



**RP- Sanjiv Goenka  
Group**



SEC: 12421

25 June, 2019

Manager (Listing)  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor, Plot No. C/1,  
G- Block, Bandra – Kurla Complex,  
Bandra (East),  
Mumbai – 400 051  
**SCRIP CODE: CESC**

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001  
**SCRIP CODE: 500084**

The Secretary  
The Calcutta Stock Exchange Limited  
7, Lyons Range,  
**Kolkata – 700 001**  
**Scrip CODE: 10000034**

Luxembourg Stock Exchange  
35 Boulevard Joseph II, 1840  
**Luxembourg**

Dear Sir,

**Annual Report – 2018-19**

In terms of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose a copy of the Annual Report of the Company for the financial year 2018-19 being sent to the shareholders.

Yours faithfully,

  
**COMPANY SECRETARY**

Encl:

## Board of Directors

Sanjiv Goenka, Chairman  
 Pradip Kumar Khaitan  
 Chandra Kumar Dhanuka  
 Rekha Sethi  
 Kalaikuruchi Jairaj  
 Pratip Chaudhuri  
 Rabi Chowdhury, *Managing Director (Generation)*  
 Debasish Banerjee, *Managing Director (Distribution)*

### Company Secretary

Subhasis Mitra

### Executive Director & CFO

Rajarshi Banerjee

### Auditors

S. R. Batliboi & Co. LLP

### Solicitors

Khaitan & Co.  
 Sandersons & Morgans

### Registered Office

CESC House  
 Chowringhee Square  
 Kolkata 700 001, India  
 Tel: 033-2225 6040  
 Fax : 033-2225 5155  
 Corporate Identity Number: L31901WB1978PLC031411  
 E-mail: [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in)  
 Website: [www.cesc.co.in](http://www.cesc.co.in)

### Bankers

Allahabad Bank  
 Andhra Bank  
 Axis Bank Limited  
 Bank of Baroda  
 Central Bank of India  
 Citibank N.A.  
 DBS Bank Limited  
 HDFC Bank Limited  
 ICICI Bank Limited  
 IDBI Bank Limited  
 IDFC Bank Limited  
 Indian Overseas Bank  
 IndusInd Bank Limited  
 Karnataka Bank Limited  
 Kotak Mahindra Bank Limited  
 Punjab & Sind Bank  
 Punjab National Bank  
 RBL Bank Limited  
 Standard Chartered Bank  
 State Bank of India  
 UCO Bank  
 Union Bank of India  
 United Bank of India  
 Yes Bank Limited

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*Dear Shareholder,*

I am pleased to share with you that the Company has done well in 2018-19. Let me begin by briefly sharing the financial results both on standalone and consolidated basis.

- Standalone total income (including other income) was stable at ₹7,919 crores in 2018-19. Consolidated total income rose by 3.2%, to ₹10,868 crores.
- Standalone profit before tax (PBT) from continuing operations grew by 8.3% to ₹1,194 crore in 2018-19. Consolidated PBT increased by 26% to ₹1,571 crores.
- Standalone profit after tax (PAT) for 2018-19 was up by 8.8% to ₹937 crores; while consolidated PAT grew by 22.8% to ₹1,198 crores.

These are good results, especially for a mature and regulated business such as electricity generation and distribution. I am happier still with two major operational aspects.

The first has to do with serious on-going efficiency improvements in generation as well as distribution. In 2018-19, both Budge Budge and Haldia, the two key power generation plants for feeding Kolkata and Howrah continued to show industry-leading performance. Budge Budge achieved the fourth highest plant load factor among all thermal power plants in the country; and Haldia was ranked 10th. I am proud to inform you that the CII-Godrej Green Business Centre conferred upon Budge Budge the award of being an "Excellent Energy Efficient Unit in Power Sector" in 2018; and that Hadia received the highest 'Platinum' award at the FICCI's 7th Quality System Excellence Awards in 2019.

There have been significant efficiency and productivity improvements in power distribution as well. As you know, CESC's distribution infrastructure serves 3.3 million low-tension and high-tension customers across its licenced area. Distribution losses have consistently reduced, and were less than 9% in 2018-19. This is among the very best in any metropolitan area in India.

Over the last five years, your Company has invested significant resources in upgrading the distribution network and making it among the best-in-class. Here are just a few examples.

- During 2018-19, some 1.2 lakh meters were installed on account of new supplies and replacements. Of these, around 12,000 were smart meters.
- We have commissioned self-healing networks for rapid restoration of power. For our 33kV distribution sub-stations and low-tension changeover, the auto-restoration time is less than one second; and for our 6kV ring main units, the auto-restoration time is less than 10 seconds.
- We have used artificial intelligence and machine learning techniques to develop fault prediction tools for underground cables; and are conducting trials for the remote monitoring of distribution equipment.

Second, over the last several years, we have consistently focused on customer needs.

- We added around 78,000 new customers in 2018-19. The average time to provide a new connection was 1-2 days. And for premises with an existing connection, supply typically starts within 24 hours of payment and compliance.
- During 2018-19, 100% of the applications for new connections were received online — itself a tribute to our e-services network.
- By the end of 2018-19, some 45% of our low-tension customers were making online payments, which accounted for half the revenue.
- Your Company's centralised 24x7 call centre is now the primary touch point for all complaints and queries. All calls are guided through an interactive voice recording system, docketed and then routed to the concerned department for rapid resolution.
- CESC's 24x7 low-tension control room and use of radio-linked as well as GPS-enabled mobile service vans at strategic locations have helped in faster restoration of power supply.
- In addition, we have started using chatbots. One of these, called 'eBuddy' provides interactive assistance to customers.

I would venture to say that your Company now provides best-in-class customer service to its consumers.

My additional sense of satisfaction comes from the awards that your Company has won in the course of its serving 3.3 million customers in Kolkata and Howrah, as well as those elsewhere. The chapter on Management Discussion and Analysis lists some of these awards for 2018-19. I dare say that CESC has received some 100 national awards over the last five years of service.

As you know, your Company, through its associate / subsidiaries, have distribution ventures in Uttar Pradesh (for Greater Noida), Rajasthan (for Kota, Bharatpur and Bikaner) and, most recently in Maharashtra (for Malegaon). It is too early to comment on Malegaon. I am happy to inform you that other distribution franchises are doing well, both operationally and financially.

I am also proud of the people who run CESC. On a standalone basis, your Company has over 8,400 employees on its payroll. They are all best-in-class, and it is because of them and your Company's employee oriented work ethos that CESC has won several national awards and recognitions for its employee friendly human resource practices.

Let me end with a concern. All power distribution companies operate under tight regulatory controls, and CESC is no exception. Sometimes, these controls are used to force reductions in power tariffs or stringently limit rate increases. We need to be careful of some of these interventions, especially of the more populist kind. For they can be akin to throwing the baby out with the bathwater. This hasn't happened yet. But it is fair to underscore it as a risk.

Thank you for your support to CESC. I, on my part, promise to deliver results that lead to satisfied consumers and, hence, contented shareholders.

Yours sincerely,



Sanjiv Goenka  
Chairman

17 May, 2019

# CESC Limited

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

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

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

Corporate Identity Number: L31901WB1978PLC031411

## NOTICE TO MEMBERS

Notice is hereby given that the Forty-first Annual General Meeting of the Members of CESC Limited will be held at Swissotel Kolkata, City Centre Two, New Town Action Area 2D, Plot No 11/5, New Town, Rajarhat, Kolkata - 700157 on **Friday, 19 July 2019, at 10.30 AM** for the following purposes:

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2019 and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm Interim Dividend @ 175% (i.e., ₹17.50 per share) already paid for the year ended March 31, 2019.
3. To appoint a Director in place of Mr. Pradip Kumar Khaitan (Director Identification Number 00004821) who retires by rotation and, being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

To consider and, if thought fit, to pass, with or without modifications, the following Resolutions :

#### 4. AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Pratip Chaudhuri (Director Identification Number 00915201) be reappointed as a Non-Executive Independent Director of the Company, not liable to retire by rotation, for a further period of five years with effect from 1 October, 2019.

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

#### 5. AS A SPECIAL RESOLUTION

“RESOLVED THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, as amended, approval of shareholders of the Company be and is hereby granted to the Company for continuing the directorship of Mr. Pradip Kumar Khaitan (Director Identification Number 00004821) in the capacity of a Non-Executive Non Independent Director of the Company.

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

#### 6. AS A SPECIAL RESOLUTION

“RESOLVED THAT subject to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and other relevant rules thereunder which may be applicable, various rules and regulations issued by Securities and Exchange Board of India (“SEBI”) including but not limited to the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Memorandum and Articles of Association of the Company (including any statutory modification(s) or re-enactment(s) thereof for the time being in force for the abovementioned Act, rules & regulations) also any other law, rules, directions, notifications, circulars issued by the Government or any other regulatory authority in this regard, consent of the shareholders of the Company be and is hereby accorded to the Board of Directors (including any committee thereof) of the Company, to offer, invite for subscription, issue and allot bonds/debentures/other debt securities (“Debt Securities”), whether secured or unsecured, listed or unlisted, on private placement basis, in one or more tranches/series and on such terms and conditions as may be determined by the Board of Directors of the Company including any Committee constituted by the said Board (“the Board”), provided that the aggregate amount raised through the issuance of Debt Securities as above does not exceed ₹350 Crores (Rupees Three Hundred and Fifty Crores only) and that the said fund raising through issue of Debt Securities as above be within the overall borrowing limit as approved by Members of the Company from time to time in terms of Section 180(1)(c) of the Act.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the terms and conditions of the issue of the Debt Securities including the issue price thereof, on the basis of prevailing market conditions and to do all such acts, deeds, matters and things and execute all such documents, undertakings and other papers/documents as may be necessary for giving effect to the aforesaid Special Resolution.

RESOLVED FURTHER THAT the Common Seal of the Company, if required, be affixed to any deed/document/agreement/undertaking, in accordance with the provisions of the Articles of Association of the Company.”

## 7. AS A SPECIAL RESOLUTION

“RESOLVED THAT in terms of the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), consent of the Shareholders of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board”) to mortgage, charge and / or otherwise encumber all or any of the properties of the Company, whether immovable or movable, and whether present or future and wheresoever the same may be situate, in favour of:

- (a) Bank of Baroda (BoB) for a term loan upto ₹300 crores;
- (b) State Bank of India (SBI) for a term loan upto ₹300 crores;
- (c) Union Bank of India (UBI) for a term loan upto ₹200 crores and
- (d) BoB and SBI for incremental working capital facilities of ₹150 crores and ₹30.65 crores respectively (extended to the Company by a consortium of working capital bankers)

to secure the aforesaid term loans and working capital facilities together with agreed interest, charges, expenses, front end fees and all other monies payable by the Company to BoB, SBI and UBI (“collectively referred to as the “Lenders”) in terms of their facility agreement, hypothecation agreement, or any other agreement or any amendment thereto entered into / to be entered into by the Company with all or any of the Lenders so that the mortgage and / or charge may be created by the Company over and in respect of its properties in their favour, either singly or collectively, in such form and subject to such prior charges or with such pari passu or subservient ranking of charges as may be decided by the Board in consultation with one or more of the Lenders.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize and execute with all or any of the aforesaid Lenders all such deeds and documents for creation of the charge and / or mortgage and to do all such acts deeds and things as may be deemed necessary by the Board for giving effect to the aforesaid Resolution.”

## 8. AS AN ORDINARY RESOLUTION

“RESOLVED THAT the remuneration of ₹7,00,000/- (plus applicable GST and out of pocket expenses) for M/s. Shome & Banerjee, Cost Accountants, as Cost Auditors of the Company for the financial year ending 31 March 2020, as recommended by the Audit Committee of the Board of Directors of the Company (“the Board”) and approved by the Board, be and is hereby ratified.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board

Subhasis Mitra  
 (Membership No: A5376)  
 Company Secretary

Kolkata, 17 May, 2019

## NOTES :

1. The Register of Members of the Company will remain closed from 12 July 2019 to 19 July 2019, both days inclusive.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.  
  
A person can act as Proxy on behalf of not exceeding fifty members and holding in the aggregate not more than ten percent of the total paid-up share capital of the Company. A member holding more than ten percent of the paid-up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to depute their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company a certified copy of relevant Board Resolution together with respective specimen signature(s) of those representative (s) authorized under the said resolution to attend and vote on their behalf at the meeting.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business under items 4 to 8 of the Notice is annexed hereto. All documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company between 11 AM and 1 PM on all working days up to the date of the Annual General Meeting (AGM) and will also be available at the AGM venue.
5. Securities and Exchange Board of India (SEBI) has decided that securities of listed companies can be transferred only in dematerialized form and, therefore, members are advised to dematerialize as early as possible shares held by them in physical form.

6. Shareholders may please submit their PAN Card and bank account details with Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent of the Company, if not already so done. SEBI has mandated that for registration of transfer of any securities, the transferee(s) as well as the transferor(s) shall furnish a copy of their PAN Card along with the transfer documents.

7. The Company sends to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode, or, intimate to the Company by sending an e-mail at [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in). Copies of all such communication can also be obtained in physical form from the Company free of cost, upon request. All such documents shall also be available at the Company's website [www.cesc.co.in](http://www.cesc.co.in)

8. Voting through electronic means:

I (A) The Company will provide to its members the facility to vote on the resolutions proposed to be considered at the Forty-first AGM by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).

(B) The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the members attending the Meeting who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "remote e-voting") shall be able to exercise their voting right at the Meeting.

(C) The members who would have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

II The process and manner for remote e-voting are as under:

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1 :** Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>

**Step 2 :** Cast your vote electronically on NSDL e-Voting system

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or

on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID.<br>For example if your Beneficiary ID is 12***** then your userID is 12*****.  |
| c) For Members holding shares in Physical Form                 | EVEN Number followed by Folio Number registered with the Company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
- c) How to retrieve your 'initial password'?



- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file namely CESC e-Voting.pdf. Open the pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your "User ID" and your "initial password".
    - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
  6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) "Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
    - d) Members can also use the OTP (One Time Password) based login for casting the vote on the e-voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.
- Details on Step are given below:**
- How to cast your vote electronically on NSDL e-Voting system?**
1. After successful login at Step 1, you will be able to see the Home Page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
  2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycles is in active status.
  3. Select "EVEN" of company for which you wish to cast your vote.
  4. Now you are ready for e-Voting as the Voting page opens.
  5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
  6. Upon confirmation, the message "Vote cast successfully" will be displayed.
  7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
  8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- In case of any grievance related to voting by electronic means, you may please contact Mr. Amit Vishal, Senior Manager, NSDL / Ms. Pallavi Mhatre, Manager, NSDL at 022 – 2499 4360 / 022 – 2499 4545 and send an email to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- IV. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending the future communication(s).
- V. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the cut-off date i.e. 12 July 2019
- VI. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- VII. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or



“Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

- VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after completion of the process of dispatch of the Notice by the Company and is holding shares as on the cut-off date may obtain the log in ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in). However if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details / Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- IX. The remote e-voting period commences on 16 July 2019 (at 9.00 AM IST) and ends on 18 July 2019 (at 5.00 PM IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 12 July 2019, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast his vote again.
- X. Mr. Anil Murarka, Practising Company Secretary (Membership no. FCS 3150) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.
- XI. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and submit, not later than forty eight hours of conclusion of the Meeting, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.
- XII. The Results shall be declared forthwith upon receipt of the Scrutinizer’s Report. The Results declared along with the Scrutinizer’s Report shall be displayed at the Registered Office of the Company at CESC House, Chowringhee Square, Kolkata - 700 001 and posted on the Company’s website [www.cesc.co.in](http://www.cesc.co.in) and on the website of NSDL immediately after their declaration by the Chairman or the Managing Director (Generation) and communicated to the Stock Exchanges where the shares of the Company are listed.

## **PARTICULARS OF DIRECTORS WHO ARE PROPOSED TO BE APPOINTED / REAPPOINTED AT THE MEETING ARE GIVEN BELOW:**

### **Mr. Pradip Kumar Khaitan**

Mr. Pradip Kumar Khaitan, 78 years of age, is an attorney-at-law (Bell chambers gold medalist) and is an eminent personality. He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the Board of Directors of CESC since 1992.

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

He is Chairman of the Risk Management Committee and the member of Nomination and Remuneration Committee of the Board of the Company. He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

### **Mr. Pratip Chaudhuri**

Mr. Pratip Chaudhuri, 65 years of age, is a former Chairman of State Bank of India (SBI), having held several important posts in the Bank during his long tenure of service including the post of Deputy Managing Director of SBI’s International Division. Mr. Chaudhuri has vast experience in the banking sector.

Mr. Chaudhuri is in the Boards of Firstsource Solutions Limited, Jagaran Microfin Private Limited, Dynamic Drilling & Services Private Limited, Alchemist Asset Reconstruction Company Limited (Member of the Nomination & Remuneration Committee), Cosmo Films Limited (Chairman of Audit Committee and Member of Risk Management Committee), Sundaram Asset Management Company Limited (Chairman of Audit Committee and Member of Nomination & Remuneration Committee), Visa Steel Limited (Chairman of Stakeholders Relationship Committee and the Audit Committee), QUESS Corp Limited, IFFCO Kisan Sanchar Limited (Chairman of Audit Committee) and Spencer’s Retail Limited (Member of the Audit Committee).

He is a member of the Audit Committee, Stakeholders Relationship Committee and Risk Management Committee of the Board of the Company. He does not hold any share in the Company and is not related to any other director or key managerial personnel of the Company or their relatives.

**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE FORTY-FIRST ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON FRIDAY, 19 JULY, 2019 AT 10.30 AM**

**Item No. 4**

The current five year term of appointment of Mr. Pratip Chaudhuri, an Independent Director of the Company, will expire on 30 September, 2019. On the basis of reports of his performance evaluation, it is proposed to reappoint him as a Non-Executive Independent Director, not liable to retire by rotation, for a fresh five year term from 1<sup>st</sup> October 2019 in accordance with the applicable provisions of the Companies Act, 2013 (the Act) and rules made thereunder.

The Company has received from Mr. Chaudhuri requisite consents, intimations and declarations in connection with his proposed appointment as an Independent Director. The Nomination and Remuneration Committee of the Board of Directors of the Company ('the Board') has recommended the said reappointment.

In the opinion of the Board, Mr. Pratip Chaudhuri is independent of the management of the Company and fulfills the conditions specified in the Act and the Rules made thereunder for being appointed as an Independent Director of the Company. The Board considers that the continued association of Mr. Chaudhuri as an Independent Director would be of immense benefit to the Company.

The Special Resolution set out under Item No. 4 of the Notice seeks the approval of the Members for the reappointment of Mr. Chaudhuri as an Independent Director of the Company pursuant to Section 149 and other applicable provisions of the Act and Rules made thereunder. A Notice in writing pursuant to Section 160 of the Act has been received by the Company from a member proposing the re-appointment of Mr. Chaudhuri as an Independent Director of the Company.

A copy of the draft letter of appointment of Mr. Chaudhuri as an Independent Director of the Company setting out the terms and conditions are available for inspection by the Members at the Company's Registered Office on any working day up to the date of the Annual General Meeting and will also be available at the venue of the meeting.

Mr. Pratip Chaudhuri may be deemed to be concerned or interested in the Special Resolution relating to his proposed reappointment. None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said Resolution.

The Board recommends that the said Special Resolution be passed.

**Item No. 5**

Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, inter-alia provides that a listed company shall not appoint a person or continue the directorship of any person as a Non-executive Director who has attained the age of seventy five years unless a special resolution is passed to that effect.

Mr. Pradip Kumar Khaitan is aged 78. He is an Attorney-at-Law (Bell Chambers Gold Medalist, and is an eminent personality. A senior partner of Khaitan & Co., the noted law firm, Mr. Khaitan is an active participant in all important deliberations of the Board of Directors of the Company (the "Board") with his extensive hands-on experience in all branches of law. Mr. Khaitan has been on the Board since 1992 and a Special Resolution was passed at the Fortieth Annual General Meeting held on 21 December 2018 approving the appointment of Mr. Khaitan as a non-executive independent director of the Company in terms of the Regulation 17(1A) as aforesaid. Subsequently, the Board has accepted his request to change his status as a non-independent director of the Company with effect from 5 February 2019 and accordingly Mr. Khaitan continues on the Board as a non-executive non-independent director.

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

Mr. Pradip Kumar Khaitan may be deemed to be concerned or interested in the resolution for continuance of his appointment. None of the other Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said Resolution.

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

**Item No. 6**

Securities and Exchange Board of India (SEBI), in its Circular 'SEBI/HO/DDHS/CIR/P/2018/144' dated 26 November 2018 ("Circular") on issuance of debt securities by large entities has mandated a large corporate ("LC") in terms of the said Circular to raise not less than 25% of its incremental borrowings, during a financial year subsequent to the financial year in which it is identified as a LC, by way of issuance of debt securities, as defined under SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

The Company, a LC in terms of the aforesaid Circular, is required to borrow fund from time to time to meet its routine capital expenditure and other business requirements. Accordingly, it is considered necessary to obtain approval of the Members of the Company to raise part of such borrowings by issuance of bonds/debentures/other debt securities ("Debt Securities") for an amount aggregating up to ₹350 Crores. The terms and conditions including pricings of the said issuance will be determined by the Board of Directors of the Company ("the Board") or any Committee thereof.

The Board recommends that the Special Resolution set out in item no. 6 of the Notice be passed.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said Resolution, except to the extent of any Debt Securities that may be subscribed by them.

#### Item No. 7

In order to finance a part of its capital expenditure requirements, the Company proposes to avail term loan assistance of ₹300 crores each from Bank of Baroda (BoB) and State Bank of India (SBI) and term loan assistance of ₹200 crores from Union Bank of India (UBI).

Additionally, the Company proposes to avail incremental working capital facilities of ₹150 crores and ₹30.65 crores from BoB and SBI respectively, both being members of the Company's working capital consortium.

The above term loans and working capital assistances are required to be secured, inter alia, by creation of charge and / or equitable mortgage on the Company's movable / immovable properties with such ranking of charges as may be required under the respective terms of sanction.

The Special Resolution set out under Item No.7 of the Notice is for obtaining the approval of the Members in terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create the aforesaid mortgage and / or charge.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said Resolution.

The Board of Directors of the Company recommends that the said Special Resolution be passed.

#### Item No. 8

The Board of Directors of the Company, on the recommendation of its Audit Committee, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, as the Cost Auditors to conduct audit of cost records of the Company for the financial year ending on 31 March 2020.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 8 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2020.

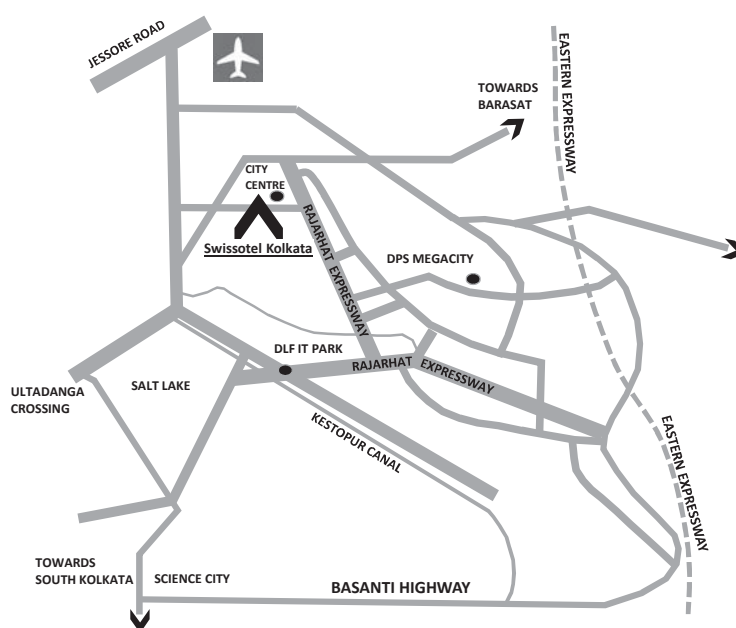
None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested in the said Resolution.

The Board of Directors of the Company recommends that the Resolution be passed.

Registered Office:  
 CESC House  
 Chowringhee Square  
 Kolkata – 700 001  
 Date : 17 May, 2019

By Order of the Board  
  
 Subhasis Mitra  
 (Membership No: A5376)  
 Company Secretary

#### LOCATION MAP OF THE AGM VENUE



# Directors' Report

The Directors have pleasure in presenting the Annual Report and Audited Accounts of CESC Limited for the year ended 31 March 2019.

## Financial Results

|   | ₹ Crores    |             |
|---|-------------|-------------|
| Particulars   | 2018-19     | 2017-18     |
| Revenue from operations   | 7754        | 7786        |
| Other Income  | 165         | 168         |
| <b>Total Income</b>   | <b>7919</b> | <b>7954</b> |
| <b>Profit from continuing operations before regulatory Income and Tax</b> | <b>624</b>  | <b>893</b>  |
| Regulatory Income   | 570         | 209         |
| <b>Profit before tax from continuing operations</b>                       | <b>1194</b> | <b>1102</b> |
| Taxation  | (257)       | (238)       |
| <b>Profit for the year from continuing operations</b>                     | <b>937</b>  | <b>864</b>  |
| Loss for the year from discontinued operations                            | -           | (3)         |
| <b>Profit for the year</b>  | <b>937</b>  | <b>861</b>  |
| Other comprehensive income  | (34)        | (8)         |
| <b>Total comprehensive income</b>   | <b>903</b>  | <b>853</b>  |

## Performance Overview

During the year under review, the Company's revenue from operations and total income (including other income) was at the level of ₹7754 Crores (previous year ₹7786 Crores) and ₹7919 Crores (previous Year ₹7954 Crores) respectively. Profit before tax from continuing operations increased by 8.35% to ₹1194 Crores during the year. Profit after tax (PAT) for 2018-19 stands at ₹937 Crores, which reflects an increase of 8.83% over ₹861 Crores for the previous year. Total comprehensive income increased by 5.86%. Retained earnings at the end of the year under report stood at ₹9365 Crores (Previous year ₹9063 Crores) after adjustments for dividend, unforeseen exigencies and miscellaneous items.

A detailed review of the operations for the year ended 31 March 2019 is given in the Management Discussion & Analysis, which forms a part of this Report.

## Dividend

The Board of Directors of the Company on 5 February 2019 declared for the year ended 31 March 2019 an interim dividend of 175% or ₹17.50 per equity share, highest ever in the Company's history, involving an outgo of ₹279.66 Crores (Previous year ₹191.45 Crores), inclusive of tax thereon. The interim dividend paid in February 2019 was declared in terms of the Dividend Distribution Policy approved by the Board of Directors of the Company at its meeting held on 14 September 2016 and available on the Company's website at [https://www.cesc.co.in/wp-content/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Dividend_Policy.pdf).

Notice convening the ensuing Forty first Annual General Meeting of the Members of the Company includes an item for confirmation of the said interim dividend.

## Restructuring Scheme

As reported in earlier years, it had become imperative to reorganize and reorient the Company for imparting a greater focus on each of its businesses and further enhancing the operational efficiency. With this objective, a Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving the Company, some of its erstwhile subsidiaries and their respective shareholders was approved by the Hon'ble National Company Law Tribunal, Kolkata Bench ("NCLT"), subject to the terms and conditions mentioned in NCLT's Order dated 28 March, 2018.

As the requisite approval from West Bengal Electricity Commission as required by the said NCLT Order is awaited, the Scheme has been implemented with CESC's non-power investments demerged into two entities-retail and other business ventures-effective 1 October 2017, being the Appointed Date.

In terms of the Scheme, on 14 November, 2018, CESC shareholders registered in the Company's books as on 31 October, 2018 had been allotted, without any payment, additional equity shares in Spencer's Retail Limited (SRL), the new Retail company, and CESC Ventures Limited (CVL), the new Ventures Company, in the respective ratios specified in the Scheme. The said equity shares of SRL and CVL have subsequently been listed with National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

The Board believes that the above restructuring will unlock value for the investors, give a focused management attention to the verticals to pursue respective growth plan and allow the two new entities to take advantage of the market value for FMCG, Retail and IT businesses.

## Subsidiaries

As on 31 March 2019, CESC had seventeen subsidiaries. During the year under review, Jharkhand Electric Company Limited and Jarong Hydro-Electric Power Company Limited became subsidiaries of the Company. Broad details of operations of the subsidiaries of the Company are given in the section 'Business Performance' in the Management Discussion & Analysis, which forms a part of this report.

In accordance with the Companies Act, 2013 ('the Act'), consolidated financial statements of the Company and of all its subsidiaries for the year 2018-19 have been prepared in the form and manner as that of its own and duly audited by M/s. S. R. Batliboi & Co. LLP, the auditors, in compliance with the applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'). These consolidated statements form a part of the annual report and accounts and shall be laid before the Annual General Meeting of the Company while laying its financial statements as required under the Act. A separate statement containing the salient features of the financial statements of its subsidiaries is attached.

## Directors and Key Managerial Personnel

In terms of the provisions of Section 152 of the Act and Article 102 of the Articles of Association of the Company,

Mr. Pradip Kumar Khaitan retires as a Director of the Company at the forthcoming Annual General Meeting and, being eligible, offers himself for reappointment as a Director. During the year, the Board agreed to Mr. Khaitan's request to treat him as a non independent director of the Company.

It is also proposed to seek shareholders' approval by means of a Special Resolution for continuation of the appointment of Mr. Khaitan as a non-executive non independent director of the Company in accordance with the requirement of Sub-Regulation 17(1A) of SEBI Regulations.

The current five year term of appointment of Mr. Pratip Chaudhuri will expire on 30 September, 2019 and it is proposed to reappoint him as an Independent Director, not liable to retire by rotation, for a fresh term of five years in accordance with the applicable provisions of the Act.

Notice for the forthcoming Annual General Meeting of the Company includes appropriate Resolutions seeking shareholders' approval in respect of all the above matters.

As approved at the Fortieth Annual General Meeting of the Company held on 21 December, 2018, Mr. C. K. Dhanuka was reappointed as an Independent Director of the Company, not liable to retire by rotation, for a further period of five years, with effect from 1 April, 2019.

As further approved at the said Meeting, Ms. Rekha Sethi and Mr. K. Jairaj will be re-appointed as Independent Directors for a fresh term of five years each with effect from 30 May, 2019 and 1 August, 2019 respectively.

The requisite disclosures regarding the above re-appointments/appointments have been made in the Corporate Governance section which forms a part of this Report.

The Independent Directors of the Company have confirmed that they meet the criteria of independence as prescribed under the Act and SEBI Regulations.

The details on Directors' appointments and remuneration including criteria for determining qualifications, positive attributes, independence of Director, and also remuneration of Key Managerial Personnel and other employees form part of Corporate Governance Report of this Annual Report. During the year, performance evaluation of independent directors and other board members as well as the committees of the board were done in terms of the Act and SEBI Regulations.

Six meetings of the Board of Directors were held during the year on 23 May, 2018, 26 July 2018, 12 October 2018, 14 November 2018, 21 December 2018 and 5 February 2019. The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meeting and Annual General Meeting.

#### Listing

The equity shares of the Company continue to be listed at BSE, NSE and CSE. The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2019-20.

#### Directors' Responsibility Statement

Pursuant to Section 134 of the Act, your Directors hereby state and confirm that:

- i) in the preparation of the accounts for the financial year ended 31 March, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### Corporate Governance

A report on Management Discussion and Analysis is attached herewith (Annexure 'A'). A separate Report on Corporate Governance (Annexure 'B') along with Additional Shareholder Information (Annexure 'C') as prescribed under the SEBI Regulations, are annexed as a part of this Report along with the Auditor's Certificate thereon.

#### Corporate Social Responsibility

In accordance with Section 135 of the Act and the rules made thereunder, the Company has formulated a Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures are annexed as a part of this Report. A detailed section on the activities in this behalf during the year is disclosed in (Annexure 'D') which forms part of this report.

#### Business Responsibility Report

A separate Business Responsibility Report as required under SEBI Regulations is annexed and forms a part of this report (Annexure 'E').

#### Whistle Blower Policy

Pursuant to Section 177 of the Act, the rules made thereunder and the SEBI Regulations, the Company has a Whistle Blower Policy (Vigil Mechanism) in place for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct for directors, employees and stakeholders. The details of the said policy has been disclosed in the Company's website [www.cesc.co.in](http://www.cesc.co.in)



## Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There was no materially significant related party transaction that had a potential conflict with the interests of the Company. Transactions with related parties entered into in the normal course of business are periodically placed before the Audit Committee of the Board for its approval.

## Particulars of Loans, Guarantees or Investments

In terms of the provisions of the Section 186 (11) of the Act, the provisions of Section 186(4) requiring disclosure in the financial statements of the full particulars of the loan given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security, are not applicable to the Company.

## Fixed Deposits

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

## Risk Management

The Company has a Risk Management Policy for identification, assessment and mitigation of various risks faced by the Company. Management Discussion and Analysis (Annexure 'A') and Report on Corporate Governance (Annexure 'B') contain detailed discussion on risk management by the Company.

## Auditors

At the Thirty-ninth Annual General Meeting of the Company, the members had appointed Messrs. S R Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No.301003E/E300005) as statutory auditors for a term of five consecutive years holding office until the conclusion of the Forty-fourth Annual General Meeting.

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

## Cost Audit

Messrs. Shome & Banerjee, Cost Accountants, were re-appointed to conduct the audit of the cost accounting records of the Company for the year under review.

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Act and accordingly such accounts and records are made and maintained.

## Secretarial Audit

Secretarial audit of secretarial and related records of the Company was conducted during the year by S.M. Gupta & Co., Company Secretaries and a copy of the secretarial audit report is annexed which forms a part of this report (Annexure 'F').

## Conservation of Energy, Research & Development, Technology Absorption, Foreign Exchange Earnings and Outgo

The information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as required under Section 134 of Act read with the Companies (Accounts) Rules, 2014 is given in Annexure, forming a part of this Report (Annexure 'G').

## Annual Return

An extract of the Annual Return as required to be attached is annexed and form a part of this report (Annexure 'H'). The annual return of the Company as required under the Act will be available on the website of the Company at [www.cesc.co.in](http://www.cesc.co.in).

## Particulars of Employees

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as Annexure - I. Details of employee remuneration as required under the provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the aforesaid Rules is provided in the Annexure forming part of this Report. However, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

The Company has in place a Remuneration Policy for Directors, Key Managerial Personnel and other employees duly recommended by the Nomination & Remuneration Committee and approved by the Board. Other details relating to remuneration paid during the year to directors and Key Managerial Personnel are furnished in the Report on Corporate Governance which forms a part of this report.

## Industrial Relations

Industrial relations in the Company, during the year, continued to be cordial. A detailed section on the Company's Human Resource initiatives is a part of the Management Discussion & Analysis forming a part of this Report.

## Acknowledgement

The Board wishes to place on record its sincere appreciation for the continued assistance and support extended to your Company by its consumers, banks, vendors, Government authorities and employees. Your Directors are also grateful for your continued encouragement and support.

On behalf of the Board of Directors

Kolkata, 17 May, 2019

Sanjiv Goenka  
 Chairman  
 DIN: 00074796

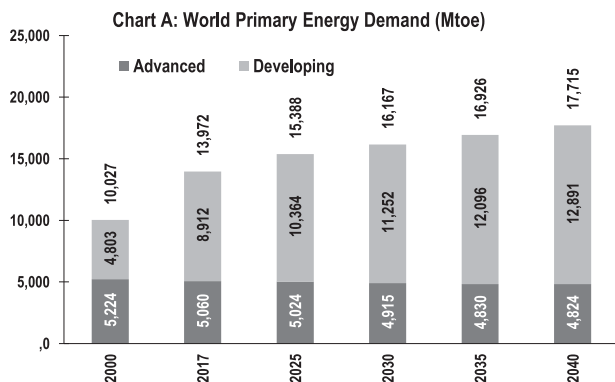
CESC Limited ('CESC' or 'the Company') is a flagship company of the RP-Sanjiv Goenka Group. Registered in 1897, it is engaged in generation as well as distribution of electricity across 567 square kilometres of its licensed area in Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal. CESC supplies safe, cost-effective and reliable electricity to around 3.3 million customers in its licensed area. The Company, through its subsidiaries/associate, also has a portfolio of independent power generation projects and distribution ventures in other parts of the country.

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

## ECONOMIC OVERVIEW

### Global Energy Outlook

World energy market is undergoing structural changes — be it the geography of demand and supply, the source of fuel and form in which energy is consumed, advances in technology or commitment to climate goals. These changes are reshaping the long term trajectory of the sector. The strengthening of links between energy and geopolitics has particularly increased its complexity and is today a major factor in determining energy security and policy choices countries will make in the future.

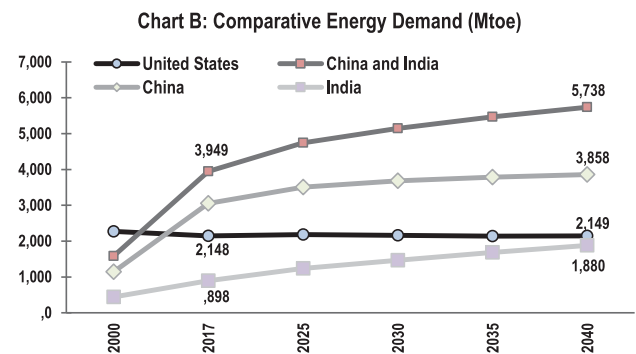


Source: New Policies Scenario, World Energy Outlook 2018, IEA

According to the *World Energy Outlook 2018*, world primary energy demand under the 'New Policies Scenario (NPS)' will grow by around 3,743 million tonnes of oil equivalent (Mtoe) between 2017 and 2040 — a CAGR of 1.0% (Chart A). Advanced economies, which accounted for over 50% of global energy demand in 2000, will see their share coming down to 27% by 2040; as also a decline in demand in absolute terms from 5,060 Mtoe in 2017 to 4,824 Mtoe in 2040.

As much as 47.8% of increase in global demand between 2017 and 2040 will come from China and India. Their combined energy demand would grow from 3,949 Mtoe in 2017 to 5,738 Mtoe in 2040 (Chart B), outstripping demand from the entire advanced

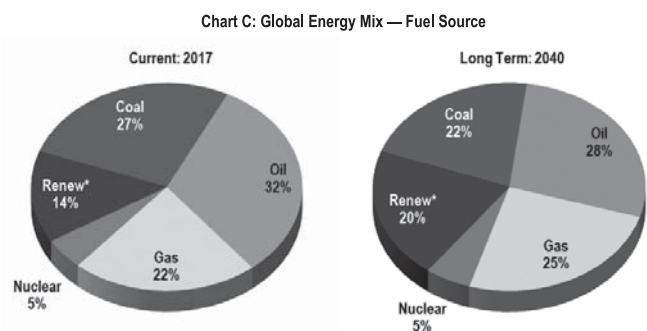
world. Significantly, increase in India's energy demand during this period (2017-2040) will be higher than China. These two countries alone will account for 32.4% of global energy demand in 2040, up from 15.8% in 2000 and 28.3% in 2017. China, US and India will continue to be the top three consumers of energy in the world in 2040, with a share of 21.8%, 12.1% and 10.6% respectively.



Source: New Policies Scenario, World Energy Outlook 2018, IEA

On the supply side, shale gas has disrupted the market for oil and gas, enabling US to emerge as one of the largest oil and gas producers in the world.

Fossil fuels — coal, oil and gas — are the dominant source of energy, meeting around 81% of energy demand (Chart C). However, low-carbon fuels and technologies, mostly renewables, will supply more than 50% of the increase in energy demand to 2040. As shown in Chart C, share of renewable sources is expected to increase from 14% in 2017 to 20% in 2040. During the same period, even as the dominance of fossil fuels continues, its share is estimated to come down to around 74%. More important, this decline is only due to the drop in share of coal and oil in the energy mix, as the share of gas is expected to increase between 2016 and 2040 — driven by the growing demand in China.



Source: New Policies Scenario, World Energy Outlook 2017, IEA

Another structural trend in the global energy market is the increasing demand of electricity. With growth of lighter industrial sectors, services and digital technologies as well as consumer demand for cooling and electric vehicles, this trend will intensify further. Around 50% of the increase in energy demand between 2017 and 2040 is expected to come from the power sector, which will involve



capacity addition of 5,505 GW. With progress on efficient and cost effective technologies, renewable sources are expected to account for 80% of the capacity additions between 2017 and 2040.

This will mean a significant change in the fuel mix for the power sector, more so than the overall global energy mix. As shown in Chart D, dominance of fossil fuels is expected to come down significantly — from 65% in 2017 to 49% by 2040. Renewable sources will be the biggest beneficiary in the medium to longer term, accounting for 42% of the total power generation by 2040.

## India's Power Scenario

During 2018-19, India added 12.1 GW in power generation capacity, a growth of 3.5% over previous year. In line with the policy thrust, renewable sources accounted for almost entire increase in power capacity. With these additions, generation capacity in India stood at 356 GW at the end of the year. Table 1 gives the detail.

**Table 1: Power Generation Capacity in India: 2018-19, By Fuel Source**

| Fuel           | MW       | % Share | Growth (%) |
|----------------|----------|---------|------------|
| Coal & Lignite | 2,00,705 | 56.4%   | 1.8%       |
| Gas            | 24,937   | 7.0%    | 0.2%       |
| Diesel         | 638      | 0.2%    | -23.9%     |
| Thermal        | 2,26,279 | 63.5%   | 1.5%       |
| Nuclear        | 6,780    | 1.9%    | 0.0%       |
| Hydro          | 45,399   | 12.7%   | 0.2%       |
| Others         | 77,642   | 21.8%   | 12.5%      |
| Total          | 3,56,100 | 100.0%  | 3.5%       |

Source: Central Electricity Authority

During 2018-19, electricity requirement increased from 1,213 billion units to 1,275 billion units. The all-India peak demand for power was 177 GW of power, whereas the actual power met was 175.5 GW. With a peak demand-supply shortfall of 0.8% (see Table 2), the deficit in generation has been nearly eliminated at the all-India level.

**Table 2: Power Demand and Deficit: 2018-19**

| Region        | Peak Demand (MW) | Peak Met (MW) | Deficit | Deficit % |
|---------------|------------------|---------------|---------|-----------|
|               |                  |               |         |           |
| Northern      | 63,166           | 61,726        | 1,440   | 2.3%      |
| Western       | 56,675           | 55,821        | 853     | 1.5%      |
| Southern      | 49,623           | 49,534        | 89      | 0.2%      |
| Eastern       | 23,141           | 22,733        | 408     | 1.8%      |
| North-Eastern | 2,967            | 2,850         | 117     | 3.9%      |
| All India     | 1,77,022         | 1,75,528      | 1494    | 0.8%      |

Source: Central Electricity Authority

The current deficits reflected at the regional level are due to unsatisfactory situation in some states, such as J&K (20%), UP (2.1%), Chhattisgarh (3.9%), Maharashtra (2.6%), Puducherry (4.3%), Jharkhand (3.6%), Assam (3%), Nagaland (11.6%) and Andaman & Nicobar Islands (7%). Other than these, none of the states/UTs had a peak power deficit of over 2%.

The demand for power in India has been growing at a stable rate of 6% to 7%. This is despite crowding out of demand by energy efficient technologies such as LEDs and increase in captive power generation, including solar capacities not connected to the grid. The growth in demand is expected to continue with efforts towards complete electrification and provision of uninterrupted electricity for all. Equally, the government's focus on the manufacturing sector and infrastructure projects is expected to provide further boost to demand. On the supply side, although progress has been made, there are still challenges in the form of lack of stability in domestic coal availability, stressed generation assets and limited appetite of state distribution companies for long-term power purchase agreements. Even so, the medium to long term outlook for the sector is positive.

## BUSINESS PERFORMANCE

CESC's businesses comprise the Kolkata operations as well as other generation and distribution ventures:

- **Kolkata Operations:** Generation and distribution of electricity across its licensed area in Kolkata, Howrah, Hooghly, North and South 24 Parganas, West Bengal. Other than the 600 MW plant at Haldia, which is under its 100% subsidiary Haldia Energy Limited, the operations are directly under CESC Limited.
- **Generation Projects:** Operational thermal and renewables projects with a cumulative generation capacity of over 800 MW. These are owned by the various subsidiaries of CESC.
- **Distribution Ventures:** Existing operations include a distribution licence for Greater Noida, Uttar Pradesh and three distribution franchisees (DFs) in Rajasthan: Kota, Bharatpur and Bikaner, which are run by CESC's subsidiaries and an associate. Another DF in Malegaon, Maharashtra, is expected to commence operations in 2019-20.

## KOLKATA OPERATIONS

### Generation

CESC has three generating stations at Budge Budge, Southern and Titagarh, with a cumulative capacity of 1,125 MW, whereas Haldia Energy Limited (HEL), a 100% subsidiary of the Company, operates a 600 MW generating station at Haldia. HEL has a long-term power purchase agreement (PPA) for selling its power to CESC. **During the year, total generation from these plants was 10,913 million units (MU). 97.4% of the total generation in 2018-19 — 10630 MU out of 10,913 MU — came from Budge Budge and Haldia.**

**Table 3: Performance of Key Generating Stations**

| Plant                    | Capacity (MW) | 2018-19 |       |          | 2017-18 |       |          |
|--------------------------|---------------|---------|-------|----------|---------|-------|----------|
|                          |               | PAF%    | PLF%  | Gen (MU) | PAF%    | PLF%  | Gen (MU) |
| Budge Budge (BBGS), CESC | 3 x 250       | 96.3%   | 91.6% | 6,015    | 94.6%   | 91.8% | 6,033    |
| Haldia, HEL              | 2 x 300       | 97.7%   | 87.8% | 4,615    | 97.8%   | 86.1% | 4,526    |

Table 3 presents data on performance of the two key generating stations — Budge Budge (BBGS) and Haldia. In 2018-19, both plants continued to have industry leading performance. In fact, BBGS achieved the fourth highest PLF among all thermal plants in India, whereas Haldia ranked tenth. Besides, both Budge Budge and Haldia stations are ISO 9001 and ISO 14001 certified in respect of Quality Management Systems and Environmental Management Systems. They have consistently excelled in operating efficiencies, energy conservation, quality systems and processes. In recognition of its efforts, **BBGS was awarded 'Excellent Energy Efficient Unit in Power Sector' at the 19<sup>th</sup> National Award for Excellence in Energy Management 2018 organised by CII-Godrej GBC; HEL received 'Platinum' award at FICCI 7<sup>th</sup> Quality System Excellence Awards (2019).**

Given the imperatives of power sector in India, CESC's strategy includes continuous cost control, being ahead of the curve in deployment of technology and embracing data-based decision making. CESC's state-of-the-art centralised monitoring station (CMS) for its generation assets, commissioned in 2017-18, was a part of this strategy. The CMS has yielded significant benefits during the year by avoiding forced shutdowns and improving the productivity of its operations.

CESC has set stringent environmental standards and continues to achieve 100% utilisation of ash in an environment friendly manner. In 2018-19, HEL achieved the milestone of having more than 1 lakh trees in the plant under its green belt drive. It also installed an automatic organic composter recycle wastes, which produces manure that is used in our medicinal plant garden — which showcases 70 species of rare and valuable medicinal plants.

The Company's initiatives in the area of environment conservation has won it several awards. **BBGS received the 'Gold' award for Outstanding Achievement in Environment Preservation at the 2<sup>nd</sup> Annual EKDKN EXCEED Awards 2018; and the 'Environment Excellence Award – 2018' for in the 'Clean Generator of the Year – Coal' category by the Mission Energy Foundation. HEL won 'Platinum' award for Corporate Social Responsibility (2018) from Apex India Foundation and 'Gold' award for Environment Management (2018) at CII ENCON Awards.**

## Distribution

CESC's distribution infrastructure serves its 3.3 million customers in Kolkata, Howrah, Hooghly, North and South 24 Paraganas in the state of West Bengal. However, the demand for power is quite variable, with the Company registering a peak demand higher than 2,000 MW and a lean demand as low as 465 MW.

During periods of high demand, CESC also imports power to complement its own generation (including HEL). Conversely, it exports surplus power, when possible. Banking of power is also done with other licensees in different parts of the country to facilitate availability of power during periods of high demand. **In 2018-19, the peak power demand was 2,131 MW. Total system demand during the year was 10,729 million units (MU), of which 10,009 MUs or 93% came from CESC generation (including HEL)**

During 2018-19, about 1.2 lakh meters were installed on account of new supplies and replacements. CESC undertakes continuous upgradation of its distribution infrastructure to maintain and enhance the quality and reliability of supply as well as to reduce downtime, overloads and management of distribution losses. **Distribution losses have consistently reduced over the last few years and which is around 8.96% in 2018-19.**

The Company is also executing special projects to upgrade its distribution network and enhance its import capacity. CESC has been able to complete major projects in time, thereby reducing the capital work-in-progress significantly compared to previous year. **During the year, CESC won the "CBIP Award for Best Performing Power Distribution Utility" in recognition of its outstanding contribution towards development of the Power Sector in India.**

CESC is at the forefront of deploying advanced technology and innovations to provide better services to its customers. Some of the key initiatives carried out during the year were:

- Self-healing networks were commissioned for faster restoration: 33kV distribution stations with auto-restoration time less than one second; 6kV RMU with auto-restoration time less than 10 seconds; and LT changeover with auto-restoration time less than one second
- Several measures were implemented to optimise space requirement and enhance cost-efficiencies in infrastructure upgrade projects including pre-engineered building (PEB) technology for new substations
- Installation of Electric Vehicle Charging Stations (EVCS) for charging electric vehicles
- Deployment of drones fitted with high resolution camera for better surveillance of transmission lines
- Using Smart Meters with RF Mesh communication technology for last mile communication for remote billing, smart and proactive outage management systems. This has also been utilised for RMU automation. Around 12,000 smart meters were installed in 2018-19.
- Development of fault prediction tools for underground cable using artificial intelligence and machine learning techniques; trials on Real Time Condition-based Asset Monitoring and Internet of Things (IoT) projects for remote monitoring of assets.

During the year, CESC started an innovative business model in partnership with the Internet Broadband Service providers by utilising its captive Optic Fibre Network for Fibre-To-The-Home (FTTH) based delivery of TV Content. It also embarked on a journey of leverage digital technologies to positively impact its business through:

- Improving operational efficiencies, including productivity of its employees.

- Enhance customer delight by improving customer engagement and satisfaction through effective use of online and offline channels
- Using data analytics to monitor and improve tariff and non-tariff revenues.

## Customer Service

As a customer centric organisation, CESC is committed to providing best-in-class services to its 3.3 million consumers through innovative processes, effective deployment of technology and mobility solutions. During 2018-19, it initiated several measures to strengthen customer service and enhance value for both consumer households and businesses. Some of the key developments were:

- **New Connections:** CESC added around 78,000 (net) customers during 2018-19. The average time taken to provide a new connection is 1-2 days. Moreover, where premises have an existing connection, supply typically starts within 24 hours of payment and compliance. The online application process is very effective. ***During the year, 100% of the applications were received online — up from 58% in 2016-17 and 84% in 2017-18 — reflecting the value consumers place on such services.***
- **Billing and Payment:** CESC already has easy and user-friendly avenues for online payments covering all major payment technologies: mobile wallets, debit/credit cards, net banking and ECS. During the year, ease of transacting was enhanced further with introduction of Bharat QR Code on bills and addition of Amazon Pay wallet. NEFT/RTGS payments were made simpler for LTD consumers with auto-registration and printing of unique account information on bills. ***By the end of 2018-19, around 45% of LT consumers were making online payments accounting for 50% of the revenue — again a step-up from 35.4% and 40.7% respectively during the previous year.***
- **Customer Contact:** The Company's centralised 24x7 call centre acts as the primary touch point for all complaints and queries. All calls to the call centre are guided through Interactive Voice Recording System (IVR) and are docketed and routed to concerned department for quick resolution. Chat sessions with the Managing Director and senior leadership team continued to see a strong response, with the participation of more than 840 consumers in 45 chat sessions. During 2018-19, several HT consumers availed free diagnostic testing service of their installations. Engagement levels on CESC's social media assets also increased during the year. Now, CESC Limited is also on LinkedIn with close to seven thousand followers.
- **Supply Interruptions:** Various steps have been taken by CESC over the years to ensure reliable supply and quicker restoration. Its 24x7 LT control room, manned by engineers and placement of radio-linked and GPS-enabled mobile service vans at strategic locations has helped it in restoring supply faster. Use of GIS and field force automation has also improved the efficiency of operations. All planned outages are proactively informed to

bulk consumers and important LT consumers such as hospitals. Further, the Company commenced its fourth Command Station at Barisha, which has been instrumental in significantly reducing the restoration time for outlier faults. Another Command Station is planned at Bally.

- **E-services:** Expanding the bouquet of e-services has been a continuous process. During the year, new features include 'Request for Programmed Shutdown' for HT consumers, instructional videos on e-services and launch of chatbot 'eBuddy' to provide interactive assistance to consumers (See Box 1). E-services penetration continued to increase during the year. Additionally, the Air Conditioner (AC) Module has been made online for easier and faster installation of ACs — which now happen within 48 hours.

### Box 1: Special Initiatives During 2018-19

CESC values customer feedback and is responsive to the requirements of its customers. Based on feedback received through its various engagement drives and capabilities in the deployment of tech-based solutions, it introduced several special initiatives to enhance customer satisfaction during the year. Some of these were:

- **Key Account Manager:** These have been appointed for large corporate and institutional accounts to serve as a single point of contact for seamless communication and effective handling of their queries and service requests. The primary objective is to develop a mutually beneficial long term relationship with these strategically important consumers.
- **Out-Bound Dialing:** Proactive communication to consumers for supply outages through automated out-bound dialing with pre-recorded voice calls from a unique number. These calls are triggered for outages affecting large areas and are based on information received from distribution transformers. This is a more efficient and cost-effective way to communicate and it ensures that consumers do not miss the information as possible in case of text messages.
- **Chatbot (eBuddy):** CESC launched its chatbot 'eBuddy' in March 2019 on its website ([www.cesc.co.in](http://www.cesc.co.in)). The Chatbot assists consumers in availing e-services and handles queries, complaints and service requests. It reduces wait-time and provides quick solutions, making online interactions hassle-free and delightful. 18,000 service requests were handled by it in the very first month of its launch. The Chatbot is equipped with Artificial Intelligence, Machine Learning and Natural Language Processing capabilities, and can also transfer the consumer to a live agent, if required. It also supports Speech Recognition and Speech-to-Text Capabilities. In future, it will also be integrated to CESC's other platforms such as mobile app, social media, Google Assistant and Amazon Alexa.

## Safety and Health

CESC is committed to maintaining high standards of industrial safety across its operations, and has a safety vision and policy, including a policy on use of personal protective equipment (PPE). Over the

years, it has brought about wide-ranging changes in daily work management to create a culture of safety within the organization. Both key generating stations — BBGS and Haldia — are OHSAS 18001 certified for occupational health, and safety management systems. During the year, Budge Budge Generating Station received the Gold Award and Southern Generating Station received the 'Platinum' award for 'Outstanding achievement in Safety Management' at the 16th Annual Greentech Safety Award (2017).

The 'Central Safety Cell' has been instrumental in implementation of safe work procedures as well as monitoring and control of unsafe situations. During the year, a Corporate Safety Manual and five Internal Safety Standards for critical work were developed. The Company is continuing with its pilot project in the Howrah District to develop it as a 'Model Safe District' through an intensive schedule of activities carried out by a dedicated team of the Cell.

The Safety Cell has also been providing in-house training to 100% of its workers. Besides, officers have undergone safety-related training by institutions of international repute. Job site audits, communication meetings, safety workshops, hand-holding exercises at sites and company-wide observation of "Safety Day" are other activities that have contributed to increased awareness and reduction of incidents.

CESC has a structured communication system for coverage of its safety-related initiatives, which includes its biannual safety magazine "Surakshabarta" (available in both Bengali and Hindi) and web-based monthly newsletter "Safety Spotlight". Besides, safety mailers are regularly sent to its consumers. During the year, it also organised seminars to educate its institutional and corporate customers on electrical and fire safety. For safety awareness among the general public, it carried out media campaigns, screened animated films and conducted safety quiz.

CESC has a strong focus on health and well-being of its employees. It operates 27 well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities including major super speciality hospitals, nursing homes and diagnostic clinics are available to the employees through tie-ups. It also conducts regular health check-up for all the employees as a part of the occupational health initiative. It publishes a quarterly medical bulletin called "Mediflash" for its employees. To emphasise wellness over the curative approach, CESC has developed several platforms for building awareness and better lifestyle management by its employees: monthly "Unit-wise Awareness" sessions, periodic "Special Awareness" sessions, annual "Macro Health" sessions for female employees and a "Mega Health Camp" for all employees and their families.

## GENERATION PROJECTS

Apart from plants catering to the Kolkata operations, CESC has built independent generation capacities to benefit from the opportunities in the sector and building capabilities in the renewable energy space. This includes two operational thermal power projects with a combined capacity of 640 MW as well as five operational wind and solar power projects with a combined capacity of 174 MW.

## Thermal

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

For Unit-II, DIL has long-term Power Purchase Agreements (PPAs) for supply of 100 MW power to Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and 170 MW power to - Noida Power Company Limited (NPCL). During 2018-19, DIL Unit II achieved PAF of 86% and PLF of 80%. In contrast, Unit I achieved PAF of 97% and a PLF of 43% with supplies under short term contract with Maharashtra State Power Generation Company Limited (MSPGCL) for 185 MW.

In order to strengthen the reliability of the plant during peak summers, one additional water reservoir of 3.78 lakh cubic metres was constructed in 2018-19. Through its innovations and efforts, DIL has achieved 100% ash utilisation and an outstanding record on health and safety. In recognition of these efforts, **DIL won the 'Golden Bird Excellence Award 2018' for 'Health & Safety for Workers' and 'Gold' awards at 'Apex India Occupational Health and Safety Award 2018' and 'Apex India Water Stewardship Award 2018' in the thermal power sector.**

**Asansol, West Bengal:** This is a 40 MW atmospheric fluidised bed combustion (AFBC) power plant using shale and washery rejects from the adjacent captive coal mine in Sarisatolli. The unit is operational since July 2009. The power plant is owned by Crescent Power Limited, a CESC subsidiary, which operates in the merchant power market. During the year, the plant generated 331 million units (MU) of power.

## Wind

**Dangri, Rajasthan:** This was the Company's first venture into the wind power business. The 24 MW project was implemented by Surya Vidyut Limited (SVL), a wholly owned subsidiary of CESC. The project, commissioned in 2012-13, has two long-term power purchase agreements with Jaipur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam Limited, subsidiaries of Rajasthan Urja Vikas Nigam Limited. During 2018-19, it generated 28.8 MU of electricity.

**Surendranagar, Gujarat:** This is CESC's second wind power project. The 26 MW project, undertaken through SVL, was commissioned in December 2014. Power from this project is being sold to Gujarat Urja Vikas Nigam Limited under a long term power purchase agreement. During 2018-19, it generated 60.4 MU of electricity.

**Nipaniya, Madhya Pradesh:** This is the third wind power project. The 36 MW project, also through SVL, was commissioned in March 2016. The power is being sold to the Madhya Pradesh Power Management Company Limited under a long term power purchase



agreement. During 2018-19, it generated 52.6 MU of electricity.

**Rojmal, Gujarat:** This is the Company's fourth wind power project. The 70 MW project, undertaken through SVL, became fully operational in 2017-18. Power is being sold to the Gujarat Urja Vikas Nigam Limited under the long term power purchase agreement. During 2018-19, it generated 120.1 MU of electricity.

All four wind power projects are running successfully. During 2018-19, their combined generation was 261.9 MU (234.5 MU in 2017-18) with a capacity utilization factor of 19.17% (17.60% in 2017-18). Combined supply of electricity by the four plants stood at 249.0 MU in 2018-19 (222.77 MU in 2017-18).

## Solar

**Ramnathapuram, Tamil Nadu:** This is the Company's first venture into solar power. The 18 MW<sub>dc</sub> project undertaken through Crescent Power Limited, a subsidiary of CESC, was commissioned in January 2016. The power is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement. During 2018-19, it generated 26.5 MU of electricity.

