

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Dhariwal Infrastructure Limited

**Report on the Audit of the Ind AS Financial Statements****Opinion**

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

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

**Basis for Opinion**

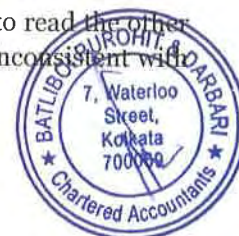
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements'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

**Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with



the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Ind AS Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;




- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 33 to the Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



UDIN: 20063404AAAADZ4351  
Kolkata  
Dated: June 26, 2020

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

  
(CA Hemal Mehta)  
Partner

Membership Number 063404



**Annexure - 1 to Independent Auditors' Report**

**Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Dhariwal Infrastructure Limited of even date**

- 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 title deeds of immovable properties are held in the name of the Company.
- ii. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.  
  
(b) The discrepancies noted on physical verification of inventory as compared to book records has been properly dealt with in the books of account and were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause (iii)(a) to (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- 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. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- 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, including provident fund, income tax, sales tax, wealth tax, service tax, goods and service tax, duty of customs, value added tax, cess 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, sales tax, wealth tax, service tax, goods and service tax, duty of customs, value added tax or cess which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.



- ix. Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments but has taken term loans. The term loans have been applied for the purposes for which they were obtained.
- 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 by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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.
- 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 Section 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 Ind AS 24, 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.



UDIN: 20063404AAAADZ4351  
Kolkata  
Dated: June 26, 2020

For Batliboi, Purohit & Darbari  
Chartered Accountants  
Firm Registration Number: 303086E  
  
(CA Hemal Mehta)  
Partner  
Membership Number 063404

**Annexure - 2 to Independent Auditors' Report**

**Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Dhariwal Infrastructure Limited of even date**

**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 Dhariwal Infrastructure Limited ("the Company") as of March 31, 2020 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 Ind AS 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 Ind AS 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 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, 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.



UDIN: 20063404AAAADZ4351  
Kolkata  
Dated: June 26, 2020

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



Dhariwal Infrastructure Limited  
 CIN: U70109WB2006PLC111457  
 Telephone: +91 33 2225 6040  
 E-mail: dharwalinfrastructure@rpsg.in  
 Registered Office: CESC House, Chowringhee Square, Kolkata - 700001

Balance Sheet as at March 31, 2020

(₹ in crore)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>1) Non-current assets</b>			
a. Property, plant and equipment	2	3,388.64	3,478.68
b. Capital work in progress		3.72	6.05
c. Financial assets			
i. Loans	3	1.16	0.25
d. Other non-current assets	4	1.27	19.09
<b>Total non-current assets</b>	<b>(A)</b>	<b>3,394.79</b>	<b>3,504.07</b>
<b>2) Current assets</b>			
a. Inventories	5	149.06	167.65
b. Financial assets			
i. Trade receivables	6	506.27	396.54
ii. Cash and cash equivalents	7	41.80	13.35
iii. Bank balances other than cash and cash equivalents	8	13.07	9.41
iv. Loans	9	8.16	7.32
v. Other financial assets	10	10.44	7.76
c. Current tax assets (net)		19.56	15.25
d. Other current assets	11	62.39	93.45
<b>Total current assets</b>	<b>(B)</b>	<b>810.75</b>	<b>710.73</b>
<b>TOTAL ASSETS</b>	<b>(A+B)</b>	<b>4,205.54</b>	<b>4,214.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	12	2,242.77	2,242.77
b. Other equity	13	(1,829.77)	(1,819.62)
<b>Total Equity</b>	<b>(C)</b>	<b>413.00</b>	<b>423.15</b>
<b>LIABILITIES</b>			
<b>1) Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	14	2,515.92	2,971.93
ii. Trade payables	15		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises			
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises		5.58	3.55
b. Provisions	16	4.62	2.98
c. Deferred tax liabilities (net)	31		
<b>Total non-current liabilities</b>	<b>(D)</b>	<b>2,526.12</b>	<b>2,978.46</b>
<b>2) Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	17	179.61	270.76
ii. Trade payables	18		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises		0.04	8.73
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises		34.59	43.71
iii. Other financial liabilities	19	1,049.27	484.50
b. Other current liabilities	20	2.07	4.50
c. Provisions	21	0.84	0.99
<b>Total current liabilities</b>	<b>(E)</b>	<b>1,266.42</b>	<b>813.19</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>(C+D+E)</b>	<b>4,205.54</b>	<b>4,214.80</b>

Notes 1 - 42 form an integral part of the 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  
 UDIN: 20063404AAAADZ4351  
 Place: Kolkata  
 Date: June 26, 2020



For and on behalf of the Board of Directors

*[Signature]*  
 Director Whole Time Director

*[Signature]*  
 Company Secretary Chief Financial Officer

Dhariwal Infrastructure Limited  
 CIN: U70109WB2008PLC111457  
 Telephone: +91 33 2225 6040  
 E-mail: dhariwalinfrastructure@rpsg.in  
 Registered Office: CESC House, Chowringhee Square, Kolkata - 700001

Statement of Profit and Loss for the year ended March 31, 2020

(₹ in crore)

