



# KUNAL & ASSOCIATES

CHARTERED ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Haldia Energy Limited

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of Haldia Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the 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, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls 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, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 36 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.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v. No dividend was declared or paid during the year by the company.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For Kunal & Associates  
Chartered Accountants  
Firm Registration Number: 316003E



*Asitava Roy*

CA Asitava Roy  
Partner

Membership No. 052787  
UDIN: 23052787BGWPPH3423

Kolkata  
Dated: May 19, 2023

**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 Haldia Energy Limited of even date**

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
- (b) The property, plant and equipment of the Company have been physically verified by the Management during the year according to a phased program designed to cover all assets over a period of 5 years and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (and right of use assets) during the year.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to review.
- 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 3(iii)(a) to 3(iii)(f) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- 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 thereunder to the extent notified. Therefore, the provisions of Clause 3 (v) of the said Order are not applicable to the Company.
- 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, duty of customs, value added tax, goods and service tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub clause (a) above that have not been deposited with the appropriate authorities on account of any dispute.
- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any bank.
- (b) According to the information and explanations given to us including and representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year and there has been no utilization during the current year of the term loans obtained by the company during any previous years. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilized for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.



- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Ind AS 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- (b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- 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. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. Regarding Clause 3(xvi) (d) of the Order, as represented to us by the management of the Company, the Group has 5 (five) Core Investment Companies as a part of the Group.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section (5) of section 135 of the Act. This matter has been disclosed in note 38 to the financial statements.



- (b) All amounts that are unspent under sub section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 38 to the financial statements.

For Kunal & Associates  
Chartered Accountants  
Firm Registration Number: 316003E



*Asitava Roy*

CA Asitava Roy  
Partner

Membership No. 052787

UDIN: 23052787 BGIWPPH3423

Kolkata

Dated: May 19, 2023



## **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 Haldia Energy 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 Haldia Energy Limited ("the Company") as of March 31, 2023 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 as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and



(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.

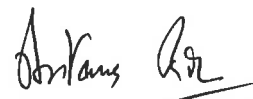
### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Kunal & Associates  
Chartered Accountants  
Firm Registration Number: 316003E



CA Asitava Roy  
Partner  
Membership No. 052787



Kolkata  
Dated: May 19, 2023

UDIN: 23052787 BGWPPH3423

Haldia Energy Limited  
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 Telephone: +91 33 2301 4051  
 Email: haldiaenergy@rpsg.in  
 Registered Office: 2A, Lord Sinha Road, First Floor, Kolkata-700 071

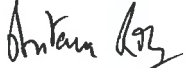
Balance Sheet as at March 31, 2023

(₹ in crore)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
a. Property, plant and equipment	2	3,652.24	3,798.80
b. Capital work in progress	2	2.17	1.86
<b>c. Financial assets</b>			
i. Investments	3	16.46	23.89
ii. Loans	4	0.66	0.74
d. Other non-current assets	5	5.94	5.32
<b>Total non-current assets</b>	<b>(A)</b>	<b>3,677.47</b>	<b>3,830.61</b>
<b>2. Current assets</b>			
a. Inventories	6	160.66	104.83
<b>b. Financial assets</b>			
i. Trade receivables	7	506.17	362.88
ii. Cash and cash equivalents	8	373.24	1,042.89
iii. Bank balances other than cash and cash equivalents	9	275.88	17.98
iv. Loans	10	0.31	0.29
v. Other financial assets	11	1,499.79	1,442.99
c. Other current assets	12	206.06	100.43
d. Current tax assets (net)		6.02	13.60
<b>Total current assets</b>	<b>(B)</b>	<b>3,028.13</b>	<b>3,085.89</b>
Regulatory deferral account balances	(C) 26	1,485.31	1,276.06
<b>TOTAL ASSETS</b>	<b>(A+B+C)</b>	<b>8,190.91</b>	<b>8,192.56</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a. Equity share capital	13	1,203.44	1,203.44
b. Other equity	14	2,344.67	2,090.97
<b>Total equity</b>	<b>(D)</b>	<b>3,548.11</b>	<b>3,294.41</b>
<b>LIABILITIES</b>			
<b>1. Non-current liabilities</b>			
<b>a. Financial liabilities</b>			
i. Borrowings	15	2,256.16	2,641.47
ii. Lease liabilities	16	66.18	71.74
iii. Trade payables	17		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises			
(b) Total outstanding dues of creditors other than Micro Enterprise & Small Enterprises		4.96	8.38
iv. Other financial non current liabilities	18	66.70	66.25
b. Provisions	19	7.84	7.96
c. Deferred tax liabilities (net)	42	800.56	809.36
<b>Total non-current liabilities</b>	<b>(E)</b>	<b>3,202.40</b>	<b>3,605.16</b>
<b>2. Current liabilities</b>			
<b>a. Financial liabilities</b>			
i. Borrowings	20	921.91	780.59
ii. Lease liabilities	21	5.56	4.42
iii. Trade payables	22		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises		1.32	0.60
(b) Total outstanding dues of creditors other than Micro Enterprise & Small Enterprises		57.87	50.56
iv. Other financial liabilities	23	169.99	173.08
b. Other current liabilities	24	5.86	4.80
c. Provisions	25	2.28	3.33
<b>Total current liabilities</b>	<b>(F)</b>	<b>1,164.79</b>	<b>1,017.38</b>
Regulatory deferral account balances	(G) 26	275.61	275.61
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>(D+E+F+G)</b>	<b>8,190.91</b>	<b>8,192.56</b>

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

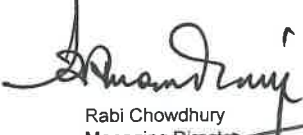
For Kunal & Associates  
 Chartered Accountants  
 Firm Registration Number: 316003E

  
 CA Asitava Roy  
 Partner  
 Membership No.: 052787



For and on behalf of the Board of Directors

  
 Noghbir Naval Franjje  
 Director  
 DIN: 01646640

  
 Rabi Chowdhury  
 Managing Director  
 DIN: 00001588

  
 Sayak Chatterjee  
 Company Secretary

  
 Subir Kumar Saha  
 Sr. Vice President & CFO

Place: Kolkata  
 Date: May 19, 2023

**Haldia Energy Limited**

CIN: U74210WB1994PLC066154

Telephone: +91 33 2301 4051

Email: haldiaenergy@rpsg.in

Registered Office: 2A, Lord Sinha Road, First Floor, Kolkata-700 071

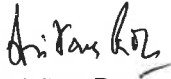
**Statement of Profit and Loss for the period ended March 31, 2023**

(₹ in crore)

No.	Particulars	Notes	2022-23	2021-22
I	Revenue from operations	27	1,947.74	2,203.18
II	Other income	28	39.26	48.32
III	<b>Total income (I+II)</b>		<b>1,987.00</b>	<b>2,251.50</b>
IV	<b>Expenses</b>			
	Cost of fuel	29	1,162.59	985.00
	Employee benefit expenses	30	50.12	54.97
	Finance costs	31	261.62	281.25
	Depreciation and amortisation expenses	32	173.25	172.97
	Other expenses	33	236.46	321.01
	<b>Total expenses</b>		<b>1,884.04</b>	<b>1,815.20</b>
V	<b>Profit before regulatory income / (expense) and tax (III-IV)</b>		<b>102.96</b>	<b>436.30</b>
VI	Regulatory income / (expense)	35	209.25	126.78
VII	<b>Profit before tax (V+VI)</b>		<b>312.21</b>	<b>563.08</b>
VIII	Tax expense	42		
	- Current tax		(59.98)	(102.88)
	- Deferred tax		8.80	(126.78)
	<b>Total tax expense</b>		<b>(51.18)</b>	<b>(229.66)</b>
IX	<b>Profit for the year (VII+VIII)</b>		<b>261.03</b>	<b>333.42</b>
X	<b>Other comprehensive income</b>			
	(i) Items that will not be reclassified to profit or loss			
	- Remeasurements of defined benefit plans		0.12	(0.85)
	- Income tax on above		(0.02)	0.15
	- Gain/(loss) on fair value of Investments		(7.43)	9.17
	<b>Other comprehensive income for the year, net of tax</b>		<b>(7.33)</b>	<b>8.47</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>253.70</b>	<b>341.89</b>
	<b>Earning per equity share</b>	34	₹	₹
	Basic & Diluted ( Face value of ₹ 10 per share)		2.17	2.77