## DISTRIBUTION VENTURES

CESC has been active in the private distribution space outside Kolkata since 1993 through Noida Power Company Limited, its associate company that distributes power in Greater Noida, Uttar Pradesh. More recently, state distribution companies (DISCOMs) started using the distribution franchisee (DF) route to partially privatise operations and improve their financial health. In the last few years, CESC won bids for three DFs in Rajasthan: Kota and Bharatpur became operational in 2016-17, and Bikaner, became operational in 2017-18. In 2018-19, CESC won bid for Malegaon circle, in Maharashtra, which is expected to commence operations in 2019-20.

**Greater Noida, Uttar Pradesh:** Noida Power Company Limited (NPCL), an associate company of CESC, started its operations in 1993-94 after it was granted distribution license by the Government of Uttar Pradesh. The license area covers 335 square kilometres including a mix of industrial establishments as well as 118 fully electrified villages. Currently, around 8% of its 91,000 customers comprise business establishments.

In 2018-19, NPCL's peak load was 374 MW and its sales grew at 11% to 1,850 MUs, up from 1,668 MUs in the previous year. As a mature and efficient distribution business, its distribution losses continue to be stable in the range of 8 to 8.25% and collections are close to 100%. In 2018-19, over 65% of its collections came through digital modes of payment.

NPCL has implemented state-of-the-art technology and processes to deliver safe and reliable electricity along with highly customer-centric services, setting industry benchmarks in the process. Important initiatives during the year include implementation of a fully integrated GIS and a 100% SCADA compliant network. It also piloted "self-healing technology" for smart grids and deployment of drones for network surveillance. *In recognition of its efforts and achievements, it received several awards in 2018-19: three "Par Excellence" and one "Excellence" Award at National Convention on Quality Concepts by Quality Circle Forum of India (2018); "Star Performance Improvement Award" (2<sup>nd</sup> Rank) at ICC's 6<sup>th</sup> Innovation with Impact Award for DISCOMS (2018); and "Silver Award" at 12<sup>th</sup> QCI – D L Shaw National Quality Award (2018).*

**Kota, Rajasthan:** Kota Electricity Distribution Limited (KEDL), a wholly owned subsidiary of CESC, took over operations in Kota on 1 September 2016 after signing of Distribution Franchisee Agreement with JVVNL (Jaipur Vidyut Vitaran Nigam Limited). In 2018-19, the number of consumers increased to 2.28 lakh and the sale of electricity was 1,010 MUs, up from to 890 MUs in the previous year — reflecting a 13.5% growth.

As a part of its efforts to make the distribution network safe and robust, KEDL deployed advanced technologies and upgraded the network with investments in around 300 new distribution transformers and capacitors for power factor compensation. To prevent losses, open cables were replaced with armoured cables and smart meters were installed. With these efforts and focus on limiting power theft and commercial losses through stringent surveillance, distribution losses came down from 32% at the time of take-over to around 23% in 2018-19. KEDL also continued with its efforts in the deployment customer centric processes during the year.

**Bharatpur, Rajasthan:** Bharatpur Electricity Services Limited (BESL), a wholly owned subsidiary of CESC, took over the operations in Bharatpur on 1 December 2016 after the signing of Distribution Franchisee Agreement with JVVNL. By the end 2018-19, the number of consumers increased to 63,000 and the sale of electricity grew to 230 MUs, up from to 214 MUs in the previous year.

BESL inherited a distribution network with considerable shortcomings, and efforts are being made to make it safe and reliable. All systems and processes followed in Kota have been replicated at Bharatpur with the focus of providing the high standards of customer service available to customers in CESC's network. As a result of these efforts, it successfully brought down distribution losses from 32% at the time of take-over to around 15% in 2018-19.

**Bikaner, Rajasthan:** Bikaner Electricity Supply Limited (BKSEL), a wholly owned subsidiary of CESC, took over the operations in Bikaner in May 2017 after the signing of Distribution Franchisee Agreement with Jodhpur Vidyut Vitaran Nigam Limited (JdVVNL). By the end 2018-19, the number of consumers has increased to 1.79 lakh and the sale of electricity has grown to 670 MUs.

Reduction of distribution losses and making the network safe and reliable have been the focus of BKE SL. After taking over the operation, it had deployed SCADA and introduces a range of customer-centric processes to bring in greater efficiencies into the system. With its efforts, BKE SL brought down distribution losses from 28% at the time of take-over to around 18% in 2018-19. Going forward, focus will continue to be on further improving these efficiencies.

**Malegaon, Maharashtra:** In January, 2019, CESC won the bid floated by Maharashtra State Electricity Distribution Company Limited (MSEDCL) for a 20-year appointment as a DF for Malegaon Corporation Area under Malegaon Circle of MSEDCL. Malegaon Power Supply Limited (MPSL), a wholly owned subsidiary of CESC, is expected to take over the operations in 2019-20.

The distribution area is spread across around 25 square kilometres with approximately 1 lakh consumers. A high concentration of the load comes from the power loom sector. In 2016-17, it had about 500 MUs of sales and about 45% distribution losses. After takeover of operations, focus will be on improvement of quality and reliability of supply, provisioning effective customer services and reduction of distribution losses.

## HUMAN RESOURCES (HR)

At CESC, people are its asset and the key differentiator. Its HR practices are aimed at creating an environment that ensures growth, development and well-being of its employees. Processes are in place by way of engagement surveys and perception studies to receive feedback from employees to align the Company with the changing business needs.

The emphasis on 'service excellence with cost leadership' along with building a high performance culture has been the cornerstone of the Company's talent sourcing strategy. "Unmesh", the paid summer internship programme for students of premier engineering colleges and business schools, has played a major role in this direction. "Anneswan", the annual induction process, has been highly effective in integrating the new recruits.

Learning and development is another focus area. The Company has a robust process for conducting training and other learning interventions in line with an annual training plan. Curriculum based programmes and special courses in collaboration with premier institutes such as IIT Kharagpur, IIM Calcutta and XLRI Jamshedpur also play a major role in this regard. **During 2018-19, the Company carried out over 750 training programs totalling around 16,000 man days. To further enhance and strengthen the technical capabilities in distribution, CESC has set up a "Distribution Training Institute" in Kolkata, which is fully equipped with state-of-the-art technologies.**

Knowledge and innovation management play a pivotal role in building organisational capability. CESC organises an annual "Knowledge Carnival", a platform to bring out innovative ideas to

the fore. The Company has an in-house knowledge and innovation portals to support the process. During 2018-19, several innovation projects were implemented. These projects are also published in the in-house bi-annual technical journal.

**Asia Institute of Power Management (AIPM)**, the training and consulting wing of CESC, has established itself in training of power professionals. During 2018-19, AIPM carried out 25 training programs covering 1,370 mandays. These covered key elements for performance and efficiency improvement such as network planning, operation and maintenance of critical electrical assets, reliability improvement, distribution automation with IT-OT and smart grid applications.

CESC engages with its employees and their family members through regular events such as Annual Sports, Sit and Draw Competition, "Ankur Samman" to recognise and embrace the meritorious children of the employees and "Avishkar", a talent search and promotion initiative for the employees and their family. **During 2018-19, CESC won several awards and recognitions which underscore its employee friendly HR practices. These include: 'Leadership in HR Excellence' at the 9<sup>th</sup> CII National HR Excellence Award 2018 and 'National Award for HR Best Practices' for 2018 by NIPM.**

As on 31 March 2019, CESC had 8402 employees on its payroll. Unions representing the employees continued to play a positive role in partnering with the management to drive excellence in operations. The Company continues to enjoy industrial harmony in its operations. There were no major incidents of service interruption due to industrial relations issues. During the year, the Company successfully concluded the election of the registered union.

## Business Excellence & Quality (BEQ)

CESC has an established track record in areas of customer centricity and operational excellence. Quality has been intrinsic to its philosophy and is imbibed in a strong process driven business model that it follows in all key areas of its operations.

During the year, focus continued to be on reinforcement of qualitative, quantitative and motivational growth initiatives through Kaizens and 5S. Since 2015-16, departmental participation in Kaizens have increased and the assessment score for 5S implementation also indicates improvement. The best practices emerging from these initiatives were showcased in the 22<sup>nd</sup> Quality Day, an event which saw enthusiastic participation from all levels of employees across departments.

Going forward, focus will be on increasing the scope and coverage of these tools and principles through digital platforms. Simultaneously, the Company plans to develop capabilities of its people for wider participation by integrating a structured framework for daily work management and handholding teams for driving business excellence.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a socially responsible organisation, CESC is committed to investing in the holistic and sustainable development of the communities where it operates. Through its CSR initiatives in the areas of education, health, environment and community development, the Company seeks to empower communities, particularly the underprivileged sections, to help them attain their potential.

***In 2018-19, CESC bagged the 'Greentech CSR Award' in the Gold Category in Thermal Power Sector. It also received a Special Jury Recognition at the ICC Social Impact Awards in recognition of its achievements in reducing child mortality and improving maternal health.***

### Education Initiatives

Under its '*Nirmal Abhiyan*' programme, carried out in partnership with City Level Programme of Action for Street and Working Children (CLPOA), the Company seeks to create a child-friendly environment in government schools by providing safe drinking water and sanitation facilities, improving their overall infrastructure and promoting hygiene. During 2018-19, infrastructural support was provided to four schools benefiting 218 students. Since its launch, the project has been implemented in 23 schools, helping around 2,500 students; 45 teachers have been trained.

The 'School Build Programme' has been focusing on infrastructure development in government and municipal schools through repair and renovation of school buildings, provision of facilities such as safe drinking water facility and benches. During 2018-19, the Company provided support to four schools under this programme.

'*Roshni*' aims at helping children in urban slums to acquire quality education with level-appropriate reading and writing ability, and mainstreaming drop-out. The project is being implemented in Tiljala-Topsia area in partnership with Child in Need Institute (CINI). Approximately 4,300 households have been reached through this Project, catering to 1,079 direct beneficiaries and 2,724 indirect beneficiaries.

### Health Initiatives

'*Suswasthya*', implemented in partnership with CLPOA, aims at ensuring improved health of women, children and adolescents by increasing health-seeking behaviour, improving awareness on health, nutrition and hygiene, and ensuring collective action on health for improving the quality of services in government health facilities. The project, which is implemented in Kamarhati Municipality, has reached out to 302 households with 4,043 beneficiaries.

Over the years CESC has been supporting upgradation of the Titagarh Municipal Hospital by improving the maternity ward and operation theatre, setting up ENT, ophthalmology, dialysis unit and a neo-natal intensive care unit (NICU) at the hospital. In 2018-19,

CESC supported the setting up of a pathological laboratory in the hospital.

### Environment Initiatives

'*Urja Chetana*', implemented in 26 schools in partnership with Centre for Environment Education promotes education for sustainable development through awareness generation on energy and environment conservation, water conservation, protection of biodiversity, waste reduction, its reuse and recycling, and protection of traditional knowledge. This project has directly benefited 3,246 students. In 2018-19, food and paper waste recycling were carried out at 10 schools, whereas medicinal gardens were developed in 7 schools.

The Company continued its partnership with the Kolkata Municipal Corporation for maintaining the green verges in certain areas of the city of Kolkata. In 2018-19, it developed a park for children suffering from thalassemia and other critical diseases at the Medical College & Hospitals. Another green initiative was installation of pet bottle shredders at six Metro stations.

### Community Development Initiatives

'*Nirmal Sankalp*' is a comprehensive water and sanitation Project in Titagarh Municipality, which is implemented in partnership with Water Sanitation and Hygiene Institute. It seeks to improve availability, usage, quality and sustainability of water and sanitation facilities by involving community members as change agents. The project seeks to make the entire Titagarh Municipality 100% open defecation free. So far, it has been implemented in 5 wards and has around 4,000 users.

'*Saksham*' is a skill development and employment generation programme for youth in Tiljala-Topsia area. Two centres running under the project are training 300 youth in tailoring, beauty therapy etc. '*Jagriti*' is a similar project in Titagarh Municipality through which 60 youth are being trained in use of computers, Tally, GST and advanced Excel. Both projects are being implemented in partnership with NSHM Udaan Skills Private Limited.

'*Hamari Awaaz*' is a comprehensive community sensitisation project on child protection in urban slums which is being implemented in the Tiljala area in partnership with CINI. The project aims at creating child friendly communities in urban slums by mobilising, sensitising and empowering communities to fight against child labour and other forms of child abuse. The project has reached out to 8,000 households.

During the year, a new skill development and livelihood generation project called '*Prayas*' was launched in partnership with CLPOA. Starting with two centres in Kamarhati and Howrah, it will offer courses in basic computing, retail management and driving. Over 200 youths will be trained under this project.



## FINANCIAL RESULTS

Table 4: Abridged Financial Performance of CESC (Standalone and Consolidated)

|   | ₹ Crore      |              |               |               |
|---|--------------|--------------|---------------|---------------|
|   | Standalone   |              | Consolidated  |               |
|   | 2018-19      | 2017-18      | 2018-19       | 2017-18       |
| Revenue from operations                                     | 7,754        | 7,786        | 10,664        | 10,275        |
| Other Income  | 165          | 168          | 204           | 252           |
| <b>Total Income</b>   | <b>7,919</b> | <b>7,954</b> | <b>10,868</b> | <b>10,527</b> |
| Operating Costs   | 4,575        | 4,371        | 5,552         | 4,907         |
| Employee Benefit Expenses                                   | 926          | 860          | 1,036         | 970           |
| Other Expenses  | 895          | 920          | 1,259         | 1,467         |
| Depreciation  | 433          | 426          | 764           | 751           |
| Finance Costs   | 466          | 484          | 1,325         | 1,303         |
| <b>Total Expenses</b>                                       | <b>7,295</b> | <b>7,061</b> | <b>9,936</b>  | <b>9,398</b>  |
| Regulatory Income/(Expense)                                 | 570          | 209          | 570           | 67            |
| Share of Profit in Associate                                | -            | -            | 69            | 50            |
| <b>Profit Before Taxes (PBT) from continuing operations</b> | <b>1,194</b> | <b>1,102</b> | <b>1,571</b>  | <b>1,246</b>  |
| Tax Expense   | (257)        | (238)        | (373)         | (356)         |
| Profit/(Loss) from discontinued operations                  | -            | (3)          | -             | 85            |
| <b>Profit After Taxes (PAT)**</b>                           | <b>937</b>   | <b>861</b>   | <b>1,198</b>  | <b>975</b>    |
| Other Comprehensive Income                                  | (34)         | (8)          | (47)          | 2             |
| <b>Total Comprehensive Income**</b>                         | <b>903</b>   | <b>853</b>   | <b>1,151</b>  | <b>977</b>    |
| Non-controlling Interest (NCI)**                            | -            | -            | 13            | 66            |
| Total Comp. Income after NCI**                              | 903          | 853          | 1,138         | 911           |
| <b>Basic &amp; Diluted EPS (₹)**</b>                        | <b>70.69</b> | <b>65.01</b> | <b>89.32</b>  | <b>68.85</b>  |

\*\* From continuing and discontinued operations for 2017-18

Table 4 summarises the financial performance of CESC Limited both as a standalone and a consolidated entity.

### Standalone Performance

- Total income (including other income) of CESC was stable at ₹7,919 crore in 2018-19.
- Overall operating expenses grew by 4.7% to ₹4,575 crore in 2018-19. Employee costs grew by 7.7% to ₹926 crore in 2018-19. After accounting for depreciation and finance costs, total Expenses increased by 3.3% to ₹7,295 crore in 2018-19.
- Profit before taxes from continuing operations, after taking into account Regulatory Income for 2018-19 grew by 8.3% from ₹1,102 crore in 2017-18 to ₹1,194 crore in 2018-19. After accounting for tax expense, profit after taxes for 2018-19 was ₹937 crore, up 8.8% over ₹861 crore in the previous year.

- Earnings per share during the year stood at ₹70.69 compared to ₹65.01 in 2017-18.

### Consolidated Performance

- Total income (including other income) of CESC as a consolidated entity increased by 3.2%, from ₹10,527 Crores in 2017-18 to ₹10,868 Crores in 2018-19.
- Overall operating expenses grew by 13.1% to ₹5,552 Crores in 2018-19. Employee costs grew by 6.8% from ₹970 Crores to ₹1,036 Crores in 2018-19. After accounting for depreciation and finance costs, Total Expenses increased by 5.7% to ₹9,936 Crores in 2018-19.
- Profit before taxes from continuing operations grew by 26% from ₹1,246 Crores in 2017-18 to ₹1,571 Crores in 2018-19. After accounting for tax expense of ₹373 Crores during the year, profit after taxes grew by 22.9% from ₹975 Crores in 2017-18 to ₹1,198 Crores in 2018-19.
- Earnings per share grew from ₹68.85 in 2017-18 to ₹89.32 in 2018-19.

### Key Financial Ratios

None of the key financial ratios - Debtors Turnover Ratio, Inventory Turnover Ratio, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin, Net Profit Margin for the financial year 2018-19 reflected a change of 25% or more as compared to financial year 2017-18. Return on Net worth for the financial year 2018-19 and 2017-18 stood at 9.60% and 9.12% respectively and the improvement is attributed mainly to general improvement in the business performance of the Company during the year.

### INTERNAL CONTROLS

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

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

### RISKS AND CONCERNS

CESC's Risk Management Committee operates on a comprehensive risk management framework that the Company has put in place over time. The Committee is headed by Mr. P.K. Khaitan, Non-

executive Director and comprises the entire senior management team. In addition, the Company has a Risk and Disaster Management cell to focus on risks emanating from fire hazards and natural disasters.

At CESC, risks are systematically evaluated, categorised and suitable actions are taken to mitigate them. Divisions identify operational and tactical risks and suggest measures for mitigation and control. Departmental heads manage risks at the departmental level, whereas the top leadership team supervises and monitors the risk identification and mitigation activities of each division. CESC has identified the following key areas of risks and concerns.

### Macroeconomic and Market Risks

Availability of coal, coal quality and linkages for new projects continue to be issues of concern. Surplus power generation capacities in the short term exposes the industry to risks associated with difficulties in executing PPAs and adverse price movements in the short-term power market.

To mitigate the risk of availability and cost of coal, CESC has adopted a strategy of ensuring long-term coal linkages for its existing and future projects. Most of the Company's generation capacities have long-term PPAs. It is also well placed to access state and national grids to sell surplus power and is actively looking at PPAs for Unit I of DIL to further mitigate this risk.

### Operational Risks

As power plants age, their operating efficiencies reduce. Beyond a point in time, shutting down and replacement of these plants become imperative. If the Company cannot build replacement plants at favourable sites, the cost of evacuating and distributing power from far flung locations into the licensed area might increase, impacting quality of service delivery and profitability. Other operational risks pertain to natural and man-made disasters such as earthquake, floods and fire that can affect the Company's ability to supply quality power to its customers.

The medium to long term risks associated with generation sites, availability and quality of power have been mitigated with the new generation plant at Haldia. To mitigate disaster risks, the Company has a comprehensive disaster management plan which classifies operational risks into three categories: fire safety management, disaster management, and risk management, with each having detailed SOPs to handle such events. Large scale augmentation of fire safety systems is in progress in CESC establishments. System for on-line health monitoring of fire safety systems has been implemented. Periodic mock drill on fire fighting and evacuation during emergency are part of the training calendar and vital installations are under 24x7 CCTV surveillance to protect against external attack, security breach or similar activities.

### Regulatory Risks

Power is a highly regulated sector. This exposes the Company to risks with respect to changes in policies and regulations. Besides,

given the nature of the industry, there is a risk of more stringent policies and norms aimed at addressing environmental concerns. This can make it more difficult to execute new projects as well as increase the cost of operations. Efficient managing and recycling of fly ash or the recent order to install Flue Gas Desulphurisation (FGD) system in existing thermal power plants are such instances.

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

### OUTLOOK

After a strong performance in the last couple of years, global economic growth lost traction and decelerated considerably in the later half on 2018. However, moderation in India was less significant, with the GDP growing at 7% in 2018-19 as compared to 7.2% in the previous year. More important, the macroeconomic outlook for 2019-20 is positive — with the RBI projecting GDP growth to come back to 7.2% in 2019-20.

As for global energy markets, electricity is clearly the growth sector. With further growth of lighter industries, services and digital technologies, this trend will intensify further. Around 50% of the increase in global energy demand between 2017 and 2040 is expected to come from the power sector, which will involve a capacity addition of 5,505 GW by 2040.

India's power demand is growing consistently at 6% to 7%, even with efficient technologies such as LEDs are crowding out some of the growth. Move towards universal electricity access and greater appliance demand as income levels rise will further increase demand. In urban areas, demand growth is likely to be higher with energy intensive applications such as cooling and electric vehicles.

These developments should augur well for the Company, which has strong expertise in both power generation projects and operating distribution networks.

### Cautionary Statement

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

On behalf of the Board of Directors

Sanjiv Goenka  
 Chairman  
 Kolkata, 17 May, 2019

Sanjiv Goenka  
 Chairman  
 DIN: 00074796

## The Company's Philosophy on Corporate Governance

Commitment to good corporate governance practices serves as the foundation for long term success of CESC Limited ('CESC' or 'the Company'). The Company being a consumer oriented power utility is committed to continuous upgradation of standards in its operations and services to enhance stakeholder's satisfaction. Such commitment is embedded in its good corporate governance practices, which are driven by strong Board oversight, transparent policy framework and high levels of integrity in its decision-making process. The corporate responsibilities of the Company are adequately articulated to ensure strategic guidance, effective monitoring and accountability to accomplish targeted performance, enhance satisfaction of consumers and other stakeholders and establish fairness in dealings.

In India, corporate governance standards for listed companies are regulated through the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of compliance of corporate governance norms of the Listing Regulations by CESC for the year ended 31 March 2019.

## BOARD OF DIRECTORS

### COMPOSITION AND ATTENDANCE

As on 31 March 2019, CESC's Board of Directors ('the Board') consisted of eight Directors, of whom four were Independent Directors, including a woman Director. Managing Director (Generation) and Managing Director (Distribution) were the two Executive Directors of the Company. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

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

**Table 1 : Composition of the Board of Directors as on 31 March 2019**

| Name of the Directors          | Category                                | No. of other Directorships and Committee membership/Chairmanships in other Indian public companies |                 |                   | Attendance Particulars     |                                |                        |
|--------------------------------|---|--|-----------------|-------------------|----------------------------|--------------------------------|------------------------|
|                                |   | Director (Note 1)  | Member (Note 2) | Chairman (Note 2) | No. of Board Meetings Held | No. of Board Meetings Attended | Attendance at last AGM |
| Mr. S. Goenka                  | Promoter/Non-Executive/ Non-Independent | 8  | 2               | 2                 | 6                          | 6                              | Yes                    |
| Mr. P. K. Khaitan <sup>4</sup> | Non-Executive/Non-Independent           | 8  | 4               | 2                 | 6                          | 5                              | Yes                    |
| Mr. C. K. Dhanuka              | Independent                             | 8  | 8               | 1                 | 6                          | 4                              | No                     |
| Ms. R. Sethi                   | Independent                             | 5  | 2               | 1                 | 6                          | 5                              | Yes                    |
| Mr. K. Jairaj                  | Independent                             | 6  | 3               | 1                 | 6                          | 5                              | Yes                    |
| Mr. P. Chaudhuri               | Independent                             | 8  | 0               | 5                 | 6                          | 4                              | Yes                    |
| Mr. D. Banerjee                | Executive                               | 2  | 0               | 0                 | 6                          | 5                              | Yes                    |
| Mr. R. Chowdhury               | Executive                               | 5  | 0               | 0                 | 6                          | 5                              | Yes                    |

#### Notes :

- Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
- Memberships / Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of public limited companies have been considered.
- None of the Directors are related to each other.
- Mr. P.K. Khaitan previously a Non Executive Independent Director, became a Non Executive Non-Independent Director w.e.f. 5 February, 2019
- The details of the familiarisation programme for Independent Directors are disclosed on the Company's website at [https://www.cesc.co.in/wp-content/uploads/policies/Familiarization\\_Policy\\_&\\_Programmes.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Familiarization_Policy_&_Programmes.pdf)

6. The Independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and the Listing Regulations. The Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. None of the Independent Directors resigned before the expiry of his /her tenure since the last Annual General Meeting of the Company. The terms and conditions of the appointment of Independent Directors are available on the Company's website at :[https://www.cesc.co.in/wp-content/uploads/policies/INDEPENDENT\\_DIRECTOR.pdf](https://www.cesc.co.in/wp-content/uploads/policies/INDEPENDENT_DIRECTOR.pdf)

7. Names of other listed entities where our Directors hold Directorship and their category of directorship

| Sl. No. | Name of the Directors | Directorship in Listed Entities   | Category   |
|---------|-----------------------|---|--|
| 1.      | Mr. S. Goenka         | 1. Phillips Carbon Black Limited<br>2. Saregama India Limited<br>3. CESC Ventures Limited<br>4. Spencer's Retail Limited<br>5. Firstsource Solutions Limited  | Chairman / Non-Executive / Non-Independent   |
| 2.      | Mr. P.K. Khaitan      | 1. Dhunseri Ventures Limited<br>2. Firstsource Solutions Limited<br>3. Electrosteel Castings Limited<br>4. Emami Limited<br>5. Graphite India Limited<br>6. India Glycols Limited<br>7. Odisha Cement Limited | Non-Independent / Non-Executive<br>Non-Executive / Independent                       |
| 3.      | Mr. C.K. Dhanuka      | 1. Emami Limited<br>2. Dhunseri Ventures Limited<br>3. Dhunseri Tea & Industries Limited<br>4. Dhunseri Investments Limited<br>5. Naga Dhunseri Group Limited<br>6. Mint Investments Limited                  | Non-Executive / Independent<br>Executive/ Non-Independent<br>Chairman/ Non-Executive |
| 4.      | Ms. R. Sethi          | 1. Spencer's Retail Limited<br>2. Sun Pharmaceutical Industries Limited   | Non-Executive / Independent  |
| 5.      | Mr. K. Jairaj         | 1. Adani Transmission Limited<br>2. CESC Ventures Limited   | Non-Executive / Independent  |
| 6.      | Mr. P. Chaudhuri      | 1. Visa Steel Limited<br>2. Quess Corp Limited<br>3. Spencer's Retail Limited<br>4. Cosmo Films Limited<br>5. Firstsource Solutions Limited   | Non-Executive / Independent  |
| 7.      | Mr. R. Chowdhury      | Nil   | Nil  |
| 8.      | Mr. D. Banerjee       | Nil   | Nil  |

## EXPERTISE AND COMPETENCE OF THE BOARD OF DIRECTORS

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

## BOARD MEETINGS

In 2018-19, the Board met six times on 23 May 2018, 26 July 2018, 12 October, 2018, 14 November 2018, 21 December 2018 and 5 February 2019. The maximum gap between any two Board meetings was less than one hundred and twenty days.

## MEETINGS OF INDEPENDENT DIRECTORS

During 2018-19, Independent Directors met on 5 February 2019 in order to, inter alia, review the performance of non-independent directors including that of the Chairman assess the effectiveness of flow of information between the company management and the Board and other related matters. All the Independent Directors attended the meeting.

## INFORMATION PLACED BEFORE THE BOARD

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

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

## CODE OF CONDUCT

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2018-19 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website [www.cesc.co.in](http://www.cesc.co.in).

## COMMITTEES OF THE BOARD

The Board currently has five committees namely:

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

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

### 1. AUDIT COMMITTEE

#### (i) Composition :

During the year ended 31 March 2019, Audit Committee consisted of Mr. S. Goenka, Mr. P. Chaudhuri and Mr. C.K. Dhanuka, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

During the year, Mr. P. K. Khaitan ceased to be a member of the Audit Committee w.e.f 5 February 2019 and Mr. P. Chaudhuri was inducted as a member in his place.

#### (ii) Meetings:

The Committee met four times during the year on 22 May 2018, 26 July 2018, 14 November 2018 and 5 February 2019. The attendance record of the Members at the Meeting is given below in Table 2.

**Table 2 : Attendance Record of Audit Committee Meetings**

| Name of Members     | Status   | Category                         | No. of Meetings |          |
|---------------------|----------|----------------------------------|-----------------|----------|
|                     |          |                                  | Held            | Attended |
| Mr. S. Goenka       | Member   | Non-Executive                    | 4               | 4        |
| Mr. C. K. Dhanuka   | Chairman | Independent / Non-Executive      | 4               | 4        |
| Mr. B. M. Khaitan # | Member   | Independent / Non-Executive      | 4               | 1        |
| Mr. P.Chaudhuri     | Member   | Independent / Non-Executive      | 4               | -        |
| Mr. P.K. Khaitan*   | Member   | Non-Executive / Non- Independent | 4               | 3        |

# Mr. B. M. Khaitan ceased to be a Director w.e.f 23 May, 2018.

\*Mr. P.K.Khaitan ceased to be a member w.e.f 5 February, 2019.

The chief of finance and representatives of the statutory auditors, cost auditors and internal auditors are invited by the Audit Committee to its meetings. The auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company and auditors' views thereon. The Company Secretary is the secretary to the Committee.

The Chairman of the Audit Committee was unable to attend the Annual General Meeting held on 21 December 2018.

### (iii) Terms of reference

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

- A. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- C. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- D. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Act.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Qualifications in the draft audit report, if any.
- E. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- F. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- G. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

- H. Discussion with internal auditors any significant findings and follow up thereon.
- I. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- J. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- K. Reviewing the Company's risk management policies.
- L. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- M. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- N. Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- O. Obtain professional advice from external sources to carry on any investigation and have full access to information contained in the records of the Company.
- P. Discuss any related issues with the internal and statutory auditors and the management of the Company.
- Q. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- R. Approve subsequent modification of transactions of the Company with related parties.
- S. Scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- T. Oversee the vigil mechanism / whistle blower policy of the Company.
- U. Reviewing the utilisation of loans and / advances from investment by the Company in its subsidiaries for an amount exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans/ advances / investments.

The Company has systems and procedures in place to ensure that the Audit Committee mandatorily reviews:

- I. Management discussion and analysis of financial position and results of operations.
- II. Statement of significant related party transactions, Management letters/letters of internal control weaknesses issued by the statutory auditors.
- III. Internal audit reports relating to internal control weaknesses.
- IV. The appointment, removal and terms of remuneration of the chief of internal audit function.
- V. Whenever applicable, monitoring end use of funds raised through public issues, rights issues, preferential issues by major category (capital expenditure, sales and marketing, working capital, etc), as part of the quarterly declaration of financial results.

In addition, Audit Committee of the Board is also empowered to review the financial statements, in particular, investments made by the unlisted subsidiary companies, in view of the requirements under Regulation 24 of the Listing Regulations.

## 2. STAKEHOLDERS RELATIONSHIP COMMITTEE

### (i) Composition :

During the year ended 31 March 2019, the Stakeholders Relationship Committee consisted of Mr. S. Goenka, the Chairman of the Committee, Mr. R. Chowdhury and Mr. P. Chaudhuri. Mr. P. Chaudhuri was inducted with effect from 5 February 2019. Mr S. Mitra, Company Secretary is the Compliance Officer reporting to the Committee.



**(ii) Meetings:**

The Committee met five times on 22 May 2018, 25 June, 2018, 26 July, 2018, 14 November 2018, 5 February 2019. Table 3 below reports the attendance record of the Members at the Meeting.

**Table 3: Attendance Record of Stakeholders Relationship Committee Meetings**

| Name of Members  | Status   | Category                    | No. of Meetings |          |
|------------------|----------|-----------------------------|-----------------|----------|
|                  |          |                             | Held            | Attended |
| Mr. S. Goenka    | Chairman | Non-Executive               | 5               | 5        |
| Mr. A. Basu #    | Member   | Executive                   | 5               | 1        |
| Mr. R. Chowdhury | Member   | Executive                   | 5               | 4        |
| Mr. P. Chaudhuri | Member   | Independent / Non-Executive | 5               | -        |

# Mr. A. Basu ceased to be a Director w.e.f 27 May, 2018.

Details of the number and nature of complaints received and redressed during the financial year 2018-19 are given in the section titled "Additional Shareholder Information".

**(iii) Terms of reference:**

The terms of reference of the Stakeholders Relationship Committee include looking into the redressal of grievances of shareholders and dealing with transfer and transmission of shares, non receipt of annual report, non receipt of declared dividends, issue of duplicate share certificates and new certificates against requests for split/consolidation/renewal of share certificates. The Committee is also responsible for looking into various interest of the shareholders of the Company.

For expediting the above processes, the Board has delegated necessary power to the Company Secretary who is also the Compliance Officer.

### 3. NOMINATION & REMUNERATION COMMITTEE

**(i) Composition :**

During the year ended 31 March, 2019, the Nomination Remuneration Committee comprised of Mr. S. Goenka, Mr. P.K. Khaitan, Mr. K. Jairaj and Mr. C.K. Dhanuka. Mr. Dhanuka became the Chairman of the Committee w.e.f. 5 February, 2019 and Mr. K. Jairaj was inducted as a member of the Committee from the said date.

**(ii) Meetings:**

The Committee met twice on 22 May 2018 and 14 November 2018 to discuss the overall performance of the Directors. Table 4 below records the attendance record of the Members at the Meeting.

**Table 4 : Attendance Record of Nomination and Remuneration Committee Meetings**

| Name of Members     | Status   | Category                        | No. of Meetings |          |
|---------------------|----------|---------------------------------|-----------------|----------|
|                     |          |                                 | Held            | Attended |
| Mr. S. Goenka       | Member   | Non-Executive                   | 2               | 1        |
| Mr. C. K. Dhanuka   | Chairman | Independent / Non-Executive     | 2               | 2        |
| Mr. B. M. Khaitan # | Member   | Independent / Non-Executive     | 2               | 1        |
| Mr. K. Jairaj       | Member   | Independent / Non-Executive     | 2               | 0        |
| Mr. P. K. Khaitan   | Member   | Non-Independent / Non-Executive | 2               | 1        |

# Mr. B. M. Khaitan ceased to be a Director w.e.f 23 May, 2018.

**(iii) Remuneration Policy :**

In accordance with the recommendation of the Committee, the Company has since formulated a Remuneration Policy for directors, key managerial personnel and other employees of the Company. The Committee is also responsible for recommending the fixation and periodic revision of remuneration of the Managing Director.

**(iv) Terms of Reference :**

The role of the Nomination & Remuneration Committee includes:

- A. To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals, where necessary;
- B. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- C. To evaluate the performance of every director, key managerial personnel and other employees;
- D. To devise a policy on Board diversity.
- E. To ascertain whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- F. To recommend to the Board all remunerations, in whatever form, payable to senior management of the Company.

**(v) Performance Evaluation Criteria:**

The performance evaluation criteria for Non-Executive including Independent Directors laid down by the Committee and taken on record by the Board includes:

- Attendance and participation in the Meetings
- Preparedness for the Meetings
- Understanding of the Company and the external environment in which it operates and contributes to strategic direction
- Raising of valid concerns to the Board and constructive contribution to issues and active participation at meetings
- Engaging with and challenging the management team without being confrontational or obstructionist.

## **4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

**(i) Composition :**

During the year ended 31 March 2019, the Corporate Social Responsibility Committee consisted of Mr. S. Goenka, Chairman of the Committee, Mr. C.K. Dhanuka and Mr. R. Chowdhury. Mr. Dhanuka became a member of the Committee w.e.f 28 May 2018.

**(ii) Meetings :**

During the financial year, the Committee met on 22 May 2018. Table 5 below gives the attendance record of the Members at the Meeting.

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

| Name of Members     | Status   | Category                    | No. of Meetings |          |
|---------------------|----------|-----------------------------|-----------------|----------|
|                     |          |                             | Held            | Attended |
| Mr. S. Goenka       | Chairman | Non- Executive              | 1               | 1        |
| Mr. B. M. Khaitan # | Member   | Independent / Non-Executive | 1               | 1        |
| Mr. C.K. Dhanuka    | Member   | Independent / Non-Executive | 1               | -        |
| Mr. R. Chowdhury    | Member   | Executive                   | 1               | -        |

# Mr. B. M. Khaitan ceased to be a Director w.e.f 23 May, 2018.

**(iii) Terms of reference :**

The terms of reference of the Corporate Social Responsibility Committee are as follows:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
2. Monitor the Corporate Social Responsibility Policy of the Company from time to time.
3. Discharge such other responsibilities as required under the Act and the Rules made thereunder.

## 5. RISK MANAGEMENT COMMITTEE

**(i) Composition :**

During the year ended 31 March 2019, the Risk Management Committee consisted of Mr. P.K. Khaitan (Chairman), Mr. R. Chowdhury, and Mr. P. Chaudhuri. Besides, the Committee also comprised of two senior executives viz. Executive Director (HR & Admin.) and Executive Director & CFO as its members.

**(ii) Meetings:**

During the financial year, the Committee met on 22 May 2018. Table 6 below gives the attendance record of the Members at the Meeting:

**Table 6: Attendance Record of Risk Management Committee Meetings**

| Name of Members     | Status   | Category                        | No. of Meetings |          |
|---------------------|----------|---------------------------------|-----------------|----------|
|                     |          |                                 | Held            | Attended |
| Mr. B. M. Khaitan # | Chairman | Independent / Non-Executive     | 1               | 1        |
| Mr. A. Basu #       | Member   | Executive                       | 1               | 1        |
| Mr. P. K. Khaitan * | Chairman | Non-Independent / Non-Executive | 1               | -        |
| Mr. P. Chaudhuri    | Member   | Independent / Non-Executive     | 1               | -        |
| Mr. R. Chowdhury    | Member   | Executive                       | 1               | -        |

# Mr. B. M. Khaitan and Mr. A. Basu ceased to be a Director w.e.f 23 May, 2018 and 27 May, 2018 respectively.

\* Mr. P. K. Khaitan became Chairman of the Committee w.e.f 23 May, 2018.

**(iii) Terms of reference :**

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

## REMUNERATION OF DIRECTORS

Payment of remuneration to Managing Directors is governed by the agreements executed with the Company and is governed by Board and Shareholders' resolutions. The remuneration structure comprises salary, variable pay, perquisites and allowances and retirement benefits in the forms of superannuation and gratuity. The details of all remuneration paid or payable to the Directors have been given below.

### Remuneration paid or payable to Non-Executive Directors for the year ended 31 March 2019 :

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2018-19 are as follows : Mr. S. Goenka, Chairman - ₹18,00,000, Mr. P. K. Khaitan - ₹10,00,000, Mr. B. M. Khaitan - ₹6,00,000, Mr. C. K. Dhanuka - ₹11,00,000, Ms. R. Sethi - ₹6,00,000, Mr. K. Jairaj - ₹6,00,000, Mr. P. Chaudhuri - ₹5,00,000. Sitting fees include payment for Board-level committee meetings.

After taking into account the Non-Executive Directors' contribution to the Company in formulating its policy matters, their qualifications, experience, time spent by them on strategic matters, the Company, with the due approval of the shareholders, made payment of commission during the year 2018-19 at the rate of 3% of net profits for the financial year 2017-18, calculated under the applicable provisions of the Companies Act, 2013. A sum of ₹3316 Lakh has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of ₹50 lakh was paid to the Non-Executive directors other than the Chairman who was paid the balance amount, as per the decision of the Board. Amount of the proposed commission for the Non-Executive Directors for the year 2018-19 on the same basis is ₹3534 Lakh.

### Remuneration of the Managing Director:

The remuneration of Mr. D. Banerjee, Managing Director (Distribution) during the year, in accordance with the Resolution passed by the Shareholders at the Fortieth Annual General Meeting held on 21 December, 2018 was : Salary – ₹132 lakh, Contribution to Pension and Provident Fund and Gratuity – ₹43 lakh, Estimated value of other benefits – ₹342 lakh, Total: ₹516 lakh. The remuneration of Mr. R. Chowdhury, Managing Director (Generation) paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where he continues to function as the Managing Director.

Mr. A. Basu was appointed as the Managing Director of the Company for a period of 5 years and his term of office expired on 28 May 2018. The remuneration of Mr. Basu as the Company's Managing Director, for the period 1 April 2018 to 27 May 2018 was Salary – ₹15.62 lakh, Contribution to Pension and Provident Fund and Gratuity – ₹11.29 lakh, Estimated value of other benefits – ₹27.74 lakh. Total ₹ 54.66 lakh.

### Shares held by Non-Executive Directors :

As on 31 March 2019, Mr. S. Goenka, Chairman and Non-Executive Director held 1,34,794 equity shares of the Company. No other Non-Executive Director holds any equity shares in CESC. As on 31 March 2019, no convertible instruments of the Company were outstanding.

## SUBSIDIARY COMPANIES

As on 31 March 2019, CESC had 17 subsidiaries. Haldia Energy Limited (HEL) was the only material subsidiary of the Company during the year. Ms. Rekha Sethi, Independent Director of the Company, is also the Director of HEL.

Web link of policy for determining material subsidiaries is given below :

[https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

## MANAGEMENT

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors neither participate in the discussion nor do they vote on such matters.

## COMMITTEE RECOMMENDATIONS

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

## DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared to comply in all material aspects with the applicable accounting principles in India, including accounting standards notified under Section 133 of the Act and the relevant provisions of the Act and the regulations under the Electricity Act, 2003 and regulations thereunder, to the extent applicable. The financial statements have also been prepared in accordance with relevant presentational requirements of the Act.

Details of foreign exchange risk and hedging activities are disclosed in Note 21(e) to the financial statements for the year 2018-19.

## FEES PAID TO THE STATUTORY AUDITOR

| Services rendered                                    | Fees paid (in ₹Cr) |
|--|--------------------|
| Fees for Audit and Related Services                  | 4.04               |
| Fees for other services                              | 0.18               |
| Reimbursement of expenses including applicable taxes | 0.88               |
| Total  | 5.10               |

## CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company has in place a code – “Code of Conduct to Regulate, Monitor and Report Trading by Insiders” in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company’s securities. The code clearly specifies, among other matters, that “Designated Persons” including Directors of the Company can trade in the Company’s securities only when the ‘Trading Window’ is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the Code.

Apart from the above, the Company also has in place a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in terms of the aforesaid regulations. Company Secretary is the Compliance Officer who also heads the Investor Relation Functions. The above two codes are posted on the Company’s website [www.cesc.co.in](http://www.cesc.co.in).

## LIST OF ALL CREDIT RATINGS

The details of ratings obtained during the year under review are given below :

| Date           | Facility Type              | Rating              | Rating Agency        |
|----------------|----------------------------|---------------------|----------------------|
| 25 March, 2019 | Commercial Paper           | [ICRA]A1 + Assigned | ICRA Limited         |
| 26 March, 2019 | Commercial Paper           | CARE A1 +           | CARE Ratings Limited |
|                | Long Term Bank Facilities  | CARE AA; Stable     |                      |
|                | Short Term Bank Facilities | CARE A1 +           |                      |

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

### (i) Risk Management Policy

Commodities form major part of the raw materials and input requirement of the Company, for the purpose of carrying out day to day activities and hence commodity price risk is one of important market risks of the Company. The Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from market volatility in terms of price and availability. Any

commodity having exposure during a year exceeding 10% of the annual consolidated turnover as per the last audited financial statements are considered to be material for the purpose of disclosure regarding commodity risk.

(ii) Exposure of the Company to commodity and commodity risks faced by the Company throughout the year:

a. Total exposure of the listed entity to commodities: ₹1743.73 Cr.

b. Exposure of the listed entity to various commodities:

| Commodity Name    | Exposure in INR towards the particular commodity (₹ Cr) | Exposure in Quantity terms towards the particular commodity | % of such exposure hedged through commodity derivatives |          |                      |          |       |
|-------------------|---|---|---|----------|----------------------|----------|-------|
|                   |   |   | Domestic market   |          | International market |          | Total |
|                   |   |   | OTC   | Exchange | OTC                  | Exchange |       |
| Coal <sup>§</sup> | 1743.73 <sup>§</sup>                                    | 4.37 Million MT   | NIL   | NIL      | NIL                  | NIL      | NIL   |

<sup>§</sup> Includes closing stock

c. Commodity risks faced by the listed entity during the year and how they have been managed:

The company has three coal based power generating plants situated in and around the city of Kolkata. Coal is sourced from own Captive Mine, by domestic long term linkage through Fuel Supply Agreements with Coal India Limited (CIL)/its subsidiaries and through Special Forward E-Auction conducted by CIL/subsidiaries. The domestic price of linkage coal and the reserve price of E-Auction Coal are governed as per rates notified by CIL. The Company operates under regulatory regime and, as aforesaid, the entire quantity of coal has been procured from domestic sources including own captive mine and from CIL and its subsidiaries. Accordingly, in view of the aforesaid arrangements, hedging has not been considered necessary.

## DETAILS OF UTILIZATION OF FUNDS

The Company does not have any unutilized fund for reporting of its utilization in terms of Regulation 32(7A) of Listing Regulations.

## RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS) - 24 issued by the Institute of Chartered Accountants of India are disclosed in Note 42 to the financial statements for the year 2018-19. There has been no material transaction with any of the related parties which was in conflict with the interests of the Company. Save as disclosed in this Report there has been no material pecuniary relationship or transaction between the Company and its Non-Executive Directors during the year. The Company's policy on dealing with Related Party Transactions is posted at: [https://www.cesc.co.in/wp-content/uploads/policies/RELATED\\_PARTIES\\_POLICY.pdf](https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf)

## WHISTLE BLOWER POLICY

As required under the Act and Listing Regulations, the Company has formulated a Whistle Blower Policy for its Directors and permanent employees. Under the Policy, instances of any irregularity, unethical practice and / or misconduct can be reported to the management for appropriate action. No such case has been reported during the year and accordingly, the question of denying any personnel due access to audit committee does not arise.

## ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Further, the Company has set up an Internal Complaint Committee in compliance with Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder.

Disclosure in relation to the Sexual Harassment of Women at Workplace

|  |   |
|--|---|
| Number of complaints filed during the financial year         | 2 |
| Number of complaints disposed of during the financial year   | 1 |
| Number of complaints pending as on end of the financial year | 1 |

## CEO/CFO CERTIFICATION

Certification by the CEO and the CFO as to the financial statements for the year has been submitted to the Board of Directors, as required by the Listing Agreement.

## PRACTICING COMPANY SECRETARY CERTIFICATE ON DIRECTOR QUALIFICATION

The Company has obtained a Certificate from Secretarial Auditor confirming that none of its Directors has been debarred or disqualified from being appointed or continuing on the Board as Directors of any company by any statutory authority.

## APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

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

The current five year term of appointment of Mr. Pratip Chaudhuri, Independent Director of the Company, will expire on 30 September, 2019. It is proposed to reappoint him as an Independent Director, not liable to retire by rotation, for a fresh five year term with effect from 1 October, 2019, in accordance with the applicable provisions of the Act and rules made thereunder. The notice convening the ensuing Annual General Meeting includes requisite Special Resolution in respect of the proposed re-appointment.

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

|                      |  |
|----------------------|--|
| Name of the Director | Mr. Pradip Kumar Khaitan (DIN: 00004821)   |
| Age                  | 78   |
| Brief Resume         | Mr. Pradip Kumar Khaitan, is an attorney-at-law (Bell chambers gold medalist) and is an eminent personality. He has extensive experience in the fields of commercial and corporate law, tax law, arbitration, foreign collaborations, intellectual property, mergers and acquisitions, restructuring and de-mergers. He is a senior partner of Khaitan & Co., an eminent firm dealing with corporate and other laws. He is a member of the Bar Council of India, the Bar Council of West Bengal, the Incorporated Law Society of India and the Indian Council of Arbitration and is connected with various educational institutions and social organizations. He is on the board of directors of CESC since 1992 and is a member of its Finance & Forex Committee and Project Committee.   |
| Other Directorship   | Mr. Khaitan is in the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), Dhunseri Ventures Limited (Member of Nomination & Remuneration Committee and Chairman of CSR Committee), India Glycols Limited (Chairman of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), Odisha Cement Limited (Member of Audit cum Risk management Committee and Nomination & Remuneration Committee), Electrosteel Castings Limited (Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Emami Limited, Firstsource Solutions Limited and Woodlands Multispeciality Hospital Limited (Member of Audit Committee and Nomination & Remuneration Committee) |
| Shareholding         | Nil  |

|                      |   |
|----------------------|---|
| Name of the Director | Mr. Pratip Chaudhuri (DIN: 00915201)  |
| Age                  | 65  |
| Brief Resume         | Mr. Pratip Chaudhuri is the former Chairman of State Bank of India (SBI) and has 40 years of rich experience in banking sector. He holds Master's Degree in Science and Statistics from University of Rajasthan and is an alumnus of University Business School, Chandigarh. He has also served as the Chairman of SBI Global Factors Ltd, State Bank of Mysore, State Bank of Bikaner & Jaipur, State Bank of Travancore and State Bank of Hyderabad. He was also a Director at Export-Import Bank of India and State Bank of Patiala.   |
| Other Directorship   | Mr. Chaudhuri is in the Boards of Firstsource Solutions Limited, Jagaran Microfin Private Limited, Dynamic Drilling & Services Private Limited, Alchemist Asset Reconstruction Company Limited (Member of the Nomination & Remuneration Committee), Cosmo Films Limited (Chairman of Audit Committee and member of Risk Management Committee), Sundaram Asset Management Company Limited (Chairman of Audit Committee and member of Nomination & Remuneration Committee), Visa Steel Limited (Chairman of Stakeholders Relationship Committee and the Audit Committee), QUESS Corp Limited, IFFCO Kisan Sanchar Limited (Chairman of Audit Committee) and Spencer's Retail Limited (Member of the Audit Committee). |
| Shareholding         | Nil   |



## COMMUNICATION TO SHAREHOLDERS

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

During the year, the Company's quarterly/half-yearly/yearly results have been published in leading English and Bengali newspapers i.e. Business Standard and Aajkal and the Annual Results have been published in Aajkal, Business Standard, Business Line, Financial Express and Mint and also posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results on receipt of a request from any Shareholder.

## GENERAL BODY MEETINGS

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

| Financial year | Date             | Time     | Venue   | Special Resolutions Passed |
|----------------|------------------|----------|---|----------------------------|
| 2015-16        | 22 July 2016     | 10.30 AM | Rangmanch, Swabhum, 89C, Moulana Abul Kalam Azad Sarani, Kolkata - 700054     | One                        |
| 2016-17        | 28 July 2017     | 10.30 AM | CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064 | One                        |
| 2017-18        | 21 December 2018 | 03.00 PM | CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064 | Nine                       |

No Special Resolution passed at the above Annual General Meetings was required to be put through postal ballot. No resolution is proposed to be passed at the forthcoming Annual General Meeting through postal ballot.

## COMPLIANCE

### MANDATORY REQUIREMENTS

The Company is fully compliant with the applicable mandatory requirements of Listing Regulations.

### NON-MANDATORY REQUIREMENTS

The details of compliance of the non-mandatory requirements are listed below:

a) Shareholder Rights

Details of the shareholders' rights in this regard are given in the section 'Communication to Shareholders'.

b) Audit Qualifications

During the current financial year, there are no audit qualifications in the financial statements of the Company. The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

## CONFIRMATION

- The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report.
- The Company has complied with the requirements prescribed under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.
- To the best of its knowledge, CESC has complied with all requirements of the regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

On behalf of the Board of Directors

Kolkata, 17 May 2019

Sanjiv Goenka  
 Chairman  
 DIN: 00074796

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

The Members of CESC Limited  
CESC Limited  
CESC House  
Chowringhee Square  
Kolkata-700 001

1. The Corporate Governance Report prepared by CESC Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2019. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Auditor's Responsibility**

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:
  - i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Directors Register as on March 31, 2019 and verified that atleast one woman director was on the Board during the year;
  - iv. Obtained and read the minutes of the following committee meetings held April 1, 2018 to March 31, 2019:
    - (a) Board of Directors meeting;
    - (b) Audit committee;
    - (c) Annual General meeting;
    - (d) Nomination and remuneration committee;

- (e) Stakeholders Relationship Committee;
  - (f) Independent directors meeting;
  - (g) Risk management committee and
  - (h) Corporate Social Responsibility Committee
- v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and
- vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.

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

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

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

**per Kamal Agarwal**  
Partner  
Membership Number: 058652

UDIN: 19058652AAAAJ6997

Place of Signature: Kolkata  
Date: May 17, 2019

## Additional Shareholder Information (Annexure 'C' to Directors' Report)



### ANNUAL GENERAL MEETING

|       |   |   |
|-------|---|---|
| Date  | : | Friday, 19 July, 2019   |
| Time  | : | 10-30 AM  |
| Venue | : | Swissotel Kolkata, City Centre Two, New Town Action Area 2D, Plot No. 11/5, New Town, Rajarhat, Kolkata - 700 157 |

### FINANCIAL CALENDAR

: 1 April to 31 March

#### For the year ended 31 March 2019, results were announced on:

|                           |                   |
|---------------------------|-------------------|
| First quarter             | 26 July, 2018     |
| Second quarter            | 14 November, 2018 |
| Third quarter             | 5 February, 2019  |
| Fourth quarter and annual | 17 May, 2019      |

#### For the year ended 31 March 2020, results will be announced by:

|                           |                         |
|---------------------------|-------------------------|
| First quarter             | Within 14 August 2019   |
| Second quarter            | Within 14 November 2019 |
| Third quarter             | Within 14 February 2020 |
| Fourth quarter and annual | Within 30 May 2020      |

### DIVIDEND

The Board of Directors at its meeting held on 5 February, 2019 declared an interim dividend of ₹ 17.50 per equity share. The said interim dividend was paid on and from 20 February 2019. The said dividend was declared in terms of the Dividend Distribution Policy adopted by the Company in terms of the requirement of Listing Regulations. The Policy is available on the website of the Company under the weblink [https://www.cesc.co.in/wp-content/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Dividend_Policy.pdf).

### LISTING

Equity shares of CESC are listed on The Calcutta Stock Exchange Limited, Kolkata, BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai. The Global Depository receipts of the Company are listed in the Luxembourg Stock Exchange.

| Stock Exchange                           | Address   | Stock Code                      |
|--|---|---------------------------------|
| <b>A. Equity Shares</b>                  |   |                                 |
| National Stock Exchange of India Limited | Bandra Kurla Complex, Bandra (E), Mumbai – 400 051      | CESC                            |
| BSE Limited                              | Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai -400 001 | PHYSICAL: 84<br>DEMAT: 500084   |
| The Calcutta Stock Exchange              | 7, Lyons Range, Kolkata – 700 001                       | PHYSICAL: 34<br>DEMAT: 10000034 |
| ISIN No.                                 |   | INE486A01013                    |
| <b>B. Global Depository Receipts</b>     |   |                                 |
| Luxembourg Stock Exchange                | 35 Boulevard Joseph II, 1840 Luxembourg                 |                                 |

All listing and custodial fees to the stock exchanges and depositories have been duly paid upto financial year 2019-20.

## STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at the BSE limited (BSE) and the National Stock Exchange (NSE) for the year 2018-19.