Sl. No.	Particulars	Notes	2019-20	2018-19
I	Revenue from operations	22	1,302.60	1,162.00
II	Other income	23	17.34	19.37
III	<b>Total income (I)+(II)</b>		<b>1,319.94</b>	<b>1,181.37</b>
IV	<b>Expenses</b>			
	Cost of fuel	24	774.24	707.98
	Employee benefit expenses	25	26.92	24.42
	Finance costs	26	335.09	358.32
	Depreciation and amortisation expenses	27	99.48	100.85
	Other expenses	28	93.93	82.50
	<b>Total expenses</b>		<b>1,329.66</b>	<b>1,274.07</b>
V	<b>Profit/(loss) before tax (III-IV)</b>		<b>(9.72)</b>	<b>(92.70)</b>
VI	Tax expense	31	-	-
	- Current tax		-	-
	- Deferred tax		-	-
	<b>Total tax expense</b>		<b>-</b>	<b>-</b>
VII	<b>Profit/(loss) for the year (V+VI)</b>		<b>(9.72)</b>	<b>(92.70)</b>
VIII	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans		(0.43)	(0.50)
	Income tax on above		-	-
	<b>Other comprehensive income for the year, net of tax</b>		<b>(0.43)</b>	<b>(0.50)</b>
IX	<b>Total comprehensive income for the year (VII+VIII)</b>		<b>(10.15)</b>	<b>(93.20)</b>
	<b>Earning per equity share</b>	29	₹	₹
	Basic & Diluted ( Face value of ₹ 10 per share)		(0.05)	(0.44)

Notes 1 - 42 form an integral part of the 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 Hemal Mehta  
 Partner  
 Membership No.: 063404  
 UDIN: 20063404AAAAD24351  
 Place: Kolkata  
 Date: June 26, 2020



For and on behalf of the Board of Directors

*[Signature]*  
 Director

*[Signature]*  
 Whole Time Director

*[Signature]*  
 Company Secretary

*[Signature]*  
 Chief Financial Officer



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 CIN: U70109WB2006PLC111457  
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Statement of Cash flow for the year ended March 31, 2020

(₹ in crore)

Particulars	2019-20	2018-19
<b>A. Cash flow from Operating Activities</b>		
Profit/(loss) before Taxation	(9.72)	(92.70)
Adjustments for:		
Loss on disposal of Property, Plant and Equipment (net)	0.01	0.01
Depreciation and amortisation expenses	99.48	100.85
Gain on sale of current investments (net)	(0.25)	(0.32)
Finance costs	335.09	358.32
Interest Income	(0.87)	(1.24)
Unwinding of discount on financial instruments	(0.07)	(0.08)
<b>Operating Profit before Working Capital changes</b>	<b>423.67</b>	<b>364.84</b>
Adjustments for:		
(Increase)/Decrease in trade & other receivables	(109.73)	(169.22)
(Increase)/Decrease in inventories	18.59	(114.61)
(Increase)/Decrease in other non current / current assets	31.76	(46.22)
Increase/(Decrease) in provisions	1.06	(0.54)
Increase/(Decrease) in other non current / current liabilities	543.97	349.62
Increase/(Decrease) in trade and other payables	(15.78)	11.52
<b>Cash Generated from Operations</b>	<b>893.54</b>	<b>395.39</b>
Income Tax paid (net of refund)	-	0.41
<b>Net cash flow from Operating Activities</b>	<b>893.54</b>	<b>395.80</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of property, plant and equipment / capital work-in-progress (net)	(7.14)	(8.65)
Proceeds from sale of property, plant and equipment	0.01	0.09
Sale/(purchase) of current investments (net)	0.25	0.32
Interest received	1.56	0.59
<b>Net cash used in Investing Activities</b>	<b>(5.32)</b>	<b>(7.65)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from long term borrowings ( net of re-finance loan )	-	320.00
Repayment of long term borrowings	(437.65)	(304.43)
Net increase / (decrease) in cash credit facilities and other short term borrowings	(91.15)	(54.91)
Finance costs paid	(330.97)	(349.51)
<b>Net Cash flow used in Financing Activities</b>	<b>(859.77)</b>	<b>(388.85)</b>
<b>Net Increase / (decrease) in cash and cash equivalents</b>	<b>28.45</b>	<b>(0.70)</b>
<b>Cash and Cash equivalents - Opening Balance (Refer Note no 7)</b>	<b>13.35</b>	<b>14.05</b>
<b>Cash and Cash equivalents - Closing Balance (Refer Note no 7)</b>	<b>41.80</b>	<b>13.35</b>

Cash and cash equivalents comprises of

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with banks		
- In current accounts	41.78	12.63
-Bank Deposits with original maturity of upto 3 months	0.00	0.71
Cash on hand	0.02	0.01
<b>Total</b>	<b>41.80</b>	<b>13.35</b>

Changes in liabilities arising from financing activities

Particulars	April 1, 2019	Cash Flows	Other	March 31, 2020
Current Borrowings	270.76	(91.15)	-	179.61
Non- Current Borrowings (Including Current Maturities)	3,146.59	(437.65)	-	2,708.94
<b>Total liabilities from financing activities</b>	<b>3,417.35</b>	<b>(528.80)</b>	<b>-</b>	<b>2,888.55</b>

Particulars	April 1, 2018	Cash Flows	Other	March 31, 2019
Current Borrowings	325.67	(54.91)	-	270.76
Non- Current Borrowings (Including Current Maturities)	3,131.02	15.57	-	3,146.59
<b>Total liabilities from financing activities</b>	<b>3,456.69</b>	<b>(39.34)</b>	<b>-</b>	<b>3,417.35</b>

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

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

CA Jitendra Mehta  
 Partner

Membership No.: 063404

UDIN: 20063404AAAA DZ435

Place: Kolkata

Date: June 26, 2020



For and on behalf of the Board of Directors

*[Signature]*  
 Director

*[Signature]*  
 Whole Time Director

*[Signature]*  
 Company Secretary

*[Signature]*  
 Chief Financial Officer



Dhariwal Infrastructure Limited  
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 Telephone: +91 33 2225 6040  
 E-mail: dharwalinfrastructure@rpsg.in  
 Registered Office: CESC House, Chowringhee Square, Kolkata - 700001

Statement of Changes in Equity for the year ended March 31, 2020

a. Equity Share Capital

(₹ in crore)

