:**

	in lakh		in lakh	
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening defined benefit obligation	12.22	10.21	8.94	2.86
Current Service Cost	3.92	3.32	1.83	2.19
Past Service Cost	-	-	-	0.20
Interest Cost	0.94	0.77	0.69	-
Actuarial loss/(gain)	2.32	2.26	0.76	5.49
Benefits paid	-	(0.98)	-	(0.53)
<b>Closing Defined Benefit Obligation</b>	<b>19.40</b>	<b>16.17</b>	<b>12.22</b>	<b>10.21</b>

	in lakh		in lakh	
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
<b>Movements in net liability/(asset):</b>				
Opening balance - Net Liability/(asset)	12.22	10.21	8.94	2.86
Mov. in contributions by the employer	-	(0.38)	-	(0.53)
Expenses (income) recognized in income statement	4.86	6.35	2.52	7.88
Expense (income) recognized in OCI	2.32	-	0.76	-
<b>Net liability/(assets) - Status</b>	<b>19.40</b>	<b>16.17</b>	<b>12.22</b>	<b>10.21</b>



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Sensitivity	In lakh For the year ended 31st March, 2020		In lakh For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
DBO at 31.3 with discount rate +1%	16.43	13.72	10.42	8.75
Corresponding service cost	3.22	2.70	1.52	1.85
DBO at 31.3 with discount rate -1%	23.08	19.23	14.43	12.02
Corresponding service cost	4.81	4.10	2.21	2.61
DBO at 31.3 with +1% salary escalation	23.10	19.25	14.47	12.05
Corresponding service cost	4.82	4.11	2.22	2.62
DBO at 31.3 with -1% salary escalation	16.36	13.66	10.36	8.70
Corresponding service cost	3.21	2.69	1.51	1.84
DBO at 31.3 with +50% withdrawal rate	19.46	16.26	12.31	10.30
Corresponding service cost	3.92	3.34	1.84	2.21
DBO at 31.3 with -50% withdrawal rate	19.33	16.08	12.11	10.11
Corresponding service cost	3.92	3.29	1.82	2.16
DBO at 31.3 with +10% mortality rate	19.41	16.19	12.23	10.22
Corresponding service cost	3.93	3.32	1.83	2.19
DBO at 31.3 with -10% mortality rate	19.38	16.16	12.19	10.19
Corresponding service cost	3.92	3.31	1.83	2.18

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.

Estimated Cash Flows (Undiscounted)	In lakh For the year ended 31st March, 2020		In lakh For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1st Year	0.12	0.12	0.10	0.09
2 to 5 Years	0.63	0.59	0.50	0.45
6 to 10 Years	5.00	6.20	4.19	5.68
More than 10 Years	66.22	53.33	49.57	38.59

Actuarial assumptions	In lakh For the year ended 31st March, 2020		In lakh For the year ended 31st March, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Discount rate current year (%)	6.67	6.67	7.69	7.69
Expected rate for salary increases (%)	5.00	5.00	5.00	5.00
Pension trend (%)	0	0	0	0
Number of insured employees	49	49	27	27
Number of insured retired persons	0	0	0	0
Number of defined contribution plans	0	0	0	0
Number of defined benefit plans	1	1	1	1
thereof number of defined benefit funded	0	0	0	0
thereof number of defined benefit unfunded	1	1	1	1
Expected contributions to be paid for next year	0	0	0	0
Weighted average duration of the defined benefit plan (in years)	19.16	19.18	19.32	19.07

#### Mortality Rate

Mortality rates prior to retirement for the valuation as at 31 March 2020 were taken from the standard table – Indian Assured Lives Mortality (2006-08) ultimate. The same for the valuation as at 31 March 2019 were also taken from the same standard table – Indian Assured Lives Mortality (2006-08) ultimate.

Risks to which the plan exposes the entity i.e. the valuation results may go wrong:

**Credit Risk:** If the scheme is insured and fully funded on FUC basis there is a credit risk to the extent the insurer(s) are unable to discharge their obligations including failure to discharge in timely manner.

**Pay-as-you-go Risk:** For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.

**Discount Rate risk:** The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.



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**Liquidity Risk:** This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outflow mismatch. (O/R could be due to insufficient assets/cash.)

**Future Salary Increase Risk:** 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.

**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:** Gratuity Benefits must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). There is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of Rs 20,00,000, raising accrual rate from 15/26 etc.)