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

| Month           | Bombay Stock Exchange (BSE) |        | National Stock Exchange (NSE) |        |
|-----------------|-----------------------------|--------|-------------------------------|--------|
|                 | High                        | Low    | High                          | Low    |
| April, 2018     | 1079.95                     | 957.00 | 1079.90                       | 958.50 |
| May, 2018       | 1092.60                     | 993.80 | 1091.70                       | 993.85 |
| June, 2018      | 1048.15                     | 877.50 | 1049.00                       | 878.10 |
| July, 2018      | 959.90                      | 870.00 | 959.45                        | 870.00 |
| August, 2018    | 1029.95                     | 880.20 | 1029.75                       | 900.05 |
| September, 2018 | 1038.55                     | 804.75 | 1038.85                       | 803.25 |
| October, 2018   | 950.00                      | 643.05 | 948.35                        | 642.00 |
| November, 2018  | 705.75                      | 670.00 | 705.90                        | 668.50 |
| December, 2019  | 735.00                      | 651.45 | 732.80                        | 651.10 |
| January, 2019   | 709.25                      | 647.50 | 706.90                        | 647.05 |
| February, 2019  | 738.95                      | 631.00 | 734.90                        | 655.35 |
| March, 2019     | 750.55                      | 674.00 | 750.10                        | 673.20 |

**Note:** There is no trading in the shares of the Company at The Calcutta Stock Exchange Limited during the year.

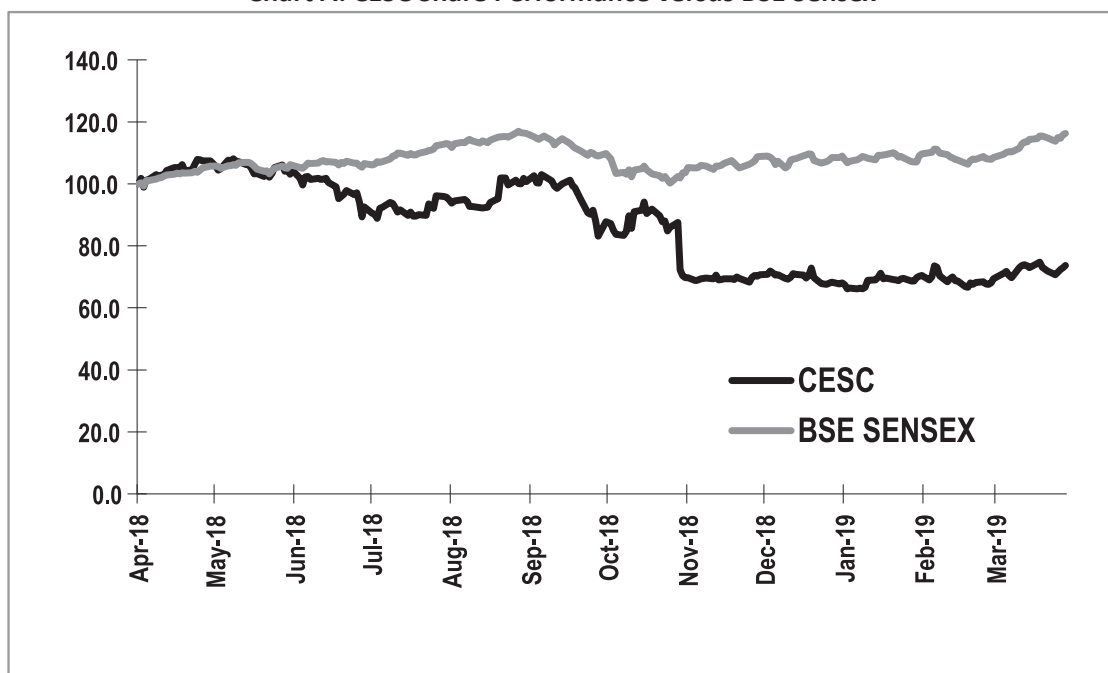
Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the financial year 2018-19 :

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

| As on close of last trading day for each month | CESC's Closing Price on NSE (₹) | NSE Nifty | BSE Sensex | BSE 500 Index | BSE Power Index |
|--|---------------------------------|-----------|------------|---------------|-----------------|
| April, 2018                                    | 1060.25                         | 10739.35  | 35160.36   | 15047.73      | 2238.15         |
| May, 2018                                      | 1019.30                         | 10736.15  | 35322.38   | 14765.69      | 2129.30         |
| June, 2018                                     | 912.05                          | 10714.30  | 35423.48   | 14528.54      | 1946.64         |
| July, 2018                                     | 944.55                          | 11356.50  | 37606.58   | 15314.81      | 1975.25         |
| August, 2018                                   | 995.90                          | 11680.50  | 38645.07   | 15846.20      | 2140.72         |
| September, 2018                                | 820.85                          | 10930.45  | 36227.14   | 14445.89      | 1929.43         |
| October, 2018                                  | 694.95                          | 10386.60  | 34442.05   | 13881.71      | 1958.13         |
| November, 2018                                 | 699.50                          | 10876.75  | 36194.30   | 14429.00      | 1911.27         |
| December, 2018                                 | 668.35                          | 10862.55  | 36068.33   | 14540.39      | 1999.18         |
| January, 2019                                  | 693.90                          | 10830.95  | 36256.69   | 14285.11      | 1880.88         |
| February, 2019                                 | 672.95                          | 10792.50  | 35867.44   | 14196.80      | 1828.66         |
| March, 2019                                    | 730.65                          | 11623.90  | 38672.91   | 15304.57      | 2034.41         |

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

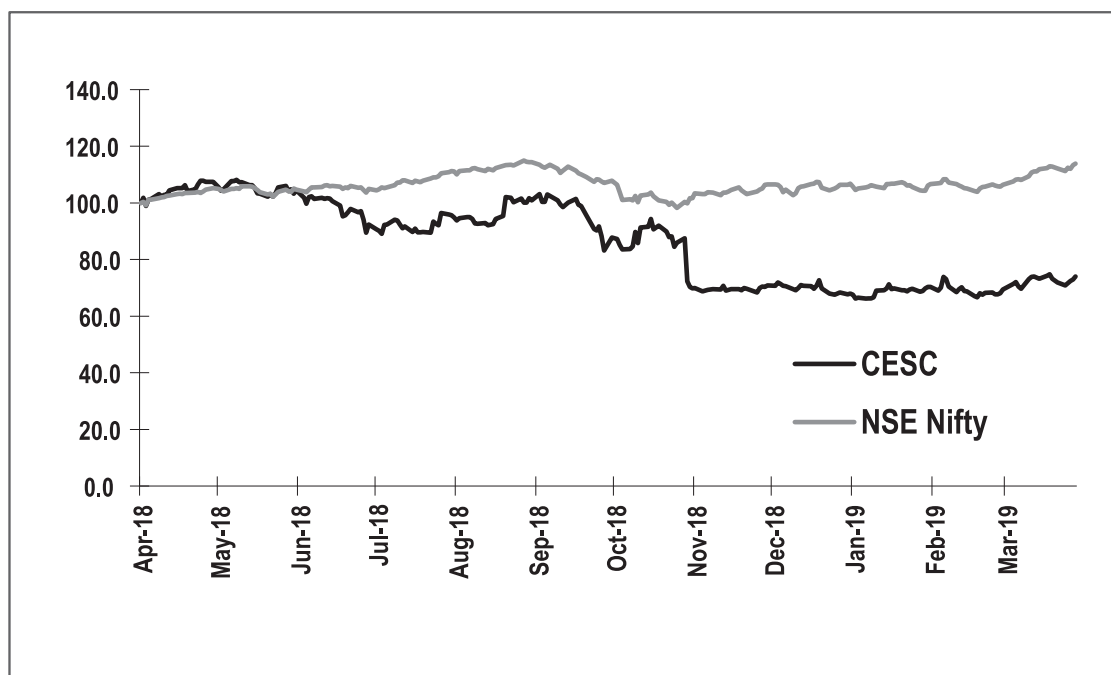
**Chart A: CESC Share Performance versus BSE Sensex**



Note: Share price of CESC and BSE Sensex have been indexed to 100 on April 2018

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

**Chart B: CESC Share Performance versus NSE NIFTY**

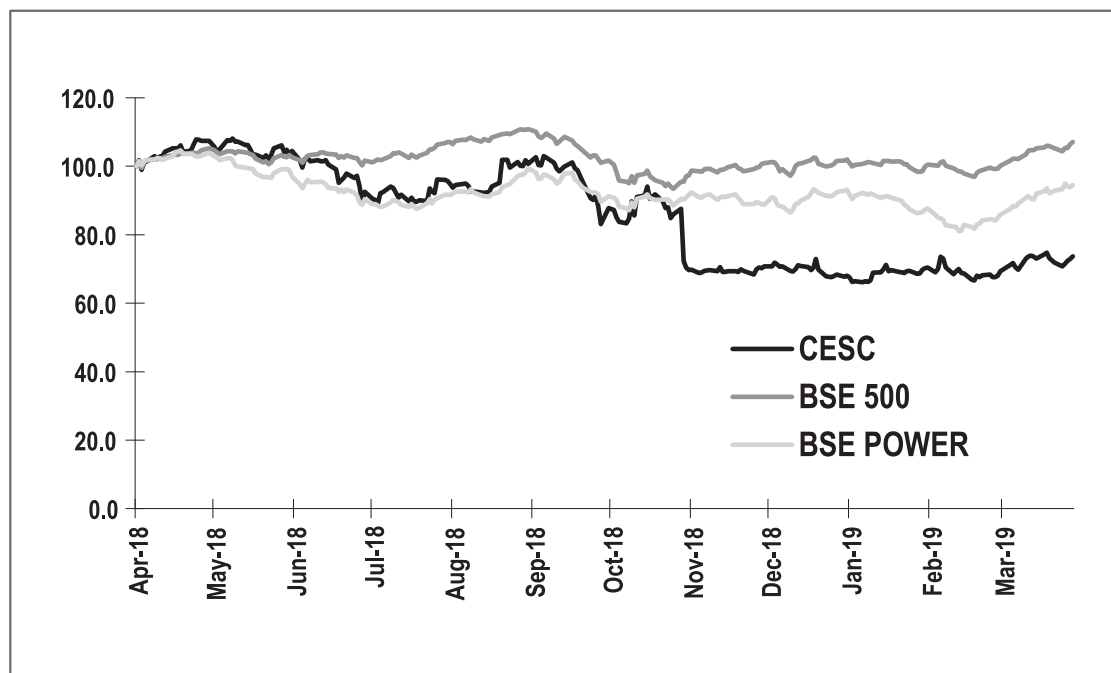


Note: Share price of CESC and NSE NIFTY have been indexed to 100 on April 2018

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



**Chart C: CESC Share Performance versus BSE 500 & BSE Power**



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on April 2018

## SHARE TRANSFER ARRANGEMENT, INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

CESC processes share transfers through its registrar and share transfer agent, whose details are given below :

### LINK INTIME INDIA PRIVATE LIMITED

59C Chowringhee Road, 3<sup>rd</sup> Floor  
 Kolkata – 700 020  
 Tel No. : 2289 0540  
 Fax No. : 2289 0539  
 E-mail : [Kolkata@linkintime.co.in](mailto:Kolkata@linkintime.co.in)  
 Website : [www.linkintime.co.in](http://www.linkintime.co.in)

Investors correspondence may be sent to the Company's registrar and share transfer agent at the above address or at the Company's registered address given below :

Secretarial Department  
 CESC Limited  
 CESC House  
 Chowringhee Square  
 Kolkata – 700 001  
 Tel No. : 66340814  
 Fax No. : 2236 3868  
 E-mail : [secretarial@rp-sg.in](mailto:secretarial@rp-sg.in)

Mr. S. Mitra, Company Secretary, is the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

In compliance with the SEBI circular dated 27 December, 2002, requiring share registry in terms of both physical and electronic mode to

be maintained at a single point, CESC has established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its registrar and share transfer agent.

Shares received in physical form are processed and the share certificates are returned within 10 to 15 days from the date of receipt, subject to the documents being complete and valid in all respects. The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The Registrar and Share Transfer Agent of the Company periodically receives data regarding the beneficiary holdings, so as to enable them to update their records and send all corporate communications, dividend warrants, etc.

Securities and Exchange Board of India (SEBI) has decided that securities of listed companies can be transferred only in dematerialized form with effect from 1 April, 2019.

As on 31 March 2019, dematerialised shares accounted for 98.88% of total equity. Outstanding global depository receipts as on the said date was 7932. There is no subsisting court order in legal proceedings against CESC in any share transfer matter. Table 3 give details of the number and nature of complaints for the year 2018-19 :

**Table 3: Complaints from Shareholders during 2018-19**

| Particulars  | Complaints                   |                         |   |        |       |
|--|------------------------------|-------------------------|---|--------|-------|
|  | Non receipts of certificates | Non-Receipt of Dividend | Non Receipt of Annual Reports / Non Receipt of Demat Credit | Others | Total |
| Received during the year   | 19                           | 2                       | 3   | 5      | 29    |
| Attended to the satisfaction of the shareholders during the year ended 31 March, 2019* | 19                           | 2                       | 3   | 5      | 29    |
| Pending as on 31 March 2019  | -                            | -                       | -   | -      | -     |

\* As confirmed by the Stock Exchanges and Registrar and Transfer Agents

## SHAREHOLDING PATTERN

Tables 4 and 5 give the pattern of shareholding by ownership and share class respectively.

**Table 4: Pattern of Shareholding by Ownership as on 31 March 2019**

| Category  | As on 31 March 2019 |                |
|---|---------------------|----------------|
|   | Total No. of Shares | Percentage     |
| <b>1. Management Group / Families</b>                 | <b>6,61,72,209</b>  | <b>49.92%</b>  |
| <b>2. Institutional Investors</b>                     |                     |                |
| a. Mutual Funds                                       | 2,84,34,712         | 21.45%         |
| b. Banks, Financial Institutions, Insurance Companies | 79,19,763           | 5.98%          |
| c. FIs  | 1,72,90,949         | 13.04%         |
| <b>Total</b>  | <b>5,36,45,424</b>  | <b>40.47%</b>  |
| <b>3. Others</b>                                      |                     |                |
| a. Bodies Corporate                                   | 34,47,313           | 2.60%          |
| b. Indian Public                                      | 68,52,350           | 5.17%          |
| c. NRIs   | 9,41,606            | 0.71%          |
| d. Others   | 14,98,141           | 1.13%          |
| <b>Total</b>  | <b>1,27,39,410</b>  | <b>9.61%</b>   |
| <b>Grand Total</b>                                    | <b>132,557,043</b>  | <b>100.00%</b> |

**Table 5: Pattern of Shareholding by Share Class as on 31 March 2019**

| Shareholding Class | No of shareholders | No of shares held   | Shareholding % |
|--------------------|--------------------|---------------------|----------------|
| 1 to 500           | 54335              | 3609459             | 2.73           |
| 501 to 1,000       | 1302               | 990870              | 0.75           |
| 1,001 to 2,000     | 610                | 896601              | 0.68           |
| 2,001 to 3,000     | 212                | 528272              | 0.40           |
| 3,001 to 4,000     | 108                | 377216              | 0.28           |
| 4,001 to 5,000     | 103                | 4,81,672            | 0.36           |
| 5,001 to 10,000    | 153                | 11,05,102           | 0.83           |
| 10,001 and above   | 299                | 12,45,67,851        | 93.97          |
| <b>Total</b>       | <b>57122</b>       | <b>13,25,57,043</b> | <b>100.00</b>  |

## PLANT LOCATIONS

CESC's generating stations are located at Budge Budge, Southern and Titagarh in and around the city of Kolkata. The details of regional offices of the Company are mentioned elsewhere in the Annual Report.

## TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

### A. Details of due dates:

The due dates on which unclaimed dividends lying in the unpaid dividend accounts of the Company would be credited to the IEPF are stated in the table below. Investors are requested to claim their unclaimed dividends before these due dates.

**Table 6: The Dates of Payment, the Due Dates for Credit to IEPF and the Amounts**

| Year    | Date of Payment   | Due Date for Credit to IEPF | Amount Lying Unpaid /Unclaimed as on 31 March 2019 (₹) |
|---------|-------------------|-----------------------------|--|
| 2011-12 | 27 July, 2012     | 28 September, 2019          | 2803466.28   |
| 2012-13 | 26 July, 2013     | 27 September, 2020          | 4099134.65   |
| 2013-14 | 30 July, 2014     | 2 October, 2021             | 6059824.16   |
| 2014-15 | 31 July, 2015     | 1 October, 2022             | 7872165.23   |
| 2015-16 | 11 March, 2016    | 09 May, 2023                | 8208624.65   |
| 2016-17 | 15 February 2017  | 14 April, 2024              | 9425684.62   |
| 2017-18 | 28 February, 2018 | 3 May, 2025                 | 10866783.48  |
| 2018-19 | 20 February, 2019 | 9 April, 2026               | 7958594.76   |

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

| Particulars                           | Amount (₹) | Date of Transfer |
|---------------------------------------|------------|------------------|
| Unclaimed Equity dividend for 2010-11 | 2932373    | 30 August, 2018  |

### C. Transfer of shares to IEPF:

| Particulars   | No of Equity shares | Date of Transfer   |
|---|---------------------|--------------------|
| Equity Shares relating to Unclaimed Equity Dividend for 2009-10 | 131271              | 19 September, 2018 |
| Equity Shares relating to Unclaimed Equity Dividend for 2010-11 | 36591               | 11 October, 2018   |

## UNCLAIMED SHARES

In terms of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, 1,68,048 equity shares were lying unclaimed, in "CESC Unclaimed Suspense Account". These shares may be claimed back by the concerned shareholders on compliance of necessary formalities and as such some of these shares have been claimed back by the concerned shareholders.

The status of equity shares lying in "CESC Unclaimed Suspense Account" is given below:

| Sl No. | Particulars   | No of shareholders | No. of equity shares held |
|--------|---|--------------------|---------------------------|
| 1      | Aggregate number of shareholders and the outstanding shares transferred in the suspense account as on 1 April, 2018 | 320                | 1,68,048                  |
| 2      | No of shareholders who approached the Company for transfer of shares from the suspense account                      | 7                  | 2500                      |
| 3      | No of shareholders to whom shares were transferred from the suspense account  | 7                  | 2500                      |
| 4      | Transfer to IEPF  | 176                | 35437                     |
| 5      | Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year    | 137                | 1,30,111                  |

It may also be noted that all the corporate benefits accruing to the above shares shall also be credited to the said "CESC Unclaimed Suspense Account" and the voting rights of these shares shall remain frozen until the rightful owner claims the shares. Details of the said 130111 equity shares appear in the Company's website so that the concerned shareholders can lodge claims for the said shares immediately.

For and on behalf of the Board of Directors

Kolkata, 17 May 2019

Sanjiv Goenka  
 Chairman  
 DIN: 00074796

## DECLARATION

As required under the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is confirmed that all Directors and Senior Management Officers have affirmed compliance of the Code of Business Conduct and Ethics during the year 2018-19.

Kolkata, 17 May 2019

D. Banerjee  
 Managing Director (Distribution)  
 DIN: 06443204

R. Chowdhury  
 Managing Director (Generation)  
 DIN: 06601588

# Annual Report on Corporate Social Responsibility Activities undertaken during the year ended 31 March 2019 (Annexure 'D' to the Director's Report)



1. A brief outline of the Company's CSR policy etc. including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

The Company is dedicated to the cause of providing access to basic services, empowering people, educating them and to improving their quality of life. The Company undertakes programmes based on the identified needs of the community healthcare, education, art and community provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps, empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development, supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into a low carbon business practices, undertaking livelihood generation/promotion and women empowerment projects, undertaking / supporting sports activities and programmes of art & culture in various forms and any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society

The Company's policy on CSR is posted at [https://www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf)

The details of the projects undertaken during the year are stated in Management Discussion and Analysis which forms a part of the Directors' Report.

2. Composition of CSR Committee: CSR Committee consists of Mr. Sanjiv Goenka, Chairman, Mr. Chandra Kumar Dhanuka, Independent Director and Mr. Rabi Chowdhury, Managing Director (Generation).

3. Average net profit for the last three financial years: ₹1008.23 cr

4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is ₹ 20.16 cr

5. (a) Total amount spent for the financial year 2018-19 is ₹ 20.23 cr

(b) Unspent amount for financial year 2018-19 is Nil

(c) Manner in which the amount was spent during the financial year is detailed below:

| 1       | 2  | 3                                      | 4   | 5   | 6  | 7  | 8  |
|---------|--|--|---|---|--|--|--|
| Sl. No. | CSR Project or activity identified   | Sector in which the Project is covered | Projects or programs<br>1) Local area or other<br>2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (₹) | Amount spent on the projects or programs Sub-heads;<br>1) Direct expenditure on projects or programs<br>2) Overheads (₹) | Cumulative Expenditure upto the reporting period (₹) | Amount spent: Direct or through implementing agency  |
| 1       | Development of Decorative Garden & Children's Park in Medical College and Hospitals, Kolkata | Environment                            | Kolkata (West Bengal)   | 882000  | 885701 (Direct)  | 885701   | Direct   |
| 2       | Maintenance of elevated green median strip in certain areas of the city of Kolkata           | Environment                            | Kolkata (West Bengal)   | 1431000   | 1433500 (Direct)   | 1433500  | Through Implementing Agency (The Kolkata Municipal Corporation)                              |
| 3       | Urja Chetana   | Environment                            | Kolkata, North 24 Parganas District, South 24 Parganas District, Hooghly (West Bengal)  | 1720000   | 1718308 (Direct)   | 1718308  | Through Implementing Agency (Centre for Environment Education)                               |
| 4       | Suswasthya   | Health                                 | Kamarhati, North 24 Parganas (West Bengal)  | 1175000   | 1176297 (Direct)   | 1176297  | Through Implementing Agency (City Level Programme of Action for Street and Working Children) |

| 1       | 2  | 3  | 4   | 5   | 6  | 7  | 8  |
|---------|--|--|---|---|--|--|--|
| Sl. No. | CSR Project or activity identified   | Sector in which the Project is covered       | Projects or programs<br>1) Local area or other<br>2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (₹) | Amount spent on the projects or programs Sub-heads;<br>1) Direct expenditure on projects or programs<br>2) Overheads (₹) | Cumulative Expenditure upto the reporting period (₹) | Amount spent: Direct or through implementing agency  |
| 5       | Nirmal Abhiyan   | Education                                    | Kolkata (West Bengal)   | 1608000   | 1609355 (Direct)   | 1609355  | Through Implementing Agency (City Level Programme of Action for Street and Working Children) |
| 6       | Livelihood Promotion Project   | Livelihood Promotion (Community Development) | Kamarhati, North 24 Parganas (West Bengal)  | 433000  | 432788 (Direct)  | 432788   | Through Implementing Agency (City Level Programme of Action for Street and Working Children) |
| 7       | Livelihood Promotion Project   | Livelihood Promotion (Community Development) | Howrah (West Bengal)  | 475000  | 476788 (Direct)  | 476788   | Through Implementing Agency (City Level Programme of Action for Street and Working Children) |
| 8       | Muktangan  | Education                                    | Kolkata, North 24 Parganas District, South 24 Parganas District (West Bengal)   | 806000  | 805490 (Direct)  | 805490   | Through Implementing Agency (Hope Kolkata Foundation)  |
| 9       | Roshni   | Education                                    | Kolkata (West Bengal)   | 1852000   | 1853117 (Direct)   | 1853117  | Through Implementing Agency (Child In Need Institute)  |
| 10      | Health Camp  | Health                                       | Kolkata (West Bengal)   | 200000  | 163292   | 163292   | Through Implementing Agency (Child In Need Institute)  |
| 11      | Power Safety Awareness Project   | Education                                    | Kolkata (West Bengal)   | 200000  | 235553   | 235553   | Through Implementing Agency (Child In Need Institute)  |
| 12      | Community Sanitation Project   | Water and Sanitation (Community Development) | Kolkata (West Bengal)   | 1275000   | 1274400 (Direct)   | 1274400  | Through Implementing Agency (BTL.EPC. LTD.)  |
| 13      | School Build Programme   | Education                                    | Kolkata, North 24 Parganas District, South 24 Parganas District (West Bengal)   |   |  |  |  |
| i.      | Construction of RCC staircase in Arya Parishad Vidyalaya, Khidderpore          |  |   | 1215000   | 1215177 (Direct)   | 1215177  | Direct   |
| ii.     | Supply of Benches to Janata Vidyamandir School                                 |  |   | 180000  | 179832 (Direct)  | 179832   | Direct   |
| iii.    | Supply of Benches to Hasnecha High School                                      |  |   | 180000  | 179832 (Direct)  | 179832   | Direct   |
| iv.     | Construction of 2 Nos. M.S. Shed at Raipur Sri Sri Ramkrishna Amrita Vidyalaya |  |   | 240000  | 239190 (Direct)  | 239190   | Direct   |



| 1       | 2  | 3   | 4   | 5   | 6  | 7  | 8   |
|---------|--|---|---|---|--|--|---|
| Sl. No. | CSR Project or activity identified         | Sector in which the Project is covered                      | Projects or programs<br>1) Local area or other<br>2) Specify the State and District where projects or programs was undertaken | Amount outlay (budget) project or programs wise (₹) | Amount spent on the projects or programs Sub-heads;<br>1) Direct expenditure on projects or programs<br>2) Overheads (₹) | Cumulative Expenditure upto the reporting period (₹) | Amount spent: Direct or through implementing agency                   |
| 14      | Nirmal Sankalp                             | Water and Sanitation (Community Development)                | Titagarh Municipality, North 24 Parganas District, Kolkata (West Bengal)  | 5000000   | 5105678 (Direct)   | 5105678  | Through Implementing Agency (Water, Sanitation and Hygiene Institute) |
| 15      | Hamari Awaaz                               | Child Protection (Community Development)                    | Kolkata (West Bengal)   | 1002000   | 1003066 (Direct)   | 1003066  | Through Implementing Agency (Child In Need Institute)                 |
| 16      | Cancer cure                                | Health  | India   | 1395000   | 1398600 (Direct)   | 1398600  | Through Implementing Agency (HDFC Charity Fund)                       |
| 17      | Setting up of an Institution of excellence | Sector Permitted by Schedule-VII to the Companies Act, 2013 | Kolkata (West Bengal)   | 180000000   | 180000000  | 180000000  | Through Implementing Agency (RP-SG Group CSR Trust.)                  |
| 18      | Jagriti                                    | Livelihood Promotion (Community Development)                | Titagarh Municipality, North 24 Parganas District, (West Bengal)  | 110000  | 109207 (Direct)  | 109207   | Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)             |
| 19      | Saksham                                    | Livelihood Promotion (Community Development)                | Kolkata (West Bengal)   | 890166  | 773995 (Direct)  | 773995   | Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)             |
|         |  |   |   | <b>202269166</b>                                    | <b>202269166</b>   | <b>202269166</b>                                     |   |

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report: Not Applicable

7. Responsibility Statement: It is stated that the implementation and monitoring of CSR policy is in compliance with CSR objectives and Policy of the Company.

Kolkata, 17 May, 2019

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

Sanjiv Goenka  
 Chairman, CSR Committee  
 DIN: 00074796

# Business Responsibility Report (Annexure 'E' to Directors' Report)

## Section A : General Information about Company

|    |  |  |
|----|--|--|
| 1  | Corporate Identity Number  | L31901WB1978PLC031411  |
| 2  | Name of the Company  | CESC Limited   |
| 3  | Registered address   | CESC House, Chowringhee Square, Kolkata- 700 001                   |
| 4  | Website  | www.cesc.co.in   |
| 5  | Email  | secretarial@rp-sg.in   |
| 6  | Financial Year Reported  | 2018-19  |
| 7  | Sectors engaged in   | Code 40102 – Power Generation                                      |
| 8  | Key products / services company manufacturers                      | Electricity distribution & generation                              |
| 9  | Locations where business activities are undertaken by the Company. | Across 567 sq. km of licensed area in Kolkata and its neighborhood |
| 10 | Markets served by the company                                      | Kolkata and its neighborhood in the state of West Bengal.          |

## Section B : Financial Details of the Company

|   |   |  |
|---|---|--|
| 1 | Paid-up Capital (₹)                               | 133.22 crore   |
| 2 | Total Income (₹)                                  | 7918.58 crore  |
| 3 | Total profit after taxes (₹)                      | 937.05 crore   |
| 4 | Total Spending on CSR as % profit after tax (₹)   | 2% of the average net profit of last three years-20.16 crore |
| 5 | List of activities in which CSR expenses incurred | Please see Annexure – 'D' of Directors Report.               |

## Section C : Other Details

|   |   |  |
|---|---|--|
| 1 | Details on subsidiary companies   | As on 31 March 2019, the Company has seventeen subsidiaries.   |
| 2 | Participation of subsidiary companies in the BR initiatives of the parent company                 | The Company and its subsidiaries are participating in various BR /CSR (Corporate Social Responsibility) initiatives in the respective local areas in which it operates. The Company along with its subsidiaries has been party in setting up and is also regularly contributing to RP-Sanjiv Goenka Group CSR Trust in order to carry out CSR projects as may be decided by the Trust from time to time. |
| 3 | Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company | No other entity participates in BR initiatives of the Company.   |

## Section D : BR Information

|    |  |  |
|----|--|--|
| 1  | Details of Director / Directors responsible for BR                 | CSR Committee of the Board of Directors of the Company formed in terms of Section 135 of the Companies Act, 2013 inter alia also monitors the BR functions of the Company.   |
| a. | Details of director responsible for implementation of BR policies. | The CSR Committee of the Board functions under the Chairmanship of Mr. S. Goenka with Mr. C. K. Dhanuka, Independent Director and Mr. R. Chowdhury, Managing Director (Generation) being the two other member of the Committee.  |
| b. | Details of BR Head   | For the financial year 2018-19 Mr. R. Chowdhury, Managing Director (Generation) has been entrusted with the overall responsibility for BR activities. Details of Mr. R. Chowdhury are as under:<br><br>i) DIN : 06601588<br>ii) Designation : Managing Director (Generation)<br>iii) Telephone No. : 033 -2225 6040<br>iv) Email id : secretarial@rp-sg.in |

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

|     | Questions   | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|-----|---|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.  | Do you have a policy /policies  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 2.  | Has the policy been formulated in consultation with the relevant stakeholders?  | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 3.  | Does the policy conform to any national/ international standards? If yes, specify   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 4.  | Has the policy been approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?                                   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 5.  | Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of policy?                                      | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| 6.  | Indicate the link for the policy to be viewed online?   | i) Code of conduct : <a href="http://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf">www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf</a><br>ii) Whistle Blower Policy : <a href="http://www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf">www.cesc.co.in/wp-content/uploads/policies/WHISTLE_BLOWER_POLICY.pdf</a><br>iii) CSR Policy : <a href="http://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf">www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf</a> |     |     |     |     |     |     |     |     |
| 7.  | Has the policy been formally communicated to all relevant internal and external stakeholders?   | Yes. Policies have been communicated to the key internal stakeholders. Communication is an ongoing process and hence intended to cover both internal and external stakeholders.   |     |     |     |     |     |     |     |     |
| 8.  | Does the company have in-house structure to implement the policy/policies?  | Yes.  |     |     |     |     |     |     |     |     |
| 9.  | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies? | Yes. Stakeholders' Relationship Committee looks into the grievances of the Shareholders of the Company. Further, the Company also has in place a whistle blower mechanism to enable the Directors and employees of the Company to address their concerns about any instance of perceived irregularity, unethical practice and/or misconduct etc, to the Chairperson of the Audit Committee.   |     |     |     |     |     |     |     |     |
| 10. | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                | The evaluation of CSR activities undertaken by CESC and its subsidiaries in line with the CSR policies formulated in that behalf by the Company is done by the respective CSR Committees set up in terms of the Act. Policies are reviewed periodically for their implementation based on inputs received from the stakeholders.  |     |     |     |     |     |     |     |     |

## 3. Governance related to BR

|     |  |  |
|-----|--|--|
| (a) | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | CSR Committee of the Board and senior management of the Company annually review the performance of respective policies covering the principles given in the Business Responsibility.   |
| (b) | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?   | Yes, annually<br>The same is available on the website of the Company. The link for viewing Business Responsibility Report is <a href="http://www.cesc.co.in">http://www.cesc.co.in</a> |

## Section E : Principle-Wise Performance Disclosure of Performance in Annual Report

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

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

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

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

Any violation of ethics, attracts appropriate disciplinary action.

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

No stakeholder complaint pertaining to the above Codes has been received during the last financial year. The Company did receive complaints from its Shareholders from time to time and satisfactorily resolved the same. The details as to the number and nature of Shareholders’ complaints received and resolved during the financial year have been separately shown in “Annexure -C” section of this Annual Report.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

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

In line with the Vision and Mission of the Company, CESC is committed to provide safe and reliable power to the consumers under its licensed area. With a strong focus and commitment towards safety and occupational health of employees, all the thermal power plants of CESC are accredited with ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 standards.

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

CESC has installed about 5172 nos. State-of-the-art technology SF6 Gas insulated RMUs (Ring Main Unit) for protection and operation of its primary distribution network (6 kV / 11 kV). CESC is also installing 220/132 kV Indoor GIS Substations & 33kV Distribution Stations with SF6 Gas Insulated Switchgears along with Modern protection systems for ensuring supply reliability and network redundancy. All the above initiatives have significantly contributed towards safety and sustainability of the products and services offered by CESC.

Replacement of around 21,000 (out of total 31,000+) Conventional Distribution Pillar Boxes with State-of-the-art Modified Pillar Boxes to ensure safety of general public and our own employees engaged in various maintenance activities.

Keeping in mind the safety of general public and community at large, all the current installations of outdoor distribution transformers are of dry type (oil-free). Annual Failure Rate of Distribution Transformers has substantially reduced to 0.45% for around 8400 installed DT ₹

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

**A. Marketplace related:**

- Joint Inspection with Municipal Authorities for 358 Markets
- Renovation / up gradation of entire Service Installations
- Replacement of all Oil type DTRs by Dry type ones and conversion of all Overhead service to Underground Service

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

- Thorough checking of electrical installations at all Hospitals (both public & private) and the Nursing Homes within the licensed area, refurbishment of service points at 145 Hospitals and replacement of all Oil type DTRs by Dry type ones

### C. Bustees (Slums) related:

- Thorough renovation / refurbishment of Meter Boards for 2507 nos. common service installations in Bustees (Slums)

Safety is given high importance and priority in the organization. An Apex Level Safety Committee formed with senior management team is actively involved to oversee the safety aspects in totality with structured systems and processes. There are Committees headed by senior officers with participants from the levels of supervisors and experienced workers who effectively contribute to the deliberations. Regular safety audits are undertaken with a focus on improved safety practices along with safe use of tools and tackles for the employees at field.

To sensitize the consumers and general public at large, CESC is actively engaged in multi thematic social events. During important festivals, CESC participates in various social awareness initiatives, focusing on safety, social responsibility and civic consciousness including energy conservation. Mailers on electrical safety, energy conservation and related aspects are sent to consumers on a regular basis to increase awareness amongst consumers. Presence in Kolkata Book Fair and regular visits to schools are also made to instill awareness among the students and community at large.

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

### Principle 3 : Businesses should promote the wellbeing of all employees

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

Total number of permanent employees: 8402 (As on 31.03.2019)

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

|                                    |                   |      |
|------------------------------------|-------------------|------|
| Total number of employees hired on | Temporary Basis   | NIL  |
|                                    | Casual Basis      | 6    |
|                                    | Contractual Basis | 4897 |

#### 3. Please indicate the Number of permanent women employees.

Total number of permanent women employees: 482

#### 4. Please indicate the Number of permanent employees with disabilities.

Total number of employees with permanent disabilities: 36

#### 5. Do you have an employee association that is recognized by management?

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

#### 6. What percentage of your permanent employees is members of this recognized employee association?

As on 31 March 2019, around 89% of our permanent employees are members of a recognized trade union, with balance in Management cadre (including Junior Management Staff).

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

| Category  | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|---|--|--|
| Child labour/ forced labour/ involuntary labour | Not applicable                                   | Not Applicable   |
| Sexual harassment                               | 2  | 1  |
| Discriminatory employment                       | NIL  | Not Applicable   |

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

| % Safety training in the last year for undermentioned employees | No of persons | % of Total Strength in respective category |
|---|---------------|--|
| Permanent Employees   | 3925          | 46.7%                                      |
| Permanent Women Employees                                       | 5             | 1%   |
| Casual/ Temporary/ Contractual Employees                        | 3743          | 76.4%                                      |
| Employees with Partial Disability                               | 17            | 47.2%                                      |

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

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

**1. Has the company mapped its internal and external stakeholders? Yes/No**

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

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

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

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

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

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

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

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

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



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

Barring the complaints as mentioned in Sl. no 7 of Principle 3, no further complaint was received during the financial year.

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

In line with the Vision and Mission of the Company, the efficient operation of all the key business processes is aligned to respect and protect the environment at large.

Regular energy audits are undertaken at various establishments of the Company and steps taken on an ongoing basis to improve energy efficiency. CESC House, the registered office of the Company and the 132 KV Chakmir Substations are accredited with LEED Gold rating from U.S. Green Building Council in 2015 & with Platinum rating from IGBC in 2018 respectively.

CESC procures power from co-generation sources and is regularly responsive to consumers willing to install Roof Top Solar PV Sources as per applicable guidelines. Total capacity of grid connected Roof Top Solar PV Sources by the consumers is around 28.5 MWp. CESC has also installed Roof Top Solar installations as a means to be energy conservative by reduction of energy consumption at its own premises.

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

Various studies, recommendation from Energy Audits reports, benchmarking similar utilities within and outside India, have resulted in conceptualization and implementation of various energy conservative projects by means of adoption of new technology and process improvisation leading to improvement of Auxiliary power consumption of the Generating stations. All the generating stations are accredited in ISO 14001 EMS standards.

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

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

Like other Discoms, CESC is also actively pursuing its efforts to contain its distribution losses. The subject having its unfavorable impact both in respect of conservation of energy as a part of national agenda and also on business bottom line, is under strict surveillance in CESC. Major initiatives on curtailment of misuse of power, arresting unauthorized use assume utmost importance in CESC. The Loss Control department along with CSR wing of CESC are working in tandem, to penetrate deep into the grass root levels at the identified high distribution loss areas for creating awareness of safety hazards arising out of such unauthorized power supplies, together with promoting social awareness and working on the socio-economic development factors beginning from school levels and reaching up to the community at large. Significant response could be noticed in the area as a result of sustained efforts from CESC. No significant show cause / legal notices are pending against CESC as at the end of the financial year.

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

**1 Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes**

- (a) Indian Chamber of Commerce (ICC)
- (b) Bengal Chamber of Commerce and Industry (BCC&I)
- (c) Bengal National Chamber of Commerce and Industry (BNCCI)
- (d) Federation of Indian Chambers of Commerce & Industry (FICCI)
- (e) Confederation of Indian Industries (CII)
- (f) The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
- (g) The Committee of International Council on Large Electric Systems, India (CIGRE)
- (h) India Smart Grid Forum (ISGF)
- (i) National Productivity Council (NPC)
- (j) National Safety Council (NSC)
- (k) Central Board of Irrigation & Power (CBIP)
- (l) All India Management Association (AIMA)
- (m) Calcutta Management Association (CMA)
- (n) Edison Electric, US (EEI)
- (o) National HRD Network (NHRDN)
- (p) Employers' Federation of India (EFI)
- (q) Society of Human Resource Management (SHRM)
- (r) Administrative Staff College of India (ASCI)
- (s) British Council Limited (BCL)
- (t) Tracxn Technologies Private Limited
- (u) Global Compact Network India (GCNI)
- (v) Indian Energy Exchange (IEX)
- (w) Power Exchange of India Ltd (PIL)
- (x) Merchants Chamber of Commerce (MCC)
- (y) Association of Power Producers (APP)

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

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

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

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

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

The CSR policy of the Company is aimed to invest in a holistic and sustainable development of the communities where it operates. The Corporate Social Responsibility Committee – formed by the Board of Directors, is responsible to formulate the CSR Policy and reporting of CSR initiatives. CESC has been implementing several CSR projects in the areas of education, health, environment development and community development to support and facilitate development of the underprivileged and disadvantaged sections of the society. CSR projects are undertaken after assessments of area-specific needs and in consultation with the stakeholders to ensure that they are relevant and respond to the needs of the community among which they are implemented.

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

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

### 3. Have you done any impact assessment of your initiative?

Apart from regular monitoring and evaluation of CSR projects, baseline, mid-term and end line surveys are conducted for individual projects to measure impact against certain key parameters/ indicators. Annual perception surveys by third parties are also undertaken to assess beneficiary and stakeholder perception of the Company's CSR activities and their level of satisfaction.

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

#### Education Projects

| Sl. No | Project Name                      | Brief about the Project   | Amount (₹) |
|--------|-----------------------------------|---|------------|
| 1      | Nirmal Abhiyan                    | Water and sanitation project in government schools                | 1609355    |
| 2      | Roshni                            | Integrated programme on child education, health, and nutrition    | 1853117    |
| 3      | School Building Programme         | Infrastructure development of government/government-aided schools | 1814031    |
| 4      | Muktangan                         | Remedial education project in Titagarh and Budge Budge            | 805490     |
| 5      | Power Safety Awareness in Schools | Generating awareness on electrical safety among school children   | 235553     |

#### Health Projects:

| Sl. No | Project Name | Brief about the Project   | Amount (₹) |
|--------|--------------|---|------------|
| 1      | Suswasthya   | Project on maternal, child and adolescent health                      | 1176297    |
| 2      | Health Camps | General health check-up and eye camps for underprivileged communities | 163292     |

#### Environment Projects:

| Sl. No | Project Name   | Brief about the Project                             | Amount (₹) |
|--------|--|---|------------|
| 1      | Urja Chetana   | Environment and energy education project in schools | 1718308    |
| 2      | Partnership with government / municipalities to maintain green verges in selected localities                                 | Plantation and Environment protection               | 1433500    |
| 3      | Park developed at Calcutta Medical College and Hospitals for children suffering from Thalassemia and other critical diseases | Plantation and Environment protection               | 885701     |

#### Community Development Projects:

| Sl. No | Project Name   | Brief about the Project  | Amount (₹) |
|--------|----------------|--|------------|
| 1      | Jagriti        | Skill Development and employment generation programme for youth in Titagarh Municipality | 109207     |
| 2      | Saksham        | Skill Development and employment generation programme for youth in Tiljala – Topsia area | 773995     |
| 3      | Prayas         | Skill Development and livelihood generation project for youth in Kamarhati and Howrah    | 909576     |
| 4      | Nirmal Sankalp | Water and sanitation programme for urban slums in Titagarh Municipality                  | 5105678    |
| 5      | Nirmal Kolkata | A community sanitation programme being implemented in Chetla                             | 1274400    |
| 6      | Hamari Awaaz   | Community sensitization programme on child protection in Tiljala                         | 1003066    |

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

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

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

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

As on 31st March 2019, negligible percentage of customer complaints are pending. The Company's centralised 24x7 call centre to address Supply & Billing related issues acts as the primary touch point for all complaints and queries. We extended the 24-hour Call Centre for our HT Consumers as well. All calls are guided through Interactive Voice Recording System (IVR) and the docketed calls are routed to the concerned Department for quick resolution. Regular chat sessions with the Managing Director (Distribution) and senior leadership team continued with an overwhelming response and participation of more than 840 consumers in 45 such chat sessions. During 2018-19, engagement levels on CESC's social media network reflected an increasing trend.

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

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

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

There are no cases pending with regard to unfair trade practices, irresponsible advertising and / or anti competitive behaviour as on 31st March 2019.

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

Customer Satisfaction Surveys consist of indicators to measure levels of customer satisfaction with respect to Key Business Parameters. These surveys are conducted on a regular basis across all segments i.e. commercial, industrial and residential consumers. An Annual Perception and Digital survey is carried out by a renowned market research agency to arrive at Customer Satisfaction Scores. The Company has in place regular feedback mechanism which enables it to understand what its Customers want and whether they are satisfied with the existing services or not. Based on the feedback through multiple channels, the Management identifies gaps & develops key improvement areas which are shared with the concerned Departments and accordingly necessary action is taken thereon.

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

For and on behalf of the Board of Directors

Kolkata 17 May, 2019

Sanjiv Goenka  
Chairman  
DIN :00074796

## SECRETARIAL AUDIT REPORT (Form No. MR-3) FOR THE FINANCIAL YEAR ENDED 31 March 2019

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

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2019 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CESC LIMITED** "the

Company" for the financial year ended on 31.03.2019 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company:- **As reported to us, there were no FDI and ODI transactions in the Company during the year under review.**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 :-
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as replaced by the SEBI(Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the year.**
  - e) The Securities and Exchange Board of India (Issue and

Listing of Debt Securities) Regulations, 2008; **No instances were reported during the year.**

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - **The Company has duly appointed a SEBI authorized Category I Registrar and Share Transfer Agent as required under Law.**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **No Delisting was done during the year.**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **No buy – back was done during the year**

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

- i. Secretarial Standards issued by the Institute of Company Secretaries of India;
- ii. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

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

1. The Company had formed along with other companies of its group, a Trust known as RP–Sanjiv Goenka Group CSR Trust which was registered on 17th February, 2015 with the Additional Registrar of Assurance, Kolkata. A sum of ₹ 18 crores was contributed to the Trust towards CSR activities during the year.

Total amount required to be spent by the Company on CSR was ₹20.16 crores and the amount spent during the year under report was ₹20.23 crores.

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

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board

Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. Based on the compliance mechanism established by the Company and on the basis of the certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and the Company has complied with the following laws specifically applicable to it, as reported to us:-

- (i) The Electricity Act, 2003 and the Electricity Rules, 2005.
- (ii) The Factories Act, 1948.
- (iii) The Payment of Bonus Act, 1965.
- (iv) The Industrial Disputes Act, 1947.
- (v) The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- (vi) The Employees' State Insurance Act, 1948.

We further report that as informed to us, during the audit period and thereafter till date, the Company has had the following specific events / updates:

1. A Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving the Company, some of its erstwhile subsidiaries and their respective shareholders was approved by the Hon'ble Company Law Tribunal ("NCLT"), subject to the terms and conditions mentioned therein.

In terms of the Scheme, on 14 November, 2018, CESC shareholders registered in the Company's books as on 31 October, 2018 had been allotted, without any payment, additional equity shares in Spencer's Retail Limited (SRL), the new Retail company, and CESC Ventures Limited (CVL), the new Ventures Company, in the respective ratios specified in the Scheme. The said equity shares of SRL and CVL have subsequently been listed with National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and The Calcutta Stock Exchange Limited (CSE).

Further, CESC Infrastructure Ltd., Spencer's Retail Ltd (after demerger as per the Scheme) and Music World Ltd. have been merged with CESC Ltd. from the appointed date.

Thereafter, Authorised Share capital of the Company was increased from ₹ 150 crore on 31.03.2017 to ₹ 3156.00 crore from the



Appointed Date as per the Scheme being 1 October 2017.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its officers for systems and mechanism set-up by the Company for compliances under applicable Laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

(S.M.Gupta)  
Partner

S.M.Gupta & Co.,  
Company Secretaries  
Firm Registration No. : P1993WB046600  
Membership No.- FCS No:896  
C P No:2053

Place: Kolkata

Date: 17 May 2019

Enclo: Annexure forming an integral part of this Report

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

“Annexure”

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

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

(S. M. Gupta)  
Partner  
S. M. Gupta & Co.,  
Company Secretaries  
Firm Registration No. : P1993WB046600

Place: Kolkata  
Date: 17 May 2019

Membership No. - FCS No:896  
C P No. :2053

## Particulars as required under Section 134 of the Companies Act, 2013 (Annexure 'G' to the Directors' Report)



### Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March 2019

#### A. Conservation of Energy

Following measures, taken during the year, have contributed to Energy Conservation & Reduction of Losses in the company's Distribution Network.

1. Reactive power compensation by way of installing Automatic Power Factor Controllers (APFC) at the secondary (400V) side of distribution transformers (DTs) . This year 60 MVARs have been added.
2. Standardization to higher rated UG cables, 1000 mm<sup>2</sup> at 33 kV & 300 mm<sup>2</sup> at 6/11 kV Distribution Network as an ongoing process.
3. Continued augmentation of Substation plant capacity and laying new underground and overhead lines.
4. Induction of energy efficient Distribution Transformers with low losses by including Loss Capitalization as a bid evaluation criterion as an ongoing process.
5. Installing 1406 Modified Pillar Boxes with HRC fuses.

#### B. Additional investment/proposals

1. During the year, several major plant & equipment and lines were commissioned. These include :
  - a. 160 MVA 220/132 kV transformer at Princep Street Substation.
  - b. 8-Panel 220 kV GIS Board at Prinsep Street Substation.
  - c. 10-Panel 132kV GIS Board at Majerhat Substation.
  - d. Fourth 75 MVA, 132/33 kV Transformer No. 4 at Southern Receiving Station.
  - e. 2<sup>nd</sup> 25 MVA Interposing Transformer at Budge Budge G.S. Switch House.
  - f. At the 33/11-6 kV Distribution Station level, 59 MVA of capacity was added at various Distribution Stations.
  - g. 163 Nos Distribution Transformers (DTs) aggregating 67.8 MVA were added during the year taking the installed base to 8412 DTs and 2853 MVA.
  - h. Lengths of lines added at different voltage levels were: 4.3 ckm at 132 kV, 70.8 ckm at 33 kV, 141.7 ckm at 11 & 6 kV and 187 ckm of LT lines. The overall lengths of lines at the different voltages at FY end are shown in the Major Statistics attached with this report.

#### Impact of the measures

Impact of the measures as outlined under Items above may be set out as follows:

1. Strengthen the Distribution Network to cope with the growing System Demand as well as provide quality and reliable supply to the consumers.
2. Reduce component of distribution loss, enhance safety and network operational simplicity, reduce downtime, reduce frequency of breakdown and improve customer service and system efficiency.

#### C. Technology Absorption

- Induction of Pre-Engineered Steel Building for installation of 132kV GIS switchgears for optimum space utilization, faster construction and station capacity of substations in the same space.
- Use of fully bio-degradable Ester Oil in place of conventional mineral oil based transformer oil in DTRs and 33/11-6 KV Power Transformer for enhancing fire safety threshold and environment friendly transformer cooling medium.

- Portable Outdoor Power Distribution Centre (PDC) i.e. a containerized E-House at a Distribution Station for optimizing space utilization, cost and reduction of execution time has been planned for two distribution stations.
  - IEC 61850 based IEDs (Intelligent Electronic Devices) in protection system in EHV substations with OF networking for centralized analyzing of system disturbance and is an on-going drive.
  - Feeder automation, OF based Remote controlled operation of RMUs and Consumer Modules for restoration of supply. Installation of AMR in DTRs for energy auditing and it is an on-going process.
  - AMI based smart metering as a pilot project.
  - Installation of APFC controllers on DTRs continues for effective capacity utilization and loss reduction (600 APFC installed in this year).
  - Installation of centralized Video surveillance system in the power cable tunnel (constructed in 1931) under the river Hooghly and at different EHV substations.
  - Installation of SCADA through wireless at fringe area Distribution substations.
  - Smart whole current meters with Net Metering facility are being installed at the LT consumers' premises with Solar Photo Voltaic sources for net metering.
  - Online Partial Discharge monitoring using the new UHF technique for detecting incipient faults in EHV / HV power transformers and switchgears.
  - Pilot for the emerging online PD measurement technology using HFCT (High Frequency Current Transformer) technique (improved version) for monitoring live cables
  - Pilot for real-time monitoring of hot spot in out-door yard using thermal cameras
  - Drone based infra-red thermography of outdoor yard
  - Drone based mapping of power corridor of all the existing overhead 132kV and 220kV lines
  - Self-healing Distribution Station has been rolled out for 2 stations for faster restoration, without any manual intervention, in case of 33kV cable fault.
  - Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.
  - Electric Vehicle Chargers at different locations.
- D. Research and Development activities continued to be an area of focus for the Company for achieving constant improvements in various operational functions for enhancing quality, productivity and consumer satisfaction. The expenses on such activities have been ₹0.27crores during the year (previous year ₹0.36 crores).**

**E. FOREIGN EXCHANGE EARNINGS AND OUTGO**

There have been no foreign exchange earnings (previous year- Nil) during the year. The total foreign exchange outgo was ₹6.14 crores (previous year ₹1.93 crores).

For and on behalf of the Board of Directors

Sanjiv Goenka  
 Chairman  
 DIN: 00074796

Kolkata, 17 May, 2019

# EXTRACT TO ANNUAL RETURN

(Annexure 'H' to the Directors' Report)



## Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as of the financial year ended on March 31, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

| I. REGISTRATION AND OTHER DETAILS                                      |   |
|--|---|
| i) CIN   | L31901WB1978PLC031411   |
| ii) Registration Date  | 28 March 1978   |
| iii) Name of the Company   | CESC Limited  |
| iv) Category / Sub-Category of the Company                             | A public company limited by shares  |
| v) Address of the Registered office and contact details                | CESC House, Chowringhee Square<br>Kolkata - 700001<br>Tel: +91 22256040<br>Fax: +91 22253495<br>E-mail: secretarial@rp-sg.in<br>Website: www.cesc.co.in |
| vi) Whether listed company   | Yes   |
| vii) Name, Address and Contact details of Registrar and Transfer Agent | Link Intime India Private Limited<br>59C, Chowringhee Road,<br>3 <sup>rd</sup> Floor, Kolkata 700001<br>Tel: + 91 22890540<br>Fax: +91 22890539         |

| II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY   |  |                                 |                                    |
|--|--|---------------------------------|------------------------------------|
| All the business activities contributing 10% or more of the total turnover of the company are given below: - |  |                                 |                                    |
| Sl. No   | Name and Description of main products/services | NIC Code of the product/service | % to total turnover of the company |
| 1  | Generation and Distribution of Electricity     | 35102                           | 100%                               |

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES |   |  |                       |                                  |                  |                    |
|---|---|--|-----------------------|----------------------------------|------------------|--------------------|
| Sr No   | Name of the Company   | Address of the Company                                 | CIN / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
| 1   | Au Bon Pain Café India Limited  | Duncan House, 31 Netaji Subhas Road Kolkata - 700001   | U15411WB2008PLC124062 | Subsidiary                       | 93.1             | 2(87)              |
| 2   | Haldia Energy Limited   | Barick Bhawan, 6th Floor, 8 C R Avenue, Kolkata 700072 | U74210WB1994PLC066154 | Subsidiary                       | 100              | 2(87)              |
| 3   | Dhariwal Infrastructure Limited   | CESC House Chowringhee Square Kolkata 700 001          | U70109WB2006PLC111457 | Subsidiary                       | 100              | 2(87)              |
| 4   | Surya Vidyut Limited  | CESC House Chowringhee Square Kolkata 700 001          | U40108WB2010PLC150712 | Subsidiary                       | 100              | 2(87)              |
| 5   | Malegoan Power Supply Limited (Formerly known as Nalanda Power Company Limited) | CESC House Chowringhee Square Kolkata 700 001          | U40104WB2008PLC125228 | Subsidiary                       | 100              | 2(87)              |
| 6   | CESC Projects Limited   | CESC House Chowringhee Square Kolkata 700 001          | U74999WB2011PLC163658 | Subsidiary                       | 100              | 2(87)              |

| III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES |   |  |                       |                                  |                  |                    |
|---|---|--|-----------------------|----------------------------------|------------------|--------------------|
| Sr No   | Name of the Company                         | Address of the Company   | CIN / GLN             | Holding / Subsidiary / Associate | % of shares held | Applicable Section |
| 7   | Bantal Singapore Pte Ltd                    | 38 Beach Road, # 29-11 South Beach Tower Singapore-189767                                  | Foreign Company       | Subsidiary                       | 100              | 2(87)              |
| 8   | Pachi Hydropower Projects Limited           | Thapar House, Second Floor, Western Wing Gate No 2, 124, Janpath, New Delhi 110001         | U40109DL2007PLC171032 | Subsidiary                       | 100              | 2(87)              |
| 9   | Papu Hydropower Projects Limited            | Thapar House, Second Floor, Western Wing Gate No 2, 124, Janpath, New Delhi 110001         | U40109DL2007PLC171035 | Subsidiary                       | 100              | 2(87)              |
| 10  | Ranchi Power Distribution Company Limited   | Barick Bhawan, 6th Floor, 8 C R Avenue, Kolkata 700072                                     | U40102WB2012PLC188244 | Subsidiary                       | 100              | 2(87)              |
| 11  | Crescent Power Ltd                          | 6 Church Lane, 1st Floor, P.S. Hare Street Kolkata 700001                                  | U70101WB2004PLC099945 | Subsidiary                       | 67.83            | 2(87)              |
| 12  | Kota Electricity Distribution Limited       | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2012PLC181283 | Subsidiary                       | 100              | 2(87)              |
| 13  | Bikaner Electricity Supply Limited          | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2012PLC181372 | Subsidiary                       | 100              | 2(87)              |
| 14  | Bharatpur Electricity Services Limited      | CESC House Chowringhee Square Kolkata 700 001  | U40100WB2012PLC181314 | Subsidiary                       | 100              | 2(87)              |
| 15  | CESC Green Power Limited                    | CESC House Chowringhee Square Kolkata 700 001  | U74999WB2017PLC219352 | Subsidiary                       | 100              | 2(87)              |
| 16  | Jarong Hydro-Electric Power Company Limited | CESC House Chowringhee Square Kolkata 700 001  | U40101WB2011PLC157466 | Subsidiary                       | 100              | 2(87)              |
| 17  | Jharkhand Electric Company Limited          | CESC House Chowringhee Square Kolkata 700 001  | U40102WB1995PLC075937 | Subsidiary                       | 100              | 2(87)              |
| 18  | Noida Power Company Limited                 | Electric Sub-station, Knowledge Park – IV, Greater Noida Gautam Buddha Nagar UP 201310     | U31200UP1992PLC014506 | Associate                        | 49.55            | 2(6)               |
| 19  | Mahuagarhi Coal Company Pvt. Ltd            | Vidyakamal Niketan (Ground Floor) B/324, Road No. 4 Ashok Nagar, Ranchi Jharkhand - 834002 | U10100JH2008PTC013086 | Joint Venture                    | 50               | 2(6)               |

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

| Sr. No.    | Category of Shareholders  | No of Shares held at the beginning of the year<br>(As on 01.04.2018) |          |          |                   | No of shares held at the end of the year<br>(As on 31.03.2019) |          |          |                   | % Change during the year |
|------------|---|--|----------|----------|-------------------|--|----------|----------|-------------------|--------------------------|
|            |   | Demat  | Physical | Total    | % of Total Shares | Demat  | Physical | Total    | % of Total Shares |                          |
| <b>(A)</b> | <b>Promoters</b>  |  |          |          |                   |  |          |          |                   |                          |
| <b>[1]</b> | <b>Indian</b>   |  |          |          |                   |  |          |          |                   |                          |
|            | (a) Individuals / Hindu Undivided Family  | 284222   | -        | 284222   | 0.21              | 284222   | -        | 284222   | 0.21              | -                        |
|            | (b) Central Government  | -  | -        | -        |                   | -  | -        | -        |                   | -                        |
|            | (c) State Government(s)   | -  | -        | -        |                   | -  | -        | -        |                   | -                        |
|            | (d) Bodies Corporate  | 65887987   | -        | 65887987 | 49.71             | 65887987   | -        | 65887987 | 49.71             | -                        |
|            | (e) Financial Institutions / Banks  | -  | -        | -        |                   | -  | -        | -        |                   | -                        |
|            | (f) Any Other (Specify)   | -  | -        | -        |                   | -  | -        | -        |                   | -                        |
|            | <b>Sub Total (A)(1)</b>   | 66172209   | -        | 66172209 | 49.92             | 66172209   | -        | 66172209 | 49.92             | -                        |
| <b>[2]</b> | <b>Foreign</b>  |  |          |          |                   |  |          |          |                   | -                        |
|            | (a) NRIs Individuals  | -  | -        | -        | -                 | -  | -        | -        | -                 | -                        |
|            | (b) Other - Individuals   | -  | -        | -        | -                 | -  | -        | -        | -                 | -                        |
|            | (c) Bodies Corporate  | -  | -        | -        | -                 | -  | -        | -        | -                 | -                        |
|            | (d) Banks / Financial Institutions  | -  | -        | -        | -                 | -  | -        | -        | -                 | -                        |
|            | (e) Any Other (Specify)   | -  | -        | -        | -                 | -  | -        | -        | -                 | -                        |
|            | <b>Sub Total (A)(2)</b>   | -  | -        | -        | -                 | -  | -        | -        | -                 | -                        |
|            | <b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>       | 66172209   | -        | 66172209 | 49.92             | 66172209   | -        | 66172209 | 49.92             | -                        |
| <b>(B)</b> | <b>Public Shareholding</b>  |  |          |          |                   |  |          |          |                   | -                        |
| <b>[1]</b> | <b>Institutions</b>   |  |          |          |                   |  |          |          |                   | -                        |
|            | (a) Mutual Funds  | 27393284   | 4985     | 27398269 | 20.67             | 28431977   | 2735     | 28434712 | 21.45             | 0.78                     |
|            | (b) Financial Institutions / Banks  | 188046   | 5465813  | 5653859  | 4.26              | 405029   | 22865    | 427894   | 0.32              | -3.94                    |
|            | (c) Central Government/ State Government(s)                                     | 8351   | 2152     | 10503    | 0                 | 8351   | 2152     | 10503    | 0.01              | 0.01                     |
|            | (d) Venture Capital Funds   | -  | -        | -        | -                 | -  | -        | -        |                   | -                        |
|            | (e) Insurance Companies   | 188046   | 8015     | 196061   | 0.15              | 3995329  | 5650     | 4000979  | 3.02              | 2.87                     |
|            | (f) Foreign Portfolio Investor  | 17725119   | 8452     | 17733571 | 13.38             | 17284747   | 6202     | 17290949 | 13.04             | -0.34                    |
|            | (g) Foreign Venture Capital Investors   | -  | -        | -        | -                 | -  | -        | -        |                   | -                        |
|            | (h) Any Other (Alternative Investment Funds)                                    | -  | -        | -        | -                 | 690155   |          | 690155   | 0.52              | 0.52                     |
|            | <b>Sub Total (B)(1)</b>   | 45502846   | 5489417  | 50992263 | 38.46             | 45502846   | 5352346  | 50855192 | 38.36             | -0.10                    |
| <b>[2]</b> | <b>Non-Institutions</b>   |  |          |          |                   |  |          |          |                   | -                        |
|            | (a) Bodies Corporate -  |  |          |          |                   |  |          |          |                   | -                        |
|            | (i) Indian  | 2945666  | 2698511  | 5644177  | 4.26              | 3266197  | 2945640  | 6211837  | 4.69              | 0.43                     |
|            | (ii) Overseas   | 111937   | 514      | 112451   | 0.08              | -  | 97050    | 97050    | 0.07              | -0.01                    |
|            | (b) Individuals   |  |          |          |                   |  |          |          |                   | -                        |
|            | (i) Individual shareholders holding nominal share capital upto ₹1 lakh          | 5358054  | 899825   | 6257879  | 4.72              | 5590718  | 698687   | 6289405  | 4.74              | 0.02                     |
|            | (ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh | 1027461  | 21879    | 1049340  | 0.79              | 536783   | 26162    | 562945   | 0.42              | -0.37                    |



| Sr. No. | Category of Shareholders                           |                           | No of Shares held at the beginning of the year<br>(As on 01.04.2018) |          |           |                   | No of shares held at the end of the year<br>(As on 31.03.2019) |          |           |                   | % Change during the year |
|---------|--|---------------------------|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
|         |  |                           | Demat  | Physical | Total     | % of Total Shares | Demat  | Physical | Total     | % of Total Shares |                          |
|         | (c)  | Any Other (Specify)       |  |          |           |                   |  |          |           |                   | -                        |
|         | (i)  | NRI/ OCBs                 | 519578   | 462185   | 981763    | 0.74              | 516608   | 424998   | 941606    | 0.71              | -0.03                    |
|         | (ii)   | Clearing Member           | 352904   | -        | 352904    | 0.27              | 233600   | -        | 233600    | 0.18              | -0.09                    |
|         | (iii)  | Trusts                    | 495542   | -        | 495542    | 0.37              | 491583   | -        | 491583    | 0.37              | -                        |
|         | (iv)   | Foreign Nationals         | 17379  | 1214     | 18593     | 0.01              | 17379  | 27480    | 44859     | 0.03              | 0.02                     |
|         | (v)  | Hindu Undivided Family    | 303942   | -        | 303942    | 0.23              | 314641   | -        | 314641    | 0.24              | 0.01                     |
|         | (vi)   | Unclaimed Shares          | -  | 168048   | 168048    | 0.13              | 130111   |          | 130111    | 0.10              | -0.03                    |
|         | (vii)  | IEPF                      |  |          |           |                   | 167862   | -        | 167862    | 0.13              | 0.13                     |
|         | (viii)   | NBFCs registered with RBI |  |          |           |                   | 36211  | -        | 36211     | 0.03              | 0.03                     |
|         | <b>Sub Total (B)(2)</b>                            |                           | 11132463   | 4252176  | 15384639  | 11.61             | 11132463   | 4252176  | 15521710  | 11.71             | 0.10                     |
|         | <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b> |                           | 56635309   | 9741593  | 66376902  | 50.07             | 56635309   | 9741593  | 66376902  | 50.07             | -                        |
|         | <b>Total (A)+(B)</b>                               |                           | 122807518  | 9741593  | 132549111 | 99.99             | 122807518  | 9741593  | 132549111 | 99.99             | -                        |
| (C)     | <b>Shares held by Custodian for GDRs and ADRs</b>  |                           | 7932   | -        | 7932      | 0.01              | 7932   | -        | 7932      | 0.01              | -                        |
|         | <b>Total (A)+(B)+(C)</b>                           |                           | 122815450  | 9741593  | 132557043 | 100               | 122815450  | 9741593  | 132557043 | 100.00            | -                        |