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


For Kunal & Associates  
Chartered Accountants  
Firm Registration Number: 316003E

  
CA Asitava Roy  
Partner  
Membership No.: 052787




For and on behalf of the Board of Directors

  
Noshir Naval Framjee  
Director  
DIN: 01646640

  
Rabi Chowdhury  
Managing Director  
DIN: 06601588

Place: Kolkata  
Date: May 19, 2023

  
Sayak Chatterjee  
Company Secretary

  
Subir Kumar Saha  
Sr. Vice President & CFO

Statement of Cash Flow for the year ended March 31, 2023

(₹ in crore)

Particulars	2022-23	2021-22
<b>A. Cash flow from operating activities</b>		
Profit before tax	312.21	563.08
Adjustments for :		
Loss/(Gain) on sale/disposal of property, plant and equipment (net)	0.03	0.04
Depreciation and amortisation expenses	173.25	172.97
Gain on sale/fair valuation of non-current investments	-	(24.41)
Finance costs	261.62	281.25
Interest income	(20.36)	(22.01)
Unwinding of discount on financial instrument	(0.52)	(0.23)
Dividend Income	(0.87)	(0.95)
<b>Operating profit before working capital changes</b>	<b>725.36</b>	<b>969.74</b>
Adjustments for change in:		
Trade & other receivables	(242.17)	433.80
Inventories	(55.83)	2.71
Net change in regulatory deferral account balances	(209.25)	(126.78)
Trade and other payables	(58.85)	(19.28)
<b>Cash generated from operations</b>	<b>159.26</b>	<b>1,260.19</b>
Income Tax paid (net of refund)	(47.93)	(131.00)
<b>Net cash flow from operating activities</b>	<b>111.33</b>	<b>1,129.19</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment / capital work-in-progress	(27.04)	(13.17)
Proceeds from sale of property, plant and equipment	0.01	0.10
Sale/(purchase) of investments	-	140.81
Net movement in bank balances other than cash and cash equivalents	(257.90)	(4.62)
Dividend received	0.87	0.95
Interest received	20.52	20.84
<b>Net cash used in investing activities</b>	<b>(263.54)</b>	<b>144.91</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from non-current borrowings	0.00	350.00
Repayment of non-current borrowings (net of re-finance loan)	(330.60)	(353.96)
Net movement in cash credit facilities and other current borrowings	85.00	-
Payment of lease liabilities	(11.83)	(11.47)
Finance costs paid	(260.01)	(279.57)
<b>Net cash used in financing activities</b>	<b>(517.44)</b>	<b>(295.00)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(669.65)</b>	<b>979.10</b>
<b>Cash and cash equivalents - Opening Balance (Refer Note 8)</b>	<b>1,042.89</b>	<b>63.79</b>
<b>Cash and cash equivalents - Closing Balance (Refer Note 8)</b>	<b>373.24</b>	<b>1,042.89</b>

Changes in liabilities arising from financing activities

Particulars	April 1, 2022	Cash Flows	Others	March 31, 2023
Current borrowings	450.00	85.00	-	535.00
Non-Current borrowings (including current maturities)	2,978.76	(330.60)	-	2,648.16
Lease Liabilities	76.16	(11.83)	7.41	71.74
<b>Total liabilities from financing activities</b>	<b>3,504.92</b>	<b>(257.43)</b>	<b>7.41</b>	<b>3,254.90</b>

Particulars	April 1, 2021	Cash Flows	Others	March 31, 2022
Current borrowings	450.00	-	-	450.00
Non-Current borrowings (including current maturities)	2,982.72	(3.96)	-	2,978.76
Lease Liabilities	79.76	(11.47)	7.87	76.16
<b>Total liabilities from financing activities</b>	<b>3,512.48</b>	<b>(15.43)</b>	<b>7.87</b>	<b>3,504.92</b>

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

For Kunal & Associates  
Chartered Accountants  
Firm Registration Number: 316003E

  
CA Asitava Roy  
Partner  
Membership No.: 052787




For and on behalf of the Board of Directors

  
Noshir Naval Framjee  
Director  
DIN: 01646640

  
Rabi Chowdhury  
Managing Director  
DIN-05601588

  
Sayak Chatterjee  
Company Secretary

  
Subir Kumar Saha  
Sr. Vice President & CFO

Place: Kolkata  
Date: May 19, 2023

Statement of Changes in Equity for the period ended March 31, 2023

a. Equity Share Capital

For period ended March 31, 2023

(₹ in crore)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares of ₹ 10 each issued, subscribed and fully paid	1,203.44	-	1,203.44

For financial year ended March 31, 2022

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Shares of ₹ 10 each issued, subscribed and fully paid	1,203.44	-	1,203.44

b. Other Equity

For period ended March 31, 2023

Particulars	Reserves and Surplus*				Total
	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance at the beginning of the reporting period	0.00	0.01	2,087.07	3.89	2,090.97
Profit for the year	-	-	261.03	-	261.03
Other comprehensive income	-	-	0.10	(7.43)	(7.33)
Total Comprehensive Income for the year	-	-	261.13	(7.43)	253.70
Balance at the end of the reporting period	0.00	0.01	2,348.20	(3.54)	2,344.67

For financial year ended March 31, 2022

Particulars	Reserves and Surplus*				Total
	Capital Reserve	General Reserve	Retained Earnings	Equity Instruments through Other Comprehensive Income	
Balance at the beginning of the reporting period	0.00	0.01	1,754.35	(5.28)	1,749.08
Profit for the year	-	-	333.42	-	333.42
Other comprehensive income	-	-	(0.70)	9.17	8.47
Total Comprehensive Income for the year	-	-	332.72	9.17	341.89
Balance at the end of the reporting period	0.00	0.01	2,087.07	3.89	2,090.97

\*(refer note 14)

This is the Statement of Changes in Equity referred to in our Report of even date.

For Kunal & Associates  
 Chartered Accountants  
 Firm Registration Number: 316003E

For and on behalf of the Board of Directors


  
 CA Asitava Roy  
 Partner  
 Membership No.: 052787



  
 Noshir Naval Franjree  
 Director  
 DIN: 01646640

  
 Rabi Chowdhury  
 Managing Director  
 DIN: 06604588

  
 Sayak Chatterjee  
 Company Secretary

  
 Subir Kumar Saha  
 Sr. Vice President & CFO

Place: Kolkata  
 Date: May 19, 2023

**Haldia Energy Limited**

CIN: U74210WB1994PLC066154

Telephone: +91 33 2301 4051

Email: haldiaenergy@rpsg.in

Registered Office: 2A, Lord Sinha Road, First Floor, Kolkata-700 071**Notes forming part of Financial Statements****NOTE-1**

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

**B. SIGNIFICANT ACCOUNTING POLICIES****1) Accounting Convention**

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) 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. These financial statements were authorized for issue in accordance with a resolution of the directors on May 19, 2023.