The above is a set of risk exposures relating to Gratuity Scheme in general. It is strongly advised that the Company should carefully examine the above list and add more risks if appropriate while preparing its financial disclosure statements.



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Notes forming part of Financial Statements (Contd.)

Particulars	Rs. In Lacs	
	As at 31st March 2020	For the year ended 31st March 2019
<b>NOTE - 30 OTHER EXPENSES</b>		
a) Consumption of stores and spares	6.62	46.14
b) Repairs		
Plant and Machinery	-	0.90
Distribution System	1,077.31	1,530.62
Others	0.65	1.11
	<u>1,077.96</u>	<u>1,532.63</u>
c) Insurance	7.82	5.35
d) Rent	33.19	34.32
e) Rates and taxes	23.23	-
f) Audit Fees - as statutory auditor	1.06	0.83
g) Audit Fees - as tax auditor	-	0.18
h) Communication Expense	64.69	53.00
i) Printing & stationery	16.62	15.45
j) Travelling	11.88	35.68
k) Car Hire	113.14	107.93
l) Legal & other fees	3.00	0.83
m) Advertisement	14.77	11.46
n) Security	58.92	48.21
o) Generator Hire charges	11.42	28.73
p) Meter reading & collection expenses	306.26	338.83
q) Miscellaneous expenses	881.54	720.65
	<u>2,632.01</u>	<u>2,981.81</u>



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NOTE-31 Fair value measurements

a) The carrying value and fair value of financial instruments by categories as at the end of the year is as follows:

	31-Mar-20			31-Mar-19		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Trade Receivables	0,491.64	-	-	11,209.56	-	-
Cash and cash equivalents	189.64	-	-	2,910.85	-	-
Other Bank balances	0,520.23	-	-	6,260.71	-	-
Loans	0.65	-	-	2.37	-	-
Others	304.50	-	-	493.87	-	-
<b>Total financial assets</b>	<b>16,567.36</b>			<b>20,967.96</b>		
<b>Financial liabilities</b>						
Borrowings	3,097.23	-	-	5,265.07	-	-
Trade Payables	10,672.30	-	-	7,481.39	-	-
Customer Security Deposits	6.28	-	-	0.18	-	-
Others	774.01	-	-	502.00	-	-
<b>Total financial liabilities</b>	<b>15,349.82</b>			<b>14,338.64</b>		

The different levels have been defined below:

Level 1: financial instruments measured using quoted prices. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price.

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.

b) The following methods and assumptions were used to estimate the fair values:

i) The carrying amounts of trade receivables, trade payables, other bank balances, cash and cash equivalents, current borrowings are considered to be the same as their fair values, due to their short term nature.

ii) Security deposit on vested premises is based on discounted cash flows using a current borrowing rate.

iii) Fair value of financing instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factor. The carrying amount is

NOTE-32 For the year ended 31.03.2020, Others under Revenue from Operations include Rs 344.26 lakh being contribution from customers related to such capital jobs which are completed within 31.03.2020.



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**NOTE-33 Financial risk management**

The Company's activities expose it to credit risk, liquidity risk, capital risk and market risk (including interest rate risk and currency risk). The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of the financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company.

**i) Credit risk**

In order to manage credit risk arising from sale of electricity, multipronged approach is followed like precipitation of action against defaulting consumers, obtaining support of the administrative authority. The trade receivables are secured by the security deposits obtained and maintained by the Jaipur Vidyut Vitran Nigam Limited from consumers.

**ii) Liquidity risk**

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.

**iii) Market risk**

**a) Interest rate risk**

The Company is exposed to interest rate risk because it borrows fund at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowing.

**b) Currency risk**

The Company has no foreign currency risk exposure.

**NOTE-34 Capital Management**

For the purposes of the Company's capital management, capital includes issued capital and all the other equity reserves. The primary objective of the Company's capital management is to maximize shareholder value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The Company has not declared or paid any dividends during the year (Previous Year: Nil).