## ii) Shareholding of Promoters

| Sr No | Shareholder's Name                | Shareholding at the beginning of the year - 2018 |                                  |  | Shareholding at the end of the year - 2019 |                                  |   |  |
|-------|-----------------------------------|--|----------------------------------|--|--|----------------------------------|---|--|
|       |                                   | No. of Shares Held                               | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares Held                         | % of total Shares of the company | % of Shares Pledged/ encumbered to total shares | % change in shareholding during the year |
| 1     | Rainbow Investments Limited       | 58796632   | 44.36%                           | -  | 58796632                                   | 44.36%                           | -   | 0.00%                                    |
| 2     | Stel Holdings Limited             | 2493470  | 1.88%                            | -  | 2493470                                    | 1.88%                            | -   | 0.00%                                    |
| 3     | Philips Carbon Black Limited      | 1686198  | 1.27%                            | -  | 1686198                                    | 1.27%                            | -   | 0.00%                                    |
| 4     | Saregama India Limited            | 1259988  | 0.95%                            | -  | 1259988                                    | 0.95%                            | -   | 0.00%                                    |
| 5     | Integrated Coal Mining Limited    | 1075364  | 0.81%                            | -  | 1075364                                    | 0.81%                            | -   | 0.00%                                    |
| 6     | Kolkata Metro Networks Limited    | 285000   | 0.22%                            | -  | 285000                                     | 0.22%                            | -   | 0.00%                                    |
| 7     | Sanjiv Goenka                     | 134794   | 0.10%                            | -  | 134794                                     | 0.10%                            | -   | 0.00%                                    |
| 8     | Sanjiv Goenka (HUF)               | 12296  | 0.01%                            | -  | 12296                                      | 0.01%                            | -   | 0.00%                                    |
| 9     | Dotex Merchandise Private Limited | 41335  | 0.03%                            | -  | 41335                                      | 0.03%                            | -   | 0.00%                                    |
| 10    | Preeti Goenka                     | 25223  | 0.02%                            | -  | 25223                                      | 0.02%                            | -   | 0.00%                                    |
| 11    | Avarna Goenka                     | 501  | 0.00%                            | -  | 501  | 0.00%                            | -   | 0.00%                                    |
| 12    | Shashwat Goenka                   | 111408   | 0.08%                            | -  | 111408                                     | 0.08%                            | -   | 0.00%                                    |
| 13    | Castor Investments Limited        | 250000   | 0.19%                            | -  | 250000                                     | 0.19%                            | -   | 0.00%                                    |
|       | <b>Total</b>                      | <b>66172209</b>                                  | <b>49.92%</b>                    | <b>-</b>   | <b>66172209</b>                            | <b>49.92%</b>                    | <b>-</b>  |  |

**iii) Change in Promoters shareholding**

| Sr No. | Name & Type of Transaction        | Shareholding at the beginning of the year - 2019 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|-----------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                                   | No. of Shares Held                               | % of Total Shares of the Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of the Company |
| 1      | Rainbow Investments Limited       | 58796632   | 44.3557                          |                              |               | 58796632  | 44.3557                          |
|        | At the end of the year            |  |                                  |                              |               | 58796632  | 44.3557                          |
| 2      | STEL Holdings Limited             | 2493470  | 1.8811                           |                              |               | 2493470   | 1.8811                           |
|        | At the end of the year            |  |                                  |                              |               | 2493470   | 1.8811                           |
| 3      | Phillips Carbon Black Limited     | 1686198  | 1.2721                           |                              |               | 1686198   | 1.2721                           |
|        | At the end of the year            |  |                                  |                              |               | 1686198   | 1.2721                           |
| 4      | Saregama India Limited            | 1259988  | 0.9505                           |                              |               | 1259988   | 0.9505                           |
|        | At the end of the year            |  |                                  |                              |               | 1259988   | 0.9505                           |
| 5      | Integrated Coal Mining Limited    | 1075364  | 0.8112                           |                              |               | 1075364   | 0.8112                           |
|        | At the end of the year            |  |                                  |                              |               | 1075364   | 0.8112                           |
| 6      | Kolkata Metro Networks Limited    | 285000   | 0.2150                           |                              |               | 285000  | 0.2150                           |
|        | At the end of the year            |  |                                  |                              |               | 285000  | 0.2150                           |
| 7      | Castor Investments Limited        | 250000   | 0.1886                           |                              |               | 250000  | 0.1886                           |
|        | At the end of the year            |  |                                  |                              |               | 250000  | 0.1886                           |
| 8      | Sanjiv Goenka                     | 134794   | 0.1017                           |                              |               | 134794  | 0.1017                           |
|        | At the end of the year            |  |                                  |                              |               | 134794  | 0.1017                           |
| 9      | Shashwat Goenka                   | 111408   | 0.0840                           |                              |               | 111408  | 0.0840                           |
|        | At the end of the year            |  |                                  |                              |               | 111408  | 0.0840                           |
| 10     | Dotex Merchandise Private Limited | 41335  | 0.0312                           |                              |               | 41335   | 0.0312                           |
|        | At the end of the year            |  |                                  |                              |               | 41335   | 0.0312                           |
| 11     | Preeti Goenka                     | 25223  | 0.0190                           |                              |               | 25223   | 0.0190                           |
|        | At the end of the year            |  |                                  |                              |               | 25223   | 0.0190                           |
| 12     | Sanjiv Goenka (HUF)               | 12296  | 0.0093                           |                              |               | 12296   | 0.0093                           |
|        | At the end of the year            |  |                                  |                              |               | 12296   | 0.0093                           |
| 13     | Avarna Goenka                     | 501  | 0.0004                           |                              |               | 501   | 0.0004                           |
|        | At the end of the year            |  |                                  |                              |               | 501   | 0.0004                           |

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)**

| Sr No. | Name & Type of Transaction                                   | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|--|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |  | No. of Shares Held                               | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of The Company |
| 1      | HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND                | 11930021   | 8.9999                           |                              |               | 11930021  | 8.9999                           |
|        | At the end of the year                                       |  |                                  |                              |               | 11930021  | 8.9999                           |
| 2      | ICICI PRUDENTIAL MULTICAP FUND                               | 1562236  | 1.1785                           |                              |               | 1562236   | 1.1785                           |
|        | Transfer   |  |                                  | 13 Apr 2018                  | 50000         | 1612236   | 1.2163                           |
|        | Transfer   |  |                                  | 27 Apr 2018                  | (47574)       | 1564662   | 1.1804                           |
|        | Transfer   |  |                                  | 11 May 2018                  | 112           | 1564774   | 1.1805                           |
|        | Transfer   |  |                                  | 25 May 2018                  | 200166        | 1764940   | 1.3315                           |
|        | Transfer   |  |                                  | 08 Jun 2018                  | 550           | 1765490   | 1.3319                           |
|        | Transfer   |  |                                  | 22 Jun 2018                  | (2)           | 1765488   | 1.3319                           |
|        | Transfer   |  |                                  | 06 Jul 2018                  | 249506        | 2014994   | 1.5201                           |
|        | Transfer   |  |                                  | 13 Jul 2018                  | 889           | 2015883   | 1.5208                           |
|        | Transfer   |  |                                  | 20 Jul 2018                  | 94305         | 2110188   | 1.5919                           |
|        | Transfer   |  |                                  | 27 Jul 2018                  | (34)          | 2110154   | 1.5919                           |
|        | Transfer   |  |                                  | 03 Aug 2018                  | (1343)        | 2108811   | 1.5909                           |
|        | Transfer   |  |                                  | 24 Aug 2018                  | (12066)       | 2096745   | 1.5818                           |
|        | Transfer   |  |                                  | 31 Aug 2018                  | (17020)       | 2079725   | 1.5689                           |
|        | Transfer   |  |                                  | 07 Sep 2018                  | (45164)       | 2034561   | 1.5349                           |
|        | Transfer   |  |                                  | 29 Sep 2018                  | 2339          | 2036900   | 1.5366                           |
|        | Transfer   |  |                                  | 05 Oct 2018                  | (161591)      | 1875309   | 1.4147                           |
|        | Transfer   |  |                                  | 12 Oct 2018                  | 50000         | 1925309   | 1.4524                           |
|        | Transfer   |  |                                  | 19 Oct 2018                  | 144796        | 2070105   | 1.5617                           |
|        | Transfer   |  |                                  | 26 Oct 2018                  | (743141)      | 1326964   | 1.0011                           |
|        | Transfer   |  |                                  | 02 Nov 2018                  | 727161        | 2054125   | 1.5496                           |
|        | Transfer   |  |                                  | 09 Nov 2018                  | 1008853       | 3062978   | 2.3107                           |
|        | Transfer   |  |                                  | 16 Nov 2018                  | 208475        | 3271453   | 2.4680                           |
|        | Transfer   |  |                                  | 23 Nov 2018                  | 246677        | 3518130   | 2.6540                           |
|        | Transfer   |  |                                  | 30 Nov 2018                  | 381009        | 3899139   | 2.9415                           |
|        | Transfer   |  |                                  | 07 Dec 2018                  | 2759          | 3901898   | 2.9436                           |
|        | Transfer   |  |                                  | 14 Dec 2018                  | 23280         | 3925178   | 2.9611                           |
|        | Transfer   |  |                                  | 28 Dec 2018                  | 155281        | 4080459   | 3.0783                           |
|        | Transfer   |  |                                  | 31 Dec 2018                  | 67761         | 4148220   | 3.1294                           |
|        | Transfer   |  |                                  | 11 Jan 2019                  | 30326         | 4178546   | 3.1523                           |
|        | Transfer   |  |                                  | 18 Jan 2019                  | 414127        | 4592673   | 3.4647                           |
|        | Transfer   |  |                                  | 08 Feb 2019                  | (24539)       | 4568134   | 3.4462                           |
|        | Transfer   |  |                                  | 15 Feb 2019                  | (3173)        | 4564961   | 3.4438                           |
|        | Transfer   |  |                                  | 01 Mar 2019                  | 1073          | 4566034   | 3.4446                           |
|        | Transfer   |  |                                  | 29 Mar 2019                  | 30448         | 4596482   | 3.4676                           |
|        | At the end of the year                                       |  |                                  |                              |               | 4596482   | 3.4676                           |
| 3      | BNK CAPITAL MARKETS LIMITED                                  | 264524   | 0.1996                           |                              |               | 264524  | 0.1996                           |
|        | Transfer   |  |                                  | 04 May 2018                  | 2500000       | 2764524   | 2.0855                           |
|        | Transfer   |  |                                  | 12 Oct 2018                  | 137990        | 2902514   | 2.1896                           |
|        | At the end of the year                                       |  |                                  |                              |               | 2902514   | 2.1896                           |
| 4      | FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA PRIMA FUND | 1207548  | 0.9110                           |                              |               | 1207548   | 0.9110                           |
|        | Transfer   |  |                                  | 13 Apr 2018                  | 32110         | 1239658   | 0.9352                           |
|        | Transfer   |  |                                  | 20 Apr 2018                  | 23697         | 1263355   | 0.9531                           |
|        | Transfer   |  |                                  | 27 Apr 2018                  | 204255        | 1467610   | 1.1072                           |
|        | Transfer   |  |                                  | 04 May 2018                  | 38186         | 1505796   | 1.1360                           |

| Sr No. | Name & Type of Transaction              | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |   | No. of Shares Held                               | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of The Company |
|        | Transfer                                |  |                                  | 11 May 2018                  | 107084        | 1612880   | 1.2167                           |
|        | Transfer                                |  |                                  | 25 May 2018                  | 37000         | 1649880   | 1.2447                           |
|        | Transfer                                |  |                                  | 01 Jun 2018                  | 127602        | 1777482   | 1.3409                           |
|        | Transfer                                |  |                                  | 30 Jun 2018                  | 32500         | 1809982   | 1.3654                           |
|        | Transfer                                |  |                                  | 06 Jul 2018                  | 13854         | 1823836   | 1.3759                           |
|        | Transfer                                |  |                                  | 27 Jul 2018                  | 64308         | 1888144   | 1.4244                           |
|        | Transfer                                |  |                                  | 03 Aug 2018                  | 99951         | 1988095   | 1.4998                           |
|        | Transfer                                |  |                                  | 17 Aug 2018                  | 120000        | 2108095   | 1.5903                           |
|        | Transfer                                |  |                                  | 29 Sep 2018                  | 35000         | 2143095   | 1.6167                           |
|        | Transfer                                |  |                                  | 05 Oct 2018                  | 100000        | 2243095   | 1.6922                           |
|        | Transfer                                |  |                                  | 12 Oct 2018                  | 25000         | 2268095   | 1.7110                           |
|        | Transfer                                |  |                                  | 19 Oct 2018                  | 25000         | 2293095   | 1.7299                           |
|        | Transfer                                |  |                                  | 26 Oct 2018                  | 100000        | 2393095   | 1.8053                           |
|        | At the end of the year                  |  |                                  |                              |               | 2393095   | 1.8053                           |
| 5      | MFS INTERNATIONAL NEW DISCOVERY FUND    | 1205789  | 0.9096                           |                              |               | 1205789   | 0.9096                           |
|        | Transfer                                |  |                                  | 23 Nov 2018                  | 39314         | 1245103   | 0.9393                           |
|        | Transfer                                |  |                                  | 30 Nov 2018                  | 238318        | 1483421   | 1.1191                           |
|        | Transfer                                |  |                                  | 07 Dec 2018                  | 313865        | 1797286   | 1.3559                           |
|        | Transfer                                |  |                                  | 11 Jan 2019                  | 66725         | 1864011   | 1.4062                           |
|        | Transfer                                |  |                                  | 18 Jan 2019                  | 433624        | 2297635   | 1.7333                           |
|        | Transfer                                |  |                                  | 25 Jan 2019                  | 94130         | 2391765   | 1.8043                           |
|        | At the end of the year                  |  |                                  |                              |               | 2391765   | 1.8043                           |
| 6      | LIFE INSURANCE CORPORATION OF INDIA     | 2211282  | 1.6682                           |                              |               | 2211282   | 1.6682                           |
|        | At the end of the year                  |  |                                  |                              |               | 2211282   | 1.6682                           |
| 7      | ABU DHABI INVESTMENT AUTHORITY - LGLINV | 1368323  | 1.0323                           |                              |               | 1368323   | 1.0323                           |
|        | Transfer                                |  |                                  | 01 Feb 2019                  | 531176        | 1899499   | 1.4330                           |
|        | Transfer                                |  |                                  | 08 Feb 2019                  | 225229        | 2124728   | 1.6029                           |
|        | At the end of the year                  |  |                                  |                              |               | 2124728   | 1.6029                           |
| 8      | MFS EMERGING MARKETS EQUITY FUND        | 716874   | 0.5408                           |                              |               | 716874  | 0.5408                           |
|        | Transfer                                |  |                                  | 06 Apr 2018                  | 8832          | 725706  | 0.5475                           |
|        | Transfer                                |  |                                  | 13 Apr 2018                  | 29976         | 755682  | 0.5701                           |
|        | Transfer                                |  |                                  | 20 Apr 2018                  | 6068          | 761750  | 0.5747                           |
|        | Transfer                                |  |                                  | 04 May 2018                  | 8066          | 769816  | 0.5807                           |
|        | Transfer                                |  |                                  | 18 May 2018                  | 12914         | 782730  | 0.5905                           |
|        | Transfer                                |  |                                  | 25 May 2018                  | 4418          | 787148  | 0.5938                           |
|        | Transfer                                |  |                                  | 01 Jun 2018                  | 8758          | 795906  | 0.6004                           |
|        | Transfer                                |  |                                  | 22 Jun 2018                  | 13677         | 809583  | 0.6107                           |
|        | Transfer                                |  |                                  | 30 Jun 2018                  | 5740          | 815323  | 0.6151                           |
|        | Transfer                                |  |                                  | 06 Jul 2018                  | 6955          | 822278  | 0.6203                           |
|        | Transfer                                |  |                                  | 27 Jul 2018                  | 9288          | 831566  | 0.6273                           |
|        | Transfer                                |  |                                  | 10 Aug 2018                  | 6418          | 837984  | 0.6322                           |
|        | Transfer                                |  |                                  | 24 Aug 2018                  | 20345         | 858329  | 0.6475                           |
|        | Transfer                                |  |                                  | 31 Aug 2018                  | 7275          | 865604  | 0.6530                           |
|        | Transfer                                |  |                                  | 07 Sep 2018                  | 10246         | 875850  | 0.6607                           |
|        | Transfer                                |  |                                  | 14 Sep 2018                  | 7096          | 882946  | 0.6661                           |
|        | Transfer                                |  |                                  | 21 Sep 2018                  | 15823         | 898769  | 0.6780                           |

| Sr No. | Name & Type of Transaction  | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |   | No. of Shares Held                               | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of The Company |
|        | Transfer  |  |                                  | 29 Sep 2018                  | 6788          | 905557  | 0.6831                           |
|        | Transfer  |  |                                  | 12 Oct 2018                  | 16464         | 922021  | 0.6956                           |
|        | Transfer  |  |                                  | 09 Nov 2018                  | 13617         | 935638  | 0.7058                           |
|        | Transfer  |  |                                  | 23 Nov 2018                  | 11403         | 947041  | 0.7144                           |
|        | Transfer  |  |                                  | 30 Nov 2018                  | 79904         | 1026945   | 0.7747                           |
|        | Transfer  |  |                                  | 07 Dec 2018                  | 91034         | 1117979   | 0.8434                           |
|        | Transfer  |  |                                  | 21 Dec 2018                  | 7749          | 1125728   | 0.8492                           |
|        | Transfer  |  |                                  | 11 Jan 2019                  | 19860         | 1145588   | 0.8642                           |
|        | Transfer  |  |                                  | 18 Jan 2019                  | 129067        | 1274655   | 0.9616                           |
|        | Transfer  |  |                                  | 25 Jan 2019                  | 38340         | 1312995   | 0.9905                           |
|        | Transfer  |  |                                  | 01 Feb 2019                  | 6437          | 1319432   | 0.9954                           |
|        | Transfer  |  |                                  | 15 Feb 2019                  | 18766         | 1338198   | 1.0095                           |
|        | Transfer  |  |                                  | 22 Feb 2019                  | 34812         | 1373010   | 1.0358                           |
|        | Transfer  |  |                                  | 01 Mar 2019                  | 7138          | 1380148   | 1.0412                           |
|        | Transfer  |  |                                  | 08 Mar 2019                  | 115447        | 1495595   | 1.1283                           |
|        | Transfer  |  |                                  | 15 Mar 2019                  | 195653        | 1691248   | 1.2759                           |
|        | Transfer  |  |                                  | 22 Mar 2019                  | 25700         | 1716948   | 1.2953                           |
|        | At the end of the year  |  |                                  |                              |               | 1716948   | 1.2953                           |
| 9      | DSP EQUITY OPPORTUNITIES FUND   | 1516167  | 1.1438                           |                              |               | 1516167   | 1.1438                           |
|        | Transfer  |  |                                  | 13 Apr 2018                  | (31350)       | 1484817   | 1.1201                           |
|        | Transfer  |  |                                  | 20 Apr 2018                  | 36040         | 1520857   | 1.1473                           |
|        | Transfer  |  |                                  | 27 Apr 2018                  | (144)         | 1520713   | 1.1472                           |
|        | Transfer  |  |                                  | 11 May 2018                  | (185)         | 1520528   | 1.1471                           |
|        | Transfer  |  |                                  | 25 May 2018                  | (185)         | 1520343   | 1.1469                           |
|        | Transfer  |  |                                  | 22 Jun 2018                  | (261)         | 1520082   | 1.1467                           |
|        | Transfer  |  |                                  | 20 Jul 2018                  | 51860         | 1571942   | 1.1859                           |
|        | Transfer  |  |                                  | 27 Jul 2018                  | 36596         | 1608538   | 1.2135                           |
|        | Transfer  |  |                                  | 10 Aug 2018                  | 135432        | 1743970   | 1.3156                           |
|        | Transfer  |  |                                  | 17 Aug 2018                  | 64076         | 1808046   | 1.3640                           |
|        | Transfer  |  |                                  | 24 Aug 2018                  | 24969         | 1833015   | 1.3828                           |
|        | Transfer  |  |                                  | 31 Aug 2018                  | 46663         | 1879678   | 1.4180                           |
|        | Transfer  |  |                                  | 14 Sep 2018                  | 39049         | 1918727   | 1.4475                           |
|        | Transfer  |  |                                  | 21 Sep 2018                  | (19753)       | 1898974   | 1.4326                           |
|        | Transfer  |  |                                  | 29 Sep 2018                  | 95439         | 1994413   | 1.5046                           |
|        | Transfer  |  |                                  | 05 Oct 2018                  | 18399         | 2012812   | 1.5184                           |
|        | Transfer  |  |                                  | 19 Oct 2018                  | (161253)      | 1851559   | 1.3968                           |
|        | Transfer  |  |                                  | 07 Dec 2018                  | (130000)      | 1721559   | 1.2987                           |
|        | Transfer  |  |                                  | 15 Feb 2019                  | (129938)      | 1591621   | 1.2007                           |
|        | Transfer  |  |                                  | 01 Mar 2019                  | 34943         | 1626564   | 1.2271                           |
|        | Transfer  |  |                                  | 08 Mar 2019                  | 1129          | 1627693   | 1.2279                           |
|        | At the end of the year  |  |                                  |                              |               | 1627693   | 1.2279                           |
| 10     | ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE EQUITY FUND | 884450   | 0.6672                           |                              |               | 884450  | 0.6672                           |
|        | Transfer  |  |                                  | 15 Jun 2018                  | 100000        | 984450  | 0.7427                           |
|        | Transfer  |  |                                  | 29 Sep 2018                  | 31000         | 1015450   | 0.7660                           |
|        | Transfer  |  |                                  | 05 Oct 2018                  | 500000        | 1515450   | 1.1432                           |
|        | Transfer  |  |                                  | 12 Oct 2018                  | 105000        | 1620450   | 1.2225                           |
|        | Transfer  |  |                                  | 19 Oct 2018                  | (211200)      | 1409250   | 1.0631                           |
|        | Transfer  |  |                                  | 26 Oct 2018                  | (173250)      | 1236000   | 0.9324                           |

| Sr No. | Name & Type of Transaction                              | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|---|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |   | No. of Shares Held                               | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of The Company |
|        | Transfer  |  |                                  | 02 Nov 2018                  | 250950        | 1486950   | 1.1217                           |
|        | Transfer  |  |                                  | 09 Nov 2018                  | 15400         | 1502350   | 1.1334                           |
|        | At the end of the year                                  |  |                                  |                              |               | 1502350   | 1.1334                           |
| 11     | UTI - HYBRID EQUITY FUND                                | 1237417  | 0.9335                           |                              |               | 1237417   | 0.9335                           |
|        | Transfer  |  |                                  | 06 Apr 2018                  | 30472         | 1267889   | 0.9565                           |
|        | Transfer  |  |                                  | 13 Apr 2018                  | (40550)       | 1227339   | 0.9259                           |
|        | Transfer  |  |                                  | 20 Apr 2018                  | (74150)       | 1153189   | 0.8700                           |
|        | Transfer  |  |                                  | 27 Apr 2018                  | 3822          | 1157011   | 0.8728                           |
|        | Transfer  |  |                                  | 04 May 2018                  | 9450          | 1166461   | 0.8800                           |
|        | Transfer  |  |                                  | 11 May 2018                  | 747           | 1167208   | 0.8805                           |
|        | Transfer  |  |                                  | 18 May 2018                  | 50000         | 1217208   | 0.9183                           |
|        | Transfer  |  |                                  | 01 Jun 2018                  | 4500          | 1221708   | 0.9216                           |
|        | Transfer  |  |                                  | 22 Jun 2018                  | 125102        | 1346810   | 1.0160                           |
|        | Transfer  |  |                                  | 30 Jun 2018                  | 3850          | 1350660   | 1.0189                           |
|        | Transfer  |  |                                  | 06 Jul 2018                  | 30000         | 1380660   | 1.0416                           |
|        | Transfer  |  |                                  | 24 Aug 2018                  | (550)         | 1380110   | 1.0411                           |
|        | Transfer  |  |                                  | 07 Sep 2018                  | (19250)       | 1360860   | 1.0266                           |
|        | Transfer  |  |                                  | 21 Sep 2018                  | 20551         | 1381411   | 1.0421                           |
|        | Transfer  |  |                                  | 29 Sep 2018                  | (131576)      | 1249835   | 0.9429                           |
|        | Transfer  |  |                                  | 19 Oct 2018                  | 88450         | 1338285   | 1.0096                           |
|        | Transfer  |  |                                  | 26 Oct 2018                  | 238915        | 1577200   | 1.1898                           |
|        | Transfer  |  |                                  | 02 Nov 2018                  | 13205         | 1590405   | 1.1998                           |
|        | Transfer  |  |                                  | 23 Nov 2018                  | 32447         | 1622852   | 1.2243                           |
|        | Transfer  |  |                                  | 30 Nov 2018                  | 354           | 1623206   | 1.2245                           |
|        | Transfer  |  |                                  | 21 Dec 2018                  | 5761          | 1628967   | 1.2289                           |
|        | Transfer  |  |                                  | 28 Dec 2018                  | (54000)       | 1574967   | 1.1881                           |
|        | Transfer  |  |                                  | 31 Dec 2018                  | (18000)       | 1556967   | 1.1746                           |
|        | Transfer  |  |                                  | 04 Jan 2019                  | (46000)       | 1510967   | 1.1399                           |
|        | Transfer  |  |                                  | 18 Jan 2019                  | (1650)        | 1509317   | 1.1386                           |
|        | Transfer  |  |                                  | 01 Feb 2019                  | (10450)       | 1498867   | 1.1307                           |
|        | Transfer  |  |                                  | 15 Feb 2019                  | 1650          | 1500517   | 1.1320                           |
|        | Transfer  |  |                                  | 22 Mar 2019                  | (50000)       | 1450517   | 1.0943                           |
|        | At the end of the year                                  |  |                                  |                              |               | 1450517   | 1.0943                           |
| 12     | RELIANCE CAPITAL TRUSTEE CO LTD.A/C RELIANCE VALUE FUND | 2624950  | 1.9802                           |                              |               | 2624950   | 1.9802                           |
|        | Transfer  |  |                                  | 06 Apr 2018                  | (30000)       | 2594950   | 1.9576                           |
|        | Transfer  |  |                                  | 13 Apr 2018                  | (30000)       | 2564950   | 1.9350                           |
|        | Transfer  |  |                                  | 20 Apr 2018                  | (30000)       | 2534950   | 1.9123                           |
|        | Transfer  |  |                                  | 27 Apr 2018                  | (70000)       | 2464950   | 1.8595                           |
|        | Transfer  |  |                                  | 04 May 2018                  | (100000)      | 2364950   | 1.7841                           |
|        | Transfer  |  |                                  | 11 May 2018                  | (50000)       | 2314950   | 1.7464                           |
|        | Transfer  |  |                                  | 18 May 2018                  | (2150)        | 2312800   | 1.7448                           |
|        | Transfer  |  |                                  | 08 Jun 2018                  | (40000)       | 2272800   | 1.7146                           |
|        | Transfer  |  |                                  | 22 Jun 2018                  | 85000         | 2357800   | 1.7787                           |
|        | Transfer  |  |                                  | 30 Jun 2018                  | (49850)       | 2307950   | 1.7411                           |
|        | Transfer  |  |                                  | 06 Jul 2018                  | (10407)       | 2297543   | 1.7332                           |
|        | Transfer  |  |                                  | 13 Jul 2018                  | (22293)       | 2275250   | 1.7164                           |
|        | Transfer  |  |                                  | 20 Jul 2018                  | (40000)       | 2235250   | 1.6863                           |
|        | Transfer  |  |                                  | 27 Jul 2018                  | (177501)      | 2057749   | 1.5523                           |
|        | Transfer  |  |                                  | 03 Aug 2018                  | 191357        | 2249106   | 1.6967                           |

| Sr No. | Name & Type of Transaction          | Shareholding at the beginning of the year - 2018 |                                  | Transactions during the year |               | Cumulative Shareholding at the end of the year - 2019 |                                  |
|--------|-------------------------------------|--|----------------------------------|------------------------------|---------------|---|----------------------------------|
|        |                                     | No. of Shares Held                               | % of Total Shares of The Company | Date of Transaction          | No. of Shares | No. of Shares Held                                    | % of Total Shares of The Company |
|        | Transfer                            |  |                                  | 10 Aug 2018                  | (40580)       | 2208526   | 1.6661                           |
|        | Transfer                            |  |                                  | 17 Aug 2018                  | (117165)      | 2091361   | 1.5777                           |
|        | Transfer                            |  |                                  | 31 Aug 2018                  | 22000         | 2113361   | 1.5943                           |
|        | Transfer                            |  |                                  | 07 Sep 2018                  | 152820        | 2266181   | 1.7096                           |
|        | Transfer                            |  |                                  | 14 Sep 2018                  | 11796         | 2277977   | 1.7185                           |
|        | Transfer                            |  |                                  | 29 Sep 2018                  | (78745)       | 2199232   | 1.6591                           |
|        | Transfer                            |  |                                  | 05 Oct 2018                  | (16281)       | 2182951   | 1.6468                           |
|        | Transfer                            |  |                                  | 12 Oct 2018                  | 9900          | 2192851   | 1.6543                           |
|        | Transfer                            |  |                                  | 19 Oct 2018                  | (67650)       | 2125201   | 1.6032                           |
|        | Transfer                            |  |                                  | 26 Oct 2018                  | (216700)      | 1908501   | 1.4398                           |
|        | Transfer                            |  |                                  | 02 Nov 2018                  | (1016250)     | 892251  | 0.6731                           |
|        | Transfer                            |  |                                  | 09 Nov 2018                  | (592701)      | 299550  | 0.2260                           |
|        | Transfer                            |  |                                  | 16 Nov 2018                  | (86150)       | 213400  | 0.1610                           |
|        | Transfer                            |  |                                  | 23 Nov 2018                  | (3300)        | 210100  | 0.1585                           |
|        | Transfer                            |  |                                  | 30 Nov 2018                  | (40150)       | 169950  | 0.1282                           |
|        | Transfer                            |  |                                  | 07 Dec 2018                  | (20350)       | 149600  | 0.1129                           |
|        | Transfer                            |  |                                  | 14 Dec 2018                  | (8250)        | 141350  | 0.1066                           |
|        | Transfer                            |  |                                  | 21 Dec 2018                  | 13200         | 154550  | 0.1166                           |
|        | Transfer                            |  |                                  | 28 Dec 2018                  | 31350         | 185900  | 0.1402                           |
|        | Transfer                            |  |                                  | 31 Dec 2018                  | 30250         | 216150  | 0.1631                           |
|        | Transfer                            |  |                                  | 04 Jan 2019                  | 36300         | 252450  | 0.1904                           |
|        | Transfer                            |  |                                  | 11 Jan 2019                  | 58850         | 311300  | 0.2348                           |
|        | Transfer                            |  |                                  | 18 Jan 2019                  | 105500        | 416800  | 0.3144                           |
|        | Transfer                            |  |                                  | 25 Jan 2019                  | (10450)       | 406350  | 0.3065                           |
|        | Transfer                            |  |                                  | 01 Feb 2019                  | (34750)       | 371600  | 0.2803                           |
|        | Transfer                            |  |                                  | 08 Feb 2019                  | (37950)       | 333650  | 0.2517                           |
|        | Transfer                            |  |                                  | 15 Feb 2019                  | (550)         | 333100  | 0.2513                           |
|        | Transfer                            |  |                                  | 29 Mar 2019                  | 44000         | 377100  | 0.2845                           |
|        | At the end of the year              |  |                                  |                              |               | 377100  | 0.2845                           |
| 13     | ROCHDALE EMERGING MARKETS-MAURITIUS | 1352688  | 1.0205                           |                              |               | 1352688   | 1.0205                           |
|        | Transfer                            |  |                                  | 30 Nov 2018                  | (300000)      | 1052688   | 0.7941                           |
|        | Transfer                            |  |                                  | 07 Dec 2018                  | (195000)      | 857688  | 0.6470                           |
|        | Transfer                            |  |                                  | 21 Dec 2018                  | (392000)      | 465688  | 0.3513                           |
|        | Transfer                            |  |                                  | 28 Dec 2018                  | (370688)      | 95000   | 0.0717                           |
|        | Transfer                            |  |                                  | 07 Jan 2019                  | (95000)       | 0   | 0.0000                           |
|        | At the end of the year              |  |                                  |                              |               | 0   | 0.0000                           |



**v) Shareholding of Directors and Key Managerial Personnel**

| Sr. No. | Directors and KMPs                        | Shareholding at the beginning of the year |                                  | Cumulative Shareholding at the end of the year |                                  |
|---------|---|---|----------------------------------|--|----------------------------------|
|         |   | No. of shares                             | % of total shares of the company | No. of shares                                  | % of total shares of the company |
|         | <b>A) Name of the Director</b>            |   |                                  |  |                                  |
| 1.      | Mr. Sanjiv Goenka                         | 134794                                    | 0.10                             | 134794   | 0.10                             |
| 2.      | Mr. Rabi Chowdhury                        | 228                                       | 0.00                             | 228  | -                                |
|         | <b>B) Key Managerial Personnel (KMPs)</b> |   |                                  |  |                                  |
| 3.      | Mr.Subhasis Mitra                         | 103                                       | 0.00                             | 103  | -                                |
| 4.      | Mr. Rajarshi Banerjee                     | 114                                       | 0.00                             | 114  | -                                |
|         | At the end of the year                    | 135239                                    | 0.10                             | 135239   | 0.10                             |

**V) INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

₹ in Cr

|  | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |          |                    |
| i) Principal Amount  | 4,949.45                         | 1,010.00        | -        | 5,959.45           |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 9.26                             | 1.39            | -        | 10.65              |
| <b>Total (i+ii+iii)</b>                                    | <b>4,958.71</b>                  | <b>1,011.39</b> | <b>-</b> | <b>5,970.10</b>    |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |          |                    |
| · Addition   | 738.00                           | 700.00          | -        | 1,438.00           |
| · Reduction  | (924.51)                         | (410.00)        | -        | (1,334.51)         |
| <b>Net Change</b>  | <b>(186.51)</b>                  | <b>290.00</b>   | <b>-</b> | <b>103.49</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |          |                    |
| i) Principal Amount  | 4,762.94                         | 1,300.00        | -        | 6,062.94           |
| ii) Interest due but not paid                              | -                                | -               | -        | -                  |
| iii) Interest accrued but not due                          | 14.11                            | 0.50            | -        | 14.61              |
| <b>Total (i+ii+iii)</b>                                    | <b>4,777.05</b>                  | <b>1,300.50</b> | <b>-</b> | <b>6,077.55</b>    |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

₹ in cr

| Sl. No. | Particulars of Remuneration  | Total Amount    |             |
|---------|--|-----------------|-------------|
|         |  | Mr. D. Banerjee | Mr. A. Basu |
| 1.      | Gross salary<br>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961<br>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961<br>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | 4.73            | 0.43        |
| 2.      | Stock Option   | NIL             | NIL         |
| 3.      | Sweat equity   | NIL             | NIL         |
| 4.      | Commission<br>- as % of profit<br>- others.  | NIL             | NIL         |
| 5.      | Others – Contribution to Provident and Superannuation Fund   | 0.43            | 0.12        |
|         | Total  | 5.16            | 0.55        |
|         | Ceiling as per the Act   | 58.61           |             |

Note: The remuneration of Mr. R. Chowdhury, Managing Director (Generation) paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where he continues to function as the Managing Director.

**B. Remuneration to other directors:**

₹ in cr

| Sl No | Particulars of Remuneration                        | Name of the Director |             |             |             |             |          | Total Amount |
|-------|--|----------------------|-------------|-------------|-------------|-------------|----------|--------------|
|       |  | P.K. Khaitan         | B M Khaitan | C K Dhanuka | Rekha Sethi | P Chaudhuri | K Jairaj |              |
| 1     | Independent Directors                              |                      |             |             |             |             |          |              |
|       | (a) Fee for attending board and committee meetings | 0.1                  | 0.05        | 0.11        | 0.06        | 0.05        | 0.06     | 0.43         |
|       | (b) Commission                                     | 0.1                  |             | 0.1         | 0.1         | 0.1         | 0.1      | 0.5          |
|       | (c ) Others  | -                    |             |             |             |             |          |              |
|       | Total(1)   | 0.2                  | 0.05        | 0.21        | 0.16        | 0.15        | 0.16     | 0.93         |
| 2     | Other Non Executive Directors                      | S. Goenka            |             |             |             |             |          |              |
|       | (a) Fee for attending board and committee meetings | 0.18                 |             |             |             |             |          | 0.18         |
|       | (b) Commission                                     | 32.66                |             |             |             |             |          | 32.66        |
|       | (c ) Others  |                      |             |             |             |             |          |              |
|       | Total(2)   | 32.84                |             |             |             |             |          | 32.84        |
|       | Total(B)=(1+2)                                     |                      |             |             |             |             |          | 33.77        |
|       | Total Managerial Remuneration                      | -                    | -           | -           | -           | -           | -        | 38.93        |
|       | Overall Ceiling as per the Act                     | -                    | -           | -           | -           | -           | -        | 128.94       |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

₹ in cr

| Sl.No. | Particulars of Remuneration   | Key Managerial Personnel |             |             |
|--------|---|--------------------------|-------------|-------------|
|        |   | Company Secretary        | CFO         | Total       |
| 1.     | Gross salary  |                          |             |             |
|        | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2.24                     | 2.5         | 4.74        |
|        | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 0.11                     | 0.10        | 0.21        |
|        | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -           | -           |
| 2.     | Stock Option  | Nil                      | Nil         | Nil         |
| 3.     | Sweat Equity  | Nil                      | Nil         | Nil         |
| 4.     | Commission  | Nil                      | Nil         | Nil         |
|        | - as % of profit  |                          |             |             |
|        | - others  |                          |             |             |
| 5.     | Others – Contribution to Provident Fund and Superannuation Fund                     | 0.47                     | 0.82        | 1.29        |
|        | <b>Total</b>  | <b>2.82</b>              | <b>3.41</b> | <b>6.24</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority [RD/ NCLT/COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|----------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | NONE  |                            |                                    |
| Punishment                          |                              |                   | NONE  |                            |                                    |
| Compounding                         |                              |                   | NONE  |                            |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | NONE  |                            |                                    |
| Punishment                          |                              |                   | NONE  |                            |                                    |
| Compounding                         |                              |                   | NONE  |                            |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                            |                                    |
| Penalty                             |                              |                   | NONE  |                            |                                    |
| Punishment                          |                              |                   | NONE  |                            |                                    |
| Compounding                         |                              |                   | NONE  |                            |                                    |

On behalf of the Board of Directors

 Sanjiv Goenka  
 Chairman  
 DIN: 00074796

Kolkata, 17 May 2019

**Details pertaining to Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (Annexure 'I' to Directors' Report)**



(1) The ratio of the remuneration (including sitting fees) of the Directors - Mr. D. Banerjee, Mr. P. Chaudhuri, Mr. C. K. Dhanuka, Mr. S. Goenka, Mr. K. Jairaj, Mr. P. K. Khaitan, Mr. B. M. Khaitan and Ms. R. Sethi to the median remuneration of the employees of the Company for the financial year 2018-19 and increase in their remuneration during the said financial year (Percentage) is 59.12:1 (#), 1.72 : 1 (0%), 2.41 : 1 (0%), 376.30: 1 (1.67%), 1.83 : 1 (0%), 2.18 : 1 (11.76%), 0.57 :1 (-77.27%) and 1.83 : 1 (0%) respectively. #Mr. D Banerjee joined as Managing Director (Distribution) on 28 May, 2018 and hence salary is not comparable with last year. Mr. A. Basu served as Managing Director till 27 May, 2018 hence salary for the period is not compared with full year of 2017-18. Remuneration of Mr. R.Chowdhury, Managing Director (Generation) paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where he continues to function as the Managing Director. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 51.21% and 14.47% respectively. During the said financial year, there was an increase of 17.48 % in the median remuneration of employees on the rolls as at 31 March, 2019. There were 8402 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2018-19 the average increase in remuneration was 12.69% (3) The average percentage increase in the salaries of employees on roll as at 31.3.2019 other than the managerial personnel was 12.27 % in 2018-19 whereas the increase in the managerial remuneration for the same financial year was 15.86%. (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Sanjiv Goenka  
Chairman  
DIN: 00074796

Kolkata, 17 May 2019

# INDEPENDENT AUDITOR'S REPORT

## To the Members of CESC Limited



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

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 standalone 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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled

the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

#### 1. Accrual of regulatory income and corresponding asset / liability (as described in note 39 of the standalone Ind AS financial statements)

##### Key Audit Matter:-

The company recognizes regulatory income / assets / liability on the basis of its understanding and interpretation of tariff orders and regulations notified by the West Bengal Electricity Regulatory Commission (WBERC), which are subject matter of Annual Performance Review (APR) and will be adjusted in tariffs to be notified in the future years. Management exercises judgement in estimating such amounts using past experience from the issued Tariff / APR orders including interpretation of the regulations.

In consideration of the significant value of regulatory balances, complexity and high degree of estimation involved in computation thereof and pending annual performance reviews, we identified accrual of regulatory balances as a key audit matter.

##### How our audit addressed the key audit matter:

Our audit procedures included the following:-

- We have understood and carried out testing of the design and implementation of key controls related to accounting, valuation and recoverability of such regulatory balances and its disclosure in the financial statements of the Company.
- We discussed with the management on the assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, tariff orders and underlying records of the Company.
- We discussed with the management on the consistency of its assumptions and basis of estimation for all the years for which APR assessments are pending to be completed and also verified the arithmetical accuracy of such workings.
- We enquired from the management for notifications and correspondences with the regulator on the pending APR assessments.
- We have assessed the disclosures in accordance with

the requirements of Ind AS 114 "Regulatory Deferral Accounts".

## 2. Investments in subsidiaries of the Company (as described in note 7 of the standalone Ind AS financial statements)

### Key Audit Matter:-

The company carries its investment in subsidiaries at cost, as per the applicable Ind-AS standard and performs an impairment assessment, wherever required.

For these assessments, the company involves a valuer to determine the recoverable value of such investments using the discounted cash flow method of valuation, which is highly sensitive to changes in inputs used in valuation and involves judgement due to inherent uncertainty in the assumptions used for forecasting the future cash flows.

Accordingly, the impairment assessment of investments in subsidiary Companies was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.

### How our audit addressed the key audit matter:

Our audit procedures included the following:-

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

We have determined that there are no other key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, Management Discussion and Analysis, Report on corporate governance, Additional shareholder information, Report on CSR, Business Responsibility Report and Statement containing salient

features of the financial statements of Subsidiaries / Associates / Joint Ventures, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone 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.

### Responsibilities of Management for the Standalone 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 standalone 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 judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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 standalone 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.

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

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

Our objective is to obtain reasonable assurance about whether the standalone 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 standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required

to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;



- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 standalone 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, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31 to the standalone Ind AS financial statements;
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts in the standalone Ind AS financial statements;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S.R. Batliboi & CO. LLP**  
 Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Place: Kolkata  
 Date: May 17, 2019

**per Kamal Agarwal**  
 Partner  
 Membership Number: 058652

## Annexure '1' to Independent Auditors' Report

Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report on even date

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets except those in transmission and distribution system for which we have been informed that physical verification is not possible, have been physically verified by the management according to phased programme designed to cover all items over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company, except for land aggregating to ₹ 201.46 crore, of which the lease deeds have expired. As explained to us, the Company is in the process of renewal of expired lease deeds.
- ii. The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have substantially been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act 2013 apply and hence not commented upon. Provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).

Accordingly, the provisions of clause 3(v) of the Order are not applicable.

- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the generation and distribution of electricity, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess on account of any dispute, are as follows:

| Name of the Statute             | Nature of the Dues      | Amount (₹ In crores) | Period to which the amount relates | Forum where the dispute is pending                  |
|---------------------------------|-------------------------|----------------------|------------------------------------|---|
| West Bengal Sales Tax Act, 1962 | Sales Tax on Meter Rent | 0.30                 | 1992-93                            | Hon'ble High Court of Calcutta.                     |
| The Customs Act, 1962           | Customs Duty            | 19.38                | 2011-12 and 2012-13                | Customs, Excise and Service Tax Appellate Tribunal. |

- viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to bank. The Company did not have any outstanding loans or borrowings in respect of a financial institution or Government or dues to debenture holders during the year.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. The Company has not

## Annexure '1' to Independent Auditors' Report (Contd.)

- raised monies by way of initial public offer or further public offer or debt instruments.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
- For S.R. Batliboi & CO. LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005
- Per Kamal Agarwal**  
Partner  
Membership No.: 058652
- Place: Kolkata  
Date: May 17, 2019

## Annexure '2' to Independent Auditors' Report

### ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF CESC LIMITED

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

We have audited the internal financial controls over financial reporting of CESC Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

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

## Annexure '2' to Independent Auditors' Report (Contd.)



### Opinion

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

standalone Ind AS financial statements were operating effectively as at March 31, 2019, 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 **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place: Kolkata

Date: May 17, 2019

Membership Number: 058652

# Balance Sheet as at 31st March, 2019

| Particulars   | Note No.  | ₹ in crore                |                           |
|---|-----------|---------------------------|---------------------------|
|   |           | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
| <b>ASSETS</b>   |           |                           |                           |
| <b>Non-current Assets</b>   |           |                           |                           |
| Property, Plant and Equipment   | 4         | 14,553.23                 | 14,594.03                 |
| Capital work-in-progress  |           | 66.54                     | 126.66                    |
| Investment Property   | 5         | 56.03                     | 56.03                     |
| Intangible Assets   | 6         | 127.11                    | 137.28                    |
| Financial Assets  |           |                           |                           |
| Investments   | 7         | 4,429.57                  | 4,193.29                  |
| Loans   | 8         | 32.60                     | 32.42                     |
| Others  | 9         | 56.21                     | 217.25                    |
| Other Non current assets  | 10        | 141.95                    | 134.04                    |
|   | (A)       | 19,463.24                 | 19,491.00                 |
| <b>Current Assets</b>   |           |                           |                           |
| Inventories   | 11        | 382.63                    | 386.97                    |
| Financial Assets  |           |                           |                           |
| Investments   | 12        | 513.03                    | 506.37                    |
| Trade receivables   | 13        | 1,028.25                  | 1,041.49                  |
| Cash and cash equivalent  | 14        | 321.30                    | 435.68                    |
| Bank balances other than cash and cash equivalent                                       | 15        | 302.28                    | 286.92                    |
| Others  | 16        | 101.75                    | 97.15                     |
| Other current assets  | 17        | 330.16                    | 262.39                    |
|   | (B)       | 2,979.40                  | 3,016.97                  |
| Regulatory deferral account balances  | (C)       | 3,646.26                  | 3,521.54                  |
| <b>TOTAL ASSETS</b>   | (A+B+C)   | 26,088.90                 | 26,029.51                 |
| <b>EQUITY AND LIABILITIES</b>   |           |                           |                           |
| <b>Equity</b>   |           |                           |                           |
| Equity Share capital  | 19        | 133.22                    | 133.22                    |
| Other Equity  | 20        | 9,630.85                  | 9,314.47                  |
|   | (D)       | 9,764.07                  | 9,447.69                  |
| <b>Liabilities</b>  |           |                           |                           |
| <b>Non-current Liabilities</b>  |           |                           |                           |
| Financial Liabilities   |           |                           |                           |
| Borrowings  | 21        | 3,360.03                  | 3,667.49                  |
| Trade Payables  |           |                           |                           |
| (a) Total outstanding dues to micro enterprise & small enterprises                      |           | -                         | -                         |
| (b) Total outstanding dues of creditors other than micro enterprise & small enterprises |           | 43.63                     | 41.02                     |
| Consumers' Security Deposits  | 45        | 1,482.58                  | 1,505.59                  |
| Others  | 22        | 6.70                      | 6.41                      |
| Provisions  | 23        | 333.22                    | 286.63                    |
| Deferred tax liabilities (Net)  | 24        | 3,474.98                  | 3,487.21                  |
| Other non current liabilities   | 25        | 218.66                    | 206.68                    |
|   | (E)       | 8,919.80                  | 9,201.03                  |
| <b>Current Liabilities</b>  |           |                           |                           |
| Financial Liabilities   |           |                           |                           |
| Borrowings  | 26        | 1,485.44                  | 1,292.93                  |
| Trade Payables  |           |                           |                           |
| (a) Total outstanding dues to micro enterprise & small enterprises                      | 27        | 5.51                      | 6.92                      |
| (b) Total outstanding dues of creditors other than micro enterprise & small enterprises |           | 613.64                    | 480.85                    |
| Others  | 28        | 3,167.92                  | 3,120.81                  |
| Other current liabilities   | 29        | 582.40                    | 496.64                    |
| Provisions  | 30        | 63.18                     | 84.39                     |
| Current Tax Liabilities (net)   |           | 85.27                     | 62.26                     |
|   | (F)       | 6,003.36                  | 5,544.80                  |
| Regulatory deferral account balances  | (G)       | 1,401.67                  | 1,835.99                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | (D+E+F+G) | 26,088.90                 | 26,029.51                 |
| Notes forming part of Financial Statements  | 1-54      |                           |                           |

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

For and on behalf of Board of Directors

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

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 17th May, 2019

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

## Statement of Profit and Loss for the year ended 31st March, 2019

|   |          | ₹ in crore      |                 |
|---|----------|-----------------|-----------------|
| Particulars   | Note No. | 2018-19         | 2017-18         |
| Revenue from operations   | 32       | 7,753.67        | 7,785.84        |
| Other income  | 33       | 164.91          | 167.94          |
| <b>Total Income</b>   |          | <b>7,918.58</b> | <b>7,953.78</b> |
| <b>Expenses</b>   |          |                 |                 |
| Cost of electrical energy purchased                                       |          | 2,999.22        | 2,958.18        |
| Cost of fuel  | 34       | 1,556.20        | 1,401.65        |
| Purchase of stock-in-trade  |          | 19.94           | 11.51           |
| Employee benefits expense   | 35       | 926.03          | 859.67          |
| Finance costs   | 36       | 466.36          | 483.90          |
| Depreciation and amortisation expense                                     | 37       | 432.62          | 425.64          |
| Other expenses  | 38       | 895.02          | 920.09          |
| <b>Total expenses</b>   |          | <b>7,295.39</b> | <b>7,060.64</b> |
| <b>Profit from continuing operations before regulatory income and tax</b> |          | <b>623.19</b>   | <b>893.14</b>   |
| Regulatory Income (net)   | 39       | 571.26          | 209.24          |
| <b>Profit before tax from continuing operations</b>                       |          | <b>1,194.45</b> | <b>1,102.38</b> |
| <b>Tax expense</b>  |          |                 |                 |
| Current tax   |          | (257.40)        | (237.72)        |
| Deferred tax- Income  |          | 11.75           | 69.32           |
| Regulatory expense- deferred tax  |          | (11.75)         | (69.32)         |
| <b>Profit for the year from continuing operations</b>                     |          | <b>937.05</b>   | <b>864.66</b>   |
| Loss before tax from discontinued operations                              | 51       | -               | (3.75)          |
| Tax credit of discontinued operations                                     | 51       | -               | 0.80            |
| <b>Loss for the year from discontinued operations</b>                     |          | <b>-</b>        | <b>(2.95)</b>   |
| <b>Profit for the year</b>  |          | <b>937.05</b>   | <b>861.71</b>   |
| <b>Other comprehensive income</b>   |          |                 |                 |
| <i>Items that will not be reclassified to profit or loss</i>              |          |                 |                 |
| Remeasurement of defined benefit plan                                     |          | (41.03)         | (20.84)         |
| Income tax on above   |          | 8.84            | 4.50            |
| Gain/(loss) on fair value of Investments                                  |          | (2.06)          | 7.55            |
| Deferred tax charge/(credit) on above                                     |          | 0.48            | (1.76)          |
| Regulatory Income / (expense) -deferred tax                               |          | (0.48)          | 1.76            |
| Other comprehensive income for the year (net of tax)                      |          | (34.25)         | (8.79)          |
| <b>Total comprehensive income for the year</b>                            |          | <b>902.80</b>   | <b>852.92</b>   |
| <b>Earnings per equity share ( Face value of ₹10 per share)</b>           | 47       |                 |                 |
| Basic & Diluted from continuing operations                                |          | 70.69           | 65.23           |
| Basic & Diluted from discontinued operations                              |          | -               | (0.22)          |
| Basic & Diluted from continuing and discontinued operations               |          | 70.69           | 65.01           |
| Notes forming part of Financial Statements                                | 1-54     |                 |                 |

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

For and on behalf of Board of Directors

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

Kamal Agarwal  
 Partner  
 Membership No.: 058652  
 Kolkata, 17th May, 2019

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



## Cash Flow Statement for the year ended 31st March, 2019

|   | ₹ in crore      |                   |
|---|-----------------|-------------------|
| Particulars   | 2018-19         | 2017-18           |
| <b>A. Cash flow from Operating Activities</b>                           |                 |                   |
| Profit before tax from continuing operations                            | 1,194.45        | 1,102.38          |
| Loss before tax for the year from discontinued operations               | -               | (3.75)            |
| Adjustments for :   |                 |                   |
| Depreciation and amortisation expense                                   | 432.62          | 429.39            |
| Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net) | 2.84            | (1.53)            |
| Gain on sale/fair valuation of current investments (net)                | (38.08)         | (50.46)           |
| Provision for Bad Debt  | 0.69            | 17.60             |
| Bad debts, advances, other receivables written off                      | 74.47           | 67.00             |
| Dividend Income   | (15.00)         | (7.49)            |
| Finance costs   | 466.36          | 483.90            |
| Interest Income   | (33.85)         | (17.58)           |
| Other non-operating income  | (42.85)         | (62.85)           |
| <b>Operating Profit before Working Capital changes</b>                  | <b>2,041.65</b> | <b>1,956.61</b>   |
| Adjustments for change in:  |                 |                   |
| Trade & other receivables   | (222.47)        | (109.51)          |
| Inventories   | 4.34            | (8.35)            |
| Trade and other payables  | (392.18)        | (104.38)          |
| <b>Cash Generated from Operations</b>                                   | <b>1,431.34</b> | <b>1,734.37</b>   |
| Income Tax paid (net of refund)   | (211.68)        | (160.50)          |
| <b>Net cash flow from Operating Activities</b>                          | <b>1,219.66</b> | <b>1,573.87</b>   |
| <b>B. Cash flow from Investing Activities</b>                           |                 |                   |
| Purchase of Property, Plant and Equipment / Capital Work-in-Progress    | (644.59)        | (604.14)          |
| Proceeds from Sale of Property, Plant and Equipment                     | 5.09            | 10.39             |
| Investment in subsidiaries including advance for share subscription     | (84.10)         | (534.46)          |
| Sale/(purchase) of Current Investments (net)                            | 12.80           | 96.30             |
| Income from investment property   | 13.31           | 12.10             |
| Net Movement in Bank Balances other than Cash and Cash Equivalents      | (15.36)         | (45.35)           |
| Dividend received   | 15.00           | 7.49              |
| Interest received   | 35.75           | 15.27             |
| <b>Net cash used in Investing Activities</b>                            | <b>(662.10)</b> | <b>(1,042.40)</b> |

# Cash Flow Statement for the year ended 31st March, 2019



| ₹ in crore   |                 |                 |
|--|-----------------|-----------------|
| Particulars  | 2018-19         | 2017-18         |
| <b>C. Cash flow from Financing Activities</b>                                    |                 |                 |
| Proceeds from Non Current Borrowings   | 1,138.00        | 1,140.00        |
| Repayment of Non Current Borrowings  | (1,240.74)      | (991.32)        |
| Net movement in Cash credit facilities and other Current Borrowings              | 192.51          | (190.20)        |
| Finance Costs paid   | (482.68)        | (502.19)        |
| Dividend paid  | (231.35)        | (157.81)        |
| Dividend tax paid  | (47.68)         | (32.38)         |
| <b>Net Cash used in Financing Activities</b>                                     | <b>(671.94)</b> | <b>(733.90)</b> |
| <b>Net decrease in cash and cash equivalents</b>                                 | <b>(114.38)</b> | <b>(202.43)</b> |
| <b>Cash and Cash equivalents - Opening Balance [Refer Note 14]</b>               | <b>435.68</b>   | <b>682.81</b>   |
| <b>Cash and Cash equivalents - Acquired Pursuant to Scheme of Arrangement</b>    | <b>-</b>        | <b>0.30</b>     |
| <b>Cash and Cash equivalents - Transferred Pursuant to Scheme of Arrangement</b> | <b>-</b>        | <b>(45.00)</b>  |
| <b>Cash and Cash equivalents - Closing Balance [Refer Note 14]</b>               | <b>321.30</b>   | <b>435.68</b>   |

₹ in crore

| Changes in liabilities arising from financing activities | 01-Apr-18       | Cash Flows   | Others       | 31-Mar-19       |
|--|-----------------|--------------|--------------|-----------------|
| Current borrowings                                       | 1,292.93        | 192.51       | -            | 1,485.44        |
| Non-Current borrowings (including current maturities)    | 4,666.52        | (102.74)     | 13.72        | 4,577.50        |
| <b>Total liabilities from financing activities</b>       | <b>5,959.45</b> | <b>89.77</b> | <b>13.72</b> | <b>6,062.94</b> |

| Changes in liabilities arising from financing activities | 01-Apr-17       | Cash Flows     | Others       | 31-Mar-18       |
|--|-----------------|----------------|--------------|-----------------|
| Current borrowings                                       | 1,435.13        | (190.20)       | 48.00        | 1,292.93        |
| Non-Current borrowings (including current maturities)    | 4,550.29        | 148.68         | (32.45)      | 4,666.52        |
| <b>Total liabilities from financing activities</b>       | <b>5,985.42</b> | <b>(41.52)</b> | <b>15.55</b> | <b>5,959.45</b> |

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

For and on behalf of Board of Directors

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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 17th May, 2019

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

# Statement of changes in Equity for the year ended 31 st March 2019



₹ in crore

## A Equity Share Capital

| Particulars  | Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--|--|---|--|
| Equity Shares of ₹10 each issued , subscribed and fully paid |  |   |  |
| As at 31 March 2018  | 133.22   | -   | 133.22                                     |
| As at 31 March 2019  | 133.22   | -   | 133.22                                     |

## B Other Equity

| Particulars   | Reserves and Surplus * |                            |                   |                                |   | Total            |
|---|------------------------|----------------------------|-------------------|--------------------------------|---|------------------|
|   | Securities Premium     | Capital Redemption Reserve | Retained Earnings | Fund for unforeseen exigencies | Equity Instruments through Other Comprehensive Income |                  |
| <b>Balance as at 1 April, 2018</b>  | -                      | -                          | 9,062.75          | 244.17                         | 7.55  | <b>9,314.47</b>  |
| Profit for the year   |                        |                            | 937.05            |                                |   | <b>937.05</b>    |
| Other Comprehensive Income/(expense) for the year (net of tax)  |                        |                            | (32.19)           |                                | (2.06)  | <b>(34.25)</b>   |
| <b>Total</b>  | -                      | -                          | <b>9,967.61</b>   | <b>244.17</b>                  | <b>5.49</b>   | <b>10,217.27</b> |
| Dividends paid (incl tax there on) [refer note 19(f)]   |                        |                            | (279.66)          |                                |   | <b>(279.66)</b>  |
| Transfer to/from retained earnings  |                        |                            | (16.26)           | 16.26                          |   | -                |
| Withdrawal of additional depreciation during the year (refer note 49)   |                        |                            | (304.04)          |                                |   | <b>(304.04)</b>  |
| Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets ( refer note 49) |                        |                            | (2.72)            |                                |   | <b>(2.72)</b>    |
| <b>Balance as at 31 March, 2019</b>   | -                      | -                          | <b>9,364.93</b>   | <b>260.43</b>                  | <b>5.49</b>   | <b>9,630.85</b>  |

| Particulars  | Reserves and Surplus * |                            |                   |                                |   | Total            |
|--|------------------------|----------------------------|-------------------|--------------------------------|---|------------------|
|  | Securities Premium     | Capital Redemption Reserve | Retained Earnings | Fund for unforeseen exigencies | Equity Instruments through Other Comprehensive Income |                  |
| Balance as at 1 April, 2017  | 1,738.03               | 20.13                      | 11,204.13         | 228.24                         |   | 13,190.53        |
| Profit for the year  |                        |                            | 861.71            |                                |   | 861.71           |
| Other Comprehensive Income/(expense) for the year (net of tax)   |                        |                            | (16.34)           |                                | 7.55  | (8.79)           |
| <b>Total</b>   | <b>1,738.03</b>        | <b>20.13</b>               | <b>12,049.50</b>  | <b>228.24</b>                  | <b>7.55</b>   | <b>14,043.45</b> |
| Adjustment pursuant to Scheme of Arrangement (refer Note 51)   | (1,738.03)             | (20.13)                    | (2,467.94)        |                                |   | (4,226.10)       |
| Dividends paid (incl tax there on)   |                        |                            | (191.45)          |                                |   | (191.45)         |
| Transfer to/ from retained earnings  |                        |                            | (15.93)           | 15.93                          |   | -                |
| Withdrawal of additional depreciation during the year (refer note 49)  |                        |                            | (306.25)          |                                |   | (306.25)         |
| Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (refer note 49) |                        |                            | (5.18)            |                                |   | (5.18)           |
| <b>Balance as at 31 March, 2018</b>  | -                      | -                          | <b>9,062.75</b>   | <b>244.17</b>                  | <b>7.55</b>   | <b>9,314.47</b>  |

\* refer note 20

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

For and on behalf of Board of Directors

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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 17th May, 2019

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

## Notes forming Part of Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

Useful Life of Tangible Assets is as follows:

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

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

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

## (e) Intangible Assets and amortisation

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

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

## (f) Lease

A lease is classified as a finance or an operating lease as applicable.

