

INDEPENDENT AUDITOR'S REPORTTo the Members of **CESC Projects Limited****Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying Ind AS financial statements of **CESC Projects Limited** ("the Company"), which comprise the Balance sheet as at March 31 2021, 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 Ind AS financial statements, including a summary of significant accounting policies and other explanatory information .

In our opinion and to the best of our information and according to the explanations given to us , the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 Ind AS financial statements.

Other Information

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

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

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibility of Management for the Ind AS Financial Statements

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

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

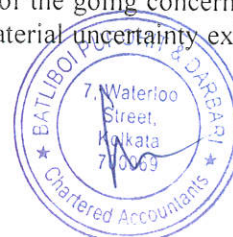
Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 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 does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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



CA Hemal Mehta
Partner
Membership Number: 063404
UDIN:21063404AAAAGA8224



Place: Kolkata
Date: 13th May, 2021

ANNEXURE 1 TO THE INDEPENDENT AUDITORS' REPORT OF CESC PROJECTS LIMITED, FOR THE YEAR ENDED 31ST MARCH 2021
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Fixed assets.
- (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The Company does not own any immovable properties. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.
- (ii) The Company does not have any inventory and accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company;
- (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, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (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) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues in respect of provident fund and income tax and other material statutory dues, as applicable, with the appropriate authorities;
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax which have not been deposited on account of any dispute.
- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.



- (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 fraud / 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 provided to us, managerial remuneration has not been paid or provided by the company during the year.
- (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 **Batliboi, Purohit & Darbari**
Chartered Accountants
ICAI Firm Registration Number: 303086E



Hemal Mehta

CA Hemal Mehta
Partner
Membership Number: 063404
UDIN:21063404AAAAGA8224

Place: Kolkata
Date: 13th May, 2021

**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF CESC PROJECTS 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 Projects Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management 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 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 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 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 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 financial statements.



Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these 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 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 Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, 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 **Batliboi, Purohit & Darbari**
Chartered Accountants
ICAI Firm Registration Number: 303086E



Hemal Mehta

CA Hemal Mehta
Partner
Membership Number: 063404
UDIN:21063404AAAAGA8224

Place: Kolkata
Date: 13th May, 2021

Balance Sheet as at 31st March, 2021

Amount in Rupees

| Particulars | Note | 31 March 2021 | 31 March 2020 |
|--------------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 2 | 37,425 | 42,054 |
| Financial assets | | | |
| i. Loans | 3(a) | 1,48,131 | 3,10,579 |
| Other non-current assets | 4 | 1,14,81,414 | 1,15,18,919 |
| Total non-current assets | | 1,16,66,970 | 1,18,71,551 |
| Current assets | | | |
| Financial assets | | | |
| i. Cash and cash equivalents | 5(a) | 67,44,813 | 1,37,07,501 |
| ii. Loans | 5(b) | 2,26,990 | 2,08,992 |
| iii. Others financial assets | 5(c) | 4,95,03,002 | 3,33,57,533 |
| Current Tax Asset | | 22,62,141 | 28,51,858 |
| Other current Assets | 6 | 1,05,918 | 1,51,823 |
| Total current assets | | 5,88,42,865 | 5,02,77,707 |
| Total assets | | 7,05,09,835 | 6,21,49,258 |
| EQUITY AND LIABILITIES | | | |
| Equity | 7(a) | 41,65,00,000 | 39,15,00,000 |
| Other Equity | 7(b) | (35,54,21,474) | (33,89,97,311) |
| Total equity | | 6,10,78,526 | 5,25,02,689 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Provisions for employee benefits | 8 | 55,71,950 | 43,37,482 |
| Total non-current liabilities | | 55,71,950 | 43,37,482 |
| Current liabilities | | | |
| Financial Liabilities | | | |
| i. Other financial liabilities | 9 | 50,850 | 32,400 |
| Provisions for employee benefits | 10 | 46,296 | 8,98,612 |
| Other current liabilities | 11 | 37,62,213 | 43,78,075 |
| Total current liabilities | | 38,59,359 | 53,09,087 |
| Total liabilities | | 94,31,309 | 96,46,569 |
| Total equity and liabilities | | 7,05,09,835 | 6,21,49,258 |

Significant accounting policies

Notes 1-23 form an integral part of financial statements.