For financial year ended March 31, 2020

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares	2,242.77	-	2,242.77

For financial year ended March 31, 2019

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares	2,082.77	160.00	2,242.77

b. Other Equity

For financial year ended March 31, 2020

Particulars	Share application money pending allotment	Reserves and Surplus	Total
		Retained Earnings	
Balance at the beginning of the reporting period	-	(1,819.62)	(1,819.62)
Profit/(Loss) for the year	-	(9.72)	(9.72)
Other Comprehensive Income	-	(0.43)	(0.43)
Total Comprehensive Income for the year	-	(10.15)	(10.15)
Allotment of Shares	-	-	-
Balance at the end of the reporting period	-	(1,829.77)	(1,829.77)

For financial year ended March 31, 2019

Particulars	Share application money pending allotment	Reserves and Surplus	Total
		Retained Earnings	
Balance at the beginning of the reporting period	160.00	(1,726.42)	(1,566.42)
Profit/(Loss) for the year	-	(92.70)	(92.70)
Other Comprehensive Income	-	(0.50)	(0.50)
Total Comprehensive Income for the year	-	(93.20)	(93.20)
Allotment of Shares	(160.00)	-	(160.00)
Balance at the end of the reporting period	-	(1,819.62)	(1,819.62)

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 Himmat Mehta  
 Partner  
 Membership No.: 063404  
 UDIN: 20063404AAAAD2435  
 Place: Kolkata  
 Date: June 26, 2020



For and on behalf of the Board of Directors

*[Signature]*  
 Director Whole Time Director

*[Signature]*  
 Company Secretary Chief Financial Officer



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## **Notes forming part of Financial Statements**

### **Note 1:**

#### **A. SIGNIFICANT ACCOUNTING POLICIES**

##### **I) Accounting Convention**

The operations of the Company are governed by the Electricity Act, 2003, as applicable. 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. These financial statements were authorized for issue in accordance with a resolution of the directors on June 26, 2020.

A summary of important accounting policies which have been applied consistently are set out below.

The financial statements are presented in Indian Rupees and all values are rounded to the nearest crore, except otherwise indicated.

##### **II) Basis of Accounting**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under historical cost convention on accrual basis except for the following:

- a) certain financial assets and liabilities including derivative instruments measured at fair value

##### **III) Accounting estimates**

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, expenses and disclosures. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

##### **IV) Property Plant & Equipment**

###### **a) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortisation and accumulated impairment losses if any. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for its intended use and appropriate borrowing costs. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment. These are included in profit or loss within other gains/ losses. The residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively. An impairment loss is recognized where applicable, when the carrying value of tangible assets exceeds its market value or value in use, whichever is higher.



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**Notes forming part of Financial Statements**

**b) Depreciation**

Depreciation on items of property, plant and equipment other than freehold land is provided on straight line method based on the useful life as prescribed under Schedule II of the Companies Act, 2013. Leasehold land is amortized over the unexpired period of the lease. Building constructed over leasehold land are depreciated based on the useful life specified in Schedule II or the lease tenure, whichever is lower.

**V) Inventories**

Inventories of stores and spares and fuel are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

**VI) Taxes**

Income tax expense comprises current and deferred tax. Current tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

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 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 realized 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.

**VII) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks. Bank overdrafts are shown within current borrowings in the balance sheet.

**VIII) Foreign Currency Transactions**

The Company's financial statements are presented in Indian Rupees which is also the functional currency of the Company.

Foreign currency transactions are recorded on initial recognition in the functional currency using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise.

Outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gains and losses arising in respect of such restatement and the impact of the contracts entered into for managing risks thereunder is accounted for as an income or expense.



## Notes forming part of Financial Statements

### IX) Financial Asset

The financial assets are classified under the following categories:

- a) financial assets measured at amortized cost;
- b) 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 cash flows.

At initial recognition the financial assets are measured at its fair value.

#### Financial assets measured at amortized 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 amortized cost. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method. The losses arising from impairment are recognized in the Statement of Profit and Loss.

#### Financial instruments measured at fair value through profit and loss (FVTPL)

Financial instruments included within fair value through profit and loss category are measured initially as well as at each reporting period at fair value plus transaction costs as applicable. Fair value movements are recorded in Statement of Profit and Loss.

#### Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

### X) Financial Liabilities

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

### XI) Derivatives

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives is recognised through Statement of Profit and Loss.

### XII) Employee Benefits

Contribution to Provident fund is accounted for on accrual basis. Provident fund contributions are made to a fund administered through the Office of The Regional Provident Fund Commissioner, West Bengal. Provisions for Gratuity liability and Leave Encashment liability are made on the basis of actuarial valuation done at the end of the year by independent actuary.

Actuarial gains or losses in respect of gratuity liability are recognized in other comprehensive income and in respect of leave liability, actuarial gain or losses are recognized in Statement of Profit & loss.





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**Notes forming part of Financial Statements**

**XIII) Revenue from operations**

Revenue from sale of electricity are net of discount for prompt payment of bills and are accounted for on the basis of billings to the procurers and also such sums as determined with application of prudence, as recoverable with certainty, based on regulatory provisions/orders and/or contractual provisions, as applicable.

**XIV) Other Income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable. Delayed payment surcharge is recognized based on applicable agreements with the procurer.

**XV) Finance Costs**

Finance Costs comprise interest expenses, applicable gain / loss on foreign currency borrowings in appropriate cases and other borrowing costs. Such Finance Costs attributable to acquisition and / or construction of qualifying assets are capitalized as a part of cost of such assets up to the date, where such assets are ready for their intended use. The balance Finance Costs is charged off to statement of profit and loss. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the derivative contracts entered into for managing risks thereof. Interest expense arising from financial liabilities is accounted for in effective interest rate method.