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.

**2) 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) Investments, except investments in subsidiaries, associates and joint ventures, are carried at fair value.
- b) certain financial assets and liabilities including derivative instruments measured at fair value.

**3) 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.

**4) Property, Plant & Equipment****i) 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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Registered Office: 2A, Lord Sinha Road, First Floor, Kolkata-700 071**Notes forming part of Financial Statements****ii) Depreciation**

In terms of the applicable provisions of the Regulations under the Electricity Act, 2003, depreciation on items of property, plant, and equipment other than freehold land is provided on straight line method on prorata basis at the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (the Hon'ble Commission) in determining the tariff for the year of the Company. Leasehold land and building is amortized over the unexpired period of the lease.

**5) Investments**

Investment in associates are carried at deemed cost at transition date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. Investments in equity instruments are measured at fair value through other comprehensive income.

**6) 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.

**7) Taxes**

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized 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. Since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding provision of liability or asset, as applicable.

**8) 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 purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, in banks and demand deposits with banks. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.





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

#### **9) Foreign Currency Transactions**

The Company's financial statements are presented in INR 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 recognized 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 in respect of such restatement is accounted for as a regulatory income or expense with the recognition of such amount as refundable or recoverable which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the contracts entered into for managing risks thereunder.

#### **10) 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;
- c) Equity instruments

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.

##### **Equity instruments**

Equity investments in scope of Ind AS 109 are measured at fair value. At initial recognition, the Company makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value. If the Company decides to classify an equity instrument as at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI).

Investment in subsidiaries and joint ventures are carried at cost or at deemed cost as considered on the date of transition to Ind-AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.



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Registered Office: 2A, Lord Sinha Road, First Floor, Kolkata-700 071**Notes forming part of Financial Statements**

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer note 47).

**11) Financial liabilities**

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

**12) Regulatory deferral account balances**

The Company is a rate regulated entity and has elected to adopt Ind AS 114, Regulatory Deferral Accounts. Expenses/Income recognized as Regulatory Income/Expenses in the Statement of Profit and Loss to the extent recoverable or payable in subsequent periods based on the Company's understanding of the provision of the applicable regulations framed by the Hon'ble Commission and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances. Regulatory Deferral Account balances are adjusted from the year in which these crystallise.

**13) 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 as regulatory income or expense through Statement of Profit and Loss and would be considered in determining the Company's future tariff.

**14) 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. Provisions for Gratuity liability, Leave Encashment liability and Post-Retirement Medical Benefits 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 and Post-Retirement Medical Benefits liability, actuarial gain or losses are recognized in Statement of Profit & Loss.



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Registered Office: 2A, Lord Sinha Road, First Floor, Kolkata-700 071**Notes forming part of Financial Statements****15) Revenue from Operations**

Revenue is recognised to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Earnings from sale of electricity are determined in accordance with the applicable orders of the Hon'ble Commission. In terms of the applicable regulations and tariff determination process followed by the Hon'ble Commission, unbilled amounts towards revenue gaps / unapproved FPPCA are recognized considering applicable tariff regulations. These adjustments/ accruals are carried forward as "Unbilled revenue" under "Other current financial assets", which shall be adjusted through future billing based on tariff determination by the Hon'ble Commission in accordance with the applicable regulations.

**16) Other Income**

Other income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable.

**17) Finance Costs**

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

**18) Leases****Company as a lessee**

The Company's lease asset classes primarily consist of leases for land and buildings. 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 include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

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



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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.

**19) Provisions and contingent liabilities**

Provisions are recognized when the Company has a present obligation 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 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 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 on a reliable estimate of the amount cannot be made.

**C. 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:**

Estimation of Regulatory Items: Note – 26 & 35

Impairment of Trade Receivables: Note – 7

Estimates used in Actuarial Valuation of Employee benefits: Note – 40

Estimates used in Lease liabilities: Note – 16 & 21

**D. CHANGES IN EXISTING IND AS**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23,2022, to amend the following Ind AS which are effective from April 01,2022, but do not have any significant impact on the Financial Statements.

- i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37
- ii) Reference to the Conceptual Framework – Amendments to Ind AS 103
- iii) Property, Plant and Equipment: Proceeds before intended Use - Amendments to Ind AS 16
- iv) Ind AS 101 First- time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter
- v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
- vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The Company has not early adopted any standards or amendments that have been issued but are not yet effective.



2. Property, plant and equipment

(₹ in crore)

Particulars	Cost/Deemed Cost			Depreciation/Amortisation			Net Block		
	As at April 1, 2022	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at March 31, 2023	As at April 1, 2022	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at March 31, 2023	As at March 31, 2022
Land*	101.48	-	-	101.48	7.88	1.22	-	92.38	93.60
Buildings*	571.20	23.36	-	594.56	118.60	23.33	-	452.63	452.60
Plant and equipment	3,502.10	1.95	-	3,504.05	880.17	125.79	-	2,498.09	2,621.93
Furniture and fixtures	5.10	0.14	0.06	5.18	1.57	0.31	0.02	3.32	3.53
Vehicles	6.21	0.63	-	6.84	4.15	0.50	-	2.19	2.06
Office equipment	9.22	0.65	-	9.87	3.82	0.76	-	5.29	5.40
Transmission system	598.96	-	-	598.96	108.09	15.56	-	475.31	490.87
Railway sidings	160.05	-	-	160.05	31.24	5.78	-	123.03	128.81
Previous Year	4,954.32	26.73	0.06	4,980.99	1,155.52	173.25	0.02	3,652.24	3,798.80
	4,942.06	12.61	0.35	4,954.32	982.75	172.97	0.20	3,798.80	

\*Includes leasehold improvements

i) Additions/Adjustment includes right-of-use assets upon adoption of Ind AS 116 (Refer Note 43)

ii) Property, plant and equipment pledged as security  
 Refer to note nos. 15 and 20 for information on property, plant & equipment pledged as security by the company.

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

Particulars	Rate of Depreciation / Useful Life of Assets
Buildings	25-50 Years
Plant and equipment	5-50 Years
Furniture and fixtures	15 Years
Vehicles	5 Years
Office equipment	7-15 Years
Transmission system	25-35 Years
Railway sidings	25 Years



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**iv) Capital Work-In-Progress**

Ageing for capital work-in-progress as at March 31, 2023 is as follows:

(₹ in crore)

Particulars	Amount in capital work-in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.06	0.15	0.81	0.15	2.17
<b>Total</b>	<b>1.06</b>	<b>0.15</b>	<b>0.81</b>	<b>0.15</b>	<b>2.17</b>

Ageing for capital work-in-progress as at March 31, 2022 is as follows:

Particulars	Amount in capital work-in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1.55	0.16	0.08	0.07	1.86
<b>Total</b>	<b>1.55</b>	<b>0.16</b>	<b>0.08</b>	<b>0.07</b>	<b>1.86</b>

v) There are no such project under Capital-Work-in Progress, whose completion is overdue or has exceeded its cost compared to its original plan as on March 31, 2023 and March 31, 2022.