### Company as lessee

#### Finance lease

Finance leases are capitalised at present value of the minimum lease payments at the lease's inception and disclosed as leased property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

A leased asset is depreciated over the useful life of the asset.

#### Operating lease

Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

### Company as lessor

#### Operating lease

Lease earnings under operating leases are recognised as an income on a straight line basis in the Statement of Profit and Loss over the lease term except where increase is in line with expected general inflation. The respective leased assets are included in the Balance Sheet based on their nature.

## (g) Financial asset

The financial assets are classified in the following categories:

- 1) Financial assets measured at amortised cost.
- 2) Financial assets measured at fair value through profit and loss.
- 3) Equity instruments.

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

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

### Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

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

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

### Equity instruments

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

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

## **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer Note 41).

For trade receivables the simplified approach of expected life time losses has been used from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

## **(h) Financial liabilities**

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

Cost of commitment for borrowings of subsidiaries/associates are recognised as a liability at the time such commitment is issued. The liability is initially measured at fair value and subsequently at the amount initially recognised less cumulative amortisation.

## **(i) Derivatives**

The Company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives also give rise to regulatory income or expense which is recognised through Statement of Profit and Loss and would be considered in determining the Company's future tariff as per the tariff regulations.

## **(j) Inventories**

Inventories of stores, fuel and traded goods are valued at lower of cost and net realizable value. Cost is calculated on weighted average basis and comprises expenditure incurred in the normal course of business in bringing such inventories to their present location and condition.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and where necessary, adjustment is made for such items.

## **(k) Foreign Currency Transactions**

The Company's financial statements are presented in INR which is also the functional currency of the Company. Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement/ translation of monetary items is recognized in the Statement of Profit and Loss.

The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement also gives rise to regulatory income or expense which is recognised as refundable or recoverable, which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the derivative contracts entered into for managing risks thereunder.

## **(l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash, cheques and draft on hand. Balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

## **(m) Revenue from Operations**

Revenue from contracts with customers is recognised on supply of electricity or when services are rendered to the customers at an amount that reflects the consideration to which the company is entitled under appropriate regulatory framework.

Revenue to be earned from sale of electricity is regulated based on parameters set out in tariff regulations issued from time to time.

Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty collected from consumers and payable to the State Government.

The Company receives contribution from consumers in accordance with the Regulation, that is being used to construct or acquire items of property, plant and equipment in order to connect the consumer to the Company's distribution network. The Company recognises revenue in respect for such contributions so received from consumers in the year they are connected to the distribution network.

Income from meter rent is accounted for as per the approved rates.

## **(n) Other Income**

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, wherever applicable. Delayed Payment Surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers. Interest income arising from financial assets is accounted for using amortised cost method. Dividend Income is recognised when the right to receive is established.

**(o) Employee Benefits**

The Company recognises contributions to provident fund, pension funds on an accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Company, impact of which is ascertained by way of actuarial valuation as at the year end. The Company, as per its schemes, extends employee benefits current and/or post retirement which are accounted for on accrual basis, and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, done by independent actuary. Actuarial gains and losses, where applicable, are recognised through Other Comprehensive Income. Compensation in respect of voluntary retirement scheme is charged to revenue.

**(p) Finance Costs**

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

**(q) Taxes**

Current tax represents the amount payable based on computation of tax as per prevailing taxation laws under the Income Tax Act, 1961.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

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 done with corresponding recognition of regulatory liability or asset, as applicable.

**(r) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

**(s) Business combination**

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

**(t) Regulatory deferral account balances**

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



### NOTE-2B Summary of significant judgements and assumptions

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :-

Estimated useful life of Intangible Assets -Note -2A (e)

Estimated Fair Valuation/Impairment assessment of certain Investments -Note-7 & Note-2A (g)

Estimation of Regulatory Items - Note -18 & 39

Estimation of Restoration Liability- Note- 2A (e)

Impairment of Trade Receivables -Note - 2A (g)

Estimates used in Actuarial Valuation of Employee benefits -Note-35

### NOTE-2C Changes in Accounting Policy

Ind AS 115 was issued on March 28, 2018 and supercedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue" and it applied, with limited exception, to all revenue arising from contract with customers from 1st April, 2018. The company has adopted IndAS 115 using modified retrospective approach. However, the application of standard does not have any impact on the recognition and measurement of revenue and related items.

Other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

### NOTE- 3 New standards that are not yet effective

The amendments to standards issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard, if applicable, when it becomes effective.

#### a Issue of Ind AS 116- Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Company is in the process of evaluating the requirements of the standard and its impact on its financial statements.

#### b Amendment to Existing Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 12 - Income Taxes
- ii. Ind AS 109 - Financial Instruments
- iii. Ind AS 19 - Employee Benefits
- iv. Ind AS 23 - Borrowing Costs
- v. Ind AS 28 - Investments in Associates and Joint Ventures and
- vi. Ind AS 103 - Business Combinations

Application of above amendments does not have significant impact on the Company's financial statements.

## Notes forming Part of Financial Statements (Contd.)

### NOTE - 4 PROPERTY , PLANT AND EQUIPMENT

| PARTICULARS                                       | COST/ DEEMED COST     |                        |  |                                 | DEPRECIATION / AMORTISATION |                       |                        |  | NET BLOCK                       |                        | ₹ in Crore |
|---|-----------------------|------------------------|--|---------------------------------|-----------------------------|-----------------------|------------------------|--|---------------------------------|------------------------|------------|
|   | As at 1st April, 2018 | Additions/ Adjustments | Adjustment pursuant to Scheme of Arrangement | Less : Withdrawals/ Adjustments | As at 31st March, 2019      | As at 1st April, 2018 | Additions/ Adjustments | Adjustment pursuant to Scheme of Arrangement | Less : Withdrawals/ Adjustments | As at 31st March, 2019 |            |
| Land  |                       |                        |  |                                 |                             |                       |                        |  |                                 |                        |            |
| Freehold  | 2,474.14              | -                      | -  | -                               | 2,474.14                    | -                     | -                      | -  | -                               | 2,474.14               | 2,474.14   |
| Leasehold (refer note below)                      | 577.62                | 0.03                   | -  | -                               | 577.65                      | 59.96                 | 19.47                  | -  | -                               | 498.22                 | 517.66     |
| Buildings and Structures *                        | 710.00                | 35.35                  | -  | -                               | 745.35                      | 109.26                | 32.10                  | -  | -                               | 603.99                 | 600.74     |
| Plant and Equipment                               | 5,506.10              | 191.71                 | -  | 5.31                            | 5,692.50                    | 950.63                | 340.50                 | -  | 3.53                            | 1,287.60               | 4,555.47   |
| Distribution System                               | 6,703.26              | 400.20                 | -  | 21.26                           | 7,082.20                    | 709.47                | 278.67                 | -  | 18.07                           | 970.07                 | 5,993.79   |
| Meters and Other Apparatus on Consumers' Premises | 323.82                | 40.77                  | -  | 10.86                           | 353.73                      | 52.58                 | 35.82                  | -  | 5.77                            | 82.63                  | 271.24     |
| River Tunnel                                      | 2.78                  | -                      | -  | -                               | 2.78                        | 1.65                  | 0.56                   | -  | -                               | 2.21                   | 1.13       |
| Furniture and Fixtures                            | 27.60                 | 8.17                   | -  | 0.26                            | 35.51                       | 7.28                  | 1.86                   | -  | 0.11                            | 9.03                   | 20.32      |
| Office Equipment                                  | 93.58                 | 10.32                  | -  | 0.57                            | 103.33                      | 25.08                 | 9.02                   | -  | 0.32                            | 33.78                  | 68.50      |
| Vehicles  | 6.52                  | 5.55                   | -  | 0.72                            | 11.35                       | 1.35                  | 1.28                   | -  | 0.54                            | 2.09                   | 5.17       |
| Railway Sidings                                   | 94.55                 | -                      | -  | -                               | 94.55                       | 8.68                  | 2.98                   | -  | -                               | 11.66                  | 85.87      |
| Previous Year                                     | 16,519.97             | 692.10                 | -  | 38.98                           | 17,173.09                   | 1,925.94              | 722.26                 | -  | 28.34                           | 2,619.86               | 14,594.03  |
|   | 15,846.32             | 728.16                 | 16.26 #                                      | 70.77                           | 16,519.97                   | 1,250.03              | 718.54                 | 14.03 #                                      | 56.66                           | 1,925.94               | 14,594.03  |

# Refer Note 51

\* includes leasehold improvements

1. The lease term in respect of land acquired under finance lease ranges from 30-99 years, which is renewable at the option of lessee or as mutually agreed. Future minimum lease obligation payable on leasehold land during next one year ₹ 0.83 crore (as on 31.03.18: ₹ 0.83 crore) later than one year but not later than five years ₹ 2.64 crore (as on 31.03.18: ₹ 2.64 crore) and later than five years ₹ 3.23 crore (as on 31.03.18: ₹ 3.45 crore)

2. The company is in the process of renewing the lease agreement, in respect of certain leasehold land, having Gross Block ₹ 210.34 crore (Net Block: ₹ 201.46 crore).

# Notes forming Part of Financial Statements (Contd.)

## NOTE - 5 INVESTMENT PROPERTY

| PARTICULARS     | COST / DEEMED COST    |                        |                          | DEPRECIATION / AMORTISATION |                        |                          | NET BLOCK              |                        |
|-----------------|-----------------------|------------------------|--------------------------|-----------------------------|------------------------|--------------------------|------------------------|------------------------|
|                 | As at 1st April, 2018 | Additions/ Adjustments | Withdrawals/ Adjustments | As at 31st March, 2019      | Additions/ Adjustments | Withdrawals/ Adjustments | As at 31st March, 2019 | As at 31st March, 2018 |
| Land - Freehold | 56.03                 | -                      | -                        | 56.03                       | -                      | -                        | 56.03                  | 56.03                  |
|                 | 56.03                 | -                      | -                        | 56.03                       | -                      | -                        | 56.03                  | 56.03                  |
| Previous Year   | 56.03                 | -                      | -                        | 56.03                       | -                      | -                        | 56.03                  |                        |

a) Income earned recognised in Statement of profit and loss ₹ 12.27 crore (previous year : ₹ 12.26 crore )

b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 288 crore( as on 31.03.18 : ₹282 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility , marketability , self liquidity , future rentals , etc.

c) The lease term in respect of Investment property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Company. This lease has been granted to Quest Properties India Limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said Company. Incentive given by the Company by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year ₹ 12.27 crore (as on 31.03.18: ₹ 12.26 crore) later than one year but not later than five years ₹ 49.05 crore (as on 31.03.18: ₹ 49.05 crores) and later than five years ₹ 106.28 crore (as on 31.03.18: ₹ 118.54 crores).

## NOTE - 6 INTANGIBLE ASSETS

| PARTICULARS       | COST / DEEMED COST    |                        |  | AMORTISATION                    |                        |                        | NET BLOCK              |                        |
|-------------------|-----------------------|------------------------|--|---------------------------------|------------------------|------------------------|------------------------|------------------------|
|                   | As at 1st April, 2018 | Additions/ Adjustments | Adjustment pursuant to Scheme of Arrangement | Less : Withdrawals/ Adjustments | As at 31st March, 2019 | As at 31st March, 2019 | As at 31st March, 2019 | As at 31st March, 2018 |
| Computer Software | 22.59                 | 4.23                   | -  | -                               | 26.82                  | 16.80                  | 3.36                   | 5.79                   |
| Mining Rights     | 151.88                | -                      | -  | -                               | 151.88                 | 20.39                  | 28.13                  | 131.49                 |
|                   | 174.47                | 4.23                   | -  | -                               | 178.70                 | 37.19                  | 51.59                  | 137.28                 |
| Previous Year     | 256.13                | 23.34                  | 105.00 #                                     | -                               | 174.47                 | 38.84                  | 137.28                 |                        |

# Refer Note 51

\*includes ₹ 3.75 crore relating to discontinued operations .

## Notes forming Part of Financial Statements (Contd.)

### NOTE - 7 NON CURRENT - INVESTMENTS

|   | As at 31st<br>March, 2019 | ₹ in Crore<br>As at 31st<br>March, 2018 |
|---|---------------------------|---|
| <b>a. Investments in Equity Instruments, unquoted, fully paid up, carried at fair value through other comprehensive income (FVTOCI) :</b> |                           |   |
| 3,250 (31.03.2018 : 3,250) Equity Shares of Integrated Coal Mining Limited of ₹10 each  | 5.50                      | 7.56                                    |
| <b>b. Investments in Mutual Funds, quoted, carried at fair value through profit &amp; loss (FVTPL) :</b>                                  |                           |   |
| 20,00,000 (31.03.2018 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹10 each                    | 2.00                      | 2.00                                    |
| <b>c. Investment in Subsidiary Companies, unquoted, fully paid up, carried at cost :</b>  |                           |   |
| 13,50,000 (31.03.2018; 13,50,000) Equity Shares of Malegaon Power Supply Limited (previously Nalanda Power Company Limited) of ₹ 10 each  | 1.35                      | 1.35                                    |
| 3,68,50,000 (31.03.2018 : 3,38,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each *  | -                         | -                                       |
| 13,55,05,800 (31.03.2018 : 13,55,05,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each   | 135.51                    | 135.51                                  |
| 1,10,00,000 (31.03.2018 ; 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each  | 6.94                      | 6.94                                    |
| 2,77,00,000 (31.03.2018 : 2,67,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each *                          | -                         | -                                       |
| 28,20,615 (31.03.2018 : 28,20,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each *                                       | -                         | -                                       |
| 44,17,983 (31.03.2018 : 44,17,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each *                                      | -                         | -                                       |
| 26,40,80,000 (31.03.2018 : 26,40,80,000) Equity Shares of Kota Electricity Distribution Limited of ₹ 10 each @                            | 266.10                    | 265.70                                  |
| 12,00,50,000 (31.03.2018 : 4,20,50,000) Equity Shares of Bikaner Electricity Supply Limited of ₹ 10 each @                                | 121.25                    | 43.25                                   |
| 2,00,50,000 (31.03.2018 : 2,00,50,000) Equity Shares of Bharatpur Electricity Services Limited of ₹ 10 each                               | 20.56                     | 20.53                                   |
| 4,07,00,000 (31.03.2018 : 4,07,00,000) Equity Shares of Crescent Power Limited of ₹ 10 each   | 71.91                     | 72.31                                   |
| 1,20,34,41,049 (31.03.2018 : 1,20,34,41,049) Equity Shares of Haldia Energy Limited of ₹ 10 each  | 1,206.61                  | 1,206.44                                |
| 2,24,27,68,954 (31.03.2018 : 2,08,27,68,954) Equity Shares of Dhariwal Infrastructure Limited of ₹ 10 each @                              | 2,560.30                  | 2,400.24                                |
| 3,20,50,000 (31.03.2018 : Nil) Equity Shares of Jharkhand Electric Company Limited of ₹ 10 each *   | -                         | -                                       |
| 20,50,000 (31.03.2018 : Nil) Equity Shares of Jarong Hydro-Electric Power Company Limited of ₹ 10 each *                                  | -                         | -                                       |
| 10,80,00,000 (31.03.2018: 10,80,00,000 ) Equity Shares of Au Bon Pain Café Indian Limited of ₹10 each *                                   | -                         | -                                       |
| 50,000 (31.03.2018 : 50,000) Equity Shares of CESC Green Power Limited of ₹ 10 each   | 0.05                      | 0.05                                    |
| <b>d. Investment in Associate, unquoted, fully paid up, carried at cost :</b>   |                           |   |
| 2,97,28,500 (31.03.2018 : 2,97,28,500) Equity Shares of Noida Power Company Limited of ₹ 10 each  | 30.63                     | 30.63                                   |
| <b>e. Investment in Joint Venture, unquoted, fully paid up, carried at cost :</b>   |                           |   |
| 24,29,800 (31.03.2018 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each *                                | -                         | -                                       |

## Notes forming Part of Financial Statements (Contd.)

|   | As at 31st<br>March, 2019 | ₹ in Crore<br>As at 31st<br>March, 2018 |
|---|---------------------------|---|
| <b>f. Investment in Preference Shares , unquoted, fully paid up, carried at fair value through Profit&amp;Loss (FVTPL) :</b>  |                           |   |
| 5,00,000 (31.03.2018 : 5,00,000) redeemable Preference shares of face value ₹ 100 each issued by Spencer's Retail Limited.  | 0.86                      | 0.78                                    |
|   | <b>4,429.57</b>           | <b>4,193.29</b>                         |
| <b>Investment in quoted investments:</b>  |                           |   |
| Aggregate Book value  | 2.00                      | 2.00                                    |
| Aggregate Market value  | 2.00                      | 2.00                                    |
| <b>Investment in unquoted investments:</b>  |                           |   |
| Aggregate Book value  | 4,427.57                  | 4,191.29                                |
| <b>Aggregate provision for diminution in value of investments</b>   | <b>43.30</b>              | <b>29.30</b>                            |
| * Fully impaired.   |                           |   |
| @ Based on valuation carried out by an Independent third party, there is no impairment .  |                           |   |
| <b>NOTE - 8 NON CURRENT - LOANS</b>   |                           |   |
| Considered good - Unsecured   |                           |   |
| a. Security Deposit   | 29.42                     | 29.62                                   |
| b. Loan to employees  | 3.18                      | 2.80                                    |
|   | <b>32.60</b>              | <b>32.42</b>                            |
| <b>NOTE - 9 NON CURRENT - OTHER FINANCIAL ASSETS</b>  |                           |   |
| a. Share application money to subsidiaries  | -                         | 160.00                                  |
| b. Others   |                           |   |
| Lease Receivables   | 56.21                     | 57.25                                   |
|   | <b>56.21</b>              | <b>217.25</b>                           |
| <b>NOTE - 10 OTHER NON CURRENT ASSETS</b>   |                           |   |
| a. Capital Advances   | 49.62                     | 26.74                                   |
| b. Other Advances   | 92.33                     | 107.30                                  |
| (Includes amount incurred by the company for setting up power projects to be transferred to the specific projects on completion of the same, prepaid expenses etc.) |                           |   |
|   | <b>141.95</b>             | <b>134.04</b>                           |
| <b>NOTE -11 INVENTORIES</b>   |                           |   |
| a. Fuel (includes goods in transit 31.03.2019 : ₹ 62.89 crore ; 31.03.18 : ₹ 71.98 crore)   | 202.83                    | 193.41                                  |
| b. Stores and Spares  | 177.40                    | 190.55                                  |
| c. Traded Goods   | 2.40                      | 3.01                                    |
|   | <b>382.63</b>             | <b>386.97</b>                           |

## Notes forming Part of Financial Statements (Contd.)

### NOTE -12 CURRENT INVESTMENTS

|  | ₹ in crore                |                           |
|--|---------------------------|---------------------------|
|  | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
| <b>Quoted</b>  |                           |                           |
| <b>Investments in Mutual Funds carried at fair value through profit and loss (FVTPL) :</b>                                       |                           |                           |
| Nil units (31.03.2018 : 45,73,387.7293 units of ₹335.0808 each) of ICICI Prudential Flexible Income Plan - Direct - Growth       | -                         | 153.25                    |
| Nil units (31.03.2018 : 1,36,45,878.5353 units of ₹37.2022 each) of Reliance Medium Term Fund - Direct - Growth                  | -                         | 50.77                     |
| Nil units (31.03.2018 : 37,914.5065 units of ₹2,656.9874 each) of Tata Ultra Short Term Fund - Direct - Growth                   | -                         | 10.07                     |
| Nil units (31.03.2018 : 36,54,823.8192 units of ₹27.618 each) of LIC MF Savings Plus Fund - Direct - Growth                      | -                         | 10.09                     |
| Nil units (31.03.2018 : 40,65,586.0338 units of ₹24.7968 each) of IDFC Ultra Short Term Fund - Direct - Growth                   | -                         | 10.08                     |
| Nil units (31.03.2018 : 79,06,075.8192 units of ₹12.7502 each) of DSP BlackRock Low Duration Fund-Direct - Growth                | -                         | 10.08                     |
| Nil units (31.03.2018 : 194,33,668.5873 units of ₹52.417 each ) of Aditya Birla Sun Life Banking & PSU Debt Fund-Direct - Growth | -                         | 101.87                    |
| Nil units (31.03.2018 : 94,60,066.6934 units of ₹21.3326 each) of DHFL Pramerica Ultra Short Term Fund - Direct - Growth         | -                         | 20.18                     |
| Nil units (31.03.2018 : 9,50,00,000 units of ₹10.0732 each) of HDFC FMP 92D February 2018 (1)                                    | -                         | 95.70                     |
| Nil units (31.03.2018 : 3,00,00,000 units of ₹10.065 each) of ICICI Prudential Fixed Maturity Plan - Series 82 - 103 Days Plan O | -                         | 30.20                     |
| Nil units (31.03.2018 : 48,387.4318 units of ₹2909.0976 each) of SBI Magnum Insta Cash Fund - Liquid Floater - Direct - Growth   | -                         | 14.08                     |
| 3,333,355.573 units of ₹300.4362 each (31.03.2018 : Nil units ) of Aditya Birla Sun Life Liquid Fund - Direct - Growth           | 100.15                    | -                         |
| 108,878.592 units of ₹3678.2855 each (31.03.2018 : Nil units ) of HDFC Liquid Fund - Direct - Growth                             | 40.05                     | -                         |
| 4,427,060.515 units of ₹276.4164 each (31.03.2018 : Nil units ) of ICICI Prudential Liquid Fund - Direct - Growth                | 122.37                    | -                         |
| 3,978,541.515 units of ₹251.7000 each (31.03.2018 : Nil units ) of Aditya Birla Sun Life Money Manager Fund - Direct - Growth    | 100.14                    | -                         |
| 47,829,954.944 units of ₹10.4744 each (31.03.2018 : Nil units ) of HDFC Ultra Short Term Fund - Direct - Growth                  | 50.10                     | -                         |
| 3,852,050.446 units of ₹260.1610 each (31.03.2018 : Nil units ) of ICICI Prudential Money Market Fund - Direct - Growth          | 100.22                    | -                         |
| <b>Unquoted</b>  |                           |                           |
| Investments in Commercial Paper carried at amortised cost*   | -                         | -                         |
|  | <b>513.03</b>             | <b>506.37</b>             |
| <b>Investment in quoted investments:</b>   |                           |                           |
| Aggregate Book value   | 513.03                    | 506.37                    |
| Aggregate Market value   | 513.03                    | 506.37                    |
| <b>Investment in unquoted investments:</b>   |                           |                           |
| Aggregate Book value   | -                         | -                         |
| <b>Aggregate provision for diminution in value of investments</b>  | <b>30.00</b>              | -                         |
| * Fully impaired   |                           |                           |

## Notes forming Part of Financial Statements (Contd.)

|  | ₹ in crore             |                        |
|--|------------------------|------------------------|
|  | As at 31st March, 2019 | As at 31st March, 2018 |
| <b>NOTE -13 TRADE RECEIVABLES</b>  |                        |                        |
| a. Considered good - Secured   | 564.64                 | 597.14                 |
| b. Considered good - Unsecured   | 463.64                 | 444.67                 |
| c. Credit Impaired   | 24.44                  | 23.75                  |
|  | <u>1,052.72</u>        | <u>1,065.56</u>        |
| Less : Allowances for bad and doubtful debts *   | 24.47                  | 24.07                  |
|  | <u>1,028.25</u>        | <u>1,041.49</u>        |
| * As on 31.03.19 : ₹ 0.03 crore (31.03.18: ₹ 0.32 crore) was recognised as provision for expected credit losses on trade receivables.  |                        |                        |
| <b>NOTE-14 CASH AND CASH EQUIVALENT</b>  |                        |                        |
| a. Balances with banks   |                        |                        |
| - In current accounts  | 316.32                 | 433.20                 |
| b. Cheques, drafts on hand   | 3.35                   | 0.93                   |
| c. Cash on hand  | 1.63                   | 1.55                   |
|  | <u>321.30</u>          | <u>435.68</u>          |
| <b>NOTE-15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT</b>   |                        |                        |
| Unpaid Dividend Account  | 5.74                   | 5.11                   |
| Bank Deposits with original maturity more than 3 months  | 296.54                 | 281.81                 |
|  | <u>302.28</u>          | <u>286.92</u>          |
| a. Amount lying in deposit accounts with banks as at 31st March, 2019 includes ₹ 246.86 crore (31.03.2018: ₹ 229.50 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto. |                        |                        |
| b. Bank deposits with original maturity more than 3 months include ₹ 179.12 crore (31.03.2018 : ₹ 33.00 crore ) having original maturity more than 12 months as on the reporting date.   |                        |                        |
| <b>NOTE-16 OTHER FINANCIAL ASSETS</b>  |                        |                        |
| <b>Unsecured, considered good</b>  |                        |                        |
| Receivable from Related Parties  | 41.66                  | 60.34                  |
| Interest accrued on Bank Deposits  | 11.40                  | 13.30                  |
| MTM gain on derivative financial instruments   | 40.96                  | 21.15                  |
| Receivable towards claims and services rendered  | 7.73                   | 2.36                   |
|  | <u>101.75</u>          | <u>97.15</u>           |
| <b>NOTE-17 OTHER CURRENT ASSETS</b>  |                        |                        |
| Advance for goods and services   | 206.73                 | 233.44                 |
| Others   | 123.43                 | 28.95                  |
| (Includes prepaid expenses etc. and also refer Note 31 (c) )   |                        |                        |
|  | <u>330.16</u>          | <u>262.39</u>          |
| <b>NOTE-18 REGULATORY DEFERRAL ACCOUNT BALANCES</b>  |                        |                        |
| Regulatory deferral account - debit balances   | 3,646.26               | 3,521.54               |
| Regulatory deferral account -credit balances   | 1,401.67               | 1,835.99               |
| ( Refer Note 39 for details)   |                        |                        |



## Notes forming Part of Financial Statements (Contd.)

### NOTE -19 EQUITY

|   | As at 31st.<br>March, 2019 | ₹ in Crore<br>As at 31st.<br>March, 2018 |
|---|----------------------------|--|
| a. Authorised Share Capital<br>315,60,00,000 ( 31.03.2018 : 315,60,00,000) Equity Shares of ₹10/- each                  | <b>3,156.00</b>            | 3,156.00                                 |
| b. Issued Capital<br>13,88,57,015 ( 31.03.2018 : 13,88,57,015 ) Equity Shares of ₹10/- each fully paid up               | <b>138.86</b>              | 138.86                                   |
| c. Subscribed and paid up capital<br>13,25,57,043 (31.03.2018 :13,25,57,043 ) Equity Shares of ₹10/- each fully paid up | <b>132.56</b>              | 132.56                                   |
| d. Forfeited Shares (amount originally paid up)   | <b>0.66</b>                | 0.66                                     |
|   | <b>133.22</b>              | 133.22                                   |

#### e. Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars                  | As at 31st March, 2019 |                  | As at 31st March, 2018 |                   |
|------------------------------|------------------------|------------------|------------------------|-------------------|
|                              | No. of shares          | Amount (₹ crore) | No. of shares          | Amount ( ₹ crore) |
| At the beginning of the year | 13,25,57,043           | 132.56           | 13,25,57,043           | 132.56            |
| Add : Change during the year | -                      | -                | -                      | -                 |
| At the end of the year       | 13,25,57,043           | 132.56           | 13,25,57,043           | 132.56            |

For the period of five years immediately preceding 31st March, 2019, no share was : - (i) allotted as fully paid up pursuant to any contract without consideration being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

#### f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 17.50 per equity share(31.03.18: ₹ 12 per equity share) has been paid during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

| Name of shareholder                           | As at 31st March, 2019 |              | As at 31st March, 2018 |              |
|---|------------------------|--------------|------------------------|--------------|
|   | No. of shares          | % of holding | No. of shares          | % of holding |
| Rainbow Investments Limited [Refer Note 42 A] | 5,87,96,632            | 44           | 5,87,96,632            | 44           |
| HDFC Trustee Company Limited                  | 1,19,30,021            | 9            | 1,19,30,021            | 9            |

## Notes forming Part of Financial Statements (Contd.)

### NOTE -20 OTHER EQUITY

|           |   | ₹ in Crore                |                           |
|-----------|---|---------------------------|---------------------------|
|           |   | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
| <b>A.</b> | Fund for unforeseen exigencies  | <b>260.43</b>             | 244.17                    |
|           | Retained Earnings   | <b>9,364.93</b>           | 9,062.75                  |
|           | Equity Instruments through Other Comprehensive Income   | <b>5.49</b>               | 7.55                      |
|           |   | <b>9,630.85</b>           | 9,314.47                  |
| <b>B.</b> | a. Capital Redemption Reserve   |                           |                           |
|           | As at beginning of the year   | -                         | 20.13                     |
|           | Adjustment pursuant to Scheme of Arrangement (Refer Note 51)  | -                         | (20.13)                   |
|           | As at end of the year   | -                         | -                         |
|           | b. Others   |                           |                           |
|           | i) Securities Premium Account   |                           |                           |
|           | As at beginning of the year   | -                         | 1,738.03                  |
|           | Adjustment pursuant to Scheme of Arrangement (Refer Note 51)  | -                         | (1,738.03)                |
|           | As at end of the year   | -                         | -                         |
|           | ii) Fund for unforeseen exigencies  |                           |                           |
|           | At the beginning of the year  | <b>244.17</b>             | 228.24                    |
|           | Add : Transfer during the year from Surplus   | <b>16.26</b>              | 15.93                     |
|           | As at end of the year   | <b>260.43</b>             | 244.17                    |
|           | iii) Retained Earnings  |                           |                           |
|           | Surplus at the beginning of the year  | <b>9,062.75</b>           | 11,204.13                 |
|           | Adjustment pursuant to Scheme of Arrangement (refer Note 51)  | -                         | (2,467.94)                |
|           | Add : Profit for the year   | <b>937.05</b>             | 861.71                    |
|           | Less: Transfer to fund for unforeseen exigencies  | <b>16.26</b>              | 15.93                     |
|           | Less : Withdrawal on account of depreciation / amortisation of surplus on fair valuation (refer note 49)          | <b>304.04</b>             | 306.25                    |
|           | Less : Withdrawal of the residual surplus on fair valuation consequent to sale/disposal of assets (refer note 49) | <b>2.72</b>               | 5.18                      |
|           | Less: Dividend  | <b>231.98</b>             | 159.07                    |
|           | Less: Dividend distribution tax on above  | <b>47.68</b>              | 32.38                     |
|           | Less: Items that will not be reclassified to profit or loss   |                           |                           |
|           | Remeasurement of defined benefit plan (Net of tax)  | <b>32.19</b>              | 16.34                     |
|           |   | <b>9,364.93</b>           | 9,062.75                  |
|           | iv) Equity Instruments through Other Comprehensive Income   |                           |                           |
|           | At the beginning of the year  | <b>7.55</b>               | -                         |
|           | Add : Items that will not be reclassified to profit or loss   |                           |                           |
|           | Gain/(loss) on fair value of Investment   | <b>(2.06)</b>             | 7.55                      |
|           | At the end of the year  | <b>5.49</b>               | 7.55                      |
|           |   | <b>9,630.85</b>           | 9,314.47                  |

### C. Nature and purpose of other reserves

Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income.

## Notes forming Part of Financial Statements (Contd.)

|  |                                   | ₹ in Crore                |                           |
|--|-----------------------------------|---------------------------|---------------------------|
|  |                                   | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
| <b>NOTE -21 NON CURRENT - BORROWINGS</b>   |                                   |                           |                           |
| a.   | <b>Secured</b>                    |                           |                           |
|  | Term Loans                        |                           |                           |
|  | Rupee Loans from Banks            | 3,656.57                  | 3,716.54                  |
|  | Foreign Currency Loans from Banks | 520.93                    | 539.98                    |
|  |                                   | <b>4,177.50</b>           | <b>4,256.52</b>           |
| b.   | <b>Unsecured</b>                  |                           |                           |
|  | Term loans                        |                           |                           |
|  | Rupee Loans from Banks            | 400.00                    | 410.00                    |
|  |                                   | <b>4,577.50</b>           | <b>4,666.52</b>           |
| Less : Current maturities of long term borrowings transferred to Other Current Financial Liabilities (refer note 28) |                                   | 1,199.95                  | 986.54                    |
| Less : Unamortised front end fees  |                                   | 17.52                     | 12.49                     |
|  |                                   | <b>3,360.03</b>           | <b>3,667.49</b>           |

**c. Nature of Security :**

Out of the Term Loans in (a) above, loans amounting to:

- (a) ₹ 4137.50 crore (31.03.2018 - ₹ 4053.08 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. (refer Note 4) as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal (refer Note 11) and other consumables, book debts, monies receivable (refer Note 13) and bank balances (refer Note 14). However, creation of the said mortgage security in respect of five Rupee Loans (Previous year: one Rupee Loan) aggregating ₹755.50 crore (31.03.2018- ₹ 30 crore) is in process and
- (b) ₹ 40.00 crore (31.03.2018- 203.44 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Company by way of a charge subservient to the charge of the first and second charge holders on the said assets.

**d. Major terms of repayment of Non Current Borrowings :**

| Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2019  | Rupee Term Loan from Banks | Foreign Currency Loans | Total           | Current Maturities |
|---|----------------------------|------------------------|-----------------|--------------------|
| Loans with maturity of upto 1 year  | 155.76                     | 433.89                 | 589.65          | 589.65             |
| Loans with maturity between 1 and 3 years   | 770.68                     | 87.04                  | 857.72          | 191.53             |
| Loans with maturity between 3 and 5 years   | 648.00                     | -                      | 648.00          | 160.50             |
| Loans with maturity between 5 and 10 years  | 2,039.13                   | -                      | 2,039.13        | 250.77             |
| Loans with maturity beyond 10 years   | 443.00                     | -                      | 443.00          | 7.50               |
| <b>Total</b>  | <b>4,056.57</b>            | <b>520.93</b>          | <b>4,577.50</b> | <b>1,199.95</b>    |
| Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders' benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. |                            |                        |                 |                    |
| All of the above are repayable in periodic instalments over the maturity period of the respective loans.  |                            |                        |                 |                    |

| Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2018  | Rupee Term Loan from Banks | Foreign Currency Loans | Total           | Current Maturities |
|---|----------------------------|------------------------|-----------------|--------------------|
| Loans with maturity of upto 1 year  | 223.44                     | 16.40                  | 239.84          | 239.84             |
| Loans with maturity between 1 and 3 years   | 767.46                     | 408.78                 | 1,176.24        | 266.19             |
| Loans with maturity between 3 and 5 years   | 793.50                     | 114.80                 | 908.30          | 213.75             |
| Loans with maturity between 5 and 10 years  | 2,042.14                   | -                      | 2,042.14        | 251.76             |
| Loans with maturity beyond 10 years   | 300.00                     | -                      | 300.00          | 15.00              |
| <b>Total</b>  | <b>4,126.54</b>            | <b>539.98</b>          | <b>4,666.52</b> | <b>986.54</b>      |
| Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective Lenders' benchmark rate and that of Foreign Currency Loans are based on spread over LIBOR. |                            |                        |                 |                    |
| All of the above are repayable in periodic instalments over the maturity period of the respective loans.  |                            |                        |                 |                    |

- e. Outstanding foreign currency loans as on 31st March, 2019 as disclosed above, stand fully hedged in Indian Rupees.

## Notes forming Part of Financial Statements (Contd.)

|   |   | ₹ in Crore                |                           |
|---|---|---------------------------|---------------------------|
|   |   | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
| <b>NOTE -22 NON CURRENT - OTHER FINANCIAL LIABILITIES</b>   |   |                           |                           |
|   | Lease obligation  | 6.70                      | 6.41                      |
|   |   | <b>6.70</b>               | <b>6.41</b>               |
| <b>NOTE -23 NON CURRENT - PROVISIONS</b>  |   |                           |                           |
| a   | Provision for employee benefits   | 300.16                    | 256.21                    |
| b   | Restoration liabilities   | 33.06                     | 30.42                     |
|   |   | <b>333.22</b>             | <b>286.63</b>             |
| <b>Reconciliation of movement in Restoration liabilities</b>  |   |                           |                           |
|   | Opening balance   | 30.42                     | 7.55                      |
|   | Add: Adjustment during the year   | 2.64                      | 22.83                     |
|   | Add: Adjustment pursuant to Scheme of Arrangement (refer note 51)                           | -                         | 0.04                      |
|   | Closing balance   | <b>33.06</b>              | <b>30.42</b>              |
| The Company has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.  |   |                           |                           |
| <b>NOTE -24 DEFERRED TAX LIABILITY (NET)</b>  |   |                           |                           |
|   | Deferred Tax Liabilities  | 3,535.22                  | 3,546.61                  |
|   | Deferred Tax Assets   | (60.24)                   | (59.40)                   |
|   | Total Deferred Tax Liabilities (net)<br>( refer note 44 for further details)                | <b>3,474.98</b>           | <b>3,487.21</b>           |
| <b>NOTE -25 OTHER NON CURRENT LIABILITIES</b>   |   |                           |                           |
|   | Advance received from consumers   | 129.32                    | 140.24                    |
|   | Others  | 89.34                     | 66.44                     |
|   |   | <b>218.66</b>             | <b>206.68</b>             |
| <b>NOTE -26 CURRENT - BORROWINGS</b>  |   |                           |                           |
| a.  | <b>Secured</b>  |                           |                           |
|   | Loans repayable on demand   |                           |                           |
|   | Overdraft from banks  | 585.44                    | 692.93                    |
| b.  | <b>Unsecured</b>  |                           |                           |
|   | Commercial Paper [including from banks 31.03.2019 : ₹ 300 crore, 31.03.2018 : ₹ NIL crore ] | 900.00                    | 600.00                    |
|   |   | <b>1,485.44</b>           | <b>1,292.93</b>           |
| c.  | <b>Nature of Security</b>   |                           |                           |
| Overdraft facilities from bank in (a) above are secured, ranking pari passu inter se, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables (refer note 11), book debts, monies receivable (refer note 13) and bank balances (refer note 14) as a first charge and, as a second charge, by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc (refer note 4). However, creation of the said security in respect of working capital facilities from banks aggregating ₹ 30.65 Crore (31.03.2018 – Nil) is in process.  |   |                           |                           |
| <b>NOTE - 27 CURRENT - TRADE PAYABLES</b>   |   |                           |                           |
| ₹0.01 crore (31.3.2018-₹ 0.08 Crore ) , ₹ NIL ( 31.03.2018 - ₹ Nil) , ₹ 0.58 crore (31.3.2018-₹0.52 crore ) and ₹ 1.97 crore ( 31.3.2018- ₹ 1.39 crore ) , ₹ NIL ( 31.03.2018 -₹ Nil ) representing interest due on amount outstanding as at the year end ,interest paid along with amount of payment made beyond the appointed day , interest due and payable for the period of delay in making payment during the year, amount of interest accrued and remaining unpaid at the year end , amount of further interest remaining due and payable in the succeeding years , respectively due to Micro and Small Enterprises , as defined in the Micro, Small and Medium Enterprises Development Act , 2006 on information available with the Company . |   |                           |                           |

## Notes forming Part of Financial Statements (Contd.)

|  |   | ₹ in crore               |                          |
|--|---|--------------------------|--------------------------|
|  |   | As at 31st<br>March,2019 | As at 31st<br>March,2018 |
| <b>NOTE- 28 OTHER FINANCIAL LIABILITIES</b>            |   |                          |                          |
| a.   | Current maturities of long-term debt  | 1,199.95                 | 986.54                   |
| b.   | Interest accrued but not due  | 14.61                    | 10.65                    |
| c.   | Unclaimed dividends   | 5.74                     | 5.11                     |
| d.   | Others (refer note e )  | 1,947.62                 | 2,118.51                 |
|  |   | <b>3,167.92</b>          | <b>3,120.81</b>          |
| e.   | Others include current portion of consumer security deposit (including accrued interest thereon) , employee related liabilities, liabilities on capital account , liabilities towards contractual obligations and ₹ 1282.00 crore (31.03.2018:₹ 1492.00 crore) payable to Haldia Energy Limited .   |                          |                          |
| <b>NOTE- 29 OTHER CURRENT LIABILITIES</b>              |   |                          |                          |
| a.   | Receipt from consumers for jobs   | 146.54                   | 124.20                   |
| b.   | Liability towards statutory taxes, duties etc.  | 355.28                   | 342.15                   |
| c.   | Advances received from Consumers  | 80.58                    | 30.29                    |
|  |   | <b>582.40</b>            | <b>496.64</b>            |
| <b>NOTE -30 CURRENT PROVISIONS</b>                     |   |                          |                          |
| a.   | Provision for employee benefits   | 62.96                    | 84.17                    |
| b.   | Others  | 0.22                     | 0.22                     |
|  |   | <b>63.18</b>             | <b>84.39</b>             |
| <b>NOTE -31 CONTINGENT LIABILITIES AND COMMITMENTS</b> |   |                          |                          |
| a.   | Claims against the Company not acknowledged as debts:<br>The West Bengal Taxation Tribunal had held meter rentals received by the Company from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹0.36 crore on account of interest. Against the above demand , the Company had deposited a sum of ₹0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Company filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Company. The disposal of the case is still pending. |                          |                          |
| b.   | Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account and letter of comforts towards borrowing / financing obligations of subsidiaries from banks, not provided for amount to ₹ 97.65 crore (31.03.2018 : ₹ 75.27 crore) and ₹ 1395.35 crore ( 31.03.2018 : ₹ 1497.55 crore ) respectively. (refer note 42 for details )   |                          |                          |
| c.   | The Ministry of Coal had encashed the bank guarantee of the Company amounting to ₹ 66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the Coal Mine Development and Production Agreement (CMDPA). Further, in terms of the above letter, the Ministry had directed the Company to top-up the bank guarantee with the aforesaid encashed amount. The Hon’ble High Court of Delhi while disposing the petition filed by the Company against the Ministry’s letter dated 25.04.2018, stayed the operation of this letter and further directed the Company to approach the Tribunal. Company has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Company expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account  |                          |                          |
| d.   | The Company has given bank guarantee of ₹ 294.97 crore ( 31.03.2018 : ₹ 222.76 crore ) for procurement of coal , etc , which is outstanding as on the reporting date.   |                          |                          |
| e.   | The Company has ongoing commitment to extend support and provide equity to the subsidiaries, in respect of various projects and otherwise (where, in certain cases there are restriction on transfer of investments). The future cash outflow in respect of above cannot be ascertained at this stage.  |                          |                          |
| f.   | Commitment relating to leasing arrangement , refer note 4 and 46  |                          |                          |
| g.   | There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 in respect of Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its effective date. The company is consulting Legal counsel for further clarity and evaluating its impact on its financial statement, if any, and is of the view that it is only possible but not probable that outflow of economic resources will be there in this regard.  |                          |                          |

## Notes forming Part of Financial Statements (Contd.)

|                                   |  | ₹ in crore      |                 |
|-----------------------------------|--|-----------------|-----------------|
| NOTE - 32 REVENUE FROM OPERATIONS |  | 2018-19         | 2017-18         |
| a                                 | Earnings from sale of electricity  | 7,557.73        | 7,595.12        |
| b                                 | Other Operating Revenue  |                 |                 |
|                                   | Meter Rent   | 51.23           | 50.02           |
|                                   | Contributions from Consumers   | 111.45          | 116.15          |
|                                   | Earnings from sale of traded goods   | 22.94           | 13.09           |
|                                   | Others   | 10.32           | 11.46           |
|                                   |  | <u>7,753.67</u> | <u>7,785.84</u> |
| c                                 | Earnings from sale of electricity are determined in accordance with the relevant orders of the Commission, to the extent applicable. The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month amounting to ₹ 89.93 crore ( previous year : ₹ 87.85 crore). |                 |                 |

| NOTE- 33 OTHER INCOME |   | 2018-19       | 2017-18       |
|-----------------------|---|---------------|---------------|
| a                     | Interest Income   | 33.85         | 17.58         |
| b                     | Dividend Income   | 15.00         | 7.49          |
| c                     | Gain on sale/ fair valuation of current investments (net) | 38.08         | 50.46         |
| d                     | Profit on sale of property, plant and equipment (net)     | -             | 1.53          |
| e                     | Income from financial assets at amortised cost            | 4.54          | 4.56          |
| f                     | Other Non -operating Income *                             | 73.44         | 86.32         |
|                       |   | <u>164.91</u> | <u>167.94</u> |

\* includes Delayed payment surcharge, Usance fee, liabilities written back , etc.

### NOTE -34 COST OF FUEL

- a Cost of Fuel includes freight ₹ 300.48 crore (previous year : ₹ 296.12 crore)  
b Consumption of fuel :

| Particulars             | UOM        | 2018-19   | 2017-18   |
|-------------------------|------------|-----------|-----------|
| (a) Consumption of coal |            |           |           |
| Quantity                | Tonnes     | 37,68,389 | 38,72,984 |
| Value                   | ₹ in crore | 1545.20   | 1389.89   |
| (b) Consumption of oil  |            |           |           |
| Quantity                | Kilolitres | 2,289.05  | 2,555.76  |
| Value                   | ₹ in crore | 11.00     | 11.76     |
| (c) Total Value         | ₹ in crore | 1556.20   | 1401.65   |

### NOTE - 35 EMPLOYEE BENEFITS EXPENSE

|    |  | 2018-19         | 2017-18         |
|----|--|-----------------|-----------------|
| a. | Salaries, wages and bonus                      | 974.27          | 871.57          |
| b. | Contribution to provident and other funds      | 96.87           | 122.27          |
| c. | Employees' welfare expenses                    | 51.21           | 45.62           |
|    |  | <u>1,122.35</u> | <u>1,039.46</u> |
|    | Less : Transfer to PPE / CWIP etc.             | 155.29          | 158.95          |
|    |  | <u>967.06</u>   | <u>880.51</u>   |
|    | Less : Transfer to Other Comprehensive Income* | 41.03           | 20.84           |
|    |  | <u>926.03</u>   | <u>859.67</u>   |

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit Plan has been recognised in Other Comprehensive Income.

## Notes forming Part of Financial Statements (Contd.)

(i) **Defined contribution plans**

The Company makes contributions for provident fund and family pension schemes (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plan, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. The fund has the form of trust and is governed by the Board of Trustees. During the year, based on applicable rates, the Company has contributed and charged ₹ 58.08 crore (previous year : ₹ 56.76 crore) on this count in the Statement of Profit and Loss .

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

Liabilities at the year end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary.

(ii) **The amounts recognised in the balance sheet and the movements in the total defined benefit obligation over the year are as follows:**  
(₹ in crore)

| Gratuity (Funded)  | 2018-19                     |                           |              | 2017-18                     |                           |              |
|--|-----------------------------|---------------------------|--------------|-----------------------------|---------------------------|--------------|
|  | Present value of obligation | Fair value of plan assets | Total amount | Present value of obligation | Fair value of plan assets | Total amount |
| <b>Opening Balance</b>   | <b>417.03</b>               | <b>(358.01)</b>           | <b>59.02</b> | 370.88                      | (323.04)                  | 47.84        |
| Current service cost   | 16.92                       | -                         | 16.92        | 19.03                       | -                         | 19.03        |
| Interest expense/(income)  | 25.99                       | (29.91)                   | (3.92)       | 25.14                       | (23.19)                   | 1.95         |
| Past Service Cost  | -                           | -                         | -            | 38.44                       | -                         | 38.44        |
| Less: Amount recognised in statement of profit and loss-Discontinued operations      | -                           | -                         | -            | 3.79                        | -                         | 3.79         |
| <b>Total amount recognised in profit and loss-Continuing operations</b>              | <b>42.91</b>                | <b>(29.91)</b>            | <b>13.00</b> | 78.82                       | (23.19)                   | 55.63        |
| <i>Remeasurements</i>  |                             |                           |              |                             |                           |              |
| Return on plan assets, excluding amounts included in interest expense/(income)       | -                           | 1.30                      | 1.30         | -                           | (1.60)                    | (1.60)       |
| (Gain)/loss from change in financial assumptions                                     | 6.10                        | -                         | 6.10         | 17.74                       | -                         | 17.74        |
| Experience (gains)/losses  | 18.39                       | -                         | 18.39        | (11.21)                     | -                         | (11.21)      |
| <b>Total amount recognised in other comprehensive income - Continuing operations</b> | <b>24.49</b>                | <b>1.30</b>               | <b>25.79</b> | 6.53                        | (1.60)                    | 4.93         |
| Employer contributions   | -                           | (65.52)                   | (65.52)      | -                           | (49.38)                   | (49.38)      |
| Benefit payments   | (46.40)                     | 46.40                     | -            | (39.20)                     | 39.20                     | -            |
| <b>Closing Balance</b>   | <b>438.03</b>               | <b>(405.74)</b>           | <b>32.29</b> | 417.03                      | (358.01)                  | 59.02        |

| Leave Obligation (Unfunded)   | 2018-19                     | 2017-18                     |
|---|-----------------------------|-----------------------------|
|   | Present value of obligation | Present value of obligation |
| <b>Opening Balance</b>  | <b>145.05</b>               | 141.41                      |
| Current service cost  | 10.13                       | 8.34                        |
| Interest expense/(income)   | 10.50                       | 9.55                        |
| <i>Remeasurements</i>   |                             |                             |
| (Gain)/loss from change in financial assumptions                                | 3.09                        | 11.06                       |
| Experience (gains)/losses   | 13.77                       | (11.50)                     |
| Less: Amount recognised in statement of profit and loss-Discontinued operations | -                           | 1.86                        |
| <b>Total amount recognised in profit and loss-Continuing operations</b>         | <b>37.49</b>                | 15.59                       |
| Benefit payments  | (13.36)                     | (11.95)                     |
| <b>Closing Balance</b>  | <b>169.18</b>               | 145.05                      |



## Notes forming Part of Financial Statements (Contd.)

(₹ in crore)

|  | Post retirement medical benefit |         | Pension      |         |
|--|---------------------------------|---------|--------------|---------|
|  | 2018-19                         | 2017-18 | 2018-19      | 2017-18 |
| <b>Opening balance</b>   | <b>77.86</b>                    | 64.67   | <b>58.44</b> | 44.02   |
| Current service cost   | 1.34                            | 2.32    | 0.25         | 0.25    |
| Interest expense/(income)  | 5.20                            | 4.45    | 4.00         | 3.12    |
| Past Service Cost  | -                               | -       | 9.43         | 11.65   |
| Less: Amount recognised in statement of profit and loss-Discontinued operations      | -                               | 0.86    | -            | 0.19    |
| <b>Total amount recognised in profit and loss-Continuing operations</b>              | <b>6.54</b>                     | 5.91    | <b>13.68</b> | 14.83   |
| <i>Remeasurements</i>  |                                 |         |              |         |
| (Gain)/loss from change in financial assumptions                                     | 2.16                            | (4.42)  | 1.29         | (4.96)  |
| Experience (gains)/losses  | 3.23                            | 14.83   | 8.56         | 10.41   |
| <b>Total amount recognised in other comprehensive income - Continuing operations</b> | <b>5.39</b>                     | 10.41   | <b>9.85</b>  | 5.45    |
| Benefit payments   | (3.67)                          | (3.13)  | (6.44)       | (5.85)  |
| <b>Closing balance</b>   | <b>86.12</b>                    | 77.86   | <b>75.53</b> | 58.45   |

iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

|                                       | 1st year      | Between 2-5 years | Between 6-10 years | More than 10 years | Total           |
|---------------------------------------|---------------|-------------------|--------------------|--------------------|-----------------|
| <b>31-Mar-19</b>                      |               |                   |                    |                    |                 |
| Defined benefit obligation (gratuity) | 72.36         | 199.19            | 218.54             | 220.25             | <b>710.34</b>   |
| Leave obligation                      | 22.26         | 64.39             | 74.38              | 171.84             | <b>332.87</b>   |
| Post-employment medical benefits      | 3.24          | 18.17             | 32.32              | 226.72             | <b>280.45</b>   |
| Pension                               | 7.38          | 33.42             | 35.92              | 71.79              | <b>148.51</b>   |
| <b>Total</b>                          | <b>105.24</b> | <b>315.17</b>     | <b>361.16</b>      | <b>690.60</b>      | <b>1,472.17</b> |
| <b>31-Mar-18</b>                      |               |                   |                    |                    |                 |
| Defined benefit obligation (gratuity) | 61.56         | 194.65            | 207.24             | 238.41             | 701.86          |
| Leave obligation                      | 17.53         | 57.40             | 62.70              | 157.15             | 294.78          |
| Post-employment medical benefits      | 2.73          | 15.74             | 28.33              | 229.54             | 276.34          |
| Pension                               | 6.57          | 30.75             | 34.08              | 68.32              | 139.72          |
| <b>Total</b>                          | <b>88.39</b>  | <b>298.54</b>     | <b>332.35</b>      | <b>693.42</b>      | <b>1,412.70</b> |

## Notes forming Part of Financial Statements (Contd.)

### iv) Sensitivity Analysis

(₹ in crore)

|  | Gratuity  |           | Post-employment medical benefits (PRMB) |           | Leave Obligation |           | Pension   |           | Interest rate guarantee on provident fund |           |
|--|-----------|-----------|---|-----------|------------------|-----------|-----------|-----------|---|-----------|
|  | 31-Mar-19 | 31-Mar-18 | 31-Mar-19                               | 31-Mar-18 | 31-Mar-19        | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19                                 | 31-Mar-18 |
| DBO at 31st March with discount rate +1%                     | 415.45    | 394.65    | 76.35                                   | 70.29     | 157.81           | 135.20    | 68.13     | 54.69     |   |           |
| Corresponding service cost                                   | 15.79     | 8.72      | 1.11                                    | 1.01      | 9.19             | 3.93      | 0.24      | 0.12      |   |           |
| DBO at 31st March with discount rate -1%                     | 463.13    | 441.95    | 92.79                                   | 87.14     | 182.07           | 156.22    | 77.64     | 62.68     |   |           |
| Corresponding service cost                                   | 18.19     | 10.12     | 1.55                                    | 1.55      | 11.27            | 4.81      | 0.31      | 0.12      |   |           |
| DBO at 31st March with +1% salary/benefit escalation         | 452.03    | 432.68    | 88.10                                   | 85.50     | 185.50           | 159.27    |           |           |   |           |
| Corresponding service cost                                   | 17.72     | 9.83      | 1.44                                    | 1.57      | 11.55            | 4.94      |           |           |   |           |
| DBO at 31st March with -1% salary/benefit escalation         | 422.22    | 397.27    | 79.85                                   | 71.48     | 155.29           | 132.95    |           |           |   |           |
| Corresponding service cost                                   | 16.08     | 8.81      | 1.26                                    | 1.04      | 8.99             | 3.84      |           |           |   |           |
| DBO at 31st March with +50% withdrawal rate                  | 438.71    | 417.56    | 72.93                                   | 77.38     | 169.49           | 145.35    |           |           |   |           |
| Corresponding service cost                                   | 16.96     | 9.56      | 1.32                                    | 1.22      | 10.17            | 4.35      |           |           |   |           |
| DBO at 31st March with -50% withdrawal rate                  | 437.37    | 416.51    | 73.61                                   | 78.38     | 168.74           | 144.65    |           |           |   |           |
| Corresponding service cost                                   | 16.87     | 9.50      | 1.35                                    | 1.26      | 10.10            | 4.32      |           |           |   |           |
| DBO at 31st March with +10% mortality rate                   | 438.42    | 417.32    | 82.31                                   | 76.46     | 169.35           | 145.22    | 70.56     | 56.75     |   |           |
| Corresponding service cost                                   | 16.93     | 9.54      | 1.31                                    | 1.21      | 10.15            | 4.34      | 0.27      | 0.12      |   |           |
| DBO at 31st March with -10% mortality rate                   | 437.66    | 416.75    | 85.42                                   | 79.40     | 168.88           | 144.78    | 81.31     | 60.27     |   |           |
| Corresponding service cost                                   | 16.89     | 9.51      | 1.36                                    | 1.27      | 10.12            | 4.33      | 0.24      | 0.12      |   |           |
| Int guarantee Liability 31st March with discount rate +1%    |           |           |   |           |                  |           |           |           | -   | 2.77      |
| Int guarantee Liability 31st March with discount rate -1%    |           |           |   |           |                  |           |           |           | 38.38                                     | 2.97      |
| Int guarantee Liability 31st March with EPFO rate +0.5%      |           |           |   |           |                  |           |           |           | 19.75                                     | 39.76     |
| Int guarantee Liability 31st March with portfolio rate -0.5% |           |           |   |           |                  |           |           |           | 19.75                                     | 19.88     |

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

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

### v) Major categories of total plan assets as per the Gratuity Trust Fund

|                         | 31-Mar-19 | 31-Mar-18 |
|-------------------------|-----------|-----------|
| <b>Gratuity</b>         |           |           |
| Cash & cash equivalents | 405.75    | 358.01    |
| Non-quoted market price | 405.75    | 358.01    |

## Notes forming Part of Financial Statements (Contd.)

### vi) Actuarial assumptions

| 31-Mar-19                      |   |   |  |  |  |
|--------------------------------|---|---|--|--|--|
| Particulars                    | Gratuity  | Leave obligation                                  | Medical  | Pension  | Interest guarantee   |
| Discount rate current year (%) | 7.34%   | 7.34%   | 7.34%  | 7.34%  | 7.34%  |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08) ultimate | Indian Assured Lives Mortality (2006-08) ultimate | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years |

| 31-Mar-18                      |   |   |  |  |  |
|--------------------------------|---|---|--|--|--|
| Particulars                    | Gratuity  | Leave obligation                                  | Medical  | Pension  | Interest guarantee   |
| Discount rate current year (%) | 7.60%   | 7.60%   | 7.60%  | 7.60%  | 7.60%  |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08) ultimate | Indian Assured Lives Mortality (2006-08) ultimate | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years |

| Expected Remaining Life | 2018-19 | 2017-18 |
|-------------------------|---------|---------|
| Employees Gratuity Fund | 7.02    | 11.30   |
| Executive Gratuity Fund | 6.62    | 6.72    |
| Leave Encashment        | 8.62    | 8.84    |
| PRMB - Non Cov          | 12.59   | 12.00   |
| PRMB - Cov              | 12.93   | 13.67   |
| Pension                 | 15.02   | 16.26   |

Expected contributions to be paid in next year for gratuity ₹ 46.13 crore.