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**NOTE 35 RELATED PARTY - DISCLOSURE**

A. **Parent, under de facto control as defined in Ind AS 119**  
 Rainbow Investments Limited

B. **Holding Company**  
 CESC Limited

C. **Entities under Common Control**

Name	Relationship
Surya Volta Limited	Fellow Subsidiary
Mahagan Power Supply Limited (Formerly known as Nilande Power Company) Limited	Fellow Subsidiary
CESCO Projects Limited	Fellow Subsidiary
Batali Corporation Pte. Limited	Fellow Subsidiary
Ranchi Power Distribution Company, Limited	Fellow Subsidiary
Panchi Hydropower Projects Limited	Fellow Subsidiary
Pandu Hydropower Projects Limited	Fellow Subsidiary
Cassand Power Limited (GFL)	Fellow Subsidiary
Kota Electricity Distribution Limited (KEDL)	Fellow Subsidiary
Bharatpur Electricity Services Limited (BESL)	Fellow Subsidiary
CESCO Green Power Limited	Fellow Subsidiary
Prakash Electric Company Limited	Fellow Subsidiary
Central India Basic Power Company Limited	Fellow Subsidiary
Au Bori Fair Game India Limited	Fellow Subsidiary
Haldia Fertilizer Limited (HFL)	Fellow Subsidiary
Discom Infrastructure Limited (DIL)	Fellow Subsidiary
Manusgarh Coal Company Private Limited	Joint Venture of Holding Company
Noida Power Company Limited	Associate
NECL Solar Energy Pvt. Ltd.	Associate

D. **Other Related Parties having transaction during the year**

(i) **Entities under common control**

CESCO Ventures Limited
Quant Proprietary Hedge Limited (QPH)

(ii) **Key Management Personnel (KMP)**

Name	Relationship
Mr. Arvinder Singh Guzzal (11.4.2010 to 10.7.2019)	WTD
Mr. Ganana Chakraborty (12.11.2018 to 31.3.2020)	Manager

*Arvinder Singh Guzzal*

*Manu*





NOTE- 35 The major components of Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2020 are as under :

Particulars	In lakh	
	As at 31st March, 2020	As at 31st March, 2019
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	401.86	298.29
<b>TOTAL</b>	<b>401.86</b>	<b>298.29</b>
<b>Assets</b>		
Business loss and Unabsorbed depreciation	1,214.74	1,172.65
Others	57.38	90.15
<b>TOTAL</b>	<b>1,272.12</b>	<b>1,262.80</b>
<b>Net Deferred Tax Assets (Liability)</b>	<b>785.26</b>	<b>964.52</b>

Net Deferred Tax Assets of FY 19-20 Rs 785.26 Lakh (FY 18-19 Rs 964.52 Lakh) as above has not been recognised

NOTE- 36 Earnings per share:

Computation of Earnings per share		2019-20	2018-19
Particulars			
Profit / (Loss) After Tax ( in lakh)	(A)	590.06	(1,379.75)
Weighted Average no. of shares	(B)	12,00,50,000	4,24,77,397
Basic and Diluted Earnings per share of ` 10/- ( )	A/B	0.49	(3.25)

NOTE- 37 The Company is engaged in distribution of electricity and does not operate in any other reportable segments. The reportable business segments are in line with the segment wise information which is being presented to the CDM. There are no reportable geographical segments, since all business is within India.

NOTE- 38 The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

NOTE- 39 COVID-19 Risk

Consequent to spread of Coronavirus disease (COVID 2019), the Government of India has announced nation-wide lock down from 25 March 2020. The Company is engaged in distribution of power being classified as essential services and therefore continues to operate even during lockdown period. During this period, the Company has seen reduction in demand of electricity in its distribution area, mainly in commercial and industrial categories and delays in collection from consumers across the categories. The Company has increased the review frequency of fund planning and has considered internal and external information up to the date of approval of these financial statements including directives/communique issued by RERC, JdVVNL and other government agencies, in determining the impact of global pandemic on carrying values of assets and liabilities as of 31 March, 2020. While the impact has not been of any significance as of now, the Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

NOTE- 40 As per the terms of Distribution Franchise Agreement dated 14-03-2017 an independent auditor is required to audit the average billing rate of the distribution area on quarterly basis and provide its report within 15 days of the quarter. M/s CRISIL, the independent auditor has conducted the audit upto 30-06-2018, and provided its reports on ABR which is being deliberated.

For GKSS & Associates  
Chartered Accountants  
Firm Registration Number - 329049E  
S. S. S.  
Somnath Bhattacharya  
Partner  
Membership No. 051455  
Kolkata 25 July, 2020



For and on Behalf of Board of Directors

*Santosh Chatterjee*  
Director

*Sd/-*  
Company Secretary

UDIN: 20051455AAAAAJ6590

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