**XVI) Leases**

**Company as a lessee**

The Company's lease asset classes primarily consist of leases for land. The Company assesses whether a contract contains a lease, at the inception of a contract.

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

For these short-term leases, non-lease components and lease of low value assets, the Company recognizes the lease rental payments as an operating expense.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. An impairment loss is recognised where applicable, when the carrying value of ROU assets of cash generating units exceeds it fair value or value in use, whichever is higher.





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**Notes forming part of Financial Statements**

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term.

The lease liabilities are initially measured at the present value of the future lease payments.

For change in accounting policy, refer Note-C

**XVII) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as result of a past event and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of obligation can be estimated reliably.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

**B. SUMMARY OF SIGNIFICANT JUDGEMENTS AND ASSUMPTIONS**

The preparation of financial statements requires the use of accounting estimates 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:**

Impairment of Trade Receivables: Note no – 6 and Note no – 33 b

Estimates used in Actuarial Valuation of Employee benefits: Note no – 30

**C. CHANGES IN ACCOUNTING POLICIES**

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to lease contracts, existing on April 1, 2019 using the modified retrospective method on the date of initial application. Pursuant to adoption of Ind AS 116, the Company recognized right-of-use assets and lease liabilities for those leases which were previously classified as operating leases, except for short-term leases and leases of low-value assets. The Company recorded the lease liability at the present value of the lease payments at the date of initial application and right of use asset at an amount equal to the lease liability adjusted for any prepayments/accruals recognized in the balance sheet as on March 31, 2019. There is no impact on retained earnings as on April 1, 2019.

Pursuant to above, the Company recognised right-of-use asset (reclassified) as at 1st April, 2019 amounting to ₹31.69 crore. The value of the lease rentals being negligible, the adoption of this Standard did not have any material impact on the loss for the year ended March 31, 2020.

Other amendments and interpretations apply for the first time in March 2020, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.



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**Notes forming part of Financial Statements**

**2. Property, plant and equipment**

Particulars	Cost/Deemed Cost					Depreciation / amortisation			Net Block	
	As at April 1, 2019	Additions	Disposals / adjustments	Gross carrying amount as at March 31, 2020	As at April 1, 2019	Depreciation & amortisation expense	Disposals / adjustments	As at March 31, 2020	Net carrying value on March 31, 2020	Net carrying value on March 31, 2019
Land*	56.31	-	-	56.31	1.48	0.37	-	1.85	54.46	54.83
Buildings	435.02	5.96	-	440.98	67.70	12.92	-	80.62	360.36	367.32
Plant and equipment	3,326.09	3.01	-	3,329.10	322.61	80.81	-	403.42	2,925.68	3,003.48
Furniture and fixtures	2.75	0.11	-	2.86	1.39	0.35	-	1.74	1.12	1.36
Vehicles	0.55	0.21	0.03	0.73	0.26	0.08	0.01	0.33	0.40	0.29
Office equipment	3.96	0.17	-	4.13	2.92	0.46	-	3.38	0.75	1.04
Railway sidings	66.67	-	-	66.67	16.31	4.49	-	20.80	45.87	50.36
Previous Year	3,891.35	9.46	0.03	3,900.78	412.67	99.48	0.01	512.14	3,388.64	3,478.68
	3,877.46	14.00	0.11	3,891.35	311.83	100.85	0.01	412.67	3,478.68	

\*Includes leasehold improvements (Refer Note 32)

**i) Property, plant and equipment pledged as security**

Refer note no 14 and 17 for information on property, plant & equipment pledged as security by the company

**ii) Contractual obligations**

Refer note no 33a for disclosure of contractual commitments for the acquisition of property, plant & equipment

**iii) Rate of depreciation/ useful life of property, plant and equipment**

Particulars	Rate of Depreciation / Useful Life of Assets
Buildings	3 - 60 Years
Plant and equipment	40 Years
Furniture and fixtures	10 Years
Vehicles	10 Years
Office equipment	5 Years
Railway sidings	15 Years



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**Notes forming part of Financial Statements**

(₹ in crore)

**Non current assets****Financial assets****3. Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good		
Loans to employees	1.16	0.25
<b>Total</b>	<b>1.16</b>	<b>0.25</b>

**4. Other non-current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Other advances (coal, freight, stores , others)	1.27	19.09
<b>Total</b>	<b>1.27</b>	<b>19.09</b>

**Current Assets****5. Inventories**

Particulars	As at March 31, 2020	As at March 31, 2019
Stores and Spares	38.91	34.26
Fuel (includes goods in transit ₹ 0.02 crore ; March 31, 2019 - ₹ 3.46 crore)	110.15	133.39
<b>Total</b>	<b>149.06</b>	<b>167.65</b>

**Financial assets****6. Trade receivables**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good	506.27	396.54
<b>Total</b>	<b>506.27</b>	<b>396.54</b>

**7. Cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balances with banks</b>		
- In current accounts	41.78	12.63
- Bank Deposits with original maturity of upto 3 months	0.00	0.71
Cash on hand	0.02	0.01
<b>Total</b>	<b>41.80</b>	<b>13.35</b>





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**Notes forming part of Financial Statements**

(₹ in crore)

**8. Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2020	As at March 31, 2019
Bank Deposits with original maturity more than 3 months and less than 12 months	5.16	9.41
Bank Deposits with original maturity more than 12 months	7.91	0.00
<b>Total</b>	<b>13.07</b>	<b>9.41</b>

**9. Loans**

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured - considered good		
Loans to employees	0.14	0.26
Security deposits	8.02	7.06
<b>Total</b>	<b>8.16</b>	<b>7.32</b>

**10. Other financial assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on bank deposits	0.43	1.13
Receivable towards claims and services rendered	10.01	6.63
<b>Total</b>	<b>10.44</b>	<b>7.76</b>