Notes forming part of Financial Statements

Non current assets

Financial assets

3. Investments

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in equity instrument (fully paid up) - Quoted		
Quoted Investment carried at fair value through OCI		
ICICI Securities Limited (March 31, 2023: 384,608; March 31, 2022: 384,608; Equity Shares of ₹ 10 each, fully paid up)	16.46	23.89
<b>Total</b>	<b>16.46</b>	<b>23.89</b>

4. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - considered good		
Loans to employees	0.66	0.74
<b>Total</b>	<b>0.66</b>	<b>0.74</b>

5. Other non current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	0.01	0.01
Other advances	5.93	5.31
<b>Total</b>	<b>5.94</b>	<b>5.32</b>

Current assets

6. Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Stores and spares	57.11	54.73
Fuel	103.55	50.10
<b>Total</b>	<b>160.66</b>	<b>104.83</b>

Inventory of fuel includes stock of LDO ₹ 2.48 crore (March 31, 2022: ₹ 2.54 crore) and coal stock in transit and at siding ₹ 36.24 crore (March 31, 2022: ₹ 14.90 crore)

Financial Assets

7. Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - considered good	506.17	362.88
<b>Total</b>	<b>506.17</b>	<b>362.88</b>

Notes forming part of Financial Statements

Ageing for trade receivables as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Gross Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivable - billed						
(i) Undisputed Trade receivables – considered good	506.17	-	-	-	-	506.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>506.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>506.17</b>

Ageing for trade receivables as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Gross Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Trade receivable - billed						
(i) Undisputed Trade receivables – considered good	362.88	-	-	-	-	362.88
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total trade receivables</b>	<b>362.88</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362.88</b>



Notes forming part of Financial Statements

8. Cash and cash equivalents

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	120.30	42.37
- Bank Deposits with original maturity of upto 3 months	252.91	1,000.50
Cash on hand	0.03	0.02
<b>Total</b>	<b>373.24</b>	<b>1,042.89</b>

9. Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Bank Deposits with original maturity more than 3 months (Refer note below)	275.88	17.98
<b>Total</b>	<b>275.88</b>	<b>17.98</b>

a. Amount lying in deposit accounts with banks as at March 31, 2023 includes ₹ 1.50 crore ( March 31, 2022: ₹ Nil) appropriated for upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.

b. Bank deposit with original maturity more than 3 months include ₹ 16.86 crore (March 31, 2022: ₹ 2.33 crore) having maturity more than 12 months as on reporting date.

10. Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - considered good		
Loans to employees	0.31	0.29
<b>Total</b>	<b>0.31</b>	<b>0.29</b>

11. Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposit	42.09	48.09
Interest accrued on bank deposits	1.32	1.48
Receivable from parent company	397.00	517.00
Receivable from fellow subsidiary company	810.00	810.00
Inter corporate deposit	37.43	46.38
Receivable towards claims and services rendered	25.70	20.04
Unbilled revenue	186.25	-
<b>Total</b>	<b>1,499.79</b>	<b>1,442.99</b>

12. Other current assets

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	5.61	10.84
Capital advances	0.34	0.54
Other advances (coal, freight, stores, others)	200.11	89.05
<b>Total</b>	<b>206.06</b>	<b>100.43</b>





Notes forming part of Financial Statements

13. Equity share capital

(₹ in crore)

a) Particulars	As at	
	March 31, 2023	March 31, 2022
<b>Authorised</b> 125,00,00,000 (March 31, 2022: 125,00,00,000) Equity Shares of ₹ 10 each, fully paid up	1,250.00	1,250.00
<b>Issued, subscribed and paid-up capital</b> 120,34,41,049 (March 31, 2022: 120,34,41,049) Equity Shares of ₹ 10 each, fully paid up	1,203.44	1,203.44
<b>Total</b>	<b>1,203.44</b>	<b>1,203.44</b>

b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares outstanding at the beginning of the period	120,34,41,049	1,203.44	120,34,41,049	1,203.44
Add: Equity shares issued during the period	-	-	-	-
<b>Equity shares outstanding at the end of the period</b>	<b>120,34,41,049</b>	<b>1,203.44</b>	<b>120,34,41,049</b>	<b>1,203.44</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 the sales proceeds of the remaining assets of the company after distribution of all the 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 parent company and shareholders holding more than 5% shares in the Company

Particulars	As at		As at	
	March 31, 2023		March 31, 2022	
Name of the shareholder	Number of shares	%	Number of shares	%
CESC Limited (Refer note 41)	120,34,41,049	100%	120,34,41,049	100%

e) Details of shareholding by promoters

Shares held by promoters at the end of the year March 31, 2023

Name of the Promoter	Number of shares	% of total shares	% Change during the Year
CESC Limited	120,34,41,049	100	-

Shares held by promoters at the end of the year March 31, 2022

Name of the Promoter	Number of shares	% of total shares	% Change during the Year
CESC Limited	120,34,41,049	100	-

f) In the period of five years immediately preceding March 31 2023, 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.

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



Notes forming part of Financial Statements

14. Other equity

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Retained earnings	2,348.20	2,087.07
b) Capital reserve	0.00	0.00
c) General reserve	0.01	0.01
d) Equity Instruments through Other Comprehensive Income	(3.54)	3.89
<b>Total</b>	<b>2,344.67</b>	<b>2,090.97</b>

a) Retained earnings

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	2,087.07	1,754.35
Net profit for the period	261.03	333.42
Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans (net of tax)	0.10	(0.70)
<b>Closing balance</b>	<b>2,348.20</b>	<b>2,087.07</b>

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

b) Capital reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.00	0.00
<b>Closing balance</b>	<b>0.00</b>	<b>0.00</b>

c) General reserve

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	0.01	0.01
<b>Closing balance</b>	<b>0.01</b>	<b>0.01</b>

d) Equity Instruments through Other Comprehensive Income

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	3.89	(5.28)
Items that will not be reclassified to profit or loss		
- Gain/(loss) on fair value of Investments	(7.43)	9.17
<b>Closing balance</b>	<b>(3.54)</b>	<b>3.89</b>

Equity Instruments through Other Comprehensive Income represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.

Non current liabilities

Financial Liabilities

15. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Rupee term loans from banks	2,648.16	2,978.76
	<b>2,648.16</b>	<b>2,978.76</b>
Less: Current maturities of long term borrowings transferred to other current financial liabilities (Refer note 20)	386.91	330.59
Less: Unamortised front end fees	5.09	6.70
<b>Total</b>	<b>2,256.16</b>	<b>2,641.47</b>



Notes forming part of Financial Statements

(₹ in crore)

1) Nature of security

The amount of ₹ 2648.16 crore (March 31, 2022: ₹ 2978.76 crore) is secured with first pari passu 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.

2) Major terms of repayment of Non-Current Borrowings:

Maturity Profile of Non-Current Borrowings	Balance Outstanding as at March 31, 2023	
	Rupee Term Loan from Banks	Current Maturities
Borrowings with maturity of upto 1 year	-	-
Borrowings with maturity between 1 and 3 years	-	-
Borrowings with maturity between 3 and 5 years	341.12	97.47
Borrowings with maturity between 5 and 10 years	2,307.04	289.44
Borrowings with maturity beyond 10 years	-	-
<b>Total</b>	<b>2,648.16</b>	<b>386.91</b>

Interest rates on Rupee Term Loans from Banks 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 of Non-Current Borrowings	Balance Outstanding as at March 31, 2022	
	Rupee Term Loan from Banks	Current Maturities
Borrowings with maturity of upto 1 year	83.50	83.50
Borrowings with maturity between 1 and 3 years	-	-
Borrowings with maturity between 3 and 5 years	418.00	76.88
Borrowings with maturity between 5 and 10 years	2,477.26	170.21
Borrowings with maturity beyond 10 years	-	-
<b>Total</b>	<b>2,978.76</b>	<b>330.59</b>

Interest rates on Rupee Term Loans from Banks 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.

16. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	66.18	71.74
<b>Total</b>	<b>66.18</b>	<b>71.74</b>

(Refer note 43 for details)

17. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables	-	-
(a) Total outstanding dues to Micro Enterprise & Small Enterprises	4.96	8.38
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises	-	-
<b>Total</b>	<b>4.96</b>	<b>8.38</b>

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Gross Total
(i) MSME	-	-	-	-	-
(ii) Others	-	2.10	0.10	2.75	4.95
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total trade payables</b>	<b>-</b>	<b>2.10</b>	<b>0.10</b>	<b>2.75</b>	<b>4.95</b>

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Gross Total
(i) MSME	-	-	-	-	-
(ii) Others	-	-	3.11	5.27	8.38
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total trade payables</b>	<b>-</b>	<b>-</b>	<b>3.11</b>	<b>5.27</b>	<b>8.38</b>



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Notes forming part of Financial Statements

18. Other financial non current liabilities

(₹ in crore)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial guarantee obligations	0.55	0.10
Others	66.15	66.15
<b>Total</b>	<b>66.70</b>	<b>66.25</b>

19. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	7.84	7.96
<b>Total</b>	<b>7.84</b>	<b>7.96</b>

Current liabilities

Financial Liabilities

20. Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Loans repayable on demand - from banks		
Overdraft from banks (Refer note below)	275.00	235.00
Current maturities of long-term borrowings (Refer note 15)	386.91	330.59
<b>Unsecured</b>		
Loans repayable on demand - other loans		
Short term loan from bank	260.00	215.00
<b>Total</b>	<b>921.91</b>	<b>780.59</b>

1) Nature of security

The amount of ₹ 275.00 crore (March 31, 2022: ₹ 235.00 crore) is secured with first pari passu 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.

2) The quarterly returns or statements of current assets filed by the company with banks are in agreement with the books of accounts and there are no discrepancies.

21. Lease liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities	5.56	4.42
<b>Total</b>	<b>5.56</b>	<b>4.42</b>

(Refer note 43 for details)

22. Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
(a) Total outstanding dues to Micro Enterprise & Small Enterprises	1.32	0.60
(b) Total outstanding dues of Creditors other than Micro Enterprise & Small Enterprises	57.87	50.56
<b>Total</b>	<b>59.19</b>	<b>51.16</b>

There is no delay in payment to Micro Enterprise & Small Enterprises parties and hence no interest has been accrued/paid.

Ageing for trade payables outstanding as at March 31, 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.32	-	-	-	1.32
(ii) Others	57.87	-	-	-	57.87
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total trade payables</b>	<b>59.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59.19</b>

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	0.60	-	-	-	0.60
(ii) Others	50.56	-	-	-	50.56
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
<b>Total trade payables</b>	<b>51.16</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51.16</b>



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Notes forming part of Financial Statements

(₹ in crore)

23. Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Liabilities on capital account	0.51	0.57
Others	169.48	172.51
<b>Total</b>	<b>169.99</b>	<b>173.08</b>

24. Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other payables - Statutory dues	5.86	4.80
<b>Total</b>	<b>5.86</b>	<b>4.80</b>

25. Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits	2.28	3.33
<b>Total</b>	<b>2.28</b>	<b>3.33</b>

26. Regulatory deferral account balances

Particulars	As at March 31, 2023	As at March 31, 2022
Regulatory deferral account - debit balances	1,485.31	1,276.06
Regulatory deferral account - credit balances	275.61	275.61

(Refer note 35 for details)



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**Notes forming part of Financial Statements****27. Revenue from operations**

(₹ in crore)

Particulars	2022-23	2021-22
a. Earnings from sale of electricity	1,946.31	2,202.21
b. Other operating revenue		
Others	1.43	0.97
<b>Total</b>	<b>1,947.74</b>	<b>2,203.18</b>

**28. Other income**

Particulars	2022-23	2021-22
<b>Interest Income</b>		
From bank	16.20	17.70
Interest on inter corporate deposit	4.16	4.31
<b>Other non-operating income</b>		
Dividend Income	0.87	0.95
Gain on sale/fair valuation of non-current investments (net)	-	24.41
Unwinding of discount on financial instrument	0.52	0.23
Others	17.51	0.72
<b>Total</b>	<b>39.26</b>	<b>48.32</b>

**29. Cost of fuel**

Particulars	2022-23	2021-22
<b>Consumption of coal</b>		
Quantity in tonnes	30,34,159	29,86,593
Value	1,159.24	983.66
(Includes Biomass ₹ 0.04 Crore, previous year Nil)		
<b>Consumption of oil</b>		
Quantity in kilolitres	494	263
Value	3.35	1.34
<b>Total</b>	<b>1,162.59</b>	<b>985.00</b>

Cost of fuel includes freight ₹ 421.45 crore (previous year: ₹ 412.58 crore)

**30. Employee benefit expenses**

Particulars	2022-23	2021-22
Salaries and bonus	44.87	50.86
Contribution to provident and other funds	2.07	1.96
Employees' welfare expenses	3.06	3.00
<b>Sub-total</b>	<b>50.00</b>	<b>55.82</b>
Transfer to/(from) other comprehensive income	(0.12)	0.85
<b>Total</b>	<b>50.12</b>	<b>54.97</b>

**31. Finance costs**

Particulars	2022-23	2021-22
Interest expense	248.64	251.17
Other borrowing costs	12.98	30.08
<b>Total</b>	<b>261.62</b>	<b>281.25</b>



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**Notes forming part of Financial Statements****32. Depreciation and amortisation expenses**

(₹ in crore)

Particulars	2022-23	2021-22
Depreciation on property, plant and equipment	173.25	172.97
<b>Total</b>	<b>173.25</b>	<b>172.97</b>

**33. Other expenses**

Particulars	2022-23	2021-22
Consumption of stores and spares	22.12	21.50
Repairs		
--Plant and machinery	46.23	67.76
--Building	0.36	0.67
Rent	2.21	2.08
Insurance	9.33	9.51
Remuneration to auditors		
-- As Statutory auditor	0.11	0.11
-- As Tax auditor	0.02	0.02
-- Others	0.03	0.01
Rates and taxes	0.23	0.30
Loss on disposal of property, plant and equipment	0.03	0.04
Corporate social responsibility expenses (Refer note 38)	12.01	11.33
Miscellaneous expenses	143.78	207.68
<b>Total</b>	<b>236.46</b>	<b>321.01</b>

- a. Miscellaneous expenses include a sum of ₹ 95.00 crore (previous year: ₹ 135.00 crore) towards donation under Section 182 of the Companies Act, 2013 and a sum of ₹ 37.76 crore (previous year: ₹ 37.76 crore) towards cost of IT outsourced services.
- b. Rent includes payment on account of short term leases of ₹ 0.13 crore (previous year: ₹ 0.13 crore).

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

Particulars	2022-23	2021-22
Face value of equity shares	10	10
Profit After Tax (₹ crore)	261.03	333.42
Weighted average number of equity shares outstanding	120,34,41,049	120,34,41,049
Basic and Diluted Earnings per share (₹)	2.17	2.77

**35. Regulatory Income / (Expenses)**

Regulatory income / (expenses) arise to the Company pursuant to the regulatory provisions applicable to the Company under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by the Hon'ble Commission on the Company's various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments – income / (expenses), relating to (a) fuel related costs and those having bearing on revenue account and (b) deferred taxation estimate, as appropriate, based on the Company's understanding of the applicable regulatory provisions and applicable orders of the competent authorities, amounting to ₹ 218.05 crore (previous year: ₹ nil) and ₹ (8.80) crore (previous year: ₹ 126.78 crore) respectively have been shown as Regulatory income / (expenses) with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balances (refer note 26)

Regulatory deferral account debit balance comprises of (a) cost of fuel and other adjustments having bearing on revenue account and (b) deferred tax, amounting to ₹ 684.74 crore (March 31, 2022: ₹ 466.70 crore) and ₹ 800.56 crore (March 31, 2022: ₹ 809.36 crore) respectively and that relating to credit balance comprise the effect of advance against depreciation amounting to ₹ 275.61 crore (March 31, 2022: ₹ 275.61 crore).