Expected contributions to be paid for next year for leave obligation, medical & pension is nil.

### vii) Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.

|   | 2018-19 | 2017-18 |
|---|---------|---------|
| Actual return on plan assets (₹ in cr.) | 28.62   | 24.79   |

### viii) Risk exposure

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

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

**Demographic Risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

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

## Notes forming Part of Financial Statements (Contd.)

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

### NOTE- 36 FINANCE COSTS

|                                |         | ₹ in crore |
|--------------------------------|---------|------------|
|                                | 2018-19 | 2017-18    |
| a) Interest expense            | 471.96  | 490.42     |
| b) Other Borrowing Costs       | 9.65    | 8.83       |
|                                | 481.61  | 499.25     |
| Less : Allocated to PPE / CWIP | 15.25   | 15.35      |
|                                | 466.36  | 483.90     |

Weighted average capitalisation rate used is 8.56 % (previous year 8.11%)

### NOTE- 37 DEPRECIATION AND AMORTISATION EXPENSE

|  |        |        |
|--|--------|--------|
| Depreciation/ amortisation of tangible assets            | 722.26 | 718.54 |
| Amortisation of intangible assets                        | 14.40  | 13.35  |
|  | 736.66 | 731.89 |
| Less : Recoupment from Retained Earnings (refer note 49) | 304.04 | 306.25 |
|  | 432.62 | 425.64 |

### NOTE-38 OTHER EXPENSES

|   |         |         |
|---|---------|---------|
| a) Consumption of stores and spares   | 80.29   | 74.34   |
| b) Repairs  |         |         |
| Building  | 16.68   | 15.84   |
| Plant and Machinery   | 67.81   | 68.45   |
| Distribution System   | 92.17   | 105.65  |
| Others  | 5.78    | 4.79    |
|   | 182.44  | 194.73  |
| c) Insurance  | 11.98   | 12.66   |
| d) Rent (including lease rent ₹ 10.26 crore; previous year - ₹ 10.23 crore) | 26.43   | 24.91   |
| e) Rates and taxes  | 8.28    | 9.67    |
| f) Bad debts / Advances made  | 38.37   | 35.97   |
| g) Provision for Bad Debts  | 0.69    | 17.60   |
| h) Loss on sale / disposal of Property , Plant & Equipment (net)            | 2.84    | -       |
| i) Interest on Consumers' Security Deposits                                 | 107.28  | 108.01  |
| j) Foreign Exchange Restatement loss / (gain)                               | 13.72   | (30.88) |
| k) Mark to Market loss / (gain) on derivatives                              | (19.82) | 23.37   |
| l) Corporate social responsibility activities (refer note 50)               | 20.39   | 19.42   |
| m) Miscellaneous expenses   | 422.13  | 430.29  |
|   | 895.02  | 920.09  |

## Notes forming Part of Financial Statements (Contd.)



|                                  | ₹ in crore    |               |
|----------------------------------|---------------|---------------|
|                                  | 2018-19       | 2017-18       |
| <b>NOTE-39 REGULATORY INCOME</b> | <b>571.26</b> | <b>209.24</b> |

Regulatory (Income) / Expenses arise to the Company pursuant to the regulatory provisions applicable to the Company under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the Company's various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments - (income)/expenses, relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs and those having bearing on revenue account, as appropriate, based on the Company's understanding of the applicable available regulatory provisions and available orders of the competent authorities, and (c) effect of exchange fluctuation including MTM gain amounting to ₹ 79.64 crore (Previous year ₹ 198.00 crore), ₹ (657.00 crore) [Previous year ₹ (414.75 crore)], and ₹ 6.10 crore [Previous year ₹ 7.51 crore] respectively have been shown as Regulatory (Income)/Expenses with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balances (see Note 18).

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) exchange fluctuation, (c) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹ 3474.98 crore (31.3.2018 : ₹ 3487.21 crore), ₹ 48.05 crore ( 31.3.2018 : ₹ 34.33 crore ) and ₹ 123.23 crore (31.3.2018 : Nil) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) cost of fuel and purchase of power and other adjustments having bearing on revenue account and (c) MTM Gain amount to ₹ 1360.71 crore ( 31.3.2018 : ₹ 1281.07crore ), Nil ( 31.3.2018 : ₹ 533.77 crore ) and ₹ 40.96 crore ( 31.3.2018 : ₹ 21.15 crore) respectively.

The accurate quantification and disposal of the matters with regard to Regulatory deferral account balances, are being given effect to, from time to time, after conclusion of the concerned event/year, as appropriate, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatoli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Company effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

# Notes forming Part of Financial Statements (Contd.)

## NOTE-40 Fair value measurements

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

₹ in crore

|   | 31-Mar-19                  |             |               | 31-Mar-18                  |             |               |
|---|----------------------------|-------------|---------------|----------------------------|-------------|---------------|
|   | Cost/<br>Amortized<br>cost | FVTOCI      | FVTPL         | Cost/<br>Amortized<br>cost | FVTOCI      | FVTPL         |
| <b>Financial assets</b>                         |                            |             |               |                            |             |               |
| Investments                                     |                            |             |               |                            |             |               |
| - Equity  | 4,421.21                   | 5.50        |               | 4,182.95                   | 7.56        |               |
| - Mutual funds                                  |                            |             | 515.03        |                            |             | 508.37        |
| - Preference Shares                             |                            |             | 0.86          |                            |             | 0.78          |
| Trade Receivables                               | 1,028.25                   |             |               | 1,041.49                   |             |               |
| Loans   | 32.60                      |             |               | 32.42                      |             |               |
| Cash and cash equivalents                       | 321.30                     |             |               | 435.68                     |             |               |
| Other Bank balances                             | 302.28                     |             |               | 286.92                     |             |               |
| Lease Receivables                               | 56.21                      |             |               | 57.25                      |             |               |
| Receivable from Related parties                 | 41.66                      |             |               | 220.34                     |             |               |
| Interest accrued on Bank Deposit                | 11.40                      |             |               | 13.30                      |             |               |
| Derivative Asset                                |                            |             | 40.96         |                            |             | 21.15         |
| Receivable towards claims and services rendered | 7.73                       |             |               | 2.36                       |             |               |
| <b>Total financial assets</b>                   | <b>6,222.64</b>            | <b>5.50</b> | <b>556.85</b> | <b>6,272.71</b>            | <b>7.56</b> | <b>530.30</b> |
| <b>Financial liabilities</b>                    |                            |             |               |                            |             |               |
| Borrowings                                      | 6,045.42                   |             |               | 5,946.96                   |             |               |
| Trade Payables                                  | 662.78                     |             |               | 528.79                     |             |               |
| Interest accrued                                | 14.61                      |             |               | 10.65                      |             |               |
| Unclaimed dividend                              | 5.74                       |             |               | 5.11                       |             |               |
| Consumers' Security Deposits                    | 1,594.03                   |             |               | 1,607.50                   |             |               |
| Others  | 1,842.87                   |             |               | 2,023.01                   |             |               |
| <b>Total financial liabilities</b>              | <b>10,165.45</b>           | <b>-</b>    | <b>-</b>      | <b>10,122.02</b>           | <b>-</b>    | <b>-</b>      |

b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method.

₹ in crore

| Financial assets and liabilities measured at fair value | Level 1       | Level 2      | Level 3     | Total fair value | Total carrying amount |
|---|---------------|--------------|-------------|------------------|-----------------------|
| <b>As at 31 March 2019</b>                              |               |              |             |                  |                       |
| <b>Financial assets</b>                                 |               |              |             |                  |                       |
| Investment in equity shares                             | -             | -            | 5.50        | 5.50             | 5.50                  |
| Investment in liquid mutual fund units                  | 515.03        | -            | -           | 515.03           | 515.03                |
| Investment in Preference Share                          | -             | -            | 0.86        | 0.86             | 0.86                  |
| Derivative financial instrument - cross currency swap   | -             | 40.96        | -           | 40.96            | 40.96                 |
| <b>Total</b>  | <b>515.03</b> | <b>40.96</b> | <b>6.36</b> | <b>562.35</b>    | <b>562.35</b>         |
| <b>As at 31 March 2018</b>                              |               |              |             |                  |                       |
| <b>Financial assets</b>                                 |               |              |             |                  |                       |
| Investment in equity shares                             | -             | 7.56         | -           | 7.56             | 7.56                  |
| Investment in liquid mutual fund units                  | 508.37        | -            | -           | 508.37           | 508.37                |
| Investment in Preference Share                          | -             | -            | 0.78        | 0.78             | 0.78                  |
| Derivative financial instrument - cross currency swap   | -             | 21.15        | -           | 21.15            | 21.15                 |
| <b>Total</b>  | <b>508.37</b> | <b>28.71</b> | <b>0.78</b> | <b>537.86</b>    | <b>537.86</b>         |

The different levels have been defined below:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)

Level 3: inputs for the asset or liability that are not based on observable market data.

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

- i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.
- ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
- iii. The fair value of preference share is determined on the basis of discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would result in decrease / increase in fair value of preference share by ₹ 0.07 crore. The fair value of equity share is determined on the basis of discounted cash flow (31.03.18 net asset value). Significant unobservable input used is discount rate and growth rate and 0.50% increase / decrease in discount rate and growth rate would result in decrease / increase in fair value of equity share by ₹ 0.05 crore and ₹ 0.01 crore respectively.
- iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, receivable from related parties, other bank balances, interest accrued payable/receivable, other receivables/payables, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
- v. Loans, non-current borrowings, lease receivable/payable and security deposits are based on discounted cash flows using a current borrowing rate.
- vi. Fair Value of financial instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.

**NOTE-41 Financial risk management and Capital Management**

The Company's operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the Company, being a licensee under the said statute, is subject to regulatory provisions/ guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications / matters by the authority.

The Company being the sole provider of electricity in the licenced area has been managing the operations keeping in view its profitability and liquidity in terms of above regulations. In order to manage credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority. Credit risk towards investment of surplus funds is managed by obtaining support of credit rating and appraisal by external agencies and lending bodies. The Company extends financial support to its subsidiaries including that of letter of comforts etc. to their lenders.

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

The Company's market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through relevant regulations and availability of bulk commodity namely coal is generally sourced from own captive mine, domestic long term linkage and Special Forward E-Auction conducted by Coal India Limited and/or its subsidiaries.

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



## Notes forming Part of Financial Statements (Contd.)

### NOTE-42 Related Parties and their Relationship

#### A . Parent- under de facto control as defined in Ind AS -110

Rainbow Investments Limited

#### B . Subsidiary/ Joint Venture/Associates

| Name   | Relationship  |
|--|---------------|
| Surya Vidyut Limited   | Subsidiary    |
| Malegaon Power Supply Limited ( Formerly known as Nalanda Power Company Limited) | Subsidiary    |
| CESC Projects Limited  | Subsidiary    |
| Bantal Singapore Pte. Limited  | Subsidiary    |
| Ranchi Power Distribution Company Limited  | Subsidiary    |
| Pachi Hydropower Projects Limited  | Subsidiary    |
| Papu Hydropower Projects Limited   | Subsidiary    |
| Au Bon Pain Café India Limited   | Subsidiary    |
| Haldia Energy Limited (HEL)  | Subsidiary    |
| Dhariwal Infrastructure Limited (DIL)  | Subsidiary    |
| Kota Electricity Distribution Limited (KEDL)                                     | Subsidiary    |
| Bikaner Electricity Supply Limited (BKESL)                                       | Subsidiary    |
| Bharatpur Electricity Services Limited (BESL)                                    | Subsidiary    |
| Crescent Power Limited (CPL)   | Subsidiary    |
| CESC Green Power Limited   | Subsidiary    |
| Jharkhand Electric Company Limited   | Subsidiary *  |
| Jarong Hydro-Electric Power Company Limited                                      | Subsidiary *  |
| Spencer's Retail Limited (merged on 1st october 2017)                            | Subsidiary    |
| Noida Power Company Limited  | Associate     |
| Mahuagarhi Coal Company Private Limited  | Joint Venture |

#### C . Other Related Parties having transaction during the year

##### (i) Entities under common control

|   |
|---|
| Integrated Coal Mining Limited  |
| RPG Power Trading Co Ltd  |
| Phillips Carbon Black Ltd.  |
| Harrison Malayalam Limited  |
| STEL Holdings Limited   |
| Dotex Merchandise Pvt. Ltd.   |
| Castor Investment Limited   |
| Woodlands Multispeciality Hospital Limited  |
| Sarala Real Estate Limited  |
| Saregama India Ltd  |
| Open Media Network Ltd  |
| Kolkata Metro Network Pvt Limited   |
| Kolkata Games and Sports Pvt Ltd (KGSPL)  |
| Firstsource Solutions Limited #   |
| CESC Ventures Limited (Formerly known as RP-SG Business Process Services Limited) # |
| RP SG Retail Limited (subsequently renamed as Spencer's Retail Limited) #           |
| Quest Properties India Limited #  |

## Notes forming Part of Financial Statements (Contd.)

### (ii) Key Management Personnel (KMP)

| Name                  | Relationship   |
|-----------------------|--|
| Mr. S. Goenka         | Chairman   |
| Mr. P. Chaudhuri      | Director   |
| Mr. C .K Dhanuka      | Director   |
| Mr. K. Jairaj         | Director   |
| Mr. B .M Khaitan      | Director (upto 23rd May 2018)                          |
| Mr. P.K. Khaitan      | Director   |
| Ms. R.Sethi           | Director   |
| Mr. Aniruddha Basu    | Managing Director (upto 27th May 2018)                 |
| Mr. Debasish Banerjee | Managing Director-Distribution<br>(w.e.f. 28th May 18) |
| Mr. Rabi Chowdhury    | Managing Director-Generation (w.e.f. 28th May 18)      |
| Mr. Subhasis Mitra    | Company Secretary                                      |
| Mr. Rajarshi Banerjee | Executive Director & Chief Financial Officer           |

### (iii) Other Related Parties

Ms.Preeti Goenka ( Shareholder and Relative of KMP)  
 Mr.Shashwat Goenka ( Shareholder and Relative of KMP)  
 Khaitan & Co LLP  
 Khaitan & Co. (Mumbai)  
 Khaitan & Co. AOR  
 Khaitan & Co. (Kolkata)  
 Khaitan & Co. (New Delhi)  
 Khaitan Consultants Ltd.  
 CESC Limited Provident Fund  
 Calcutta Electric Supply Coporation (I) Ltd. Senior Staff Pension Fund  
 CESC Executive Gratuity Fund  
 CESC Limited Employee's Gratuity Fund

# Subsidiary upto 30th September 2017

\* Subsidiary from 1st October 2018

## Notes forming Part of Financial Statements (Contd.)

### D. Details of transaction between the Company and related parties and status of outstanding balances

| Sl No | Nature of Transactions   | Parent having Control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate |           | Entities under common control |           | Key Management Personnel |           | Other Related Parties |           | Total     |           |
|-------|--|--|-----------|-------------------------------|-----------|--------------------------|-----------|-----------------------|-----------|-----------|-----------|
|       |  | 31-Mar-19  | 31-Mar-18 | 31-Mar-19                     | 31-Mar-18 | 31-Mar-19                | 31-Mar-18 | 31-Mar-19             | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| 1     | Acquisition of Investment  | 83.00  | 1,082.60  | -                             | -         | -                        | -         | -                     | -         | 83.00     | 1,082.60  |
| 2     | Advance for Share Subscription   | 0.10   | (46.60)   | -                             | -         | -                        | -         | -                     | -         | 0.10      | (46.60)   |
| 3     | Short Term Advance Paid  | -  | 121.51    | -                             | -         | -                        | -         | -                     | -         | -         | 121.51    |
| 4     | Expense (Reimbursed)/Recovered   | 11.29  | 25.49     | 50.55                         | 18.95     | -                        | -         | -                     | -         | 61.84     | 44.44     |
| 5     | Income from sale/services  | 36.25  | 49.36     | 27.27                         | 11.92     | -                        | -         | -                     | -         | 63.52     | 61.28     |
| 6     | Expenses incurred  | 2,296.53   | 2,235.56  | 523.79                        | 523.59    | -                        | -         | 6.74                  | 7.81      | 2827.06   | 2,766.96  |
| 7     | Provident Fund & Retiral funds   | -  | -         | -                             | -         | -                        | -         | 264.71                | 240.43    | 264.71    | 240.43    |
| 8     | Balances written off /Provided   | 6.10   | 7.10      | -                             | -         | -                        | -         | -                     | -         | 6.10      | 7.10      |
| 9     | Security Deposit Received  | -  | -         | 0.03                          | -         | -                        | -         | -                     | -         | 0.03      | -         |
| 10    | Dividend paid  | 102.89   | 70.56     | 12.41                         | 8.51      | 0.24                     | 0.16      | 0.26                  | 0.16      | 115.80    | 79.39     |
| 11    | Remuneration of Key Managerial Personnel:<br>Shorts Term Employee Benefits<br>Post Employment Benefits | -  | -         | -                             | -         | 10.11                    | 7.46      | -                     | -         | 10.11     | 7.46      |
|       |  | -  | -         | -                             | -         | 2.42                     | 1.84      | -                     | -         | 2.42      | 1.84      |
| 12    | Remuneration of Directors  | -  | -         | -                             | -         | 35.94                    | 33.37     | -                     | -         | 35.94     | 33.37     |
|       | Outstanding Balance:   |  |           |                               |           |                          |           |                       |           |           |           |
| 1     | Debit  | -  | -         | 46.56                         | 39.88     | -                        | -         | -                     | -         | 46.56     | 39.88     |
| 2     | Credit   | 1,637.66   | 1,498.83  | -                             | -         | 35.34                    | 34.31     | 15.85                 | 15.50     | 1,688.85  | 1,548.64  |

- a. Shares allotted during the year in respect of Share Application money paid to subsidiaries ₹ 160 crore ( 31.03.18 : ₹115.58 crore)
- b. Refer Note. 31(b) relating to commitments (letter of comfort) provided to banks towards borrowing obligations as on 31.03.2019 in respect of subsidiary companies.
- c. Outstanding balances are unsecured and settlement occurs in cash.

## Notes forming Part of Financial Statements (Contd.)

**NOTE-43** Miscellaneous expenses shown in Note no. 38 (m), include Auditors' Remuneration and expenses :

₹ in crore

|  | 2018-19 | 2017-18 |
|--|---------|---------|
| As Statutory Auditors :                              |         |         |
| Statutory audit and Limited reviews #                | 3.16    | 1.83    |
| Other services                                       | 0.77    | 0.98    |
| As a Tax Auditor                                     | 0.11    | 0.10    |
| Others   | 0.18    | 0.06    |
| Reimbursement of expenses including applicable taxes | 0.88    | 0.56    |

# includes additional fees in relation to financial statements as per Scheme of Arrangement referred to in Note-51

**NOTE- 44** The major components of Deferred Tax Assets / (Liabilities) based on the temporary difference as at 31st March, 2019 are as under:

**Deferred tax assets and liability (Net)**

Deferred tax relates to the following:

₹ in crore

|  | April 1, 2018     | Recognised through P&L | Recognised through OCI | March 31, 2019    |
|--|-------------------|------------------------|------------------------|-------------------|
| <b>Liabilities</b>   |                   |                        |                        |                   |
| Difference in WDV of Property, Plant and Equipment                         | (3,519.57)        | 8.63                   |                        | (3,510.94)        |
| Fair Valuation of Equity Investment as per IND AS                          | (1.76)            | -                      | 0.48                   | (1.28)            |
| Others   | (25.29)           | 2.29                   | -                      | (23.00)           |
| <b>Assets</b>  |                   |                        |                        |                   |
| Items covered under section 43B of Income Tax Act, 1961                    | 4.61              | 0.01                   | -                      | 4.62              |
| Others including items covered under section 35DDA of Income Tax Act, 1961 | 54.80             | 0.82                   | -                      | 55.62             |
| <b>Total Deferred Tax Liabilities (Net)</b>                                | <b>(3,487.21)</b> | <b>11.75</b>           | <b>0.48</b>            | <b>(3,474.98)</b> |

|  | April 1, 2017     | Recognised through P&L | Recognised through OCI | March 31, 2018    |
|--|-------------------|------------------------|------------------------|-------------------|
| <b>Liabilities</b>   |                   |                        |                        |                   |
| Difference in WDV of Property, Plant and Equipment                         | (3,568.89)        | 49.32                  | -                      | (3,519.57)        |
| Fair Valuation of Equity Investment as per IND AS                          | -                 | -                      | (1.76)                 | (1.76)            |
| Others   | (30.62)           | 5.33                   | -                      | (25.29)           |
| <b>Assets</b>  |                   |                        |                        |                   |
| Items covered under section 43B of Income Tax Act, 1961                    | 3.91              | 0.70                   | -                      | 4.61              |
| Others including items covered under section 35DDA of Income Tax Act, 1961 | 40.83             | 13.97                  | -                      | 54.80             |
| <b>Total Deferred Tax Liabilities (Net)</b>                                | <b>(3,554.77)</b> | <b>69.32</b>           | <b>(1.76)</b>          | <b>(3,487.21)</b> |

## Notes forming Part of Financial Statements (Contd.)

### Income tax expense

#### a) i) Income tax recognised in profit or loss

₹ in crore

|   | March 31, 2019  | March 31, 2018  |
|---|-----------------|-----------------|
| <b>Current tax expense</b>                    |                 |                 |
| Continuing Operation                          | (257.40)        | (237.72)        |
| Discontinuing Operation                       | -               | 0.80            |
| <b>Deferred tax expense</b>                   |                 |                 |
| Deferred tax-( Income) / expense              | 11.75           | 69.32           |
| Regulatory ( Income ) / expense -deferred tax | (11.75)         | (69.32)         |
| <b>Total income tax expense</b>               | <b>(257.40)</b> | <b>(236.92)</b> |

#### ii) Income tax recognised in OCI

|   | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| <b>Current tax expense</b>                            |                |                |
| Remeasurement of defined benefit plan                 | 8.84           | 4.50           |
| <b>Deferred tax expense</b>                           |                |                |
| Deferred Tax on Gain on fair value of Investment      | 0.48           | (1.76)         |
| Regulatory ( Income ) / expense -deferred tax         | (0.48)         | 1.76           |
| <b>Total income tax expense relating to OCI items</b> | <b>8.84</b>    | <b>4.50</b>    |

#### b) Reconciliation of tax expense and accounting profit

|   | March 31, 2019 | March 31, 2018 |
|---|----------------|----------------|
| <b>Accounting profit before tax after Comprehensive Income</b>  | <b>1153.42</b> | 1077.79        |
| Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)  | 403.05         | 373.00         |
| Tax effect of amounts adjustable in calculating taxable income/expenses not considered for tax purpose including difference in depreciation | (102.83)       | (97.58)        |
| Incentive, deduction etc. allowed under Income Tax  | (56.13)        | (32.67)        |
| MAT Adjustments etc.  | 4.47           | (10.33)        |
| <b>Income Tax Expense</b>   | <b>248.56</b>  | 232.42         |

**NOTE- 45** Liability in respect of the security deposit collected by the Company, in terms of applicable regulations of the WBERC, has been classified as non – current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

**NOTE- 46** Future rentals payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 36-60 months work out to ₹ 6.27 crore (as on 31.03.18 : ₹ 0.39 crore) and ₹ 18.21 crore (as on 31.03.18 : ₹ 1.29 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

## Notes forming Part of Financial Statements (Contd.)

**NOTE- 47 Earnings per share:**

**(i) Computation of Earnings per share from continuing operations**

| Particulars   |     | 2018-19      | 2017-18      |
|---|-----|--------------|--------------|
| Profit for the year from continuing operations after tax (₹ in Crore) | (A) | 937.05       | 864.66       |
| Weighted Average no. of shares for Earnings per share                 | (B) | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)      |     | 70.69        | 65.23        |

**Computation of Earnings per share from discontinued operations**

| Particulars  |     | 2018-19 | 2017-18      |
|--|-----|---------|--------------|
| Profit/ (loss) from discontinued operations after tax for EPS (₹ in Crore) | (A) | -       | (2.95)       |
| Weighted Average no. of shares for Earnings per share                      | (B) | -       | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)           |     | -       | (0.22)       |

**Computation of Earnings per share - from discontinued & continuing operations (net of tax)**

| Particulars  |     | 2018-19      | 2017-18      |
|--|-----|--------------|--------------|
| Profit after tax for EPS (₹ in Crore)                            | (A) | 937.05       | 861.71       |
| Weighted Average no. of shares for Earnings per share            | (B) | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹) |     | 70.69        | 65.01        |

**(ii) Computation of Earnings per share from continuing operations- excluding regulatory Income (net of tax)**

| Particulars  |     | 2018-19      | 2017-18      |
|--|-----|--------------|--------------|
| Profit After Tax excluding regulatory income (₹ in Crore)        | (A) | 488.91       | 700.08       |
| Weighted Average no. of shares for Earnings per share            | (B) | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹) |     | 36.88        | 52.81        |

**Computation of Earnings per share from discontinued & continuing operations- excluding regulatory Income (net of tax)**

| Particulars  |     | 2018-19      | 2017-18      |
|--|-----|--------------|--------------|
| Profit After Tax excluding regulatory income (₹ in Crore)        | (A) | 488.91       | 697.13       |
| Weighted Average no. of shares for Earnings per share            | (B) | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹) |     | 36.88        | 52.59        |

**NOTE- 48** The Company is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is within India.

The Company is also running a single retail store in state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.

**NOTE- 49** Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Company's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Company continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relating to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹304.04 crore (31.03.18 : ₹ 306.25 crore) and corresponding withdrawal of ₹ 2.72 crore (31.03.18 : ₹ 5.18 crore) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

## Notes forming Part of Financial Statements (Contd.)



- NOTE- 50** In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending for the year works out to ₹ 20.16 crore (31.03.18 : ₹ 19.35 crore). The said requirement of CSR spending was met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 18.00 crore (31.03.18 : ₹ 17.10 crore ) and ₹ 2.23 crore ( 31.03.18 : ₹ 2.25 crore) respectively.
- NOTE- 51** The Company, in the financial statements for the year ended March 31, 2018, had given effect to the composite scheme of arrangement approved by Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority) except for demerger of the Generation Undertaking which shall be effective in terms thereof upon approval of the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) to the Power Purchase Agreement (PPA) between the Company and Haldia Energy Limited (One of the Scheme Companies) which is awaited.
- NOTE- 52** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 124.20 crore, out of which ₹ 35.39 crore has been dealt with in the revenue account during the year, on satisfaction of performance obligation. The balance of the said contract liability as at the year-end stood at ₹ 146.54 crore pending satisfaction of the performance obligation.

| <b>NOTE - 53 Quantitative information :</b> |  | <b>(Million kWh)</b> |                |
|---|--|----------------------|----------------|
|   |  | <b>2018-19</b>       | <b>2017-18</b> |
| (a)   | Total number of units generated during the year                            | <b>6298</b>          | 6337           |
| (b)   | Total number of units consumed in Generating Stations                      | <b>488</b>           | 499            |
| (c)   | Total number of units sent out   | <b>5810</b>          | 5838           |
| (d)   | Total number of units purchased during the year                            | <b>5581</b>          | 5638           |
| (e)   | Total number of units through Unscheduled Interchange (Net)                | <b>22</b>            | 20             |
| (f)   | Total number of units delivered  | <b>11413</b>         | 11496          |
| (g)   | Total number of units sold as per meter readings                           | <b>9706</b>          | 9739           |
| (h)   | Total number of units sold to persons other than own consumers and WBSEDCL | <b>684</b>           | 611            |
| (i)   | Total number of units consumed in Company's premises                       | <b>37</b>            | 47             |
| (j)   | Total number of units sold to WBSEDCL                                      | <b>12</b>            | 38             |

The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2019 was 1125000 kW (31st March, 2018 : 1125000 kW).

- NOTE- 54** The Company has reclassified previous year's figures to conform to this year's classification along with other regrouping / rearrangement wherever necessary.

For and on behalf of Board of Directors

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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 17th May, 2019

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



# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



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

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of CESC Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate and joint venture comprising of the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint venture, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2019, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

#### 1. Accrual of regulatory income and corresponding asset / liability (as described in note 40 of the consolidated Ind AS financial statements)

##### Key Audit Matter:-

The Group recognizes regulatory income / assets / liability basis its understanding and interpretation of tariff orders and regulations notified by the West Bengal Electricity Regulatory Commission (WBERC), which are subject matter of Annual Performance Review (APR) and will be adjusted in tariffs to be notified in the future years. Management exercises judgement in estimating such amounts using past experience from the issued Tariff / APR order including interpretation of the regulations.

In consideration of the significant value of regulatory balances, complexity and high degree of estimation involved in computation thereof and pending annual performance reviews, we identified accrual of regulatory balances as a key audit matter.

##### How our audit addressed the key audit matter:

Our audit procedures included the following:-

- We have understood and carried out testing of the design and implementation of key controls related to accounting, valuation and recoverability of such regulatory balances and its disclosure in the financial statements of the Company.
- We discussed with the management on the assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, tariff orders and underlying records of the Company.
- We discussed with the management on the consistency of its assumptions and basis of estimation for all the years for which APR assessments are pending to be completed and also verified the arithmetical accuracy of such workings.
- We enquired from the management for notifications and correspondences with the regulator on the pending APR assessments.
- We have assessed the disclosures in accordance with the requirements of Ind AS 114 "Regulatory Deferral Accounts".

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



## 2. Valuation of non current investment (as described in note 8(a) (ii) and (iii) of the consolidated Ind AS financial statements)

### Key Audit Matter:-

A subsidiary company has investments in the equity and preference shares, which is carried at fair value through Other Comprehensive Income (OCI). The said investments were valued as at 31 March 2019 by an independent valuer using discounted cash flow ('DCF') method.

Management's determination of fair valuation of investments is complex and requires estimation and judgement around assumptions used which include, but are not limited to, projections of future cash flows, growth rates, discount rates, estimated future operating and capital expenditure and any change in these assumptions could significantly affect the fair values.

The application of significant judgement in this matter required substantial involvement of senior personnel on the audit engagement.

Accordingly, considering the materiality of balances, complexity of valuation and significance of judgement involved, fair valuation of aforesaid investments has been considered to be a key audit matter for current year's audit.

### How the audit addressed the Key Audit Matter:

The auditor of the subsidiary company has performed the following procedures:

- Obtained an understanding of management's processes and controls for determining the fair valuation of investments.
- Evaluated the design of and tested the operating effectiveness of the key controls around the fair valuation of investment.
- Evaluated the independent valuation specialist's competencies, expertise and objectivity.
- Assessed the appropriateness of the valuation methodology used to arrive at the estimated fair value of the investments and reasonableness of the assumptions such as discount rates using an auditor's expert.
- Tested the accuracy of the input data provided by the management to the valuation specialist, reasonableness of the key assumptions used in the cash flow projections and fair valuation, such as growth rates, discount rate, etc.
- Tested the mathematical accuracy of the cash flow projections and fair valuation computation.
- Evaluated the appropriateness of disclosures made in the financial statement in relation to such investments as required by applicable accounting standards.

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

### Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report, Management Discussion and Analysis, Report on corporate governance, Additional shareholder information, Report on CSR, Business Responsibility Report and Statement containing salient features of the financial statement of Subsidiaries / Associates / Joint Ventures, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group and of its associate and joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for assessing

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



the ability of the Group and of its associate and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate and joint venture are also responsible for overseeing the financial reporting process of the Group and of its associate and joint venture.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls 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 ability of the Group and its associate and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate and joint venture of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other Matter**

- (a) We did not audit the financial statements and other financial information, in respect of 17 subsidiaries, whose Ind AS financial statements include total assets of ₹13,562.59 crores

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



as at March 31, 2019, and total revenues of ₹5,204.47 crores and net cash outflows of ₹19.91 crores for the year ended on that date. These Ind AS financial statements and other financial information have been audited by other auditors, with financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ Nil for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements, other financial information have been audited by other auditor and whose report have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture, is based solely on the report(s) of such other auditors.

- (b) The consolidated Ind AS financial statements include the Group's share of net profit of ₹ 69 crore for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements, other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been certified and furnished to us by the Management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and joint venture, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, and joint venture, none of the directors of the Group's companies and joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, and joint venture incorporated in India, refer to our separate Report in "Annexure" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, and joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries, and joint venture incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint venture, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, its associate and joint venture in its consolidated Ind AS financial statements – Refer Note 32 to the consolidated Ind AS financial statements;

# INDEPENDENT AUDITOR'S REPORT

To the Members of CESC Limited



- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint venture incorporated in India during the year ended March 31, 2019.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place: Kolkata

Date: May 17, 2019

Membership Number: 058652



# ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF CESC LIMITED

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

In conjunction with our audit of the consolidated Ind AS financial statements of CESC Limited as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of CESC Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, and its joint venture, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies, and its joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements,

assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

#### Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS Financial Statements

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

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

### Opinion

In our opinion, the Holding Company, its subsidiary companies, and its joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, in so far as it relates to these 17 subsidiary companies and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary, and joint venture incorporated in India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Place: Kolkata

Date: May 17, 2019

per **Kamal Agarwal**

Partner

Membership Number: 058652



# Consolidated Balance Sheet as at 31st March, 2019



|  |           | ₹ in crore                |                           |
|--|-----------|---------------------------|---------------------------|
| Particulars  | Note No.  | As at<br>31st March, 2019 | As at<br>31st March, 2018 |
| <b>ASSETS</b>  |           |                           |                           |
| <b>Non-current Assets</b>  |           |                           |                           |
| Property, Plant and Equipment  | 5         | 23,434.61                 | 23,628.15                 |
| Capital work-in-progress   |           | 161.44                    | 216.63                    |
| Investment Property  | 6         | 56.03                     | 56.03                     |
| Intangible Assets  | 7         | 157.90                    | 169.35                    |
| Investment accounted under equity method   | 51        | 473.88                    | 422.72                    |
| Financial Assets   |           |                           |                           |
| Investments  | 8         | 198.54                    | 244.62                    |
| Loans  | 9         | 30.98                     | 31.00                     |
| Others   | 10        | 56.21                     | 57.25                     |
| Other Non current assets   | 11        | 151.53                    | 155.40                    |
|  | (A)       | 24,721.12                 | 24,981.15                 |
| <b>Current Assets</b>  |           |                           |                           |
| Inventories  | 12        | 700.45                    | 582.59                    |
| Financial Assets   |           |                           |                           |
| Investments  | 13        | 513.03                    | 506.37                    |
| Trade receivables  | 14        | 1,738.85                  | 1,537.40                  |
| Cash and cash equivalent   | 15        | 502.56                    | 632.17                    |
| Bank balances other than cash and cash equivalent  | 16        | 528.11                    | 561.79                    |
| Loans  | 17        | 17.14                     | 15.26                     |
| Others   | 18        | 103.97                    | 73.27                     |
| Current Tax Assets (Net)   |           | 30.84                     | 21.17                     |
| Other current assets   | 19        | 614.74                    | 508.28                    |
|  | (B)       | 4,749.69                  | 4,438.30                  |
| Regulatory deferral account balances   | (C)       | 3,997.51                  | 3,566.81                  |
| <b>TOTAL ASSETS</b>  | (A+B+C)   | 33,468.32                 | 32,986.26                 |
| <b>EQUITY AND LIABILITIES</b>  |           |                           |                           |
| <b>Equity</b>  |           |                           |                           |
| Equity Share capital   | 20        | 133.22                    | 133.22                    |
| Other Equity   | 21        | 8,840.62                  | 8,286.95                  |
| Non-controlling interest   | 41        | 82.06                     | 69.39                     |
| <b>Total Equity</b>  | (D)       | 9,055.90                  | 8,489.56                  |
| <b>Liabilities</b>   |           |                           |                           |
| <b>Non-current Liabilities</b>   |           |                           |                           |
| Financial Liabilities  |           |                           |                           |
| Borrowings   | 22        | 10,225.34                 | 11,047.78                 |
| Trade Payables   |           |                           |                           |
| (a) Total outstanding dues to micro enterprises and small enterprises                      |           | -                         | -                         |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |           | 43.63                     | 41.02                     |
| Consumers' Security Deposits   | 48        | 1,484.32                  | 1,506.74                  |
| Others   | 23        | 6.70                      | 8.32                      |
| Provisions   | 24        | 344.27                    | 295.18                    |
| Deferred tax liabilities (Net)   | 43        | 3,940.35                  | 3,639.86                  |
| Other non current liabilities  | 25        | 230.04                    | 229.75                    |
|  | (E)       | 16,274.65                 | 16,768.65                 |
| <b>Current Liabilities</b>   |           |                           |                           |
| Financial Liabilities  |           |                           |                           |
| Borrowings   | 26        | 2,386.93                  | 2,200.48                  |
| Trade Payables   |           |                           |                           |
| (a) Total outstanding dues to micro enterprises and small enterprises                      | 27        | 16.65                     | 7.58                      |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 27        | 661.13                    | 683.09                    |
| Others   | 28        | 2,581.76                  | 2,008.69                  |
| Other current liabilities  | 29        | 661.91                    | 566.04                    |
| Provisions   | 30        | 66.85                     | 88.30                     |
| Current Tax Liabilities (Net)  |           | 85.26                     | 62.27                     |
|  | (F)       | 6,460.49                  | 5,616.45                  |
| Regulatory deferral account balances   | (G)       | 1,677.28                  | 2,111.60                  |
| <b>TOTAL EQUITY AND LIABILITIES</b>  | (D+E+F+G) | 33,468.32                 | 32,986.26                 |
| Notes forming part of Consolidated Financial Statements                                    | 1-57      |                           |                           |

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

For and on behalf of Board of Directors

For S.R.BATLIBOI & CO LLP

Chartered Accountants

Firm Registration Number -301003E/E300005

Kamal Agarwal

Partner

Membership No.: 058652

Kolkata, 17th May, 2019

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

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

|   |             |          | ₹ in crore       |                  |
|---|-------------|----------|------------------|------------------|
|   | Particulars | Note No. | 2018-19          | 2017-18          |
| Revenue from operations   |             | 33       | 10,664.14        | 10,274.86        |
| Other income  |             | 34       | 204.30           | 252.01           |
| <b>Total Income</b>   |             |          | <b>10,868.44</b> | <b>10,526.87</b> |
| <b>Expenses</b>   |             |          |                  |                  |
| Cost of electrical energy purchased                                   |             |          | 2,105.91         | 2,004.20         |
| Cost of fuel  |             | 35       | 3,426.40         | 2,890.63         |
| Purchases of stock-in-trade   |             |          | 19.94            | 11.51            |
| Employee benefit expense  |             | 36       | 1,036.66         | 970.23           |
| Finance costs   |             | 37       | 1,324.72         | 1,302.96         |
| Depreciation and amortisation expense                                 |             | 38       | 763.78           | 751.47           |
| Other expenses  |             | 39       | 1,259.76         | 1,466.61         |
| <b>Total expenses</b>   |             |          | <b>9,937.17</b>  | <b>9,397.61</b>  |
| <b>Profit before share in profit of associate and tax</b>             |             |          | <b>931.27</b>    | <b>1,129.26</b>  |
| Share in net profit of associate                                      |             |          | 69.28            | 49.73            |
| <b>Profit before regulatory income</b>                                |             |          | <b>1,000.55</b>  | <b>1,178.99</b>  |
| Regulatory Income (net)   |             | 40       | 571.26           | 67.45            |
| <b>Profit before tax from continuing operations</b>                   |             |          | <b>1,571.81</b>  | <b>1,246.44</b>  |
| <b>Tax expense</b>  |             |          |                  |                  |
| Current tax (net)   |             |          | 362.08           | 343.84           |
| Deferred tax - (Income) / expense                                     |             |          | 332.90           | (102.21)         |
| Regulatory (Income) / expense - deferred tax                          |             |          | (321.24)         | 114.59           |
| <b>Total Tax expenses</b>   |             |          | <b>373.74</b>    | <b>356.22</b>    |
| <b>Profit after Tax from continuing operations</b>                    |             |          | <b>1,198.07</b>  | <b>890.22</b>    |
| Profit before tax from discontinued operations (Refer note 49)        |             |          | -                | 107.30           |
| Tax expense of discontinued operations (Refer note 49)                |             |          | -                | 22.27            |
| <b>Profit after Tax from discontinued operations</b>                  |             |          | <b>-</b>         | <b>85.03</b>     |
| <b>Profit after Tax</b>   |             |          | <b>1,198.07</b>  | <b>975.25</b>    |
| <b>Other comprehensive income</b> (including discontinued operations) |             |          |                  |                  |
| <i>Items not to be reclassified to profit or loss</i>                 |             |          |                  |                  |
| Remeasurement of defined benefit plan                                 |             |          | (42.06)          | (21.70)          |
| Income tax on above   |             |          | 8.93             | 4.78             |
| Gain / (Loss) on fair valuation of Investment                         |             |          | (16.14)          | 30.12            |
| Deferred Tax on above   |             |          | 2.29             | (8.36)           |
| Regulatory Income/(expense) - deferred tax                            |             |          | (0.48)           | 1.76             |
|   |             |          | <b>(47.46)</b>   | <b>6.60</b>      |
| <i>Items to be reclassified to profit or loss</i>                     |             |          |                  |                  |
| Net changes in fair value of cash flow hedges                         |             |          | -                | (36.62)          |
| Exchange difference on translation of foreign operations              |             |          | 0.05             | 31.44            |
|   |             |          | <b>0.05</b>      | <b>(5.18)</b>    |
| <b>Total Other Comprehensive Income / (expense)</b>                   |             |          | <b>(47.41)</b>   | <b>1.42</b>      |
| <b>Total comprehensive income for the year</b>                        |             |          | <b>1,150.66</b>  | <b>976.67</b>    |
| <b>Profit attributable to</b>   |             |          |                  |                  |
| Owners of the equity  |             |          | 1,183.98         | 912.60           |
| Non-controlling interest  |             |          | 14.09            | 62.65            |
|   |             |          | <b>1,198.07</b>  | <b>975.25</b>    |
| <b>Other Comprehensive Income attributable to</b>                     |             |          |                  |                  |
| Owners of the equity  |             |          | (45.99)          | (1.85)           |
| Non-controlling interest  |             |          | (1.42)           | 3.27             |
|   |             |          | <b>(47.41)</b>   | <b>1.42</b>      |
| <b>Total Comprehensive Income attributable to</b>                     |             |          |                  |                  |
| Owners of the equity  |             |          | 1,137.99         | 910.75           |
| Non-controlling interest  |             |          | 12.67            | 65.92            |
|   |             |          | <b>1,150.66</b>  | <b>976.67</b>    |
| <b>Earnings per equity share</b> ( Face value of ₹10 per share)       |             | 45       |                  |                  |
| Basic & Diluted from continuing operations                            |             |          | 89.32            | 67.01            |
| Basic & Diluted from discontinued operations                          |             |          | -                | 1.84             |
| Basic & Diluted from continuing and discontinued operations           |             |          | <b>89.32</b>     | <b>68.85</b>     |
| Notes forming part of Consolidated Financial Statements               |             | 1-57     |                  |                  |

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

For and on behalf of Board of Directors

For S.R.BATLIBOI & CO LLP

Chartered Accountants

Firm Registration Number -301003E/E300005

Kamal Agarwal

Partner

Membership No.: 058652

Kolkata, 17th May, 2019

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

## Consolidated Cash flow Statement for the year ended 31st March 2019



|   | ₹ in Crore      |                   |
|---|-----------------|-------------------|
|   | 2018-19         | 2017-18           |
| <b>A. Cash flow from Operating Activities</b>                             |                 |                   |
| Profit before tax from continuing operations                              | 1,571.81        | 1,246.44          |
| Profit before tax from discontinued operations                            | -               | 107.30            |
|   | <b>1,571.81</b> | <b>1,353.74</b>   |
| Adjustments for :   |                 |                   |
| Depreciation and amortisation expenses                                    | 763.78          | 811.00            |
| Loss on sale / disposal of property, plant and equipment (net)            | 2.88            | 7.87              |
| Gain on sale/fair valuation of current investments (net)                  | (41.56)         | (57.91)           |
| Dividend Income   | (17.15)         | -                 |
| Employee stock compensation expense                                       | -               | 2.64              |
| Allowances for doubtful debts / Advances made / Security deposits         | 0.80            | 20.77             |
| (Gain)/ loss on sale of domestic contracts                                | -               | 0.78              |
| Bad debts, advances, other receivables written off                        | 77.62           | 37.34             |
| Finance Costs   | 1,324.72        | 1,333.44          |
| Interest Income   | (49.00)         | (40.71)           |
| Effect of Foreign Currency Transactions / Translation (net)               | 0.05            | (64.11)           |
| MTM Loss on derivative  | -               | 92.08             |
| Other Operating/Non Operating Income                                      | (45.35)         | (58.49)           |
| <b>Operating Profit before Working Capital changes</b>                    | <b>3,588.60</b> | <b>3,438.44</b>   |
| Adjustments for change in:  |                 |                   |
| Trade and other receivables   | (1,066.12)      | (1,226.90)        |
| Inventories   | (117.86)        | 258.06            |
| Trade and other payables  | 206.13          | 371.68            |
| <b>Cash Generated from Operations</b>                                     | <b>2,610.75</b> | <b>2,841.28</b>   |
| Income Tax paid (net of refund)   | (316.81)        | (372.70)          |
| <b>Net cash flow from Operating Activities</b>                            | <b>2,293.94</b> | <b>2,468.58</b>   |
| <b>B. Cash flow from Investing Activities</b>                             |                 |                   |
| Purchase of Property, Plant & Equipment / Capital Work-in-Progress        | (837.84)        | (894.43)          |
| Proceeds from sale of Property, Plant & Equipment                         | 6.10            | 13.11             |
| Income from investment property   | 13.31           | 6.05              |
| Purchase of Non-current investments                                       | -               | (206.88)          |
| Sale/(purchase) of Current Investments (net)                              | 46.67           | 187.33            |
| Dividend received   | 17.15           | -                 |
| Interest received   | 33.95           | 31.14             |
| Investment in bodies corporate (net)                                      | -               | 50.76             |
| Net Movement in Bank Balances not Considered as Cash and Cash Equivalents | 33.68           | (416.86)          |
| <b>Net cash used in Investing Activities</b>                              | <b>(686.98)</b> | <b>(1,229.78)</b> |

# Consolidated Cash flow Statement for the year ended 31st March 2019 (Contd.)



|  | ₹ in Crore        |                   |
|--|-------------------|-------------------|
|  | 2018-19           | 2017-18           |
| <b>C. Cash flow from Financing Activities</b>  |                   |                   |
| Issue of Share Capital   | -                 | 2.17              |
| Proceeds from Non-current Borrowings   | 1,599.54          | 1,938.49          |
| Repayment of Non-current Borrowings  | (1,910.61)        | (1,857.37)        |
| Net movement in Cash Credit facilities and other Current Borrowings                              | 186.44            | 4.27              |
| Finance Costs paid   | (1,333.59)        | (1,382.81)        |
| Dividends paid   | (231.35)          | (157.81)          |
| Dividend tax paid  | (47.68)           | (32.38)           |
| <b>Net Cash used in Financing Activities</b>   | <b>(1,737.25)</b> | <b>(1,485.44)</b> |
| <b>Net movement in cash and cash equivalents</b>   | <b>(130.29)</b>   | <b>(246.64)</b>   |
| <b>Cash and Cash equivalents - Opening Balance [Refer Note 15]</b>                               | <b>632.17</b>     | <b>1,254.74</b>   |
| <b>Cash and Cash equivalents - Acquired Pursuant to Scheme of Arrangement [Refer Note 49]</b>    | <b>-</b>          | <b>1.85</b>       |
| <b>Cash and Cash equivalents - Pursuant to Acquisition during the year</b>                       | <b>0.68</b>       | <b>-</b>          |
| <b>Cash and Cash equivalents - Transferred Pursuant to Scheme of Arrangement [Refer Note 49]</b> | <b>-</b>          | <b>(377.78)</b>   |
| <b>Cash and Cash equivalents - Closing Balance [Refer Note 15]</b>                               | <b>502.56</b>     | <b>632.17</b>     |

Note: Previous year figures include discontinued operations

## Changes in liabilities arising from financing activities

₹ in crore

| Particulars   | 1-Apr-18         | Cash flows      | Other        | Transferred pursuant to the Scheme of Arrangement | 31-Mar-19        |
|---|------------------|-----------------|--------------|---|------------------|
| Current borrowings                                    | 2,200.48         | 186.45          | -            | -   | 2,386.93         |
| Non-Current borrowings (including Current Maturities) | 12,446.62        | (311.07)        | 15.38        | -   | 12,150.93        |
| <b>Total liabilities from financing activities</b>    | <b>14,647.10</b> | <b>(124.62)</b> | <b>15.38</b> | <b>-</b>  | <b>14,537.86</b> |

| Particulars   | 1-Apr-17         | Cash flows   | Other          | Transferred pursuant to the Scheme of Arrangement | 31-Mar-18        |
|---|------------------|--------------|----------------|---|------------------|
| Current borrowings                                    | 2,372.30         | 4.27         | 135.50         | (311.59)  | 2,200.48         |
| Non-Current borrowings (including Current Maturities) | 13,259.50        | 81.12        | (177.97)       | (716.03)  | 12,446.62        |
| <b>Total liabilities from financing activities</b>    | <b>15,631.80</b> | <b>85.39</b> | <b>(42.47)</b> | <b>(1,027.62)</b>                                 | <b>14,647.10</b> |

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

For and on behalf of Board of Directors

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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 17th May, 2019

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

# Consolidated Statement of Changes in Equity for the year ended 31st March 2019



## A Equity Share Capital

₹ in crore

| Particulars  | Balance at the beginning of the reporting period | Changes in equity share capital during the year | Balance at the end of the reporting period |
|--|--|---|--|
| Equity Shares of ₹10 each issued, subscribed and fully paid up |  |   |  |
| As at 31 March 2018  | 133.22   | -   | 133.22                                     |
| As at 31 March 2019  | 133.22   | -   | 133.22                                     |

## B Other Equity

| Particulars   | Reserves and Surplus *         |                    |                            |                   |                               |                                       |   |   | Non Controlling Interest | Total    |
|---|--------------------------------|--------------------|----------------------------|-------------------|-------------------------------|---------------------------------------|---|---|--------------------------|----------|
|   | Fund for unforeseen exigencies | Securities Premium | Capital Redemption Reserve | Retained Earnings | Employee Stock Option Reserve | Effective portion of Cash Flow Hedges | Equity Instruments through Other Comprehensive Income | Exchange differences on translating the financial statements of a foreign operation |                          |          |
| Balance as at 1 April, 2018   | 244.17                         | -                  | -                          | 8,006.39          | -                             | -                                     | 23.68   | 12.71   | 69.39                    | 8,356.34 |
| Profit for the year   | -                              | -                  | -                          | 1,183.98          | -                             | -                                     | -   | -   | 14.09                    | 1,198.07 |
| Other Comprehensive Income / expense for the year (net of tax)  | -                              | -                  | -                          | (31.71)           | -                             | -                                     | (14.33)   | 0.05  | (1.42)                   | (47.41)  |
| Total   | 244.17                         | -                  | -                          | 9,158.66          | -                             | -                                     | 9.35  | 12.76   | 82.06                    | 9,507.00 |
| Dividends paid (incl tax there on) (Note 20(f))   | -                              | -                  | -                          | (279.66)          | -                             | -                                     | -   | -   | -                        | (279.66) |
| Transfer to/from retained earnings  | 16.26                          | -                  | -                          | (16.26)           | -                             | -                                     | -   | -   | -                        | -        |
| Adjustments during the year   | -                              | -                  | -                          | 2.10              | -                             | -                                     | -   | -   | -                        | 2.10     |
| Withdrawal of additional depreciation during the year (Refer Note 47)                                       | -                              | -                  | -                          | (304.04)          | -                             | -                                     | -   | -   | -                        | (304.04) |
| Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (Refer Note 47) | -                              | -                  | -                          | (2.72)            | -                             | -                                     | -   | -   | -                        | (2.72)   |
| Balance as at 31 March, 2019  | 260.43                         | -                  | -                          | 8,558.08          | -                             | -                                     | 9.35  | 12.76   | 82.06                    | 8,922.68 |

| Particulars   | Reserves and Surplus *         |                    |                            |                   |                               |                                       |   |   | Non Controlling Interest | Total      |
|---|--------------------------------|--------------------|----------------------------|-------------------|-------------------------------|---------------------------------------|---|---|--------------------------|------------|
|   | Fund for unforeseen exigencies | Securities Premium | Capital Redemption Reserve | Retained Earnings | Employee Stock Option Reserve | Effective portion of Cash Flow Hedges | Equity Instruments through Other Comprehensive Income | Exchange differences on translating the financial statements of a foreign operation |                          |            |
| Balance as at 1 April, 2017   | 228.24                         | 1,745.90           | 20.13                      | 8,332.28          | 12.11                         | 60.32                                 | 0.19  | 90.30   | 1,210.05                 | 11,699.52  |
| Profit for the year   | -                              | -                  | -                          | 912.60            | -                             | -                                     | -   | -   | 62.65                    | 975.25     |
| Other Comprehensive Income / expense for the year (net of tax)  | -                              | -                  | -                          | (22.50)           | -                             | (20.08)                               | 23.49   | 17.24   | 3.27                     | 1.42       |
| Total   | 228.24                         | 1,745.90           | 20.13                      | 9,222.38          | 12.11                         | 40.24                                 | 23.68   | 107.54  | 1,275.97                 | 12,676.19  |
| Adjustment pursuant to Scheme of Arrangement (Refer Note 49)  | -                              | (1,745.90)         | (20.13)                    | (697.18)          | (13.55)                       | (40.24)                               | -   | (94.83)   | (1,206.58)               | (3,818.41) |
| Dividends paid (incl tax there on)  | -                              | -                  | -                          | (191.45)          | -                             | -                                     | -   | -   | -                        | (191.45)   |
| Transfer to/from retained earnings  | 15.93                          | -                  | -                          | (15.93)           | -                             | -                                     | -   | -   | -                        | -          |
| Adjustments during the year   | -                              | -                  | -                          | -                 | 1.44                          | -                                     | -   | -   | -                        | 1.44       |
| Withdrawal of additional depreciation during the year (Refer Note 47)                                       | -                              | -                  | -                          | (306.25)          | -                             | -                                     | -   | -   | -                        | (306.25)   |
| Withdrawal of residual amount added on fair valuation consequent to sale/disposal of assets (Refer Note 47) | -                              | -                  | -                          | (5.18)            | -                             | -                                     | -   | -   | -                        | (5.18)     |
| Balance as at 31 March, 2018  | 244.17                         | -                  | -                          | 8,006.39          | -                             | -                                     | 23.68   | 12.71   | 69.39                    | 8,356.34   |

\* refer note 21

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

For and on behalf of Board of Directors

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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 17th May, 2019

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

## NOTE-1 Significant accounting policies

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

### Basis of Accounting

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

- a) Investments are carried at fair value, other than investments in associate and joint venture;
- b) Certain financial assets and liabilities (including derivative instruments) are measured at fair value.

## (a) Principles of consolidation and equity accounting

### (i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is acquired by the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income, expenses and cash flows. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and balance sheet respectively.

### (ii) Associates

Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in the associate is accounted for using the equity method of accounting (see (iv) below), after initially being recognized at cost.

### (iii) Joint arrangements

Under Ind AS 111 *Joint arrangements*, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligation of each investor, rather than the legal structure of the joint arrangement.

The Group has interest only in one joint venture.

Interest in joint venture is accounted for using equity method (see (iv) below), after initially being recognized at cost in the consolidated balance sheet.

### (iv) Equity method

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associate and joint venture is recognized as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in paragraph 1(g) below.

## (v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

## (b) Use of estimates

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

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

### Tangible Assets and Depreciation

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

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

In case of others, depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful life are realistic and reflect fair approximation of the period over which the assets are likely to be used. These useful lives are different in some cases than those indicated in Schedule II of the Companies Act 2013, which are disclosed below:

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



## Useful Life of Tangible Assets

| Particulars              | Useful Life of Assets |
|--------------------------|-----------------------|
| Buildings and Structures | 3-60 Years            |
| Plant and Equipment      | 5-50 Years            |
| Distribution System      | 25-40 Years           |
| Meters                   | 7-15 Years            |
| River Tunnel             | 50 Years              |
| Furniture and Fixtures   | 2-15 Years            |
| Office Equipment         | 2-15 Years            |
| Vehicles                 | 5-10 Years            |
| Railway Sidings          | 15-50 Years           |

### (d) Investment properties

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

### (e) Intangible Assets and Amortisation

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

Cost of intangible assets are amortised over its estimated useful life based on managements' external or internal assessment. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets. The useful life of Intangible is as follows:

## Useful Life of Intangible Assets

| Particulars       | Useful Life of Assets |
|-------------------|-----------------------|
| Licences          | 25 Years              |
| Computer Software | 3 Years               |
| Mining Rights     | 20 Years              |

### (f) Leases

A lease is classified as a finance or an operating lease as applicable.

#### Group as lessee

##### Finance Lease

Finance leases are capitalised at present value of the minimum lease payments at the lease's inception and disclosed as leased property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability.

A leased asset is depreciated over the useful life of the asset.

## **Operating Lease**

Lease payments under operating leases are recognised as an expense on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation.

## **Group as lessor**

### **Operating Lease**

Lease earnings under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where increase is in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

## **(g) Financial asset**

The financial assets are classified in the following categories:

1. Financial assets measured at amortised cost,
2. Financial assets measured at fair value through profit and loss, and
3. Equity instruments

The classification of financial assets depends on the Group's business model for managing financial assets and the contractual terms of the cash flow.

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

### **Financial assets measured at amortised cost**

Assets that are held for collection of contractual cash flows and where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit or Loss.

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

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

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

### **Equity Instruments**

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

### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk (refer note 46).

For trade receivables the simplified approach of expected lifetime losses has been used from initial recognition of the receivables as required by Ind AS 109 Financial Instruments.

## **(h) Financial Liabilities**

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

## **(i) Derivatives**

The Group uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Gains or losses arising from such fair valuation of derivatives also give rise to regulatory income or expense which is recognised through Statement of Profit and Loss and would be considered in determining the Parent's future tariff as per the tariff regulations.

**(j) Inventories**

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

**(k) Foreign currency translation**

**(i) Functional and presentation currency**

These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the Company and its Indian subsidiaries whereas the functional currency of foreign subsidiary is the currency of its country of domicile.

**(ii) Transaction and balances**

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations of monetary items are included in net profit in the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

In case of the Parent and one of its subsidiary the outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement also gives rise to regulatory income or expense which is recognised as refundable or recoverable, which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the derivative contracts entered into for managing risks thereunder.

**(iii) Foreign Operations**

The translation of financial statements of the foreign subsidiary to the presentation currency is performed for assets and liabilities using the exchange rate in effect at the balance sheet date and for revenue, expense and cash flow items using the average exchange rate for the respective periods. The gains or losses resulting from such translation are included in foreign currency translation reserves under other components of equity.

When a subsidiary is disposed off in full or the parent ceases the control, the relevant amount in foreign currency translation reserve is transferred to net profit in the statement of profit and loss. However, when a change in the parent's ownership does not result in loss of control of a subsidiary, such changes are recorded through equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the exchange rate in effect at the balance sheet date.