**11. Other current assets**

Particulars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	3.24	9.45
Other advances (coal, freight, stores, others)	59.15	84.00
<b>Total</b>	<b>62.39</b>	<b>93.45</b>





Notes forming part of Financial Statements

(₹ in crore)

12. Equity share capital

a) Particulars	As at March 31, 2020	As at March 31, 2019
Authorised 3,000,000,000 (March 31, 2019 :3,000,000,000) Equity Shares of ₹ 10 each, fully paid up	3,000.00	3,000.00
Issued, subscribed and paid-up capital 2,242,768,954 (March 31, 2019 : 2,242,768,954) Equity Shares of ₹ 10 each, fully paid up	2,242.77	2,242.77
<b>Total</b>	<b>2,242.77</b>	<b>2,242.77</b>

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 March 31, 2020		As at March 31, 2019	
	No of shares	Amount	No of shares	Amount
Equity shares outstanding at the beginning of the period	2,24,27,68,954	2,242.77	2,08,27,68,954	2,082.77
Add: Equity shares issued during the period	-	-	16,00,00,000	160.00
Equity shares outstanding at the end of the period	<b>2,24,27,68,954</b>	<b>2,242.77</b>	<b>2,24,27,68,954</b>	<b>2,242.77</b>

c) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. 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.

d) Shares of the company held by holding company and shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No of shares	%	No of shares	%
CESC Limited (Refer Note no. 37a)	2,24,27,68,954	100	2,24,27,68,954	100

e) In the period of five years immediately preceding March 31, 2020, the Company has neither issued bonus shares, bought back any equity shares nor has allotted any equity shares as fully paid up without payment being received in cash.

f) There are no shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment

13. Other equity

a) Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	(1,819.62)	(1,726.42)
Net profit for the period	(9.72)	(92.70)
Other comprehensive income	(0.43)	(0.50)
<b>Closing balance</b>	<b>(1,829.77)</b>	<b>(1,819.62)</b>

Retained earnings comprise of the Company's prior years' undistributed earnings after taxes and adjustments done on transition to Ind AS.

b) Share Application money pending allotment

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	-	160.00
Add: Receipt during the year	-	-
Less: Adjusted against shares allotted during the year	-	160.00
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(1,829.77)</b>	<b>(1,819.62)</b>



Notes forming part of Financial Statements

(₹ in crore)

Non-current liabilities

Financial liabilities

14. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Secured</b>		
Rupee term loans		
i) from banks	1,988.94	2,407.84
ii) from financial institutions	720.00	738.75
	<b>2,708.94</b>	<b>3,146.59</b>
Less: Current maturities of long term borrowings (Refer Note no. 19)	164.48	142.00
Less: Unamortised front end fees	28.54	32.66
<b>Total</b>	<b>2,515.92</b>	<b>2,971.93</b>

Nature of security

1) Out of the total above ₹ 2,332.13 crore; (March 31, 2019: ₹ 2,593.56 crore) are secured with first charge by way of mortgage/hypothecation of the fixed and current assets of the company including its land, buildings, the construction thereon where exists, plant and machinery etc, loans amounting to ₹ 221.25 crore; (March 31, 2019: ₹ 375.25 crore ) are secured with second charge on all assets and loans amounting to ₹ 155.56 crore; (March 31, 2019: ₹ 177.78 crore ) are secured with subservient charge on all current and movable fixed assets.

2) Major terms of repayment of long term loans disclosed in above are given below

Maturity Profile	Balance Outstanding as at March 31, 2020		
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Current Maturities
Loans with residual maturity of upto 1 year	-	-	-
Loans with residual maturity between 1 and 3 years	-	-	-
Loans with residual maturity between 3 and 5 years	221.25	-	69.38
Loans with residual maturity between 5 and 10 years	155.56	-	22.22
Loans with residual maturity beyond 10 years	1,612.13	720.00	72.88
<b>Total</b>	<b>1,988.94</b>	<b>720.00</b>	<b>164.48</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders benchmark rate.

All of the above are repayable in periodic installments over the maturity period of the respective loans.

Maturity Profile	Balance Outstanding as at March 31, 2019		
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Current Maturities
Loans with residual maturity of upto 1 year	-	-	-
Loans with residual maturity between 1 and 3 years	-	-	-
Loans with residual maturity between 3 and 5 years	375.25	-	54.00
Loans with residual maturity between 5 and 10 years	177.78	-	22.24
Loans with residual maturity beyond 10 years	1,854.81	738.75	65.76
<b>Total</b>	<b>2,407.84</b>	<b>738.75</b>	<b>142.00</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders benchmark rate

All of the above are repayable in periodic installments over the maturity period of the respective loans.

15. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises	-	-
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises	5.58	3.55
<b>Total</b>	<b>5.58</b>	<b>3.55</b>

16. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity	2.17	1.35
Leave encashment	2.45	1.63
<b>Total</b>	<b>4.62</b>	<b>2.98</b>



Notes forming part of Financial Statements

Current liabilities

Financial liabilities

17. Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand		
(a) overdraft from banks	179.61	145.76
(b) Short term loan from banks	-	125.00
<b>Total</b>	<b>179.61</b>	<b>270.76</b>

Nature of security

Out of the total above, ₹ 81.71 crore; (March 31, 2019 - ₹ 145.76 crore ) are secured with first charge by way of mortgage/hypothecation of the fixed and current assets of the company including its land, buildings, the construction thereon where exists, plant and machinery etc, and loans amounting to ₹ 97.90 crore; (March 31, 2019 - ₹ Nil ) are secured by hypothecation of entire current assets and loan amounting to Nil; (March 31, 2019 - ₹ 125 crore ) are secured for by second pari pasu charge by hypothecation over entire current assets and movable fixed assets.

18. Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises	0.04	8.73
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises	34.59	43.71
<b>Total</b>	<b>34.63</b>	<b>52.44</b>

There is no delay in payments to Micro and Small Enterprises and hence no interest has been accrued/paid.

19. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long-term borrowings (Refer Note no. 14)	164.48	142.00
Liabilities on capital account	0.71	4.19
Payable to fellow subsidiary company	860.00	335.00
Others	24.08	3.31
<b>Total</b>	<b>1,049.27</b>	<b>484.50</b>

20. Other current liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Other payables- Statutory dues	2.07	4.50
<b>Total</b>	<b>2.07</b>	<b>4.50</b>

21. Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Gratuity	0.40	0.51
Leave encashment	0.44	0.48
<b>Total</b>	<b>0.84</b>	<b>0.99</b>





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**Notes forming part of Financial Statements**

(₹ in crore)

**22. Revenue from operations**

Particulars	2019-20	2018-19
a. Earnings from sale of electricity	1,297.25	1,157.69
b. Other operating revenue		
Others	5.35	4.31
<b>Total</b>	<b>1,302.60</b>	<b>1,162.00</b>

Earnings from sale of electricity are net of discount for prompt payment of bills amounting to ₹ 15.29 crore (previous year : ₹ 11.53 crore)

**23. Other income**

Particulars	2019-20	2018-19
<b>Interest Income</b>		
From bank	0.87	1.24
Others	-	0.03
<b>Other non-operating income</b>		
Gain on sale of current investments (net)	0.25	0.32
Unwinding of discount on financial instruments	0.07	0.08
Delayed payment surcharge	6.11	9.45
Others	10.04	8.25
<b>Total</b>	<b>17.34</b>	<b>19.37</b>

**24. Cost of Fuel**

Particulars	2019-20	2018-19
<b>Consumption of coal</b>		
Quantity in tonnes	22,04,908	20,66,987
Value	770.98	704.21
<b>Consumption of oil</b>		
Quantity in kilolitres	624	752
Value	3.26	3.77
<b>Total</b>	<b>774.24</b>	<b>707.98</b>

Cost of fuel includes freight ₹ 211.05 crore (March 31, 2019 : ₹ 200.71 crore)

Cost of fuel includes Gain of Nil (March 31, 2019 : ₹ 0.99 crore ) due to exchange fluctuations.

**25. Employee benefit expenses**

Particulars	2019-20	2018-19
Salaries and bonus	24.24	22.03
Contribution to provident and other funds	1.95	1.85
Staff welfare expenses	1.16	1.04
<b>Sub Total</b>	<b>27.35</b>	<b>24.92</b>
Less : Transfer to other comprehensive income	0.43	0.50
<b>Total</b>	<b>26.92</b>	<b>24.42</b>

**26. Finance costs**

Particulars	2019-20	2018-19
Interest expense	320.94	340.98
Other borrowing costs	14.15	17.34
<b>Total</b>	<b>335.09</b>	<b>358.32</b>





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(₹ in crore)

**27. Depreciation and amortisation expenses**

Particulars	2019-20	2018-19
Depreciation on property, plant and equipment	99.48	100.85
<b>Total</b>	<b>99.48</b>	<b>100.85</b>

**28. Other expenses**

Particulars	2019-20	2018-19
Consumption of stores and spares	19.42	16.36
Repairs		
- Plant and machinery	39.00	33.36
- Others	3.55	3.52
Rent	0.40	0.43
Power and fuel	1.74	1.71
Transmission charges	0.00	0.29
Legal and professional charges	7.35	7.08
Insurance charges	7.55	4.80
Remuneration to auditors		
- As Statutory auditor	0.05	0.04
- As Tax auditor	0.01	0.01
- Others	0.02	0.01
Miscellaneous expenses	14.83	14.88
Loss on disposal of property, plant and equipment (net)	0.01	0.01
<b>Total</b>	<b>93.93</b>	<b>82.50</b>

Rent is on account of short term leases of ₹ 0.40 Crores (March 31, 2019 : ₹ 0.43 crore)

**29. Earnings per share (EPS)**

Particulars	2019-20	2018-19
Face value of equity shares	10	10
Profit After Tax (₹ in Crore)	(9.72)	(92.70)
Weighted average number of equity shares outstanding	2,08,45,22,379	2,08,45,22,379
Basic and Diluted Earnings per share (₹)	(0.05)	(0.44)



**Notes forming part of Financial Statements**

**30. Employee Benefits**

**a) Defined Benefit Plan**

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

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

(₹ in crore)

Actuarial study analysis	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Principal actuarial assumptions</b>				
Discount rate	6.56%	7.49%	6.56%	7.49%
Range of compensation increase	5.00%	5.00%	5.00%	5.00%
Attrition rate (per thousand)				
Age upto 40 years	4.20	4.20	4.20	4.20
Age 40 years and above	-	-	-	-
Early retirement and disability rate (per thousand)				
40-54 years	1.80	1.80	1.80	1.80
55-57 years	2.20	2.20	2.20	2.20
<b>Components of statement of income statement charge</b>				
Current service cost	0.30	0.24	0.44	0.21
Interest cost	0.13	0.11	0.15	0.14
Past service cost	-	-	-	-
<b>Total charged to consolidated statement of profit or loss</b>	<b>0.43</b>	<b>0.35</b>	<b>0.59</b>	<b>0.35</b>
<b>Movements in net liability/(asset)</b>				
Net liability at the beginning of the year	1.86	1.97	2.11	2.05
Employer contributions	(0.15)	(0.97)	(0.19)	(0.38)
Total expense recognised in the consolidated statement of profit or loss	0.43	0.35	0.97	0.44
Total amount recognised in other comprehensive income	0.43	0.50	-	-
<b>Net liability at the end of the year</b>	<b>2.57</b>	<b>1.85</b>	<b>2.89</b>	<b>2.11</b>
<b>Reconciliation of benefit obligations</b>				
Obligation at start of the year	1.86	1.97	2.11	2.05
Current service cost	0.30	0.24	0.44	0.21
Interest cost	0.13	0.11	0.15	0.14
Past service cost	-	-	-	-
Benefits paid directly by the Company	(0.15)	(0.97)	(0.19)	(0.38)
Actuarial loss	0.43	0.50	0.38	0.09
<b>Defined benefits obligations at the end of the year</b>	<b>2.57</b>	<b>1.85</b>	<b>2.89</b>	<b>2.11</b>
<b>Re-measurements of defined benefit plans</b>				
Actuarial (gain)/loss due to changes in financial assumptions	0.27	0.01	-	-
Actuarial (gains) / losses from demographic assumptions	(0.00)	-	-	-
Actuarial (gain)/loss on account of experience adjustments	0.16	0.49	-	-
<b>Total actuarial (gain)/loss recognised in other comprehensive income</b>	<b>0.43</b>	<b>0.50</b>	<b>-</b>	<b>-</b>