Accordingly, the accurate quantification and disposal of the matters with regard to Regulatory deferral account balances shall be given effect to, from time to time, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way.



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**Notes forming part of Financial Statements****36. Contingent liabilities and commitments**

a. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account and the same on account of letters of comfort issued towards borrowing / financing obligations of fellow subsidiaries from banks, not provided for amounting to ₹ 0.24 crore (March 31, 2022: ₹ 0.73 crore) and ₹ 200.00 crore (March 31, 2022: ₹ 76.88 crore) respectively.

b. The Company has given bank guarantee of ₹ 93.72 crore (March 31, 2022: ₹ 93.72 crore) for procurement of coal and other financial obligations, etc., which is outstanding as on the reporting date.

c. Commitments relating to leasing arrangements, refer note 43

**37. Quantitative information**

Particulars	Million kWh	
	2022-23	2021-22
Total number of units generated during the year	4,219	4,277
Total number of units consumed in generating stations	329	329
Total number of units sent out	3,890	3,948
Total number of units through deviation settlement mechanism (net)	12	(0)
Total number of units delivered	3,868	3,939

**38. Corporate social responsibility expenses**

Particulars	(₹ in crore)	
	2022-23	2021-22
(i) Amount required to be spent by the company during the year	11.88	11.00
(ii) Amount of expenditure incurred	12.01*	11.33**
(iii) Shortfall at the end of the year	-	-
(iv) Total of previous years shortfall	-	-
(v) Reason for shortfall	-	-
(vi) Nature of CSR activities	In terms of CSR policy approved by the Board of Directors of the Company as may be referred to in the CSR report (Annexure A) forming part of the Board's Report	In terms of CSR policy approved by the Board of Directors of the Company as may be referred to in the CSR report (Annexure A) forming part of the Board's Report
(vii) Details of related party transactions	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

\* Including transfer of ₹ 6 crore to Unspent CSR Account for the Year 2022-23 for making available to RP- Sanjiv Goenka Group CSR Trust for School Project which has been identified as Ongoing Project by the Board of Directors of the Company.

\*\* Including transfer of ₹ 10.50 crore to Unspent CSR Account for the Year 2021-22 for making available to RP- Sanjiv Goenka Group CSR Trust for School Project which has been identified as Ongoing Project by the Board of Directors of the Company.

**39. 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 is carried out in India.

Revenue of ₹ 1760.05 crore (previous year: ₹ 2202.21 crore) is derived from a single external customer.





Notes forming part of Financial Statements

40. Employee Benefits

a) Defined Benefit Plan

The Company sponsors the Gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The Company makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible funds for qualifying employees.

Liabilities at the year end for gratuity, leave encashment and post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary in compliance with Ind AS 19 on "Employee Benefits".

b) The amounts recognised in the balance sheet and the movements in the total defined benefit obligation over the year are as follows:

(₹ in crore)

Gratuity (Funded)	2022-23			2021-22		
	Present value of obligation	Fair value of plan assets	Total amount	Present value of obligation	Fair value of plan assets	Total amount
Opening Balance	10.39	(8.52)	1.87	8.47	(8.47)	-
Current service cost	0.66	-	0.66	0.66	-	0.66
Past Service Cost	-	-	-	-	-	-
Interest expense/(income)	0.66	-	0.66	0.52	-	0.52
<b>Total amount recognised in profit and loss</b>	<b>1.32</b>	<b>-</b>	<b>1.32</b>	<b>1.18</b>	<b>-</b>	<b>1.18</b>
<i>Remeasurements</i>						
Return on plan assets, excluding amounts included in interest expense/(income)	-	(0.31)	(0.31)	-	(0.05)	(0.05)
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.35)	-	(0.35)	(0.17)	-	(0.17)
Experience (gains)/losses	0.05	-	0.05	1.06	-	1.06
<b>Total amount recognised in other comprehensive income</b>	<b>(0.30)</b>	<b>(0.31)</b>	<b>(0.61)</b>	<b>0.89</b>	<b>(0.05)</b>	<b>0.84</b>
Employer contributions	-	(1.87)	(1.87)	-	-	-
Benefit payments	(0.25)	0.25	-	(0.15)	-	(0.15)
<b>Closing Balance</b>	<b>11.16</b>	<b>(10.45)</b>	<b>0.71</b>	<b>10.39</b>	<b>(8.52)</b>	<b>1.87</b>

Particulars	Leave Obligation (Unfunded)		Post retirement medical benefit (Unfunded)	
	2022-23	2021-22	2022-23	2021-22
	Present value of obligation	Present value of obligation	Present value of obligation	Present value of obligation
Opening Balance	6.20	5.49	3.21	-
Current service cost	0.28	0.33	0.19	0.23
Interest expense/(income)	0.39	0.33	0.10	-
Past Service Cost	-	-	-	3.35
<i>Remeasurements</i>				
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(0.31)	(0.16)	(0.40)	-
Experience (gains)/losses	0.11	0.38	0.28	-
<b>Total amount recognised in profit and loss</b>	<b>0.47</b>	<b>0.88</b>	<b>0.17</b>	<b>3.58</b>
Benefit payments	(0.31)	(0.17)	(0.34)	(0.37)
<b>Closing Balance</b>	<b>6.36</b>	<b>6.20</b>	<b>3.04</b>	<b>3.21</b>

c) The expected maturity analysis of undiscounted gratuity, leave and post retirement medical benefits is as follows:

Particulars	1st year	Between 2 - 5 years	Between 6 - 10 years	More than 10 years	Total
<b>March 31, 2023</b>					
Defined benefit obligation (gratuity)	5.84	2.05	2.97	7.21	18.07
Leave obligation	1.95	1.61	1.89	7.36	12.81
Post retirement medical benefit	0.03	0.34	1.04	17.27	18.68
<b>March 31, 2022</b>					
Defined benefit obligation (gratuity)	4.99	2.20	2.57	7.20	16.96
Leave obligation	1.46	1.87	1.43	7.91	12.67
Post retirement medical benefit	0.03	0.29	0.96	16.85	18.13



Notes forming part of Financial Statements

d) Sensitivity analysis

Particulars	[₹ in crore]					
	Gratuity		Leave Obligation		Post retirement medical benefit	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
DBO at 31st March with discount rate +1%	10.28	9.87	5.93	5.71	2.55	2.65
Corresponding service cost	0.57	0.61	0.25	0.30	0.16	0.16
DBO at 31st March with discount rate -1%	11.21	11.00	6.85	6.77	3.69	3.95
Corresponding service cost	0.66	0.73	0.32	0.37	0.24	0.28
DBO at 31st March with +1% salary/benefit escalation	11.73	11.00	6.86	6.77	3.31	3.51
Corresponding service cost	0.71	0.73	0.32	0.37	0.21	0.25
DBO at 31st March with -1% salary/benefit escalation	10.67	9.86	5.92	5.70	2.81	2.94
Corresponding service cost	0.61	0.61	0.25	0.30	0.18	0.20
DBO at 31st March with +50% withdrawal rate	11.18	10.40	6.36	6.21	3.02	3.18
Corresponding service cost	0.66	0.66	0.28	0.33	0.19	0.22
DBO at 31st March with -50% withdrawal rate	11.16	10.38	6.34	6.19	3.07	3.24
Corresponding service cost	0.66	0.66	0.28	0.33	0.20	0.23
DBO at 31st March with +10% mortality rate	11.17	10.39	6.36	6.20	2.98	3.13
Corresponding service cost	0.66	0.66	0.28	0.33	0.19	0.22
DBO at 31st March with -10% mortality rate	11.16	10.39	6.35	6.19	3.12	3.29
Corresponding service cost	0.66	0.66	0.28	0.33	0.20	0.23