**(l) Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and cash on hand and term deposit.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash, cheques and draft on hand, balances with banks which are unrestricted for withdrawal/usages and highly liquid financial investments that are readily convertible to known amount of cash which are subject to an insignificant risk of changes in value. Bank overdraft are shown within borrowing in current liabilities in the balance sheet.

**(m) Revenue from Operations**

Revenue from Contracts with Customers is recognised on supply of electricity or when services are rendered to the customers at an amount that reflects the consideration to which the Group is entitled to under applicable regulatory framework.

Revenue to be earned from sale of electricity is regulated based on parameters set out in tariff regulations issued from time to time. Earnings from sale of electricity are net of discount for prompt payment of bills and do not include electricity duty collected from consumers and payable to the State Government.

The Group receives contribution from consumers in accordance with the applicable Regulation that is being used to construct or acquire items of property, plant and equipment in order to connect the consumers to the distribution network. Revenue is recognised in respect for such contributions so received from consumers in the year they are connected to the distribution network.

Income from meter rent is accounted for as per the approved rates.

## (n) Other Income

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, wherever applicable. Delayed Payment Surcharge, as a general practice, is determined and recognised on receipt of overdue payment from consumers. Interest income arising from financial assets is accounted for using amortised cost method. Dividend income is recognised when right to receive is established.

## (o) Employee Benefits

The Group recognises Contributions to Provident Fund and Pension Funds on an accrual basis. Provident Fund contributions are made to a fund administered through duly constituted approved independent trust. The interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and deficiency, if any, is made good by the Company, impact of which is ascertained by way of actuarial valuation as at the year end.

The Group, as per its schemes, extend employee benefits current and/or post retirement, which are accounted for on an accrual basis and includes actuarial valuation as at the Balance Sheet date in respect of gratuity, leave encashment and certain other retiral benefits, to the extent applicable, done by independent actuary.

Actuarial gains and losses where applicable are recognised through Other Comprehensive Income.

Compensation in respect of voluntary retirement scheme is charged off to Statement of Profit and Loss.

## (p) Finance Costs

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

## (q) Taxes

The current income tax charge is calculated on the basis of the tax laws enacted at the end of the reporting period in the country where the company and its subsidiaries and associates operate and generate taxable income.

Provision for deferred taxation is made using liability method on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related Deferred Tax Asset (DTA) is realised or the Deferred Tax Liability (DTL) is settled. Deferred Tax Assets are recognized subject to the consideration of prudence and are periodically reviewed to reassess realization thereof. Deferred Tax Liability or Asset will give rise to actual tax payable or recoverable at the time of reversal thereof.

Current and Deferred tax relating to items recognised outside profit or loss, that is either in other comprehensive income (OCI) or in equity, is recognised along with the related items.

In case of the Parent and one of the subsidiary namely, Haldia Energy Limited 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 done with corresponding recognition of regulatory liability or asset, as applicable.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be recognized and there is a reasonable certainty for such tax credit benefit will be taken in the period(s) till which it is available.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

**(r) Provisions and contingent liabilities**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

**(s) Business combination**

**Other than under common control**

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

Transaction costs that the Group incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

**Under common control**

Business combination involving entities or businesses under common control are accounted for using the pooling of interest method whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, have been given effect to as per the scheme approved by National Company Law Tribunal.

**(t) Regulatory deferral accounts balances**

The Parent and one of the subsidiary company engaged in power business is a rate regulated entity and applies Ind AS 114, Regulatory Deferral Accounts. Expenses/ income recognized as Regulatory Income/Expenses in the Statement of Profit & Loss to the extent recoverable or payable in subsequent periods based on the Company's understanding of the provision of the applicable regulations framed by the West Bengal Electricity Regulatory Commission (WBERC) and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances. Regulatory Deferral Accounts balances are adjusted from the year in which these crystallise.

**NOTE 2A Summary of significant judgements and assumptions**

The preparation of financial statements requires the use of accounting estimates, judgements and assumptions which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :-

Estimation of Restoration liability - Refer Note 1(e)

Impairment of Trade Receivables - Refer Note 1(g)

Estimates used in actuarial valuation of employee benefits -Refer Note 36

Estimates of useful life of intangible assets -Refer Note 1(e)

Estimation of Regulatory Items - Refer Note 31 and 40

Impairment assessment of Investment - Refer Note 1(g)

## NOTE 2B Changes in Accounting Policy

Ind AS 115 was issued on March 28, 2018 and supercedes Ind AS 11 "Construction Contracts" and Ind AS 18 "Revenue" and it applied, with limited exception, to all revenue arising from contract with customers from April 1, 2018. The Group has adopted Ind AS 115 using modified retrospective approach. However, the application of standard does not have any impact on the recognition and measurement of revenue and related items.

Other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

## NOTE 3 New standards that are not yet effective

The amendments to standards issued but not yet effective up to the date of issuance of the consolidated financial statements is disclosed below. The Group intends to adopt this standard, if applicable, when it becomes effective.

### a Issue of Ind AS 116 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17. The Group is in the process of evaluating the requirements of the standard and its impact on its financial statements.

### b Amendment to Existing Ind AS

The MCA has also carried out amendments of the following accounting standards:

- i. Ind AS 12 - Income Taxes
- ii. Ind AS 109 - Financial Instruments
- iii. Ind AS 19 - Employee Benefits
- iv. Ind AS 23 - Borrowing Costs
- v. Ind AS 28 - Investments in Associates and Joint Ventures and
- vi. Ind AS 103 - Business Combinations

Application of above amendments does not have significant impact on the Group's financial statements.

## Notes forming Part of Consolidated Financial Statements (Contd.)

**NOTE 4** The subsidiaries, associates and joint ventures considered in the preparation of the Consolidated Financial Statements are:

| Sl. No. | Name of Subsidiaries, Associates and Joint Venture  | Country of Incorporation | Percentage of ownership interest as at 31st March, 2019 | Percentage of ownership interest as at 31st March, 2018 |
|---------|---|--------------------------|---|---|
| 1       | Haldia Energy Limited (HEL)   | India                    | 100.00  | 100.00  |
| 2       | Dhariwal Infrastructure Limited (DIL)   | India                    | 100.00  | 100.00  |
| 3       | Surya Vidyut Limited (SVL)  | India                    | 100.00  | 100.00  |
| 4       | Malegaon Power Supply Limited (formerly Nalanda Power Company Limited) *                        | India                    | 100.00  | 100.00  |
| 5       | CESC Projects Limited *   | India                    | 100.00  | 100.00  |
| 6       | Bantal Singapore Pte Limited  | Singapore                | 100.00  | 100.00  |
| 7       | Pachi Hydropower Projects Limited *   | India                    | 100.00  | 100.00  |
| 8       | Papu Hydropower Projects Limited *  | India                    | 100.00  | 100.00  |
| 9       | Ranchi Power Distribution Company Limited *   | India                    | 100.00  | 100.00  |
| 10      | Crescent Power Limited (CPL)  | India                    | 67.83   | 67.83   |
| 11      | Kota Electricity Distribution Limited (KEDL)  | India                    | 100.00  | 100.00  |
| 12      | Bikaner Electricity Supply Limited (BKSL)   | India                    | 100.00  | 100.00  |
| 13      | Bharatpur Electricity Services Limited (BESL)   | India                    | 100.00  | 100.00  |
| 14      | CESC Green Power Limited *  | India                    | 100.00  | 100.00  |
| 15      | Noida Power Company Limited (NPCL) (49.55% Associate)   | India                    | 49.55   | 49.55   |
| 16      | Noida Solar Energy Private Limited (100% subsidiary of NPCL)                                    | India                    | 49.55   | 49.55   |
| 17      | Jharkhand Electric Company Limited * @  | India                    | 100.00  | -   |
| 18      | Jarong Hydro-Electric Power Company Limited * @   | India                    | 100.00  | -   |
| 19      | Au Bon Pain Café India Limited  | India                    | 93.10   | 93.10   |
| 20      | Mahuagarhi Coal Company Private Limited (50% joint venture)                                     | India                    | 50.00   | 50.00   |
| 21      | Spencer's Retail Limited (merged on 01.10.2017) #   | India                    | -   | 100.00  |
| 22      | Music World Retail Limited (merged on 01.10.2017) #   | India                    | -   | 100.00  |
| 23      | RP-SG Retail Limited (subsequently renamed as Spencer's Retail Limited) (SRL) #                 | India                    | -   | 100.00  |
| 24      | Omnipresent Retail India Private Limited (100% subsidiary of SRL) #                             | India                    | -   | 100.00  |
| 25      | CESC Ventures Limited (formerly RP SG Business Process Services Limited) (CVL) #                | India                    | -   | 100.00  |
| 26      | Guilftree Industries Limited (GIL) (100% Subsidiary of CVL) #                                   | India                    | -   | 100.00  |
| 27      | Quest Properties India Limited. (QPIL) #  | India                    | -   | 100.00  |
| 28      | Metromark Green Commodities Private Limited(100% subsidiary of QPIL) #                          | India                    | -   | 100.00  |
| 29      | CESC Infrastructure Limited (merged on 01.10.2017) #  | India                    | -   | 100.00  |
| 30      | Spent Liq Private Limited (merged on 01.10.2017) #  | India                    | -   | 100.00  |
| 31      | Firstsource Solutions Limited (FSL) #   | India                    | -   | 54.47   |
| 32      | Firstsource Group USA Inc (FG US) (100% subsidiary of FSL) #                                    | USA                      | -   | 54.47   |
| 33      | Firstsource BPO Ireland Limited (100% subsidiary of FSL) #                                      | Ireland                  | -   | 54.47   |
| 34      | Firstsource Solutions UK Limited (FS UK).(100% subsidiary of FSL) #                             | UK                       | -   | 54.47   |
| 35      | Firstsource Process Management Services Limited (100% subsidiary of FSL) #                      | India                    | -   | 54.47   |
| 36      | Firstsource-Dialog Solutions Pvt. Limited (74% subsidiary of FSL) #                             | Sri Lanka                | -   | 40.31   |
| 37      | Firstsource Business Process Services,LLC (FBPS) (100% subsidiary of FG US) #                   | USA                      | -   | 54.47   |
| 38      | Firstsource Solutions USA LLC (100% subsidiary of MH Inc.) #                                    | USA                      | -   | 54.47   |
| 39      | Firstsource Advantage LLC (100% subsidiary of FBPS) #   | USA                      | -   | 54.47   |
| 40      | Firstsource Transaction Services LLC (100% subsidiary of FS SA) #                               | USA                      | -   | 54.47   |
| 41      | Firstsource Solutions S.A.(FS SA) (99.98% subsidiary of FS UK) #                                | Argentina                | -   | 54.46   |
| 42      | Medassit Holding LLC (MH Inc) ( 100% subsidiary of FG US) #                                     | USA                      | -   | 54.47   |
| 43      | One Advantage LLC, ( 100% subsidiary of FBPS) #   | USA                      | -   | 54.47   |
| 44      | ISGN Solutions Inc. ( 100% subsidiary of FG US) #   | USA                      | -   | 54.47   |
| 45      | ISGN Fulfillment Services, Inc. (100% subsidiary of ISGN Solutions Inc.) #                      | USA                      | -   | 54.47   |
| 46      | ISGN Fulfillment Agency, LLC (100% subsidiary of ISGN Fulfillment Services, Inc) #              | USA                      | -   | 54.47   |
| 47      | Nanobi Data and Analytics Private Limited (21.79% associate of FSL) #                           | India                    | -   | 11.87   |
| 48      | New Rising Promoters Private Limited (merged with CPL on 01.10.2017) (100% subsidiary of CPL) # | India                    | -   | 67.83   |
| 49      | Bowlopedia Restaurants India Limited (100% subsidiary of CVL) #                                 | India                    | -   | 100.00  |
| 50      | Apricot Foods Private Limited (70% subsidiary of GIL) #   | India                    | -   | 70.00   |

\* Yet to commence their commercial operations

@ Subsidiary from 01.10.2018

# Pursuant to Scheme of Arrangement (refer note 49) was subsidiary upto 30.09.2017



# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE - 5 PROPERTY, PLANT AND EQUIPMENT

| PARTICULARS                  | COST / DEEMED COST          |   |                                   |   | DEPRECIATION / AMORTISATION          |                              |                             |  |                                  | NET BLOCK   |                                     |                              |                              |
|------------------------------|-----------------------------|---|-----------------------------------|---|--------------------------------------|------------------------------|-----------------------------|--|----------------------------------|---|-------------------------------------|------------------------------|------------------------------|
|                              | As at<br>1st April,<br>2018 | Add:<br>Additions/<br>Adjustments<br>on Acquisition | Add:<br>Additions/<br>Adjustments | Adjustment<br>pursuant to<br>Scheme of<br>Arrangement | Less:<br>Withdrawals/<br>Adjustments | As at<br>31st March,<br>2019 | As at<br>1st April,<br>2018 | Add<br>Additions/<br>Adjustments<br>on Acquisition | Add<br>Additions/<br>Adjustments | Adjustment<br>pursuant to<br>Scheme of<br>Arrangement | Less<br>Withdrawals/<br>Adjustments | As at<br>31st March,<br>2019 | As at<br>31st March,<br>2018 |
| Land                         |                             |   |                                   |   |                                      |                              |                             |  |                                  |   |                                     |                              |                              |
| Freehold                     | 2,508.88                    | 2.23  | 0.07                              | -   | -                                    | 2,511.18                     | -                           | -  | -                                | -   | -                                   | 2,511.18                     | 2,508.88                     |
| Leasehold (Refer note below) | 706.80                      | -   | 0.03                              | -   | -                                    | 706.83                       | 64.59                       | -  | 21.02                            | -   | -                                   | 621.22                       | 642.21                       |
| Buildings and Structures **  | 1,620.22                    | -   | 73.17                             | -   | -                                    | 1,693.39                     | 217.94                      | -  | 63.17                            | -   | -                                   | 1,412.28                     | 1,402.28                     |
| Plant and Equipment          | 13,568.80                   | -   | 207.91                            | -   | 5.31                                 | 13,771.40                    | 1,766.68                    | -  | 603.17                           | -   | 3.53                                | 2,366.32                     | 11,802.12                    |
| Distribution System          | 7,339.16                    | -   | 457.23                            | -   | 21.26                                | 7,775.13                     | 756.58                      | -  | 297.41                           | -   | 18.07                               | 1,035.92                     | 6,582.58                     |
| Meters and Other             |                             |   |                                   |   |                                      |                              |                             |  |                                  |   |                                     |                              |                              |
| Apparatus on                 |                             |   |                                   |   |                                      |                              |                             |  |                                  |   |                                     |                              |                              |
| Consumers' Premises          | 353.98                      | -   | 81.27                             | -   | 11.16                                | 424.09                       | 53.15                       | -  | 38.43                            | -   | 5.79                                | 85.79                        | 300.83                       |
| River Tunnel                 | 2.78                        | -   | -                                 | -   | -                                    | 2.78                         | 1.65                        | -  | 0.56                             | -   | -                                   | 2.21                         | 1.13                         |
| Furniture and Fixtures       | 38.89                       | 0.04  | 9.10                              | -   | 0.35                                 | 47.68                        | 9.43                        | 0.04   | 2.85                             | -   | 0.15                                | 12.17                        | 29.46                        |
| Office Equipment             | 111.12                      | 0.23  | 12.02                             | -   | 0.69                                 | 122.68                       | 30.76                       | 0.21   | 10.80                            | -   | 0.38                                | 41.39                        | 80.36                        |
| Vehicles                     | 11.34                       | 0.05  | 6.10                              | -   | 0.83                                 | 16.66                        | 3.14                        | 0.02   | 2.13                             | -   | 0.55                                | 4.74                         | 8.20                         |
| Railway Sidings              | 299.55                      | -   | 20.43                             | -   | -                                    | 319.98                       | 29.45                       | -  | 12.48                            | -   | -                                   | 41.93                        | 270.10                       |
| Previous Year                | 26,561.52                   | 2.55  | 867.33                            | -   | 39.60                                | 27,391.80                    | 2,933.37                    | 0.27   | 1,052.02                         | -   | 28.47                               | 3,957.19                     | 23,628.15                    |
|                              | 26,378.04                   | 62.76   | 1,057.78                          | 708.02 #  | 229.03                               | 26,561.52                    | 2,062.14                    | 17.29  | 1137.09 *                        | 118.06 #  | 165.09                              | 2,933.37                     | 23,628.15                    |

# Refer Note 49

\* Includes ₹94.07 crore relating to discontinued operations

\*\* includes leasehold improvements

### Note:

These lease agreements are non-cancellable in nature and cannot be terminated during the tenure of lease. These agreements are generally renewable by mutual consent on mutually agreeable terms. The tenure of lease agreement varies from 30 - 99 years. Future minimum lease obligation in respect of the Parent is payable on leasehold land during next one year ₹0.83 crore (as on 31.03.2018: ₹0.83 crore) later than one year but not later than five years ₹2.64 crore (as on 31.03.2018: ₹2.64 crore) and later than five years ₹3.23 crore (as on 31.03.2018: ₹3.45 crore). In all other cases, lease rent are paid at the time of inception of lease agreement and no amount is payable during the tenure of lease. As generally, rent for the complete tenure of the lease is paid upfront, there are no periodic escalation in the lease rent.

The Parent is in the process of renewing the lease agreement in respect of certain leasehold land having Gross Block ₹210.34 crore (Net Block ₹201.46 crore)

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE - 6 INVESTMENT PROPERTY

| PARTICULARS     | COST/ DEEMED COST     |                        |                          |                        | DEPRECIATION / AMORTISATION |                        |                          |                        | NET BLOCK              |                        |
|-----------------|-----------------------|------------------------|--------------------------|------------------------|-----------------------------|------------------------|--------------------------|------------------------|------------------------|------------------------|
|                 | As at 1st April, 2018 | Additions/ Adjustments | Withdrawals/ Adjustments | As at 31st March, 2019 | As at 1st April, 2018       | Additions/ Adjustments | Withdrawals/ Adjustments | As at 31st March, 2019 | As at 31st March, 2019 | As at 31st March, 2018 |
| Land - Freehold | 56.03                 | -                      | -                        | 56.03                  | -                           | -                      | -                        | -                      | 56.03                  | 56.03                  |
| Previous Year   | 56.03                 | -                      | -                        | 56.03                  | -                           | -                      | -                        | -                      | 56.03                  | 56.03                  |

- a) Income earned recognised in Statement of profit and loss ₹12.27 crore (31.03.18 : ₹6.13 crore)
- b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹288 crore ( as on 31.03.2018 : ₹282 crore) as per approved independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.
- c) The lease term in respect of Investment property given under Operating Lease is 25 years which can be extended upon the sole discretion of the Parent. This lease has been granted to Quest Properties India Limited to construct, develop, operate and maintain a mall during the said lease term and the aforesaid property has been offered as security in respect of financial assistance availed of by the said Company. Incentive given by the Parent by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year ₹12.27 crore (as on 31.03.2018 : ₹6.13 crore) later than one year but not later than five years ₹49.05 crore (as on 31.03.2018 : ₹49.05 crore) and later than five years ₹106.28 crore (as on 31.03.2018 : ₹118.54 crore).

## NOTE - 7 INTANGIBLE ASSETS

| PARTICULARS       | COST/DEEMED COST      |   |                            |  |                               | AMORTISATION           |                       |                            |  |                               | NET BLOCK              |                        | ₹ in crore |
|-------------------|-----------------------|---|----------------------------|--|-------------------------------|------------------------|-----------------------|----------------------------|--|-------------------------------|------------------------|------------------------|------------|
|                   | As at 1st April, 2018 | Add Additions/ Adjustments on Acquisition | Add Additions/ Adjustments | Adjustment pursuant to Scheme of Arrangement | Less Withdrawals/ Adjustments | As at 31st March, 2019 | As at 1st April, 2018 | Add Additions/ Adjustments | Adjustment pursuant to Scheme of Arrangement | Less Withdrawals/ Adjustments | As at 31st March, 2019 | As at 31st March, 2018 |            |
| Licences          | 33.86                 | -   | -                          | -  | -                             | 33.86                  | 2.90                  | 1.32                       | -  | -                             | 4.22                   | 29.64                  | 30.96      |
| Computer Software | 23.83                 | -   | 4.35                       | -  | -                             | 28.18                  | 16.93                 | 6.74                       | -  | -                             | 23.67                  | 4.51                   | 6.90       |
| Mining Rights     | 151.88                | -   | -                          | -  | -                             | 151.88                 | 20.39                 | 7.74                       | -  | -                             | 28.13                  | 123.75                 | 131.49     |
|                   | 209.57                | -   | 4.35                       | -  | -                             | 213.92                 | 40.22                 | 15.80                      | -  | -                             | 56.02                  | 157.90                 | 169.35     |
| Previous Year     | 330.12                | 263.83                                    | 46.01                      | 413.16 #                                     | 17.23                         | 209.57                 | 86.42                 | 36.17 *                    | 70.86 #                                      | 11.51                         | 40.22                  | 169.35                 |            |

\* Includes ₹21.46 crore relating to discontinued operations.

# Notes forming Part of Consolidated Financial Statements (Contd.)



|   |  | ₹ in Crore                |                           |
|---|--|---------------------------|---------------------------|
|   |  | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
| <b>NOTE - 8 NON CURRENT INVESTMENTS</b>   |  |                           |                           |
| a. Investments carried at fair value through other comprehensive income (FVTOCI)  |  |                           |                           |
| (i) Investments in Equity Instruments - Quoted, fully paid up   |  |                           |                           |
| 1,21,95,122 (31.03.2018 : 1,21,95,122) Equity Shares of Resource Generation Limited   |  | 7.53                      | 4.73                      |
| 3,84,608 (31.03.2018 : 3,84,608) Equity Shares of ₹5 each of ICICI Securities Limited   |  | 9.31                      | 20.00                     |
| (ii) Investments in Equity Instruments - Unquoted, fully paid up  |  |                           |                           |
| 13,000 (31.03.2018 : 13,000) Equity Shares of Integrated Coal Mining Limited of ₹10 each  |  | 21.96                     | 30.23                     |
| (iii) Investments in Preference Shares - Unquoted, fully paid up  |  |                           |                           |
| 15,68,80,000 (31.03.2018 : 18,68,80,000) 9% Preference Shares of Integrated Coal Mining Limited of ₹10 each   |  | 156.88                    | 186.88                    |
| b. Investments carried at fair value through profit and loss (FVTPL)  |  |                           |                           |
| (i) Investments in Mutual Funds - Quoted  |  |                           |                           |
| 20,00,000 (31.03.2018 : 20,00,000) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹10 each  |  | 2.00                      | 2.00                      |
| (ii) Investments in Preference Shares - Unquoted, fully paid up   |  |                           |                           |
| 5,00,000 (31.03.2018 : 5,00,000) 0.01% Redeemable Preference Shares of face value ₹ 100 each issued by Spencer's Retail Limited                                   |  | 0.86                      | 0.78                      |
|   |  | <b>198.54</b>             | <b>244.62</b>             |
| <b>Investment in quoted investments:</b>  |  |                           |                           |
| Aggregate Book value  |  | 18.84                     | 26.73                     |
| Aggregate Market value  |  | 18.84                     | 26.73                     |
| <b>Investment in unquoted investments:</b>  |  |                           |                           |
| Aggregate Book value  |  | 179.70                    | 217.89                    |
| <b>NOTE - 9 NON CURRENT - LOANS</b>   |  |                           |                           |
| Considered Good - Unsecured   |  |                           |                           |
| a. Security Deposit   |  | 27.03                     | 27.27                     |
| b. Loans to employees   |  | 3.95                      | 3.73                      |
|   |  | <b>30.98</b>              | <b>31.00</b>              |
| <b>NOTE -10 NON CURRENT - OTHER FINANCIAL ASSETS</b>  |  |                           |                           |
| Considered Good - Unsecured   |  |                           |                           |
| Lease Receivables   |  | 56.21                     | 57.25                     |
|   |  | <b>56.21</b>              | <b>57.25</b>              |
| <b>NOTE -11 OTHER NON CURRENT ASSETS</b>  |  |                           |                           |
| a. Capital Advances   |  |                           |                           |
|   |  | 56.69                     | 29.29                     |
| b. Others Advances  |  |                           |                           |
|   |  | 94.84                     | 126.11                    |
| (Includes amount incurred by the group for setting up power projects to be transferred to the specific project on completion of the same, prepaid expenses etc. ) |  |                           |                           |
|   |  | <b>151.53</b>             | <b>155.40</b>             |
| <b>NOTE -12 INVENTORIES</b>   |  |                           |                           |
| a. Fuel (includes goods in transit 31.03.2019 : ₹71.71 crore; 31.03.2018 : ₹82.58 crore)  |  |                           |                           |
|   |  | 422.83                    | 295.68                    |
| b. Stores and Spares  |  |                           |                           |
|   |  | 275.22                    | 283.90                    |
| c. Traded Goods   |  |                           |                           |
|   |  | 2.40                      | 3.01                      |
|   |  | <b>700.45</b>             | <b>582.59</b>             |

# Notes forming Part of Consolidated Financial Statements (Contd.)



## NOTE -13 CURRENT INVESTMENTS

|  | ₹ in crore             |                        |
|--|------------------------|------------------------|
|  | As at 31st March, 2019 | As at 31st March, 2018 |
| <b>Quoted</b>  |                        |                        |
| Investment in Mutual Funds carried at fair value through profit and loss | 513.03                 | 506.37                 |
| <b>Unquoted</b>  |                        |                        |
| Investments in Commercial Paper carried at amortised cost *              | -                      | -                      |
|  | <b>513.03</b>          | <b>506.37</b>          |
| <b>Investment in quoted investments:</b>                                 |                        |                        |
| Aggregate Book value   | 513.03                 | 506.37                 |
| Aggregate Market value   | 513.03                 | 506.37                 |
| <b>Investment in unquoted investments:</b>                               |                        |                        |
| Aggregate Book value   | -                      | -                      |
| <b>Aggregate provision for diminution in value of investments</b>        | <b>30.00</b>           | -                      |
| * Fully impaired   |                        |                        |

## NOTE -14 TRADE RECEIVABLES

|   |                 |                 |
|---|-----------------|-----------------|
| a. Considered Good - Secured                  | 564.64          | 599.16          |
| b. Considered Good - Unsecured                | 1,174.24        | 938.55          |
| c. Credit Impaired                            | 24.44           | 24.10           |
|   | <b>1,763.32</b> | <b>1,561.81</b> |
| Less : Allowances for bad and doubtful debts* | 24.47           | 24.41           |
|   | <b>1,738.85</b> | <b>1,537.40</b> |

\* as on 31.03.2019 : ₹0.03 crore (31.03.2018 : ₹0.31 crore) was recognised as provision for expected credit losses on Trade Receivables.

## NOTE-15 CASH AND CASH EQUIVALENT

|  |               |               |
|--|---------------|---------------|
| a. Balances with banks                               |               |               |
| - In current accounts                                | 434.16        | 606.35        |
| - Bank Deposits with original maturity upto 3 months | 62.12         | 21.88         |
| b. Cheques, drafts on hand                           | 4.11          | 2.33          |
| c. Cash on hand                                      | 2.17          | 1.61          |
|  | <b>502.56</b> | <b>632.17</b> |

## NOTE-16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENT

|   |               |               |
|---|---------------|---------------|
| Unpaid Dividend Account                                 | 5.74          | 5.11          |
| Escrow accounts*  | 114.85        | 113.02        |
| Bank Deposits with original maturity more than 3 months | 407.52        | 443.66        |
|   | <b>528.11</b> | <b>561.79</b> |

\* As security for payment of the secured obligation in accordance with Distribution Franchisee Agreement in respect of certain subsidiaries in the capacity of Distribution Franchisee.

- Amount lying in deposit accounts with banks as at 31st March, 2019 includes ₹246.86 crore (31.03.2018 : ₹229.50 crore) appropriated upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.
- Bank deposits with original maturity more than 3 months include ₹179.13 crore (31.03.2018 : ₹33.71 crore) having original maturity more than 12 months as on the reporting date.

# Notes forming Part of Consolidated Financial Statements (Contd.)



## NOTE-17 LOANS

|                             | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
|-----------------------------|---------------------------|---------------------------|
| Considered Good - Unsecured |                           |                           |
| a. Security Deposit         | 16.53                     | 14.62                     |
| b. Loans to employees       | 0.61                      | 0.64                      |
|                             | <b>17.14</b>              | <b>15.26</b>              |

## NOTE-18 OTHER FINANCIAL ASSETS

|   |               |              |
|---|---------------|--------------|
| Unsecured, Considered Good                      |               |              |
| Interest accrued on Bank Deposits               | 13.24         | 14.40        |
| MTM gain on derivative financial instruments    | 53.02         | 30.68        |
| Receivable towards claims and services rendered | 29.82         | 19.12        |
| Miscellaneous advances to Bodies Corporate      | 3.00          | 3.43         |
| Others  | 4.89          | 5.64         |
|   | <b>103.97</b> | <b>73.27</b> |

## NOTE-19 OTHER CURRENT ASSETS

|  |               |               |
|--|---------------|---------------|
| Advance for goods and services   | 438.06        | 428.87        |
| Prepaid Expenses   | 15.59         | 19.35         |
| Others (includes deferred rent, advance to employees etc. and also refer note 32(e)) | 161.09        | 60.06         |
|  | <b>614.74</b> | <b>508.28</b> |

## NOTE -20 EQUITY

|   |                 |          |
|---|-----------------|----------|
| a. <b>Authorised Share Capital</b><br>3,15,60,00,000 (31.03.2018: 3,15,60,00,000) Equity Shares of Rs10 each                | <b>3,156.00</b> | 3,156.00 |
| b. <b>Issued Capital</b><br>13,88,57,015 ( 31.03.2018 : 13,88,57,015 ) Equity Shares of ₹10 each fully paid up              | <b>138.86</b>   | 138.86   |
| c. <b>Subscribed and paid up capital</b><br>13,25,57,043 (31.03.2018 :13,25,57,043) Equity Shares of ₹10 each fully paid up | <b>132.56</b>   | 132.56   |
| d. <b>Forfeited Shares (amount originally paid up)</b>  | <b>0.66</b>     | 0.66     |
|   | <b>133.22</b>   | 133.22   |

### e. Reconciliation of the shares outstanding at the beginning and at the end of the year

| Particulars                  | As at 31st March, 2019 |                 | As at 31st March, 2018 |                 |
|------------------------------|------------------------|-----------------|------------------------|-----------------|
|                              | No. of shares          | Amount (₹crore) | No. of shares          | Amount (₹crore) |
| At the beginning of the year | 13,25,57,043           | 132.56          | 13,25,57,043           | 132.56          |
| Add : Change during the year | -                      | -               | -                      | -               |
| At the end of the year       | <b>13,25,57,043</b>    | <b>132.56</b>   | <b>13,25,57,043</b>    | <b>132.56</b>   |

For the period of five years immediately preceding 31<sup>st</sup> March, 2019, no shares were : - (i) allotted as fully paid up pursuant to any contract without consideration being received in cash, (ii) allotted as fully paid up by way of bonus shares and (iii) bought back.

### f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹17.50 per equity share (31.03.18 : ₹12 per equity share) has been paid during the year. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the sale proceeds from remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

# Notes forming Part of Consolidated Financial Statements (Contd.)

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

| Name of shareholder                               | As at 31st March, 2019 |              | As at 31st March, 2018 |              |
|---|------------------------|--------------|------------------------|--------------|
|   | No. of shares          | % of holding | No. of shares          | % of holding |
| Rainbow Investments Limited [ refer note 54 (a) ] | 5,87,96,632            | 44           | 5,87,96,632            | 44           |
| HDFC Trustee Company Limited                      | 1,19,30,021            | 9            | 1,19,30,021            | 9            |

## NOTE -21 OTHER EQUITY

|   | ₹ in Crore             |                        |
|---|------------------------|------------------------|
|   | As at 31st March, 2019 | As at 31st March, 2018 |
| A. Fund for unforeseen exigencies                     | 260.43                 | 244.17                 |
| Foreign Currency Translation Reserve                  | 12.76                  | 12.71                  |
| Equity Instruments through Other Comprehensive Income | 9.35                   | 23.68                  |
| Retained Earnings                                     | 8,558.08               | 8,006.39               |
|   | <b>8,840.62</b>        | <b>8,286.95</b>        |

B. Nature and purpose of other reserves

Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition to Ind AS. FVTOCI reserve represents the cumulative gains and losses arising on fair valuation of equity instruments measured at fair value through other comprehensive income. Foreign Currency Translation Reserve represents exchange difference relating to translation of Group's foreign operation from their functional currencies to Group's presentation currency.

## NOTE -22 NON CURRENT BORROWINGS

|  | ₹ in Crore             |                        |
|--|------------------------|------------------------|
|  | As at 31st March, 2019 | As at 31st March, 2018 |
| A. <b>Secured</b>  |                        |                        |
| Term Loans   |                        |                        |
| (i) Rupee Term loans - from banks  | 9,869.48               | 9,893.48               |
| (ii) Rupee Term loans - from financial institutions  | 1,074.75               | 1,089.25               |
| (iii) Foreign Currency Loan - from banks   | 601.70                 | 629.19                 |
|  | <b>11,545.93</b>       | <b>11,611.92</b>       |
| B. <b>Unsecured</b>  |                        |                        |
| (i) Rupee Term loans - from banks  | 605.00                 | 735.00                 |
| (ii) Rupee Term loans - from financial institutions  | -                      | 99.70                  |
| <b>Total</b>   | <b>12,150.93</b>       | <b>12,446.62</b>       |
| Less: Current maturities of long term borrowings transferred to Other Current Financial Liabilities (refer note 28 ) | 1,859.85               | 1,329.49               |
| Less: Unamortised Front end Fees   | 65.74                  | 69.35                  |
|  | <b>10,225.34</b>       | <b>11,047.78</b>       |

C. **Nature of Security :**

- (i) Out of the Term Loans in (A) above in respect of the Parent, ₹4137.50 crore (31.03.2018: ₹4053.08 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent including its land, building and any other constructions thereon, plant and machinery etc (refer note 5) as a first charge and as a second charge, by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15). However, creation of the said mortgage security in respect of five Rupee loans (31.03.2018 - one Rupee Loan) aggregating ₹755.50 crore (31.03.2018 - ₹30 crore) is in process.
- (ii) ₹40.00 crore (31.03.2018: ₹203.44 crore), in (A) above, in respect of the Parent, are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Parent by way of a charge subservient to the charge of the first and second charge holders on the said assets.

- 2 Out of the Term Loan in (A) above, ₹ 3343.21 crore (31.03.2018: ₹ 3317.22 crore) in respect of a subsidiary are secured, ranking pari passu inter se with first charge by way of equitable mortgage / hypothecation of fixed assets and current assets of the subsidiary including its land, buildings, any other construction thereon where exists, plant and machinery etc (refer note 5) and loans amounting to ₹Nil (31.03.2018: ₹50 crore) are secured with subservient charge on movable fixed assets of the subsidiary.
- 3 (i) Out of the Term Loan in (A) above, ₹ 2593.56 crore (31.03.2018- ₹ 2699.19 crore) in respect of a subsidiary are secured, with first charge by way of mortgage / hypothecation of subsidiary's fixed assets and current assets including its land, buildings and the construction thereon where exists, plant and machinery etc (refer note 5), loans amounting to ₹375.25 crore (31.03.2018- ₹Nil) are secured with second charge on all assets of the subsidiary.  
(ii) Out of the Term Loan in (A) above, loan of ₹ 177.78 crore (31.03.2018- ₹431.82 crore) in respect of the above subsidiary are secured with subservient charge on all current and movable fixed assets of the subsidiary.
- 4 In respect of one of the subsidiaries, the Term Loans of ₹ 590.16 crore (31.03.2018- ₹625.81 crore) in (A) above are secured / to be secured by an exclusive charge by way of mortgage/hypothecation in respect of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. (refer note 5) and by way of hypothecation of current assets of the subsidiary, with respect to the project for which the loan was availed. Creation of mortgage security as aforesaid on immovable fixed assets of the projects in Rojmal/Amreli (Gujarat) are currently under process.
- 5 (i) Term loan of ₹149.38 crore (31.03.2018 - ₹80.95 crore) in (A) above, in respect of a subsidiary, is secured by hypothecation of current assets including its stock of stores, coal (refer note 12) and other movable, book debts, monies receivables (refer note 14) and bank balances (refer note 15) and equitable mortgage / hypothecation of the subsidiary's fixed assets including its land, building and all constructions thereon and plant and machinery (refer note 5), both present and future with respect to the 40 MW AFBC Thermal Power project of the subsidiary near Asansol, West Bengal. The security mentioned above ranks pari passu inter se and with the security for overdraft working capital facilities from banks.  
(ii) Term loan of ₹68.78 crore (31.03.2018 - ₹75.42 crore) in (A) above, in respect of the above subsidiary, is secured by an exclusive charge by way of mortgage/hypothecation in respect of fixed assets including its land, building, constructions thereon where exist, plant and machinery etc.(refer note 5) and by way of hypothecation of current assets including book debts, receivables,(refer note 14) projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathapuram, Tamilnadu
- 6 Out of the Term Loan in (A) above, ₹ 70.31 crore (31.03.2018- ₹75 crore) in respect of a subsidiary are secured by:
  - First charge by way of hypothecation on pari passu basis over movable fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL)
  - First charge by way of mortgage on pari passu basis over immovable fixed assets of the subsidiary, both present and future (excluding those charged to JVVNL)

D. Major terms of repayment of Non Current Borrowings :

| ₹ in crore  |                            |   |                        |                  |                    |
|---|----------------------------|---|------------------------|------------------|--------------------|
| Maturity profile of Non Current Borrowings outstanding as at 31st March, 2019   | Rupee Term Loan from Banks | Rupee Term Loan from Financial Institutions | Foreign Currency Loans | Total            | Current Maturities |
| Loans with maturity of upto one year  | 360.77                     | -   | 433.89                 | 794.66           | 794.66             |
| Loans with maturity between 1 and 3 years   | 829.37                     | -   | 87.04                  | 916.41           | 206.23             |
| Loans with maturity between 3 and 5 years   | 1,456.56                   | -   | 80.77                  | 1,537.33         | 320.98             |
| Loans with maturity between 5 and 10 years  | 2,499.32                   | -   | -                      | 2,499.32         | 303.74             |
| Loans with maturity beyond 10 years   | 5,328.46                   | 1,074.75                                    | -                      | 6,403.21         | 234.24             |
| <b>Total</b>  | <b>10,474.48</b>           | <b>1,074.75</b>                             | <b>601.70</b>          | <b>12,150.93</b> | <b>1,859.85</b>    |
| Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that of on Foreign Currency Loan based on spread over LIBOR. |                            |   |                        |                  |                    |
| All of the above are repayable in periodic instalments over the maturity period of the respective loans.  |                            |   |                        |                  |                    |



## Notes forming Part of Consolidated Financial Statements (Contd.)

₹ in crore

| Maturity profile of Non Current Borrowings as at 31st March, 2018   | Rupee Term Loan from Banks | Rupee Term Loan from Financial Institutions | Foreign Currency Loans | Total            | Current Maturities |
|---|----------------------------|---|------------------------|------------------|--------------------|
| Loans with maturity of upto one year  | 245.75                     | -   | 16.40                  | 262.15           | 262.15             |
| Loans with maturity between 1 and 3 years   | 1,142.46                   | -   | 408.78                 | 1,551.24         | 266.19             |
| Loans with maturity between 3 and 5 years   | 1,127.14                   | -   | 114.80                 | 1,241.94         | 243.38             |
| Loans with maturity between 5 and 10 years  | 2,766.53                   | 99.70                                       | 89.21                  | 2,955.44         | 356.84             |
| Loans with maturity beyond 10 years   | 5,346.60                   | 1,089.25                                    | -                      | 6,435.85         | 200.93             |
| <b>Total</b>  | <b>10,628.48</b>           | <b>1,188.95</b>                             | <b>629.19</b>          | <b>12,446.62</b> | <b>1,329.49</b>    |
| Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that of on Foreign Currency Loan based on spread over LIBOR. |                            |   |                        |                  |                    |
| All of the above are repayable in periodic instalments over the maturity period of the respective loans.  |                            |   |                        |                  |                    |

E. Outstanding foreign currency loans as on 31 March, 2019 as disclosed above, stand fully hedged in Indian Rupees.

### NOTE -23 NON CURRENT- OTHER FINANCIAL LIABILITIES

|   | As at 31st March, 2019 | As at 31st March, 2018 |
|---|------------------------|------------------------|
| a. Security Deposit against contracting service | -                      | 1.91                   |
| b. Lease Obligation                             | 6.70                   | 6.41                   |
|   | <b>6.70</b>            | <b>8.32</b>            |

### NOTE -24 NON CURRENT- PROVISIONS

|                                    |               |               |
|------------------------------------|---------------|---------------|
| a. Provision for employee benefits | 311.21        | 264.76        |
| b. Restoration liabilities         | 33.06         | 30.42         |
|                                    | <b>344.27</b> | <b>295.18</b> |

#### Reconciliation of movement in Restoration liabilities

|                                  |              |              |
|----------------------------------|--------------|--------------|
| Opening balance                  | 30.42        | 9.91         |
| Add : Adjustment during the year | 2.64         | 20.51        |
| Closing balance                  | <b>33.06</b> | <b>30.42</b> |

The Group has recognised present value of restoration liability of mine land at Sarisatolli Coal Mine based on applicable Guidelines on Mine Closure Plan included in the cost of Mining Rights.

### NOTE -25 OTHER NON CURRENT LIABILITIES

|   |               |               |
|---|---------------|---------------|
| Advance received from consumers                                 | 142.89        | 162.98        |
| Others  | 87.15         | 66.77         |
| (includes unearned rent, liability provided towards claims etc) | <b>230.04</b> | <b>229.75</b> |

# Notes forming Part of Consolidated Financial Statements (Contd.)



## NOTE -26 CURRENT- BORROWINGS

|  |  | ₹ in Crore               |                          |
|--|--|--------------------------|--------------------------|
|  |  | As at 31st<br>March,2019 | As at 31st<br>March,2018 |
| <b>A Secured</b>   |  |                          |                          |
| Loans repayable on demand  |  |                          | -                        |
| (i) Overdraft from banks   |  | 961.93                   | 1,075.48                 |
| (ii) Short term loan from banks  |  | 125.00                   | 125.00                   |
| <b>B Unsecured</b>   |  |                          |                          |
| Loans repayable on demand  |  |                          |                          |
| (i) Short term loan from banks   |  | 100.00                   | -                        |
| (ii) Commercial Paper [including from banks 31.03.2019: ₹300 crore; 31.03.2018: Nil] |  | 1,200.00                 | 1,000.00                 |
|  |  | <b>2,386.93</b>          | <b>2,200.48</b>          |

### C Nature of Security

- The overdraft facilities from bank in respect of the Parent amounting to ₹585.44 crore (31.03.2018: ₹692.93 crore) in (A) (i) above are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12) and other consumables, book debts, monies receivable (refer note 14) and bank balances (refer note 15) as a first charge and as a second charge by equitable mortgage/ hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc (refer note 5). However, creation of the said security in respect of working capital facilities from banks aggregating ₹30.65 crore (31.03.2018: Nil) is in process. (refer note 5)
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹145.76 crore (31.03.2018: ₹111.02 crore) in (A) (i) above, is secured with first charge by way of mortgage/hypothecation of the subsidiary's fixed and current assets including its land and buildings, the construction thereon where exists, plant and machinery etc (refer note 5) and loans amounting to ₹Nil (31.03.2018: ₹89.65 crore) in (A) (i) above are secured by hypothecation of entire current assets and loan amounting to ₹125 crore (31.03.2018: ₹125 crore) in (A) (ii) above are secured by second pari passu charge by hypothecation over entire current assets and movable fixed assets of the subsidiary.
- The overdraft facilities in respect of one of the subsidiary amounting to ₹50.05 crore (31.03.2018 : ₹49.59 crore) in (A) (i) above, is secured with first charge by way of mortgage / hypothecation of fixed assets and current assets of the subsidiary including its land, building, the construction thereon where exists, plant and machinery etc (refer note 5).
- The overdraft facilities in respect of certain subsidiaries amounting to ₹180.68 crore (31.03.2018: ₹92.43 crore) in (A) (i) above, is secured ranking pari passu inter se, by hypothecation of respective subsidiary's current assets as a second charge.

## NOTE - 27 TRADE PAYABLES

|    |  | ₹ in Crore               |                          |
|----|--|--------------------------|--------------------------|
|    |  | As at 31st<br>March,2019 | As at 31st<br>March,2018 |
| a. | Total outstanding dues to micro enterprises and small enterprises                      | 16.65                    | 7.58                     |
| b. | Total outstanding dues of creditors other than micro enterprises and small enterprises | 661.13                   | 683.09                   |
|    |  | <b>677.78</b>            | <b>690.67</b>            |

## NOTE- 28 OTHER FINANCIAL LIABILITIES

|    |                                      |                 |                 |
|----|--------------------------------------|-----------------|-----------------|
| a. | Current maturities of long-term debt | 1,859.85        | 1,329.49        |
| b. | Interest accrued but not due         | 17.02           | 13.67           |
| c. | Unclaimed dividends                  | 5.74            | 5.11            |
| d. | Others (refer note e)                | 699.15          | 660.42          |
|    |                                      | <b>2,581.76</b> | <b>2,008.69</b> |

- e. Others include current portion of consumer security deposit (including accrued interest thereon) , employee related liabilities, liabilities on capital account, liabilities towards contractual obligations, etc.

# Notes forming Part of Consolidated Financial Statements (Contd.)

|   | ₹ in Crore                |                           |
|---|---------------------------|---------------------------|
|   | As at 31st<br>March, 2019 | As at 31st<br>March, 2018 |
| <b>NOTE- 29 OTHER CURRENT LIABILITIES</b>           |                           |                           |
| a. Liabilities towards statutory taxes, duties etc. | 364.40                    | 349.60                    |
| b. Advance received from Consumers                  | 80.58                     | 30.29                     |
| c. Receipt from consumers for jobs                  | 146.54                    | 124.20                    |
| d. Others   | 70.39                     | 61.95                     |
|   | <b>661.91</b>             | <b>566.04</b>             |

## NOTE - 30 CURRENT PROVISIONS

|                                    |              |              |
|------------------------------------|--------------|--------------|
| a. Provision for employee benefits | 66.63        | 88.08        |
| b. Others                          | 0.22         | 0.22         |
|                                    | <b>66.85</b> | <b>88.30</b> |

## NOTE-31 REGULATORY DEFERRAL ACCOUNT BALANCES

|  |                 |                 |
|--|-----------------|-----------------|
| <b>REGULATORY DEFERRAL ACCOUNT BALANCES -CREDIT BALANCES</b> | <b>1,677.28</b> | <b>2,111.60</b> |
| <b>REGULATORY DEFERRAL ACCOUNT BALANCES -DEBIT BALANCES</b>  | <b>3,997.51</b> | <b>3,566.81</b> |

(Refer Note 40 for details)

## NOTE-32 CONTINGENT LIABILITIES AND COMMITMENTS

### a. Claims against the group not acknowledged as debts:

The West Bengal Taxation Tribunal had held meter rentals received by the Parent from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹0.36 crore on account of interest. Against the above demand, the Parent had deposited a sum of ₹0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Parent filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent year till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Parent. The disposal of the case is still pending.

- b. An Appeal under the Electricity Act, 2003 has been filed before the Hon'ble Appellate Tribunal for Electricity (APTEL) by two Appellants against the Hon'ble Uttar Pradesh Electricity Regulatory Commission's Order dated April 20, 2016, wherein the Hon'ble UPERC has approved the Power Purchase Agreement between one of the subsidiary and Noida Power Company Limited for supply of 170 MW power for a period of 25 years. Filing of pleadings are complete and the matter is likely to be listed before APTEL and such financial impact, if any, cannot be ascertained at this stage.

### c. Other matters for which the Group is contingently liable (including share in Associate) :

|                                 | ₹ in crore          |                     |
|---------------------------------|---------------------|---------------------|
| Particulars                     | 31st March,<br>2019 | 31st March,<br>2018 |
| - Income Tax (refer Note below) | 0.01                | 53.52               |
| - Bank Guarantees               | 593.76              | 318.98              |
| -Letters of credit              | -                   | 247.81              |

Note :

Income Tax demands under appeal, pending in different forums, in respect of which the associate do not expect any unfavourable outcome.

- d. Commitments of the Group on account of estimated amount of contracts remaining to be executed on capital account not provided for amount to ₹191.79 crore (31.03.2018: ₹310.22 crore )
- e. The Ministry of Coal had encashed the bank guarantee of the Parent amounting to ₹66.15 crore in April 2018, in terms of its letter dated 25.04.2018, alleging non-compliance with the mining plan for the years 2015-16 and 2016-17 as per the Coal Mine Development and Production Agreement (CMDPA). Further, in terms of the above letter, the Ministry had directed the Parent to top-up the bank guarantee with the aforesaid encashed amount. The Hon'ble High Court of Delhi while disposing of the petition filed by the Parent against the Ministry's letter dated 25.04.2018, stayed the operation of this letter and further directed the Parent to approach the Tribunal. The Parent has accordingly filed a petition before the Special Tribunal at Godda, Jharkhand challenging the letter dated 25.04.2018 and further seeking refund of the encashed amount. Based on a legal opinion, the Parent expects a favourable outcome in the matter, and no provision has been considered necessary in the books of account.
- f. There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 in respect of Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its effective date. The group is consulting Legal counsel for further clarity and evaluating its impact on its financial statement, if any, and is of the view that it is only possible but not probable that outflow of economic resources will be there in this regard.
- g. Commitment relating to leasing arrangement , refer note 5 and 42

## NOTE-33 REVENUE FROM OPERATIONS

|                                      | ₹ in crore |           |
|--------------------------------------|------------|-----------|
|                                      | 2018-19    | 2017-18   |
| a. Earnings from sale of electricity | 10,396.37  | 9,959.97  |
| b. Other Operating Revenue           |            |           |
| Revenue from sponsorship etc         | -          | 35.57     |
| Meter Rent                           | 57.66      | 55.74     |
| Contribution from Consumers          | 139.48     | 116.15    |
| Earnings from sale of traded goods   | 22.94      | 13.09     |
| Others                               | 47.69      | 94.34     |
|                                      | 10,664.14  | 10,274.86 |

- c. Earnings from sale of electricity in respect of the parent and one of the subsidiary are determined in accordance with the relevant orders of the Commission, to the extent applicable. The said earnings are also net of discount for prompt payment of bills allowed to consumers on a net basis from month to month amounting to ₹ 102.85 crore (previous year: ₹ 99.54 crore).

## NOTE- 34 OTHER INCOME

|   | ₹ in crore |         |
|---|------------|---------|
|   | 2018-19    | 2017-18 |
| a. Interest Income  | 49.00      | 31.74   |
| b. Dividend Income  | 17.15      | -       |
| c. Gain on sale/fair valuation of current investments (net) | 41.56      | 53.71   |
| d. Profit on sale of property, plant and equipment (net)    | 0.03       | 1.53    |
| e. Other Non-operating Income *                             | 96.56      | 165.03  |
|   | 204.30     | 252.01  |

\* includes foreign exchange gains (31.03.2019: Nil, 31.03.2018 : ₹60.36 crore), delayed payment surcharge, usance fee, liabilities written back etc.

## NOTE-35 COST OF FUEL

- a) Cost of Fuel includes freight ₹928.68 crore (previous year : ₹849.46 crore).
- b) Cost of Fuel net off gain of ₹0.99 crore (previous year: gain of ₹1.03 crore) due to exchange fluctuations.
- c) Consumption of fuel:

|                         | ₹ in crore |          |
|-------------------------|------------|----------|
| Particulars             | 2018-19    | 2017-18  |
| (a) Consumption of coal | 3409.12    | 2873.68  |
| (b) Consumption of oil  | 17.28      | 16.95    |
| (c) Total (a+b)         | 3,426.40   | 2,890.63 |

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE-36 EMPLOYEE BENEFIT EXPENSES

|   |                 | ₹ in crore |
|---|-----------------|------------|
|   | 2018-19         | 2017-18    |
| a. Salaries, wages and bonus                  | 1,117.94        | 973.29     |
| b. Contribution to provident and other funds  | 101.84          | 127.14     |
| c. Employees' welfare expenses                | 58.05           | 51.57      |
|   | <b>1,277.83</b> | 1,152.00   |
| Less : Transfer to PPE/ CWIP etc.             | 199.11          | 160.07     |
|   | <b>1,078.72</b> | 991.93     |
| Less Transfer to Other Comprehensive Income * | 42.06           | 21.70      |
|   | <b>1,036.66</b> | 970.23     |

\*As per Ind AS 19, Actuarial gain or loss on post retirement defined benefit Plan has been recognised in Other Comprehensive Income.

### (i) Defined Contribution Plan

The Group makes contribution for Provident Fund towards defined contribution retirement benefit plan for eligible employees. Under the plan, the group is required to contribute a specific percentage of the employees' salaries to fund the benefit. The fund has the form of trust and is governed by the Board of Trustees. The Parent also contributes for family pension schemes (including for superannuation).

During the year, based on applicable rates, the company has contributed and charged ₹ 64.25 crore (previous year: ₹ 60.43 crore) on this account in the Statement of Profit and Loss.

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

Liabilities at the year end for gratuity, leave encashment and other retiral benefits including post-retirement medical benefits have been determined on the basis of actuarial valuation carried out by an independent actuary.