**c) 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	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Discount rate</b>				
+ 1% discount rate	2.28	1.67	2.57	1.88
- 1% discount rate	2.91	2.10	3.27	2.38
<b>Salary increase</b>				
+ 1% salary growth	2.89	2.10	3.27	2.39
- 1% salary growth	2.29	1.66	2.56	1.87
<b>Withdrawal rate</b>				
+ 50% withdrawal rate	2.57	1.87	2.90	2.12
- 50% withdrawal rate	2.56	1.86	2.88	2.10
<b>Mortality increase</b>				
+ 10% mortality rate	2.57	1.86	2.89	2.11
- 10% mortality rate	2.57	1.86	2.89	2.11



**Notes forming part of Financial Statements**

**d) Risk exposure**

The Company is exposed to a number of risks, the most significant of which are detailed below:

- i) **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
- ii) **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.
- iii) **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.
- iv) **Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date).

**e) Defined benefit liability**

The weighted average duration of the defined benefit obligation for leave encashment is 13.95 years ( March 31, 2019 - 14.71 years) and for gratuity is 10.32 years ( March 31, 2019 - 11.15 years). The expected maturity analysis of undiscounted gratuity and leave encashment is as follows:

Particulars	Upto 1 year	Between 2 - 5 years	Between 6 - 10 years	Over 10 years	Total
<b>March 31, 2020</b>					
Gratuity	0.41	0.17	0.78	5.39	6.75
Leave Encashment	0.45	0.24	0.85	6.02	7.56
<b>March 31, 2019</b>					
Gratuity	0.53	0.13	0.23	4.76	5.65
Leave Encashment	0.50	0.20	0.27	5.55	6.52

The estimates of future salary increase considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

**Details of plan assets**

The Scheme is unfunded.

**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 ₹ 1.09 crore (March 31, 2019 ₹ 1 crore) has been charged off to Statement of Profit and Loss.





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**Notes forming part of Financial Statements**

(₹ in crore)

**31. Income tax expense**

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

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	(781.04)	(752.26)
Others	(9.97)	(11.41)
<b>Total</b>	<b>(791.01)</b>	<b>(763.67)</b>
<b>Assets</b>		
Unabsorbed tax losses/ depreciation	1,554.69	1,525.05
Items covered under section 43B	1.01	0.74
Others	0.89	0.65
<b>Total</b>	<b>1,556.59</b>	<b>1,526.44</b>
<b>Deferred Tax Assets (Net)</b>	<b>765.58</b>	<b>762.77</b>

In view of losses, net deferred tax asset of ₹ 765.58 crore (March 31, 2019 : ₹ 762.77 crore) as above has not been recognised. Further, as the tax expense is NIL, no tax reconciliation has been furnished.



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32. Property, Plant and Equipment of the Company includes Right-of-use assets in the opening balance as on 01.04.2019, depreciation and closing balance for the year ended 31.03.2020 amounting to ₹ 31.69, ₹ 0.37 crore and ₹ 31.32 crore respectively.

**33. Contingent liabilities and commitments**

a. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account not provided for amounting to ₹ 0.34 crore (March 31, 2019 : ₹ 2.08 crore).

b. An Appeal under the Electricity Act, 2003 has been filed before the Hon'ble Appellate Tribunal for Electricity (Hon'ble APTEL) against the Hon'ble Uttar Pradesh Electricity Regulatory Commission (Hon'ble UPERC)'s Order dated April 20, 2016, wherein the Hon'ble UPERC has approved the Power Purchase Agreement between the Company and Noida Power Company Limited (NPCL) for supply of 170 MW power for a period of 25 years. Similarly another Appeal before the Hon'ble APTEL has been filed against the Order dated 05 February 2019 passed by the Hon'ble UPERC whereby the tariff for supply of power for the period FY 2016-19 from DIL to NPCL has been determined by the Hon'ble UPERC. Filing of pleadings in both the cases are complete. The final arguments in the matter have commenced and as the matters are currently pending adjudication, the financial impact, if any, cannot be ascertained at this stage.

c. The Company has given bank guarantee of ₹ 99.65 crore (31.03.2019: ₹ 163.33 crore) for procurement of coal, sale of power, security deposit and other financial obligations, etc. which is outstanding as on the reporting date.

34. The Company has duly accounted for and billed all ascertained revenue based on applicable regulatory orders.

**35. Quantitative information**

Particulars	Million kWh	
	2019-20	2018-19
Total number of units generated during the year	3,378	3,229
Total number of units consumed in generating stations *	268	264
Total number of units sent out	3,112	2,965
Total number of units through deviation settlement mechanism (net)	10	9
Total number of units delivered	3,102	2,956

\* Units consumed include energy drawal of 1.7 Million kWh (March 31, 2019 : 0.71 Million kWh) from grid.