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(e) Major categories of total plan assets as per the Gratuity Trust Fund

Gratuity	[₹ in crore]	
	2022-23	2021-22
Cash & cash equivalents	10.45	8.52
Unquoted market price	10.45	8.52

(f) Actuarial assumptions

Particulars	Gratuity		Leave Obligation		Post retirement medical benefit	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Discount rate current year (%)	7.10%	6.45%	7.10%	6.45%	7.10%	6.45%
Mortality rate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate	Indian Assured Lives Mortality (2012-14) ultimate

Expected Remaining Life (in years)	[₹ in crore]	
	2022-23	2021-22
Employees Gratuity Fund	5.37	5.92
JMS Gratuity Fund	19.30	19.57
Leave Obligation	8.96	9.89
Post retirement medical benefit	15.24	15.36

Expected contributions to be paid in next year for gratuity ₹ 0.80 crore.

Expected contributions to be paid for next year for leave obligation & medical is ₹ Nil.

(g) Plan assets consist of funds maintained with ICICI Prudential Life Insurance Company Limited

Actual return on plan assets	[₹ in crore]	
	2022-23	2021-22
	0.31	0.05



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**Notes forming part of Financial Statements**

**h) Risk exposure**

The Plans in India typically expose the Company to some risks, the most significant of which are detailed below:

i) **Discount Rate Risk:** Decrease in discount rate will increase the value of the liability. However, this will partially offset the increase in the value of plan assets.

ii) **Future Salary Increase Risk:** In case of gratuity & leave the scheme cost is sensitive to the assumed future salary escalation rates for all last drawn salary linked defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. But PRMB is not dependent on future salary levels.

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 and PRMB. Gratuity benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date).

**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 ₹ 2.07 crore (previous year: ₹ 1.96 crore) has been charged off to Statement of Profit and Loss.



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Notes forming part of Financial Statements

41. Related party transaction

(a) Parent entity

Name	Relationship	Place of incorporation	Ownership interest	
			As at March 31, 2023	As at March 31, 2022
CESC Limited	Parent Company	India	100%	100%

(b) Entities under common control

Name
PCBL Ltd
Surya Vidyut Limited
Dhariwal Infrastructure Limited
Jharkhand Electric Company Limited
Spencer's Retail Limited
RPG Power Trading Co Limited
RPSG Ventures Limited
RPSG Resources Private Limited
Integrated Coal Mining Limited
Woodlands Multispeciality Hospital Limited

(c) Key Management Personnel

Particulars	Relationship
Dr. Sanjiv Goenka	Director
Mr. Debanjan Mandal	Director
Mr. Noshir Naval Framjee	Director
Ms. Gargi Chatterjee	Director
Mr. Rabi Chowdhury	Managing Director
Mr. Subir Kumar Saha	Sr. Vice President & CFO

(d) Other Related Parties

Haldia Energy Limited Group Gratuity Trust
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(₹ in crore)

(e) Transactions with related parties

Nature of Transactions	Parent Company		Entities under common control		Other Related Parties		Key Management Personnel	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Income from sales/services	1,760.06	2,202.21	-	-	-	-	-	-
Other advances/security deposit (given)/received	120.00	400.00	6.00	163.62	-	-	-	-
Services received	0.00	0.00	63.28	66.56	-	-	-	-
Expenses recoverable	-	0.68	1.73	0.37	-	-	-	-
Expenses payable	1.30	2.43	0.13	1.69	-	-	-	-
Retiral Fund	-	-	-	-	0.71	1.87	-	-
Remuneration of Key Managerial Personnel	-	-	-	-	-	-	-	-
-Short term employee benefits	-	-	-	-	-	-	7.34	6.59
-Post employment benefits	-	-	-	-	-	-	0.59	1.25
Remuneration to Directors	-	-	-	-	-	-	10.15	17.21
Closing Balance	-	-	-	-	-	-	-	-
Debit	901.92	1,344.26	851.69	854.19	-	-	-	-
Credit	-	-	-	-	0.71	1.87	10.01	17.06



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**Notes forming part of Financial Statements****42. Income tax expense**

(₹ in crore)

a) The major components of Deferred Tax Assets/ (Liabilities) based on the temporary difference as at March 31, 2023 are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Liabilities</b>		
Excess of tax depreciation over book depreciation	(853.68)	(851.56)
Others	(0.96)	(3.24)
<b>Total</b>	<b>(854.64)</b>	<b>(854.80)</b>
<b>Assets</b>		
Unabsorbed tax losses/ depreciation	-	-
Items covered under section 43B	2.22	2.16
Others	51.86	43.28
<b>Total</b>	<b>54.08</b>	<b>45.44</b>
<b>Deferred Tax Assets/(Liability) - (Net)</b>	<b>(800.56)</b>	<b>(809.36)</b>
Net deferred tax liability of ₹ 800.56 crore as above has been recognised. (March 31, 2022: ₹ 809.36 crore has been recognised)		

b) Reconciliation of tax expense and accounting profit

Particulars	As at March 31, 2023	As at March 31, 2022
Accounting profit before tax after comprehensive Income	312.33	562.23
Tax using the Company's domestic tax rate (Current year 34.944% and Previous year 34.944%)	109.14	196.47
Tax effect of amounts adjustable in calculating taxable income/expenses not considered for tax purpose including difference in depreciation	(29.70)	(8.95)
MAT & other adjustments	(28.24)	41.99
<b>Tax Expense</b>	<b>51.20</b>	<b>229.51</b>

**43.** Property, Plant and Equipment of the Company includes Right-of-use assets in the opening balance as on 01.04.2022, additions, deletion, depreciation and closing balance for the year ended 31.03.2023 amounting to ₹ 153.86 crore, ₹ Nil, ₹ Nil, ₹ 9.05 crore and ₹ 144.81 crore respectively (previous year: ₹ 162.82 crore, ₹ 0.07 crore, ₹ Nil, ₹ 9.03 crore and ₹ 153.86 crore respectively). Depreciation/amortisation expense and carrying amount of right-of-use asset as on 31.03.2023 of land and building ₹ 1.22 crore, ₹ 7.83 crore, ₹ 92.17 crore and ₹ 52.64 crore respectively (previous year: ₹ 1.22 crore, ₹ 7.81 crore, ₹ 93.39 crore and ₹ 60.47 crore respectively) and the corresponding movement in liabilities during the year provided in the table below:

Particulars	As at March 31, 2023	As at March 31, 2022
Lease liabilities as at April 1, 2022	76.16	79.76
Additions	-	0.07
Deletion	-	-
Finance cost expense	7.41	7.80
Payment during the year	(11.83)	(11.47)
<b>Balance as at March 31, 2023</b>	<b>71.74</b>	<b>76.16</b>

Future minimum lease payments during next one year ₹ 5.56 crore (previous year: ₹ 4.42 crore), later than one year but not later than five years ₹ 33.53 crore (previous year: ₹ 28.64 crore) and later than five years ₹ 32.65 crore (previous year: ₹ 43.10 crore) applying 10% as weighted average incremental borrowing rate.