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

|  | 2018-19                     |                           |              | 2017-18                     |                           |              |
|--|-----------------------------|---------------------------|--------------|-----------------------------|---------------------------|--------------|
| Gratuity (Funded)  | Present value of obligation | Fair value of plan assets | Total amount | Present value of obligation | Fair value of plan assets | Total amount |
| Opening Balance  | 427.21                      | (361.32)                  | 65.89        | 390.42                      | (326.56)                  | 63.86        |
| Current service cost   | 18.64                       | -                         | 18.64        | 19.99                       | -                         | 19.99        |
| Interest expense/(income)  | 26.75                       | (30.41)                   | (3.66)       | 25.34                       | (24.92)                   | 0.42         |
| Past service cost  | 0.08                        | -                         | 0.08         | 39.73                       | -                         | 39.73        |
| Less: Amount recognised in statement of profit and loss-Discontinued operations      |                             |                           | -            | 16.20                       | (2.15)                    | 14.05        |
| <b>Total amount recognised in profit and loss-Continuing operations</b>              | <b>45.47</b>                | <b>(30.41)</b>            | <b>15.06</b> | <b>68.86</b>                | <b>(22.77)</b>            | <b>46.09</b> |
| <i>Remeasurements</i>  |                             |                           |              |                             |                           |              |
| Return on plan assets, excluding amounts included in interest expense/(income)       | -                           | 1.37                      | 1.37         | -                           | (1.60)                    | (1.60)       |
| (Gain)/loss from change in financial assumptions                                     | 6.16                        | -                         | 6.16         | 16.63                       | -                         | 16.63        |
| Experience (gains)/losses  | 19.28                       | 0.02                      | 19.30        | (9.25)                      | 0.01                      | (9.24)       |
| <b>Total amount recognised in other comprehensive income - Continuing operations</b> | <b>25.44</b>                | <b>1.39</b>               | <b>26.83</b> | <b>7.38</b>                 | <b>(1.59)</b>             | <b>5.79</b>  |
| Employer contributions   | -                           | (67.57)                   | (67.57)      | -                           | (49.87)                   | (49.87)      |
| Benefit payments   | (48.08)                     | 48.00                     | (0.08)       | (39.45)                     | 39.47                     | 0.02         |
| <b>Closing Balance</b>   | <b>450.04</b>               | <b>(409.91)</b>           | <b>40.13</b> | <b>427.21</b>               | <b>(361.32)</b>           | <b>65.89</b> |

₹ in crore

|   | 2018-19                     | 2017-18                     |
|---|-----------------------------|-----------------------------|
| Leave Obligation (Unfunded)   | Present value of obligation | Present value of obligation |
| <b>Opening Balance</b>  | <b>150.65</b>               | <b>147.29</b>               |
| Current service cost  | 11.00                       | 9.60                        |
| Interest expense/(income)   | 10.95                       | 9.88                        |
| Past service cost   | 0.02                        | 0.02                        |
| <i>Remeasurements</i>   |                             |                             |
| (Gain)/loss from change in financial assumptions                                | 3.20                        | 10.73                       |
| Experience (gains)/losses   | 14.43                       | (10.61)                     |
| Less: Amount recognised in statement of profit and loss-Discontinued operations | -                           | 1.86                        |
| <b>Total amount recognised in profit and loss-Continuing operations</b>         | <b>39.60</b>                | <b>17.76</b>                |
| Employer contributions  | -                           | -                           |
| Benefit payments  | (14.18)                     | (14.40)                     |
| <b>Closing Balance</b>  | <b>176.07</b>               | <b>150.65</b>               |

|   | Post retirement medical benefit (PRMB) |              | Pension      |              |
|---|--|--------------|--------------|--------------|
|   | 2018-19                                | 2017-18      | 2018-19      | 2017-18      |
| <b>Opening Balance</b>  | <b>77.86</b>                           | <b>64.67</b> | <b>58.44</b> | <b>44.01</b> |
| Current service cost  | 1.34                                   | 2.32         | 0.25         | 0.25         |
| Interest expense/(income)   | 5.20                                   | 4.45         | 4.00         | 3.12         |
| Past Service Cost   | -                                      | -            | 9.43         | 11.65        |
| Less: Amount recognised in statement of profit and loss-Discontinued operations | -                                      | 0.90         | -            | 0.20         |
| <b>Total amount recognised in profit or loss</b>                                | <b>6.54</b>                            | <b>5.87</b>  | <b>13.68</b> | <b>14.82</b> |
| <i>Remeasurements</i>   |  |              |              |              |
| (Gain)/loss from change in financial assumptions                                | 2.16                                   | (4.42)       | 1.29         | (4.96)       |
| Experience (gains)/losses   | 3.23                                   | 14.87        | 8.56         | 10.42        |
| <b>Total amount recognised in other comprehensive income</b>                    | <b>5.39</b>                            | <b>10.45</b> | <b>9.85</b>  | <b>5.46</b>  |
| Employer contributions  | -                                      | -            | -            | -            |
| Benefit payments  | (3.67)                                 | (3.13)       | (6.44)       | (5.85)       |
| <b>Closing Balance</b>  | <b>86.12</b>                           | <b>77.86</b> | <b>75.52</b> | <b>58.44</b> |

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits &amp; pension is as follows:

|                                       | 1st year      | Between 2-5 years | Between 6-10 years | More than 10 years | Total           |
|---------------------------------------|---------------|-------------------|--------------------|--------------------|-----------------|
| <b>31-Mar-19</b>                      |               |                   |                    |                    |                 |
| Defined benefit obligation (gratuity) | 73.89         | 199.84            | 220.86             | 232.23             | <b>726.82</b>   |
| Leave obligation                      | 24.07         | 65.25             | 76.65              | 185.07             | <b>351.04</b>   |
| Post-employment medical benefits      | 3.24          | 18.17             | 32.32              | 226.72             | <b>280.45</b>   |
| Pension                               | 7.38          | 33.42             | 35.92              | 71.79              | <b>148.51</b>   |
| <b>Total</b>                          | <b>108.58</b> | <b>316.68</b>     | <b>365.75</b>      | <b>715.81</b>      | <b>1,506.82</b> |
| <b>31-Mar-18</b>                      |               |                   |                    |                    |                 |
| Defined benefit obligation (gratuity) | 63.73         | 195.04            | 208.67             | 248.67             | <b>716.11</b>   |
| Leave obligation                      | 19.38         | 57.91             | 64.33              | 168.63             | <b>310.25</b>   |
| Post-employment medical benefits      | 2.73          | 15.74             | 28.33              | 229.54             | <b>276.34</b>   |
| Pension                               | 6.57          | 30.75             | 34.08              | 68.32              | <b>139.72</b>   |
| <b>Total</b>                          | <b>92.41</b>  | <b>299.44</b>     | <b>335.41</b>      | <b>715.16</b>      | <b>1,442.42</b> |

# Notes forming Part of Consolidated Financial Statements (Contd.)

## (iv) Sensitivity Analysis

₹ in crore

|  | Gratuity  |           | Leave Obligation |           | Post-employment medical benefits (PRMB) |           | Pension   |           | Interest rate guarantee on provident fund |           |
|--|-----------|-----------|------------------|-----------|---|-----------|-----------|-----------|---|-----------|
|  | 31-Mar-19 | 31-Mar-18 | 31-Mar-19        | 31-Mar-18 | 31-Mar-19                               | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 | 31-Mar-19                                 | 31-Mar-18 |
| DBO at 31st March with discount rate +1%                     | 421.12    | 400.57    | 164.09           | 141.12    | 76.35                                   | 70.29     | 68.13     | 54.69     |   |           |
| Corresponding service cost                                   | 15.92     | 8.83      | 9.33             | 4.11      | 1.11                                    | 1.01      | 0.24      | 0.12      |   |           |
| DBO at 31st March with discount rate -1%                     | 470.05    | 449.57    | 189.71           | 163.43    | 92.79                                   | 87.14     | 77.64     | 62.68     |   |           |
| Corresponding service cost                                   | 18.35     | 10.27     | 11.45            | 5.03      | 1.55                                    | 1.55      | 0.31      | 0.12      |   |           |
| DBO at 31st March with +1% salary/benefit escalation         | 458.92    | 440.28    | 193.15           | 166.48    | 88.10                                   | 85.50     |           |           |   |           |
| Corresponding service cost                                   | 17.88     | 9.98      | 11.74            | 5.16      | 1.44                                    | 1.57      |           |           |   |           |
| DBO at 31st March with -1% salary/benefit escalation         | 427.91    | 403.19    | 161.55           | 138.87    | 79.85                                   | 71.48     |           |           |   |           |
| Corresponding service cost                                   | 16.21     | 8.93      | 9.13             | 4.02      | 1.26                                    | 1.04      |           |           |   |           |
| DBO at 31st March with +50% withdrawal rate                  | 444.97    | 423.47    | 176.41           | 151.05    | 72.93                                   | 77.38     |           |           |   |           |
| Corresponding service cost                                   | 17.10     | 9.69      | 10.33            | 4.55      | 1.32                                    | 1.22      |           |           |   |           |
| DBO at 31st March with -50% withdrawal rate                  | 443.60    | 422.36    | 175.61           | 150.31    | 73.61                                   | 78.38     |           |           |   |           |
| Corresponding service cost                                   | 17.00     | 9.63      | 10.26            | 4.51      | 1.35                                    | 1.26      |           |           |   |           |
| DBO at 31st March with +10% mortality rate                   | 444.67    | 423.22    | 176.26           | 150.91    | 82.31                                   | 76.46     | 70.56     | 56.75     |   |           |
| Corresponding service cost                                   | 17.07     | 9.67      | 10.31            | 4.54      | 1.31                                    | 1.21      | 0.27      | 0.12      |   |           |
| DBO at 31st March with -10% mortality rate                   | 443.90    | 422.62    | 175.77           | 150.46    | 85.42                                   | 79.40     | 81.31     | 60.27     |   |           |
| Corresponding service cost                                   | 17.01     | 9.64      | 10.27            | 4.52      | 1.36                                    | 1.27      | 0.24      | 0.12      |   |           |
| Int guarantee Liability 31st March with discount rate +1%    |           |           |                  |           |   |           |           |           | -   | 2.77      |
| Int guarantee Liability 31st March with discount rate -1%    |           |           |                  |           |   |           |           |           | 38.38                                     | 2.97      |
| Int guarantee Liability 31st March with EPFO rate +0.5%      |           |           |                  |           |   |           |           |           | 19.75                                     | 39.76     |
| Int guarantee Liability 31st March with portfolio rate -0.5% |           |           |                  |           |   |           |           |           | 19.75                                     | -         |

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

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

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

|                          | 31-Mar-2019 | 31-Mar-2018 |
|--------------------------|-------------|-------------|
| <b>Gratuity</b>          |             |             |
| Cash and cash equivalent | 405.75      | 358.01      |
| Non-quoted market price  | 405.75      | 358.01      |



(vi) **Actuarial assumptions**

| 31-Mar-19                      |   |   |  |  |   |
|--------------------------------|---|---|--|--|---|
| Particulars                    | Gratuity  | Leave obligation                                  | Medical  | Pension  | Interest guarantee                                |
| Discount rate current year (%) | 6.95-7.65%  | 6.95-7.71%  | 7.34%  | 7.34%  | 7.34%   |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08) ultimate | Indian Assured Lives Mortality (2006-08) ultimate | Before Separation- Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation- Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years | Indian Assured Lives Mortality (2006-08) ultimate |

| 31-Mar-18                      |   |   |  |  |   |
|--------------------------------|---|---|--|--|---|
| Particulars                    | Gratuity  | Leave obligation                                  | Medical  | Pension  | Interest guarantee                                |
| Discount rate current year (%) | 7.16-7.71%  | 7.16-7.71%  | 7.60%  | 7.60%  | 7.60%   |
| Mortality rate                 | Indian Assured Lives Mortality (2006-08) ultimate | Indian Assured Lives Mortality (2006-08) ultimate | Before Separation- Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years | Before Separation- Indian Assured Lives Mortality (2006-08) ultimate & After separation- from service : LIC (1996-98) Ultimate rated down by 5 years | Indian Assured Lives Mortality (2006-08) ultimate |

| Expected Remaining Life |  |  | 2018-19 | 2017-18 |
|-------------------------|--|--|---------|---------|
| Employees Gratuity Fund |  |  | 7.02    | 11.30   |
| Executive Gratuity Fund |  |  | 6.62    | 6.72    |
| Leave Encashment        |  |  | 8.62    | 8.84    |
| PRMB - Non Cov          |  |  | 12.59   | 12.00   |
| PRMB - Cov              |  |  | 12.93   | 13.67   |
| Pension                 |  |  | 15.02   | 16.26   |

Expected contributions to be paid in next year for gratuity fund ₹ 46.13 crore

Expected contributions to be paid for next year for leave obligation, medical & pension is nil

(vii) **Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.**

|  | 2018-19 | 2017-18 |
|--|---------|---------|
| Actual return on plan assets (₹ crore) | 28.62   | 24.79   |

(viii) **Risk exposure**

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

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

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

**Demographic Risk:** In the valuation of the liability certain demographic (mortality and attrition rates) assumptions are made. The Group is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Regulatory Risk:** New Act/Regulations may come up in future which could increase the liability significantly in case of Leave obligation, PRMB & Pension. Gratuity Benefit must comply with the requirements of the Payment of Gratuity Act, 1972 (as amended up-to-date). Also in case of interest rate guarantee Exempt Provident Fund must comply with the requirements of the Employees Provident Funds and Miscellaneous Provisions Act 1952 as amended up-to-date.

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE- 37 FINANCE COSTS

|  | ₹ in crore |          |
|--|------------|----------|
|  | 2018-19    | 2017-18  |
| a Interest expense   | 1,291.32   | 1,279.91 |
| b Other Borrowing Costs  | 48.70      | 39.14    |
| c Applicable net loss on foreign currency transactions and translation | (0.05)     | 0.79     |
|  | 1,339.97   | 1,319.84 |
| Less : Allocated to PPE/ CWIP  | 15.25      | 16.88    |
|  | 1,324.72   | 1,302.96 |

Weighted average capitalisation rate used is 8.56 % (previous year 8.77%)

## NOTE- 38 DEPRECIATION AND AMORTISATION EXPENSE

|  |          |          |
|--|----------|----------|
| Depreciation/ amortisation of tangible assets            | 1,052.02 | 1,043.01 |
| Amortisation of intangible assets                        | 15.80    | 14.71    |
|  | 1,067.82 | 1,057.72 |
| Less : Recoupment from retained earnings (refer Note 47) | 304.04   | 306.25   |
|  | 763.78   | 751.47   |

## NOTE-39 OTHER EXPENSES

|   |          |          |
|---|----------|----------|
| a Power and Fuel                              | 3.08     | 3.63     |
| b Consumption of stores and spares            | 127.43   | 108.22   |
| c Repairs                                     |          |          |
| Building                                      | 17.36    | 16.91    |
| Plant and Machinery                           | 157.23   | 147.15   |
| Distribution System                           | 132.91   | 152.85   |
| Others  | 13.55    | 11.09    |
|   | 321.05   | 328.00   |
| d Insurance                                   | 27.15    | 31.22    |
| e Rent  | 30.44    | 29.22    |
| f Rates and taxes                             | 9.81     | 19.97    |
| g Bad debts / Advances made                   | 39.51    | 35.97    |
| h Loss on sale / disposal of PPE (net)        | 2.91     | 0.01     |
| i Provision for Bad Debts                     | 0.80     | 17.67    |
| j Interest on Consumers' Security Deposits    | 107.28   | 108.01   |
| k Foreign Exchange Restatement loss / (gain)  | 13.73    | (30.88)  |
| l Corporate social responsibility activities  | 21.50    | 25.04    |
| m Mark to Market loss / (gain) on derivatives | (19.82)  | 115.45   |
| n Miscellaneous expenses                      | 574.89   | 675.08   |
|   | 1,259.76 | 1,466.61 |

## NOTE - 40 REGULATORY INCOME

- a. Regulatory (Income) / Expenses arise to the Parent pursuant to the regulatory provisions applicable to the Parent under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the Parent's various petitions / applications, in terms of the said regulations, at different timeframe including the tariff and APR orders for the years notified till date. The effect of adjustments - (income)/expenses, relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs and those having bearing on revenue account, as appropriate, based on the Parent's understanding of the applicable available regulatory provisions and available orders of the competent authorities, and (c) effect of exchange fluctuation including MTM gain amounting to ₹79.64 crore [31.3.2018 ₹(198 crore)], ₹(657 crore) [31.3.2018 ₹(414.75 crore)], and ₹6.10 crore [31.3.2018 ₹(7.51 crore)] respectively have been shown as Regulatory (Income)/Expenses with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balance (see Note 31).

Regulatory deferral account debit balance comprise the effect of (a) Deferred tax, (b) exchange fluctuation and (c) cost of fuel and purchase of power and other adjustments having bearing on revenue account amounting to ₹3,474.98 crore ( 31.3.2018: ₹3,487.21 crore) , ₹48.05 crore (31.3.2018 : ₹34.33 crore) and ₹123.23 crore ( 31.3.2018 : Nil) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) cost of fuel and purchase of power and other adjustments having bearing on revenue account and (c) MTM Gain amount to ₹1360.71 crore (31.3.2018 : ₹1,281.07 crore ), Nil ( 31.3.2018 : ₹533.77 crore ) and ₹40.96 crore ( 31.3.2018 : ₹21.15 crore) respectively.

The accurate quantification and disposal of the matters with regard to Regulatory deferral account balances, are being given effect to, from time to time, after conclusion of the concerned event/year, as appropriate, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Parent effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

- b. Regulatory (Income) / Expenses arise to one of the subsidiary pursuant to the regulatory provisions applicable to the subsidiary under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the subsidiary's various petitions / applications, in terms of the said regulations, at different timeframe. The effect of adjustments - (income)/expenses, relating to (a) advance against depreciation, (b) effect of exchange fluctuation amounting to Nil (Previous year ₹137.81 crore), and Nil (Previous year ₹3.98 crore) respectively have been shown as Regulatory (Income)/Expenses with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balance (see Note 31).

Regulatory deferral account debit balance comprise the effect of deferred tax amounting to ₹351.25 crore ( 31.3.2018 : ₹45.27 crore ) and that relating to credit balance comprise the effect of advance against depreciation amounting to ₹275.61 crore (31.3.2018 : ₹275.61 crore).

The accurate quantification and disposal of the matters with regard to Regulatory deferral account balances, are being given effect to, from time to time, after conclusion of the concerned event/year, as appropriate, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way.

# Notes forming Part of Consolidated Financial Statements (Contd.)

## Note -41 Non Controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

₹ in crore

| Summarised Balance Sheet                    | Crescent Power Limited |               | Au Bon Pain Café India Limited |               | Firstsource Solutions Limited (Consolidated) # |               |
|---|------------------------|---------------|--------------------------------|---------------|--|---------------|
|   | 31 March 2019          | 31 March 2018 | 31 March 2019                  | 31 March 2018 | 31 March 2019                                  | 31 March 2018 |
| Non Current assets                          | 435.19                 | 488.00        | 0.01                           | 0.01          | -  | -             |
| Current assets                              | 116.38                 | 107.05        | 1.22                           | 4.76          | -  | -             |
| <b>Total Assets</b>                         | <b>551.57</b>          | <b>595.05</b> | <b>1.23</b>                    | <b>4.77</b>   | <b>-</b>                                       | <b>-</b>      |
| Non current liabilities                     | 231.34                 | 266.70        | -                              | -             | -  | -             |
| Current liabilities                         | 65.17                  | 113.27        | 0.80                           | 2.27          | -  | -             |
| <b>Total Liabilities</b>                    | <b>296.51</b>          | <b>379.97</b> | <b>0.80</b>                    | <b>2.27</b>   | <b>-</b>                                       | <b>-</b>      |
| <b>Net Assets</b>                           | <b>255.06</b>          | <b>215.08</b> | <b>0.43</b>                    | <b>2.50</b>   | <b>-</b>                                       | <b>-</b>      |
| <b>Accumulated Non Controlling Interest</b> | <b>82.06</b>           | <b>69.22</b>  | <b>*</b>                       | <b>0.17</b>   | <b>-</b>                                       | <b>-</b>      |

\* Negative hence not disclosed

₹ in crore

| Summarised Statement of Profit and Loss                          | Crescent Power Limited |              | Au Bon Pain Café India Limited |                | Firstsource Solutions Limited (Consolidated) # |                       |
|--|------------------------|--------------|--------------------------------|----------------|--|-----------------------|
|  | 2018-19                | 2017-18      | 2018-19                        | 2017-18        | 2018-19  | 1 Apr 17 to 30 Sep 17 |
| Revenue  | 180.01                 | 251.74       | 0.86                           | 6.96           |  | 1,756.09              |
| Profit / (Loss) after tax  | 44.41                  | 6.33         | (2.17)                         | (21.25)        |  | 134.16                |
| Profit after Tax (PAT) from continuing operations                | 44.41                  | 6.33         | (2.17)                         | (21.25)        |  |                       |
| <b>Total Other Comprehensive Income for the year, net of tax</b> | <b>(4.43)</b>          | <b>16.07</b> | <b>-</b>                       | <b>-</b>       |  | <b>(4.14)</b>         |
| <b>Total Comprehensive Income for the year</b>                   | <b>39.98</b>           | <b>22.40</b> | <b>(2.17)</b>                  | <b>(21.25)</b> | <b>-</b>                                       | <b>130.02</b>         |
| <b>Profits attributable to NCI of discontinued operation</b>     |                        |              |                                |                |  | <b>60.18</b>          |
| <b>Profits allocated to NCI</b>                                  | <b>12.86</b>           | <b>7.21</b>  | <b>*</b>                       | <b>*</b>       |  |                       |

\* Negative hence not disclosed

₹ in crore

| Summarised Cash Flows                                     | Crescent Power Limited |                | Au Bon Pain Café India Limited |               | Firstsource Solutions Limited (Consolidated) # |                       |
|---|------------------------|----------------|--------------------------------|---------------|--|-----------------------|
|   | 2018-19                | 2017-18        | 2018-19                        | 2017-18       | 2018-19  | 1 Apr 17 to 30 Sep 17 |
| Cash flow from Operating Activities                       | 73.72                  | 63.28          | (0.59)                         | (9.22)        |  | 42.11                 |
| Cash Flow from Investing Activities                       | 44.14                  | (133.82)       | 0.50                           | 0.91          |  | 55.08                 |
| Cash Flow from Financing Activities                       | (102.52)               | 49.90          | 0.10                           | 7.85          |  | (87.18)               |
| <b>Net Increase/Decrease in Cash and cash Equivalents</b> | <b>15.34</b>           | <b>(20.64)</b> | <b>0.01</b>                    | <b>(0.46)</b> | <b>-</b>                                       | <b>10.01</b>          |

# Refer Note 49

## Notes forming Part of Consolidated Financial Statements (Contd.)

### NOTE-42 Lease :

Future rentals payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 36-60 months work out to ₹6.27 crore (as on 31.03.2018 : ₹0.39 crore) and ₹18.21 crore (as on 31.03.2018 : ₹1.29 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

### NOTE-43 The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2019 are as under :

₹ in crore

| Deferred Tax Liabilities                          | April 1, 2018     | Recognised through P&L | Recognised through OCI | Others       | Transferred Pursuant to Scheme # | March 31, 2019    |
|---|-------------------|------------------------|------------------------|--------------|----------------------------------|-------------------|
| <b>Liabilities</b>                                |                   |                        |                        |              |                                  |                   |
| Excess of tax depreciation over book depreciation | (4,346.59)        | (84.20)                | -                      | 30.12        | -                                | (4,400.67)        |
| Financial Instruments at Fair Value through OCI   | (8.36)            | -                      | 2.29                   | -            | -                                | (6.07)            |
| Other Timing difference                           | (29.33)           | 1.08                   | -                      | -            | -                                | (28.25)           |
| <b>Assets</b>                                     |                   |                        |                        |              |                                  |                   |
| Business loss and Unabsorbed depreciation         | 682.32            | (250.45)               | -                      | -            | -                                | 431.87            |
| Other Timing Differences                          | 60.98             | 1.79                   | -                      | -            | -                                | 62.77             |
| <b>Net Deferred Tax Liability</b>                 | <b>(3,640.98)</b> | <b>(331.78)</b>        | <b>2.29</b>            | <b>30.12</b> | <b>-</b>                         | <b>(3,940.35)</b> |

| Deferred Tax Assets            | April 1, 2018 | Recognised through P&L | Recognised through OCI | Others   | Transferred Pursuant to Scheme # | March 31, 2019 |
|--------------------------------|---------------|------------------------|------------------------|----------|----------------------------------|----------------|
| <b>Assets</b>                  |               |                        |                        |          |                                  |                |
| Other Timing Differences       | 1.12          | (1.12)                 | -                      | -        | -                                | (0.00)         |
| <b>Net Deferred Tax Assets</b> | <b>1.12</b>   | <b>(1.12)</b>          | <b>-</b>               | <b>-</b> | <b>-</b>                         | <b>(0.00)</b>  |

₹ in crore

| Deferred Tax Liabilities                          | April 1, 2017     | Recognised through P&L | Recognised through OCI | Others       | Transferred Pursuant to Scheme # | March 31, 2018    |
|---|-------------------|------------------------|------------------------|--------------|----------------------------------|-------------------|
| <b>Liabilities</b>                                |                   |                        |                        |              |                                  |                   |
| Excess of tax depreciation over book depreciation | (3,901.15)        | (768.26)               | -                      | 56.96        | 265.86                           | (4,346.59)        |
| Financial Instruments at Fair Value through OCI   | -                 | -                      | (8.36)                 | -            | 0                                | (8.36)            |
| Other Timing difference                           | (65.30)           | 1.94                   | -                      | -            | 34.03                            | (29.33)           |
| <b>Assets</b>                                     |                   |                        |                        |              |                                  |                   |
| Business loss and Unabsorbed depreciation         | 33.78             | 648.54                 | -                      | -            | -                                | 682.32            |
| Other Timing Differences                          | 45.39             | 15.59                  | -                      | -            | -                                | 60.98             |
| <b>Net Deferred Tax Liability</b>                 | <b>(3,887.28)</b> | <b>(102.19)</b>        | <b>(8.36)</b>          | <b>56.96</b> | <b>299.89</b>                    | <b>(3,640.98)</b> |

| Deferred Tax Assets                       | April 1, 2017 | Recognised through P&L | Recognised through OCI | Others   | Transferred Pursuant to Scheme # | March 31, 2018 |
|---|---------------|------------------------|------------------------|----------|----------------------------------|----------------|
| <b>Assets</b>                             |               |                        |                        |          |                                  |                |
| Business loss and Unabsorbed depreciation | 264.29        | -                      | -                      | -        | (264.29)                         | -              |
| Cash Flow Hedges                          | (34.62)       | -                      | -                      | -        | 34.62                            | -              |
| Other Timing Differences                  | 177.93        | (0.02)                 | -                      | -        | (176.79)                         | 1.12           |
| <b>Net Deferred Tax Assets</b>            | <b>407.60</b> | <b>(0.02)</b>          | <b>-</b>               | <b>-</b> | <b>(406.46)</b>                  | <b>1.12</b>    |

# refer note 49

## NOTE-44 Income tax expense

|  |  | ₹ in crore        |                   |
|--|--|-------------------|-------------------|
|  |  | March 31,<br>2019 | March 31,<br>2018 |
| <b>a i) Income tax recognised in profit or loss</b>  |  |                   |                   |
| <b>Current tax expense</b>   |  |                   |                   |
| Continuing Operations  |  | 362.08            | 343.84            |
| Discontinued Operations  |  | -                 | 22.27             |
| <b>Deferred tax expense</b>  |  |                   |                   |
| Deferred tax-( Income) / expense   |  | 332.90            | (102.21)          |
| Regulatory ( Income ) / expense -deferred tax  |  | (321.24)          | 114.59            |
| <b>Total income tax expense</b>  |  | <b>373.74</b>     | <b>378.49</b>     |
| <b>ii) Income tax recognised in Other Comprehensive Income (OCI)</b>                       |  |                   |                   |
|  |  | March 31,<br>2019 | March 31,<br>2018 |
| <b>Current tax expense</b>   |  |                   |                   |
| Remeasurement of defined benefit plan  |  | (8.93)            | (4.78)            |
| <b>Deferred tax expense</b>  |  |                   |                   |
| Deferred Tax on Gain on fair value of Investment   |  | (2.29)            | 8.36              |
| Regulatory ( Income ) / expense -deferred tax  |  | 0.48              | (1.76)            |
| <b>Total income tax expense relating to OCI items</b>                                      |  | <b>(10.74)</b>    | <b>1.82</b>       |
| <b>b Reconciliation of tax expense and accounting profit</b>                               |  |                   |                   |
|  |  | March 31,<br>2019 | March 31,<br>2018 |
| <b>Accounting profit before tax after Comprehensive Income</b>                             |  | <b>1,513.63</b>   | <b>1,356.98</b>   |
| Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%) |  | 528.92            | 469.62            |
| Income/expenses not considered for tax purpose including difference in depreciation        |  | (148.48)          | (195.31)          |
| Incentive & deduction allowed under Income Tax including MAT Adjustments                   |  | (66.84)           | (44.23)           |
| Other adjustments  |  | 49.40             | 150.23            |
| <b>INCOME TAX EXPENSE</b>  |  | <b>363.00</b>     | <b>380.31</b>     |

## Notes forming Part of Consolidated Financial Statements (Contd.)

### NOTE-45 Earnings per share:

#### (i) Computation of Earnings per share from continuing operations

| Particulars   | 2018-19      | 2017-18      |
|---|--------------|--------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) | 1,183.98     | 888.19       |
| B. Weighted Average no. of shares for Earnings per share              | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹10/- = [(A) / (B)] (₹)       | 89.32        | 67.01        |

#### Computation of Earnings per share from discontinued operations

| Particulars   | 2018-19 | 2017-18      |
|---|---------|--------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) |         | 24.42        |
| B. Weighted Average no. of shares for Earnings per share              |         | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹10/- = [(A) / (B)] (₹)       |         | 1.84         |

#### Computation of Earnings per share from continuing and discontinued operations

| Particulars   | 2018-19      | 2017-18      |
|---|--------------|--------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) | 1183.98      | 912.60       |
| B. Weighted Average no. of shares for Earnings per share              | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹10/- = [(A) / (B)] (₹)       | 89.32        | 68.85        |

#### (ii) Computation of Earnings per share from continuing operations - excluding regulatory (income)/ expense (net )

| Particulars   | 2018-19      | 2017-18      |
|---|--------------|--------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) | 735.83       | 835.59       |
| B. Weighted Average no. of shares for Earnings per share              | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹10/- = [(A) / (B)] (₹)       | 55.51        | 63.04        |

#### Computation of Earnings per share from discontinued operations - excluding regulatory (income)/ expense (net )

| Particulars   | 2018-19 | 2017-18      |
|---|---------|--------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) |         | 24.42        |
| B. Weighted Average no. of shares for Earnings per share              |         | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹10/- = [(A) / (B)] (₹)       |         | 1.84         |

#### Computation of Earnings per share from continuing and discontinued operations - excluding regulatory (income)/ expense (net )

| Particulars   | 2018-19      | 2017-18      |
|---|--------------|--------------|
| A. Profit after tax attributable to owners of the equity (₹ in Crore) | 735.83       | 860.02       |
| B. Weighted Average no. of shares for Earnings per share              | 13,25,57,043 | 13,25,57,043 |
| Basic and Diluted Earnings per share of ₹10/- = [(A) / (B)] (₹)       | 55.51        | 64.88        |



**NOTE-46 Financial risk management and Capital Management :**

The regulated operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the parent, being a licensee under the said statute, is subject to regulatory provisions/guidelines and issues evolving therefrom, having a bearing on the Company's liquidity, earning, expenditure and profitability, based on efficiency parameters provided therein including timing of disposal of applications /matters by the authority.

The Group being the provider of electricity in the licensed area has been managing the operations keeping in view its profitability and liquidity in terms of the above regulations. In order to manage the credit risk arising from sale of electricity, multipronged approach is followed like maintenance of security deposit, precipitation of action against defaulting consumers, obtaining support of the administrative authority (for consumers providing utility service), credit rating and appraisal by external agencies and lending bodies.

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

The Group market risk relating to variation of foreign currency, interest rate and commodity price is mitigated through applicable regulations, long term sale contracts and availability of bulk commodity namely coal is generally sourced from own captive mine, domestic long term linkage and Special Forward E-Auction conducted by Coal India Limited and/or its subsidiaries.

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

**NOTE- 47** Part A of Schedule II to the Companies Act, 2013 (the Act), inter alia, provides that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Part B of the said Schedule deals with the useful life or residual value of an asset as notified for accounting purpose by a Regulatory Authority constituted under an act of Parliament or by the Central Government for calculating depreciation to be provided for such asset irrespective of the requirement of Schedule II. In terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a pro-rata basis at the rates specified therein, the basis of which be considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the Parent's tariff for the year, which is also required to be used for accounting purpose as specified in the said Regulations. Based on legal opinions and independent accounting opinions obtained, the Parent continues with the consistently followed practice of recouping from the retained earnings an additional charge of depreciation relatable to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹304.04 crore ( 31.03.2018 : ₹306.25 crore) and corresponding withdrawal of ₹2.72 crore (31.03.2018 : ₹5.18 crore ) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

**NOTE-48** Liability in respect of the security deposit collected by the parent company, in terms of applicable regulations, has been classified as non – current, given the nature of its business in the license area, excepting to the extent of the sum refundable / payable within a year, based on experience.

**NOTE-49** The Parent, in the financial statements for the year ended March 31, 2018, had given effect to the composite scheme of arrangement approved by Hon'ble National Company Law Tribunal (NCLT) (the appropriate authority) except for demerger of the Generation Undertaking which shall be effective upon approval of the Hon'ble West Bengal Electricity Regulatory Commission (WBERC) to the Power Purchase Agreement (PPA) between the Parent and Haldia Energy Limited (One of the Scheme Companies) which is awaited.

## Notes forming Part of Consolidated Financial Statements (Contd.)

**NOTE-50 Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in subsidiary companies / Associates / Joint Venture for the year ended 31 March 2019**

₹ in crore

| Sl No. | Name of the Entities  | Country of Incorporation | 31-Mar-19       |                                 | 2018-19         |                                     | 2018-19                             |   | 2018-19                             |   |
|--------|---|--------------------------|-----------------|---------------------------------|-----------------|-------------------------------------|-------------------------------------|---|-------------------------------------|---|
|        |   |                          | Net Assets      | As % of Consolidated Net Assets | Profit          | As % of Consolidated Profit/ (Loss) | Share in Other Comprehensive Income | As % of Consolidated Other Comprehensive Income | Share in Total Comprehensive Income | As % of Consolidated Total Comprehensive Income |
|        | <b>Parent</b>   |                          |                 |                                 |                 |                                     |                                     |   |                                     |   |
|        | CESC Limited  | India                    | 9,764.07        | 108.81%                         | 937.05          | 79.14%                              | (34.25)                             | 74.47%  | 902.80                              | 79.33%  |
|        | <b>Subsidiaries - Indian</b>  |                          |                 |                                 |                 |                                     |                                     |   |                                     |   |
| 1      | Haldia Energy Limited (HEL)   | India                    | 2,268.40        | 25.28%                          | 324.49          | 27.41%                              | (10.94)                             | 23.79%  | 313.55                              | 27.55%  |
| 2      | Dhariwal Infrastructure Limited   | India                    | 423.15          | 4.72%                           | (92.70)         | (7.83%)                             | (0.50)                              | 1.09%   | (93.20)                             | (8.19%)   |
| 3      | Surya Vidyut Limited (SVL) (70% CESC, 30% HEL)                          | India                    | 279.86          | 3.12%                           | 9.43            | 0.80%                               | (0.00)                              | 0.00%   | 9.43                                | 0.83%   |
| 4      | Malegaon Power Supply Limited (formerly Nalanda Power Company Limited ) | India                    | 0.01            | 0.00%                           | (0.01)          | (0.00%)                             | -                                   | 0.00%   | (0.01)                              | (0.00%)   |
| 5      | CESC Projects Limited   | India                    | 4.62            | 0.05%                           | (3.89)          | (0.33%)                             | (0.06)                              | 0.13%   | (3.95)                              | (0.35%)   |
| 6      | Pachi Hydropower Projects Limited                                       | India                    | 1.58            | 0.02%                           | (0.01)          | (0.00%)                             | -                                   | 0.00%   | (0.01)                              | (0.00%)   |
| 7      | Papu Hydropower Projects Limited  | India                    | 0.78            | 0.01%                           | (0.01)          | (0.00%)                             | -                                   | 0.00%   | (0.01)                              | (0.00%)   |
| 8      | Ranchi Power Distribution Company Limited                               | India                    | (3.59)          | (0.04%)                         | (1.49)          | (0.13%)                             | 0.00                                | (0.00%)   | (1.49)                              | (0.13%)   |
| 9      | Kota Electricity Distribution Limited                                   | India                    | 96.26           | 1.07%                           | (47.46)         | (4.01%)                             | (0.04)                              | 0.09%   | (47.50)                             | (4.17%)   |
| 10     | Bharatpur Electricity Services Limited                                  | India                    | 12.84           | 0.14%                           | 1.56            | 0.13%                               | (0.01)                              | 0.02%   | 1.55                                | 0.14%   |
| 11     | Bikaner Electricity Supply Limited                                      | India                    | 74.42           | 0.83%                           | (13.80)         | (1.17%)                             | (0.01)                              | 0.02%   | (13.81)                             | (1.21%)   |
| 12     | Crescent Power Limited (CPL) (67.83% CESC)                              | India                    | 173.00          | 1.93%                           | 30.12           | 2.54%                               | (3.00)                              | 6.52%   | 27.12                               | 2.38%   |
| 13     | CESC Green Power Limited  | India                    | 0.05            | 0.00%                           | (0.00)          | (0.00%)                             | -                                   | 0.00%   | (0.00)                              | (0.00%)   |
| 14     | Jharkhand Electric Company Limited                                      | India                    | 30.12           | 0.34%                           | (0.24)          | (0.02%)                             | -                                   | 0.00%   | (0.24)                              | (0.02%)   |
| 15     | Jarong Hydro Electric Power Company Limited                             | India                    | 1.55            | 0.02%                           | (0.03)          | (0.00%)                             | -                                   | 0.00%   | (0.03)                              | (0.00%)   |
| 16     | Au Bon Pain Café India Limited (93.1% subsidiary of CESC)               | India                    | 0.40            | 0.00%                           | (2.02)          | (0.17%)                             | -                                   | 0.00%   | (2.02)                              | (0.18%)   |
|        | <b>Subsidiaries - Foreign</b>   |                          |                 |                                 |                 |                                     |                                     |   |                                     |   |
| 17     | Bantal Singapore Pte Limited  | Singapore                | 8.26            | 0.09%                           | (0.19)          | (0.02%)                             | 2.86                                | (6.21%)   | 2.67                                | 0.23%   |
|        | Non Controlling interest  |                          | (82.06)         | (0.91%)                         | 14.09           | 1.19%                               | (1.42)                              | 3.09%   | 12.67                               | 1.11%   |
|        | <b>Investment in Associates (Equity Method)</b>                         |                          |                 |                                 |                 |                                     |                                     |   |                                     |   |
| 18     | Noida Power Company Limited   | India                    | 473.21          | 5.27%                           | 69.28           | 5.85%                               | (0.02)                              | 0.04%   | 69.26                               | 6.09%   |
| 19     | NPCL Solar Private Limited  | India                    | -               | 0.00%                           | -               | 0.00%                               | -                                   | 0.00%   | -                                   | 0.00%   |
|        | <b>Investment in Joint Venture (Equity Method)</b>                      |                          |                 |                                 |                 |                                     |                                     |   |                                     |   |
| 20     | Mahuagarhi Coal Company Private Limited                                 | India                    | -               | 0.00%                           | -               | 0.00%                               | -                                   | 0.00%   | -                                   | 0.00%   |
|        | Adjustment  |                          | (4,553.09)      | (50.74%)                        | (40.19)         | (3.39%)                             | 1.40                                | (3.04%)   | (38.79)                             | (3.41%)   |
|        |   |                          | <b>8,973.84</b> | <b>100%</b>                     | <b>1,183.98</b> | <b>100%</b>                         | <b>(45.99)</b>                      | <b>100%</b>                                     | <b>1,137.99</b>                     | <b>100%</b>                                     |

## Note -51 Investment in Associate and Joint Venture

- 1 The Group holds 49.55% stake in Noida Power Company Limited accounted for in Equity method amounting to ₹473.88 crore (31.03.18 : ₹422.72 crore)

The table below provides summarised financial information for Noida Power Company Limited. The information disclosed reflects the amount presented in the financial statements of Noida Power Company Limited and not group's share of those amount

₹ in crore

| Summarised Balance Sheet                    | Noida Power Company Limited |                 |
|---|-----------------------------|-----------------|
|   | 31 March 2019               | 31 March 2018   |
| Non Current assets                          | 1,075.25                    | 988.32          |
| Current assets                              | 320.05                      | 197.76          |
| <b>Total Assets</b>                         | <b>1,395.30</b>             | <b>1,186.08</b> |
| Non current liabilities                     | 254.89                      | 220.37          |
| Current liabilities                         | 378.36                      | 319.51          |
| <b>Total Liabilities</b>                    | <b>633.25</b>               | <b>539.88</b>   |
| <b>Regulatory Deferral Account Balances</b> | <b>192.97</b>               | <b>205.22</b>   |

For Commitment and Contingency - Refer note 32

| Summarised Statement of Profit and Loss   | Noida Power Company Limited |               |
|---|-----------------------------|---------------|
|   | 2018-19                     | 2017-18       |
| Revenue   | 1,546.06                    | 1,375.27      |
| <b>Profit after tax before net movement in Regulatory deferral account balances</b> | <b>152.07</b>               | <b>179.33</b> |
| Net Movement in Regulatory deferral & related Deferred Tax                          | (12.25)                     | (78.97)       |
| <b>Profit after net movement in Regulatory deferral account balances</b>            | <b>139.82</b>               | <b>100.36</b> |
| <b>Total Other Comprehensive Income for the year, net of tax</b>                    | <b>(0.05)</b>               | <b>(0.23)</b> |
| <b>Total Comprehensive Income for the year</b>                                      | <b>139.77</b>               | <b>100.13</b> |
| <b>Group share in profit in associate for the year</b>                              | <b>69.28</b>                | <b>49.73</b>  |
| <b>Group share in OCI in associate for the year</b>                                 | <b>(0.02)</b>               | <b>(0.11)</b> |
| <b>Dividend Received by Parent</b>  | <b>15.00</b>                | <b>7.49</b>   |

- 2 The Group's interests in jointly controlled entity (incorporated joint venture) remains in Mahuagarhi Coal Company Private Limited, which was incorporated in India on 4th April, 2008 and percentage of ownership interest as at 31st March, 2019 stands at 50%. The company was incorporated for the development of Mahuagarhi coal field and exploration of coal therefrom. However the entity, being not material related disclosure has not been given.

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE-52 Fair value measurements

- a) The carrying value and fair value of financial instruments by categories as at March 31 2019 and March 31, 2018 is as follows:

₹ in crore

|  | 31-Mar-19             |               |               | 31-Mar-18             |               |               |
|--|-----------------------|---------------|---------------|-----------------------|---------------|---------------|
|  | Cost / Amortized cost | FVTOCI        | FVTPL         | Cost / Amortized cost | FVTOCI        | FVTPL         |
| <b>Financial assets</b>                            |                       |               |               |                       |               |               |
| Investments  |                       |               |               |                       |               |               |
| - Equity #   | -                     | 38.80         | -             | -                     | 54.96         | -             |
| - Preference shares                                | -                     | 156.88        | 0.86          | -                     | 186.88        | 0.78          |
| - Mutual funds                                     | -                     | -             | 515.03        | -                     | -             | 508.37        |
| Trade Receivables                                  | 1,738.85              | -             | -             | 1,537.40              | -             | -             |
| Loans  | 48.12                 | -             | -             | 46.26                 | -             | -             |
| Cash and cash equivalents                          | 502.56                | -             | -             | 632.17                | -             | -             |
| Bank balances other than cash and cash equivalents | 528.11                | -             | -             | 561.79                | -             | -             |
| Derivative Asset                                   | -                     | -             | 53.02         | -                     | -             | 30.68         |
| Others financial assets                            | 107.16                | -             | -             | 99.84                 | -             | -             |
| <b>Total financial assets</b>                      | <b>2,924.80</b>       | <b>195.68</b> | <b>568.91</b> | <b>2,877.46</b>       | <b>241.84</b> | <b>539.83</b> |
| <b>Financial liabilities</b>                       |                       |               |               |                       |               |               |
| Borrowings   | 14,472.12             | -             | -             | 14,577.75             | -             | -             |
| Trade Payables                                     | 721.41                | -             | -             | 731.69                | -             | -             |
| Security Deposit                                   | 1,484.32              | -             | -             | 1,506.74              | -             | -             |
| Others   | 728.61                | -             | -             | 687.52                | -             | -             |
| <b>Total financial liabilities</b>                 | <b>17,406.46</b>      | <b>-</b>      | <b>-</b>      | <b>17,503.70</b>      | <b>-</b>      | <b>-</b>      |

# excludes investments accounted under equity method

- b) Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method.

₹ in crore

| Financial assets and liabilities measured at fair value | Level 1       | Level 2       | Level 3       | Total fair value | Total carrying amount |
|---|---------------|---------------|---------------|------------------|-----------------------|
| <b>As at 31 March 2019</b>                              |               |               |               |                  |                       |
| <b>Financial assets</b>                                 |               |               |               |                  |                       |
| Investment in equity shares                             | 16.84         | -             | 21.96         | 38.80            | 38.80                 |
| Investment in preference shares                         | -             | -             | 157.74        | 157.74           | 157.74                |
| Investment in liquid mutual fund units                  | 515.03        | -             | -             | 515.03           | 515.03                |
| Derivative financial instrument - cross currency swap   | -             | 53.02         | -             | 53.02            | 53.02                 |
| <b>Total financial assets</b>                           | <b>531.87</b> | <b>53.02</b>  | <b>179.70</b> | <b>764.59</b>    | <b>764.59</b>         |
| <b>As at 31 March 2018</b>                              |               |               |               |                  |                       |
| <b>Financial assets</b>                                 |               |               |               |                  |                       |
| Investment in equity shares                             | 24.73         | 30.23         | -             | 54.96            | 54.96                 |
| Investment in preference shares                         | -             | 186.88        | 0.78          | 187.66           | 187.66                |
| Investment in liquid mutual fund units                  | 508.37        | -             | -             | 508.37           | 508.37                |
| Derivative financial instrument - cross currency swap   | -             | 30.68         | -             | 30.68            | 30.68                 |
| <b>Total financial assets</b>                           | <b>533.10</b> | <b>247.79</b> | <b>0.78</b>   | <b>781.67</b>    | <b>781.67</b>         |

The different levels have been defined below:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data.

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

- i. The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date. The fair value of equity shares are based on net asset value of entity as at reporting date.
  - ii. The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
  - iii. The fair value of preference share is determined on the basis of discounted cash flow wherein future cash flows are based on the terms of preference share discounted at rate that reflects market rate. Significant unobservable input used is discount rate and 0.50% increase / decrease in discount rate would results in decrease / increase in fair value of preference share by ₹1.50 crore. The fair value of equity share is determined on the basis of discounted cash flow (31.03.18 net asset value). Significant unobservable input used is discount rate and growth rate and 0.50% increase / decrease in discount rate and growth rate would result in decrease / increase in fair value of equity share by ₹ 0.19 crore and ₹ 0.04 crore respectively.
  - iv. The carrying amounts of trade receivables, trade payables, investment in commercial paper, receivable towards claims and services rendered, other bank balances, interest accrued payable/receivable, cash and cash equivalents are considered to be the same as their fair values, due to their short term nature.
  - v. Loans, non-current borrowings, lease receivable and security deposits are based on discounted cash flows using a current borrowing rate.
  - vi. Fair Value of financial Instruments which is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts will be reasonable approximation of the fair value.
- d) Ind AS requires all financial assets / liabilities to be carried at fair value. Accordingly the difference between fair value and transaction value has been recognised as per applicable Ind AS.

**NOTE-53** Miscellaneous expenses includes goodwill writeoff amounting to ₹ 2 crore (previous year : Nil) and ₹ 20 crore (previous year : ₹ 31.50 crore) towards contribution under section 182 of the Companies Act, 2013.

## NOTE-54 Related Party and their relationship

### a) Parent- under de facto control as defined in Ind AS -110

Rainbow Investments Limited

### b) (i) Entities under common control

| Name  |
|---|
| Integrated Coal Mining Limited  |
| RPG Power Trading Co Ltd  |
| Philips Carbon Black Ltd.   |
| Harrison Malayalam Limited  |
| STEL Holdings Limited   |
| Dotex Merchandise Pvt. Ltd.   |
| Castor Investment Limited   |
| RP-SG Retail Limited (Subsequently renamed as Spencer's Retail Limited) #           |
| Woodlands Multispeciality Hospital Limited  |
| Sarala Real Estate Limited  |
| Saregama India Ltd  |
| Open Media Network Ltd  |
| Kolkata Games & Sports Private Limited (KGSPL)                                      |
| Kolkata Metro Network Pvt Limited   |
| APA Services Private Limited  |
| Bowlopedia Restaurants India Limited #  |
| CESC Ventures Limited (Formerly known as RP-SG Business Process Services Limited) # |
| Quest Properties India Limited #  |
| Noida Power Company Limited (Associate of Parent)                                   |

# subsidiary of the Parent upto 30th September 2017. Thereafter entity under common control

### (ii) Key Management Personnel

| Name                  | Relationship  |
|-----------------------|---|
| Mr. S. Goenka         | Chairman  |
| Mr. P. Chaudhuri      | Director  |
| Mr. C .K Dhanuka      | Director  |
| Mr. K. Jairaj         | Director  |
| Mr. B .M Khaitan      | Director (upto 23rd May 18)                         |
| Mr. P.K. Khaitan      | Director  |
| Ms. R.Sethi           | Director  |
| Mr. Aniruddha Basu    | Managing Director (upto 27th May 18)                |
| Mr. Debasish Banerjee | Managing Director-Distribution (w.e.f. 28th May 18) |
| Mr. Rabi Chowdhury    | Managing Director-Generation (w.e.f. 28th May 18)   |
| Mr. Subhasis Mitra    | Company Secretary                                   |
| Mr. Rajarshi Banerjee | Executive Director & Chief Financial Officer        |

### (iii) Other Related Parties

| Name  |
|---|
| Ms.Preeti Goenka ( Shareholder and Relative of KMP)                     |
| Mr.Shashwat Goenka ( Shareholder and Relative of KMP)                   |
| Khaitan & Co LLP  |
| Khaitan & Co. (Mumbai)  |
| Khaitan & Co. (New Delhi)   |
| Khaitan & Co. AOR   |
| Khaitan & Co. (Kolkata)   |
| Khaitan Consultants Ltd.  |
| CESC Limited Provident Fund   |
| Calcutta Electric Supply Corporation (I) Ltd. Senior Staff Pension Fund |
| CESC Executive Gratuity Fund  |
| CESC Limited Employee's Gratuity Fund                                   |

# Notes forming Part of Consolidated Financial Statements (Contd.)

## NOTE 54 Related Party and their relationship.....contd

### c) Details of transaction between the Company and related parties and status of outstanding balance

₹ in Crore

| Sl No | Nature of Transactions                   | Parent having Control in terms of Ind AS -110 |           | Entities under common control |           | Key Management Personnel |           | Other Related Parties |           | Total     |           |
|-------|--|---|-----------|-------------------------------|-----------|--------------------------|-----------|-----------------------|-----------|-----------|-----------|
|       |  | 31-Mar-19                                     | 31-Mar-18 | 31-Mar-19                     | 31-Mar-18 | 31-Mar-19                | 31-Mar-18 | 31-Mar-19             | 31-Mar-18 | 31-Mar-19 | 31-Mar-18 |
| 1     | Acquisition of Investment                | -   | -         | -                             | 180.32    | -                        | -         | -                     | -         | -         | 180.32    |
| 2     | Redemption of Preference Share           | -   | -         | 30.00                         | -         | -                        | -         | -                     | -         | 30.00     | -         |
| 3     | Advance for Share Subscription           | -   | -         | -                             | (50.76)   | -                        | -         | -                     | -         | -         | (50.76)   |
| 4     | Short Term Advance paid                  | -   | -         | -                             | 30.77     | -                        | -         | -                     | -         | -         | 30.77     |
| 5     | Short Term Advance Received              | -   | -         | -                             | 7.49      | -                        | -         | -                     | -         | -         | 7.49      |
| 6     | Expense (Reimbursed)/Recovered           | -   | -         | 70.58                         | 20.90     | -                        | -         | -                     | -         | 70.58     | 20.90     |
| 7     | Income from sale/services                | -   | -         | 663.68                        | 619.97    | -                        | -         | -                     | -         | 663.68    | 619.97    |
| 8     | Dividend Received                        | -   | -         | 16.86                         | -         | -                        | -         | -                     | -         | 16.86     | -         |
| 9     | Expenses incurred                        | -   | -         | 540.30                        | 531.93    | -                        | -         | 6.74                  | 7.81      | 547.04    | 539.74    |
| 10    | Provident Fund & Retiral funds           | -   | -         | -                             | -         | -                        | -         | 264.71                | 240.43    | 264.71    | 240.43    |
| 11    | (Sale)/Purchase of Assets                | -   | -         | (0.19)                        | 0.24      | -                        | -         | -                     | -         | (0.19)    | 0.24      |
| 12    | Dividend paid                            | 102.89  | 70.56     | 12.41                         | 8.51      | 0.24                     | 0.16      | 0.26                  | 0.16      | 115.80    | 79.39     |
| 13    | Security Deposit Received                | -   | -         | 0.03                          | 0.02      | -                        | -         | -                     | -         | 0.03      | 0.02      |
| 14    | Remuneration of Key Managerial Personnel | -   | -         | -                             | -         | 13.09                    | 7.46      | -                     | -         | 13.09     | 7.46      |
|       | Short Term Employee Benefits             | -   | -         | -                             | -         | 2.91                     | 1.84      | -                     | -         | 2.91      | 1.84      |
|       | Post Employment Benefits                 | -   | -         | -                             | -         | -                        | -         | -                     | -         | -         | -         |
| 15    | Remuneration of Directors                | -   | -         | -                             | -         | 48.79                    | 33.37     | -                     | -         | 48.79     | 33.37     |
| 1     | Outstanding Balance :                    | -   | -         | 163.54                        | 54.23     | -                        | -         | -                     | -         | 163.54    | 54.23     |
| 2     | Debit                                    | -   | -         | -                             | -         | -                        | -         | -                     | -         | -         | -         |
| 2     | Credit                                   | -   | -         | -                             | -         | 48.19                    | 34.31     | 15.85                 | 15.50     | 64.04     | 49.81     |

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.



## Notes forming Part of Consolidated Financial Statements (Contd.)



- NOTE-55** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹124.20 crore, out of which ₹35.39 crore has been dealt with in the revenue account during the year, on satisfaction of performance obligation. The balance of the said contract liability as at the year-end stood at ₹146.54 crore pending satisfaction of the performance obligation.
- NOTE-56** Consequent to the Scheme of Arrangement done in the previous year (refer note 49), from the current year the Group is primarily engaged in generation and distribution of electricity which is the only reportable business segment in line with the segment wise information which is being presented to the CODM. The Parent is also running a single retail store in the state of Gujarat which is not significant for the CODM and hence not considered as reportable segment.  
The Group primarily operates in India and has all significant assets in India. No disclosure given for geographical segment as it is not material for CODM
- NOTE-57** The Group has reclassified previous year's figures to conform to this year's classification along with other regrouping / rearrangement wherever necessary.

For and on behalf of Board of Directors

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

Kamal Agarwal  
Partner  
Membership No.: 058652  
Kolkata, 17th May, 2019

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

## Major Statistics: 2018 - 2019

|                                  |                                |          |
|----------------------------------|--------------------------------|----------|
| <b>Generating Capacity</b>       | Budge Budge Generating Station | 750 MW   |
|                                  | Southern Generating Station    | 135 MW   |
|                                  | Titagarh Generating Station    | 240 MW   |
| <b>220/132/33 KV Substations</b> | Installed Capacity             | 1440 MVA |
| <b>132/33 KV Substations</b>     | Installed Capacity             | 3027 MVA |
| <b>Distribution Stations</b>     | No. of Stations                | 116      |
|                                  | Transformer Capacity           | 3864 MVA |
| <b>LT Substations</b>            | No. of AC Substations          | 8412     |
|                                  | Transformer Capacity           | 2853 MVA |
| <b>Package Substations (PSS)</b> | No. of Substations             | 114      |
|                                  | Installed Capacity             | 108 MVA  |

### Distribution Network (Circuit Km.)

|                            |              |               |
|----------------------------|--------------|---------------|
|                            | 220 KV UG    | 45 Ckt. Km.   |
|                            | 220 KV OH    | 221 Ckt. Km.  |
|                            | 132 KV UG    | 311 Ckt. Km.  |
|                            | 132 KV OH    | 81 Ckt. Km.   |
|                            | 33 KV UG     | 1534 Ckt. Km. |
|                            | 33 KV OH     | 92 Ckt. Km.   |
|                            | 20 KV UG     | 50 Ckt. Km.   |
| <b>HT Distribution</b>     | 11 & 6 KV UG | 6794 Ckt. Km. |
|                            | 11 & 6 KV OH | 87 Ckt. Km.   |
|                            | 3.3 KV UG    | 21 Ckt. Km.   |
| <b>LT Distribution</b>     | UG           | 7880 Ckt. Km. |
|                            | OH           | 5479 Ckt. Km. |
| <b>HT Capacitor</b>        | 132 & 33 kV  | 590 MVAR      |
|                            | 6 & 11 kV    | 273 MVAR      |
| <b>LT Capacitor (APFC)</b> | 0.4 kV       | 203 MVAR      |

### Additions During the Year

|                           |           |              |                 |
|---------------------------|-----------|--------------|-----------------|
| 220/132/33 KV Substations | 160.0 MVA | LT UG Mains  | 114.10 Ckt. Km. |
| 132/33 KV Substations     | 75.0 MVA  | LT OH Mains  | 73.24 Ckt. Km.  |
| Distribution Stations     | 84.0 MVA  | 220 KV UG    | 0.17 Ckt. Km.   |
| LTAC Substations          | 67.8 MVA  | 220 KV OH    | NIL             |
| Package Substations (PSS) | 14.9 MVA  | 132 KV UG    | 4.26 Ckt. Km.   |
| No. of LT Services        | 12595 Nos | 33 KV UG     | 31.60 Ckt. Km.  |
| No. of HT Services        | 19 Nos    | 6 & 11 KV UG | 141.68 Ckt. Km. |

### Abbreviations

MW - Megawatt, MVA - Megavoltampere, KV - Kilovolt, UG -Underground, OH - Overhead, Ckt. Km. - Circuit Kilometre.

## STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY / ASSOCIATES / JOINT VENTURES

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Account) Rules, 2014

## Part A: Subsidiaries

| Sr No. | Name of the Subsidiary                      | Reporting Period | Share Capital | Other Equity / Reserve & Surplus | Total Assets | Total Liabilities | Investments | Turnover | Profit Before Taxation | Provision for taxation | Profit after Taxation | Proposed Dividend | % of shareholding |
|--------|---|------------------|---------------|----------------------------------|--------------|-------------------|-------------|----------|------------------------|------------------------|-----------------------|-------------------|-------------------|
| 1      | Surya Vidut Limited                         | April- March     | 251.91        | 27.96                            | 878.02       | 878.02            | -           | 127.95   | 12.58                  | 3.14                   | 9.43                  | -                 | 100               |
| 2      | Malegaon Power Supply Limited               | April- March     | 1.35          | (1.34)                           | 0.02         | 0.02              | -           | -        | (0.01)                 | -                      | (0.01)                | -                 | 100               |
| 3      | CESC Projects Limited                       | April- March     | 36.85         | (32.23)                          | 5.54         | 5.54              | -           | -        | (3.89)                 | -                      | (3.89)                | -                 | 100               |
| 4      | Bantal Singapore Pte. Limited \$            | April- March     | 56.68         | (48.43)                          | 8.41         | 8.41              | 7.53        | -        | (0.19)                 | -                      | (0.19)                | -                 | 100               |
| 5      | Ranchi Power Distribution Company Limited   | April- March     | 27.70         | (31.29)                          | 2.46         | 2.46              | -           | -        | (1.49)                 | -                      | (1.49)                | -                 | 100               |
| 6      | Pachi Hydropower Projects Limited           | April- March     | 4.42          | (2.83)                           | 2.60         | 2.60              | -           | -        | (0.01)                 | -                      | (0.01)                | -                 | 100               |
| 7      | Papu Hydropower Projects Limited            | April- March     | 2.82          | (2.04)                           | 0.78         | 0.78              | -           | -        | (0.01)                 | -                      | (0.01)                | -                 | 100               |
| 8      | Au Bon Pain Café India Limited              | April- March     | 116.00        | (115.57)                         | 1.23         | 1.23              | -           | -        | (2.17)                 | -                      | (2.17)                | -                 | 93.10             |
| 9      | Haldia Energy Limited                       | April- March     | 1,203.44      | 1,064.96                         | 7,090.02     | 7,090.02          | 125.71      | 2283.66  | 418.49                 | (94.00)                | 324.49                | -                 | 100               |
| 10     | Dhariwal Infrastructure Limited             | April- March     | 2,242.77      | (1,819.62)                       | 4,214.80     | 4,214.80          | -           | 1162.00  | (92.70)                | -                      | (92.70)               | -                 | 100               |
| 11     | Kota Electricity Distribution Limited       | April- March     | 264.08        | (167.83)                         | 410.76       | 410.76            | -           | 808.16   | (47.46)                | -                      | (47.46)               | -                 | 100               |
| 12     | Bikaner Electricity Supply Limited          | April- March     | 120.05        | (45.63)                          | 275.27       | 275.27            | -           | 486.01   | (13.80)                | -                      | (13.80)               | -                 | 100               |
| 13     | Bharatpur Electricity Services Limited      | April- March     | 20.05         | (7.21)                           | 86.93        | 86.93             | -           | 174.79   | 1.96                   | (0.41)                 | 1.56                  | -                 | 100               |
| 14     | Crescent Power Limited                      | April- March     | 60.00         | 195.06                           | 551.57       | 551.57            | 173.35      | 161.90   | 51.39                  | 6.99                   | 44.41                 | -                 | 67.83             |
| 15     | CESC Green Power Limited                    | April- March     | 0.05          | -                                | 0.05         | 0.05              | -           | -        | -                      | -                      | -                     | -                 | 100               |
| 16     | Jharkhand Electric Company Limited          | April- March     | 32.05         | (1.93)                           | 32.56        | 32.56             | -           | -        | (0.24)                 | -                      | (0.24)                | -                 | 100               |
| 17     | Jarong Hydro-Electric Power Company Limited | April- March     | 2.05          | (0.50)                           | 1.58         | 1.58              | -           | -        | (0.03)                 | -                      | (0.03)                | -                 | 100               |

## Notes:

\$ Converted to Indian Rupees at the Exchange Rate, 1 USD=INR 69.63

For and on behalf of Board of Directors

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

Kolkata, 17th May, 2019

**Statement pursuant to section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

**Part B : Associates and Joint Ventures**

| <b>Name of Associates / Joint Ventures</b>  | <b>Noida Power Company Limited</b> | <b>Mahuagarhi Coal Company Private Limited</b> |
|---|------------------------------------|--|
| Latest audited Balance Sheet Date   | 31/03/2019                         | 31/03/2019                                     |
| Shares of Associate/Joint Ventures held by the company on the year end              | 29728500                           | 2429800  |
| Amount of Investment in Associates/Joint Venture (₹ Crore)                          | 30.63                              | 2.43*  |
| Extend of Holding %   | 49.55%                             | 50%  |
| Description of how there is significant influence                                   | By way of shareholding             | By way of shareholding                         |
| Reason why the associate/joint venture is not consolidated                          | NA                                 | NA   |
| Networth attributable to shareholding as per latest audited Balance Sheet (₹ Crore) | 473.21                             | -  |
| Profit / Loss for the year (₹ Crore)  |                                    |  |
| Considered in Consolidation   | 69.28                              | -  |
| Not Considered in Consolidation   | Nil                                | Nil  |

\* Fully provide for

For and on behalf of Board of Directors

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

Kolkata, 17th May, 2019

## List of Establishments

### GENERATING STATIONS

#### Budge Budge

Vill. & P.O. - Pujali, P.S. Budge Budge  
 24 Parganas (S), Pin : 700138  
 Phone : 2482 1113, 2482 1709  
 2482 2957, 2482 1708

#### Southern

28 Garden Reach Road  
 Kolkata 700 024  
 Phone : 2469 7558, 2469 6886  
 2469 3608, 2469 7557

#### Titagarh

B. T. Road, P.O. Khardah, Titagarh  
 24 Parganas (N), Pin : 700119  
 Phone: 2501 1042, 2501 1180, 2553 3392

#### Investor Service

Secretarial Department  
 CESC House  
 Chowringhee Square  
 Kolkata 700 001  
 Phones:  
 For resident shareholders  
 6634 0814  
 For non-resident shareholders  
 (91) (033) 6634 0814 / 40 909  
 Fax: (033) 2236 3868  
 E-mail: secretarial@rp-sg.in

### REGIONAL OFFICES Central

CESC House  
 Chowringhee Square  
 Kolkata 700 001  
 Phone : 2225 6040 (10 lines)

#### Howrah

433/1G. I Road (N)  
 Howrah 711 101  
 Phone: 2676 5700

#### North

226 A & B APC Road  
 Kolkata 700 004  
 Phone: 2509 6100

#### North Suburban

32 B. T. Road  
 (Opp. Sagar Dutta Hospital)  
 Kolkata 700 058  
 Phone : 6645 4300

#### South

6 Mandeville Gardens  
 Kolkata 700 019  
 Phone: 2485 6100

#### South-West

P-18 Taratolla Road  
 Kolkata 700 088  
 Phone: 2420 5000

In case of supply breakdown billing and  
 payment assistance please contact

**1912**

**44031912**

**1860 500 1912**

### CUSTOMER RELATIONS

CESC House  
 Chowringhee Square  
 Kolkata 700 001  
 Phone : 2225 6040 - 49