**36. Segment reporting:**

Based on the "management approach" as defined by Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators.

The Company is engaged in generation of electricity and does not operate in any other reportable segments. There are no reportable geographical segments, since all business are carried out in India.

Three customers, each individually accounting for more than 10 percent of the Company's total revenue during the year, reported revenues of ₹ 580.51 crore (March 31, 2019 : ₹ 498.96 crore), ₹ 330.40 crore (March 31, 2019 : ₹ 336.33 crore) and ₹ 170.19 crore (March 31, 2019 : ₹ 213.22) respectively.



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**Notes forming part of Financial Statements**

**37. Related party transaction**

**a) Parent entities**

Name	Relationship	Place of incorporation	Ownership interest	
			As at March 31, 2020	As at March 31, 2019
CESC Limited	Parent Company	India	100%	100%

**b) Subsidiaries, associates, joint ventures**

Name	Relationship
Haldia Energy Limited	Fellow Subsidiary
Jharkhand Electric Company Limited	Fellow Subsidiary
Noida Power Company Limited	Associate
RPG Power Trading Company Limited	Common Control
CESC Ventures Limited	Common Control

**c) Key Management Personnel**

Name	Relationship
Mr. Goutam Ghosal	Whole Time Director

**d) Transactions with related parties**

Nature of Transactions	(₹ in crore)					
	Parent Company		Entities under Common Control		Key Management Personnel	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Issue of fully paid up equity shares	-	160.00	-	-	-	-
Advance received	-	-	525.00	335.00	-	-
Income from sale/services	-	0.47	580.51	506.73	-	-
Expenses recoverable	-	-	8.19	29.01	-	-
Expenses payable	0.06	0.04	2.78	3.48	-	-
Remuneration of Key Managerial Personnel						
- Short term employee benefits	-	-	-	-	1.28	0.90
- Post employment benefits	-	-	-	-	0.12	0.06
<b>Balance Outstanding</b>						
Debit	-	-	-	-	-	-
Credit	0.06	0.03	700.04	208.06	-	-





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(₹ in crore)

**38. Financial instruments**

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

	As at March 31, 2020			As at March 31, 2019		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Security deposits	8.02	-	-	7.06	-	-
Loans to employees	1.30	-	-	0.51	-	-
Trade receivables	506.27	-	-	396.54	-	-
Cash and cash equivalents	41.80	-	-	13.35	-	-
Bank balances other than cash and cash equivalents	13.07	-	-	9.41	-	-
Other financial assets	10.44	-	-	7.76	-	-
<b>Total</b>	<b>580.90</b>	-	-	<b>434.63</b>	-	-
<b>Financial liabilities</b>						
Borrowings	2,860.01	-	-	3,384.69	-	-
Trade payables	40.21	-	-	55.99	-	-
Payable to fellow subsidiary Company	860.00	-	-	335.00	-	-
Other financial liabilities	24.79	-	-	7.50	-	-
<b>Total</b>	<b>3,785.01</b>	-	-	<b>3,783.18</b>	-	-

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

- 1) The carrying amount of trade receivables, trade payables, receivable towards claims and services rendered, other bank balances, interest accrued payable/receivable, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- 2) Loans including security deposits, non-current borrowings are based on discounted cash flows using a current borrowing rate.
- 3) Fair value of financial instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.



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**Notes forming part of Financial Statements**

**39. Financial risk management and Capital management**

The Company's operations of generation of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder. The operations of its customer(s) are also guided by the Electricity Act, 2003 and the regulations framed thereunder.

The Company has been managing the operations keeping in view its profitability and liquidity in terms of above regulations. In order to manage credit risk the Company periodically conducts review of the financial conditions of its customers, current economic trends and analysis of accounts receivables. Credit risk towards investment of surplus funds is managed by obtaining support of credit rating and appraisal by external agencies and lending bodies.

The Company manages its liquidity risk on financial liabilities by maintaining healthy working capital and liquid fund position keeping in view the maturity profile of its borrowings and other liabilities as disclosed in the respective notes.

The Company's market risk relating to variation of interest rate is mitigated through regular discussions with the financing agencies and analysis of market trends.

While managing the capital, the Company ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet.

40. Due to outbreak of COVID-19 globally and in India, the Company is sensitive about the impact of the Pandemic, not only on the human life but on businesses and industrial activity across the globe, which will be realized and ascertained only over next few months. The Company has been monitoring the situation closely and has taken proactive measures to comply with various directions / regulations / guidelines issued by Government and local bodies to ensure safety of workforce across all its plants and offices. Vide notification dated March 24, 2020 issued by Ministry of Home Affairs a nationwide lockdown was announced to contain COVID-19 outbreak and same has been extended later. However, Power generation units being essential services, are allowed to continue operation during the period of lockdown. The Company has made every possible effort to sustain its power plant operations and honour commitments under the various Power Purchase Agreements, despite facing all odds in sustaining the power plant operations. The Company is also closely monitoring developments, its operations, and liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation. The Company has made initial assessment of the likely adverse impact on economic environment in general and operational and financial risks on account of COVID-19 which as per the initial assessment of the situation does not have any material financial impact.

41. The installed capacity of the Generating Stations of the Company as on March 31, 2020 was 600000 kW (March 31, 2019 : 600000 kW).

42. Previous year figures have been re-classified/regrouped wherever necessary.

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

CA Hema Mehta  
Partner  
Membership No.: 083404  
UDIN: 20063404 AAAADZ 4351  
Place: Kolkata  
Date: June 26, 2020



For and on behalf of the Board of Directors

*[Signature]*  
Director

*[Signature]*  
Whole Time Director

*[Signature]*  
Company Secretary

*[Signature]*  
Chief Financial Officer