Notes forming part of Financial Statements

44. Financial instruments

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

(₹ in crore)

	As at March 31, 2023			As at March 31, 2022		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investment in equity instruments	-	16.46	-	-	23.89	-
Investments in subsidiaries, associates and joint ventures	-	-	-	-	-	-
Loans to employees	0.97	-	-	1.03	-	-
Security deposits	42.09	-	-	48.09	-	-
Trade receivables	506.17	-	-	362.88	-	-
Cash and cash equivalents	373.24	-	-	1,042.89	-	-
Bank balances other than cash and cash equivalents	275.88	-	-	17.98	-	-
Advances to parent company	397.00	-	-	517.00	-	-
Advances to subsidiaries	810.00	-	-	810.00	-	-
Inter corporate deposit	37.43	-	-	46.38	-	-
Other financial assets	213.27	-	-	21.52	-	-
<b>Total</b>	<b>2,656.05</b>	<b>16.46</b>	<b>-</b>	<b>2,867.77</b>	<b>23.89</b>	<b>-</b>
<b>Financial liabilities</b>						
Borrowings	3,178.07	-	-	3,422.06	-	-
Lease liabilities	71.74	-	-	76.16	-	-
Trade payables	64.15	-	-	59.54	-	-
Other financial liabilities	236.69	-	-	239.33	-	-
<b>Total</b>	<b>3,550.65</b>	<b>-</b>	<b>-</b>	<b>3,797.09</b>	<b>-</b>	<b>-</b>

The fair value of the above are close to their amortised costs due to their short term nature.

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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 (unobservable inputs)

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2023</b>				
Financial assets				
Investment in equity instruments	16.46	-	-	16.46
<b>Total financial assets</b>	<b>16.46</b>	<b>-</b>	<b>-</b>	<b>16.46</b>

Financial assets and liabilities measured at fair value	Level 1	Level 2	Level 3	Total
<b>As at March 31, 2022</b>				
Financial assets				
Investment in equity instruments	23.89	-	-	23.89
<b>Total financial assets</b>	<b>23.89</b>	<b>-</b>	<b>-</b>	<b>23.89</b>

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

- 1) The fair values of the quoted instruments are based on price quotations at the reporting date.
- 2) The carrying amount of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, other bank balances, interest accrued payable/receivable, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- 3) Loans including security deposits, non-current borrowings are based on discounted cash flows using a current borrowing rate.
- 4) 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.



Notes forming part of Financial Statements

45. Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	March 31, 2023	March 31, 2022	% Change
Current ratio	2.6	3.5	-25.5% *
Debt-equity ratio	0.9	1.0	-13.8%
Debt service coverage ratio	1.2	1.4	-17.4%
Return on equity (ROE)	7.6%	10.7%	-28.5% **
Inventory turnover ratio	15.1	18.5	-18.3%
Trade receivables turnover ratio	4.5	3.1	46.3% ***
Trade payables turnover ratio	28.6	35.0	-18.2%
Net working capital turnover ratio	0.9	1.0	-10.6%
Net profit ratio	13.1%	14.8%	-11.3%
Return on capital employed (ROCE)	8.5%	12.6%	-32.1% ****
Return on Investment	2.5%	3.9%	-36.2% *****

Note: -

\* Variation is owing to increase in working capital borrowings and current maturities of long term borrowings

\*\* Variation is owing to reduction in profit for the year.

\*\*\* Variation is largely due to reduction in turnover

\*\*\*\* Variation is owing to reduction in earnings before interest and taxes for the year.

\*\*\*\*\* Despite increase in average investment value, the return on investment has decreased due to significant interest rate reduction.

Formulae for computation of above ratios are as follows:

Current Ratio = Total Current Assets / Total Current Liabilities

Debt Equity Ratio = Non Current Borrowings (including current maturities of long-term debts) + Current Borrowings / Total Equity

Debt Service Coverage Ratio = Profit after tax + Depreciation + Deferred tax provisions+ Finance costs / Finance costs + Lease rent expense (excluding short term lease rent) +

Debt repayments (net of proceeds utilised for refinancing)

Return on Equity (ROE) = Profit after tax / Average Total Equity

Inventory Turnover Ratio = Cost of Fuel / Average Fuel Inventory

Trade Receivables Turnover Ratio = Revenue from Operations / Average Trade Receivables

Trade Payables Turnover Ratio = Cost of Fuel / Average Trade Payable for cost of fuel

Net Working Capital Turnover Ratio = Revenue from Operations / Average Working Capital

Net profit ratio = Profit after Tax / Total Income

Return On Capital employed (ROCE) = Earning before interest and taxes / Capital Employed

Capital Employed = Total Equity + Non Current Borrowings (including current maturities of long-term debts) + Current Borrowings

Return On Investment = Income generated from investments/ Average invested funds in treasury investment

46. Other Statutory Information:

- i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.  
ii) The following are the details of receivable/payable in respect of Struck off Companies :-

Name of the company	Nature of transaction with the struck off company	Balance Outstanding as on March 31, 2023	Balance Outstanding as on March 31, 2022	Relationship with Struck off Company
BEEST BUY (OPC) PVT. LTD.	Repairing Service	-	-	None

iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(viii) Since the Company does not have any subsidiary, compliance with the provisions of layers of subsidiaries under the Companies Act, 2013, read with Rules made thereunder, does not apply to the Company.

(ix) The Company is maintaining its books of accounts in electronic mode and these books of accounts are accessible in India at all times and the back-up of the books of accounts has been kept in servers physically located in India on a daily basis.

(x) The quarterly returns or statements filed by the Company with the banks or financial institutions are in agreement with the books of accounts.



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**Notes forming part of Financial Statements**

**47. 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 by the West Bengal Electricity Regulatory Commission and accordingly the Company, being a generating company under the said statute, is subject to regulatory provisions/ guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications / matters by the authority.

The Company 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 interest rate and commodity price is mitigated through relevant regulations and availability of bulk commodity namely coal is generally sourced from domestic long term linkage and Spot E-Auction conducted by Coal India Limited and/or its subsidiaries.

While managing the capital, the Company ensures to take adequate precaution for providing returns to the shareholders and benefit for other stakeholders, including protecting and strengthening the balance sheet. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

**48.** The installed capacity of the Generating Stations of the Company as on March 31, 2023 was 600000 kW (March 31, 2022 : 600000 kW).

**49.** West Bengal Electricity Regulatory Commission (WBERC) has issued the tariff orders (considering applicable APR orders for Transmission Projects) for the years 2018-19 to 2022-23, wherein certain underlying matters have been dealt with in deviation from past practices of tariff determination and kept for disposal through future truing up exercise, impact of which is not ascertained. The Company not being in agreement with the same, has since preferred appeals in respect of the above Tariff Orders before the Hon'ble Appellate Tribunal for Electricity on the grounds inter alia, that the orders have been passed after substantial period of delay, the applicable periods are long over and directions passed are impossible to comply because of significant delay in passing the said orders. However, for the year 2022-23, since the year has not elapsed, the Company has given effect to the Tariff Order for the financial year 2022-23 with application of principles in terms of applicable Regulations. Based on legal opinion obtained, the Company is confident of the matter being adjudicated in its favour in respect of earlier years. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.

**50.** Previous year figures have been re-grouped / re-classified wherever necessary.

For Kunal & Associates  
Chartered Accountants  
Firm Registration Number: 316003E

  
CA Asitava Roy  
Partner

Membership No.: 052787




Place: Kolkata  
Date: May 19, 2023

For and on behalf of the Board of Directors

  
Noshir Naval Framjee  
Director  
DIN: 01646640

  
Sayak Chatterjee  
Company Secretary

  
Rabi Chowdhury  
Managing Director  
DIN: 06601588

  
Subir Kumar Saha  
Sr. Vice President & CFO