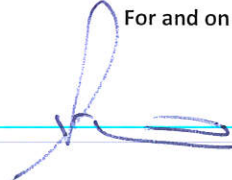
This is the Balance Sheet referred to in our report of even date.

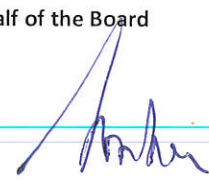
For Batliboi, Purohit & Darbari
Firm Registration Number:303086E
Chartered Accountants

CA Hemal Mehta
Partner
Membership.No. 063404
Place: Kolkata
Date: 13th May, 2021



For and on behalf of the Board


Director


Director

CESC Projects Limited

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

Statement of profit and loss for the year ended 31st March, 2021

Amount in Rupees

| Particulars | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|------|-----------------------------|-----------------------------|
| Other Income | 12 | 1,43,575 | 94,574 |
| Total Income | | 1,43,575 | 94,574 |
| Expenses | | | |
| Employee Benefit Expenses | 13 | 1,37,65,562 | 1,12,52,297 |
| Depreciation and amortisation expenses | 14 | 4,629 | 21,590 |
| Other Expenses | 15 | 27,06,778 | 52,58,031 |
| Total Expenses | | 1,64,76,970 | 1,65,31,918 |
| Profit before tax | | (1,63,33,395) | (1,64,37,344) |
| Tax Expenses | | | |
| Current Tax | | - | - |
| Deferred Tax | | - | - |
| Total tax expenses | | - | - |
| Profit for the year | | (1,63,33,395) | (1,64,37,344) |
| Other comprehensive income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurement of defined benefit plan | | (90,768) | (2,83,917) |
| Income tax relating to above items | | - | - |
| Other comprehensive income for the year, net of tax | | (90,768) | (2,83,917) |
| Total comprehensive income for the year | | (1,64,24,163) | (1,67,21,261) |
| Earning per equity share: | | | |
| Basic earnings per share | 16 | (0.41) | (0.43) |
| Diluted earnings per share | 16 | (0.41) | (0.43) |

Significant accounting policies

Notes 1-23 form an integral part of financial statements.

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

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

Chartered Accountants


CA Hemal Mehta
Partner
Membership.No. 063404
Place: Kolkata
Date: 13th May, 2021



For and on behalf of the Board


Director


Director

Statement of cash flows for the year ended 31st March, 2021

Amount in Rupees

| Particulars | Note | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Profit before income tax from continuing operations | | (1,63,33,395) | (1,64,37,344) |
| Adjustments for: | | | |
| Depreciation and amortisation expenses | 14 | 4,629 | 21,590 |
| Notional income on remeasurement of loans net of amortisation | 12 | 1,965 | (8,008) |
| Notional income on remeasurement of security deposit net of amortisation | 12 | - | (52,500) |
| Loss on sale of Property, Plant & Equipment | 15 | - | - |
| Changes in operating assets and liabilities | | | |
| (Increase) in other financial assets | 5(c) | (1,61,45,469) | (14,42,828) |
| Decrease in non current assets | 4 | 37,505 | 1,059 |
| Decrease in other current assets | 6 | 45,904 | 2,56,967 |
| Decrease in loans | 3(a)&5(b) | 1,42,483 | 37,62,761 |
| Increase in employee benefit obligations | 8 & 10 | 2,91,384 | 5,35,763 |
| Increase in other financial liabilities | 9 | 18,450 | (72,006) |
| (Decrease) in other current liabilities | 11 | (6,15,862) | (2,85,967) |
| Cash generated from operations | | (3,25,52,405) | (1,37,20,513) |
| Income taxes paid | | 5,89,717 | (19,79,636) |
| Net cash outflow from operating activities | | (3,19,62,688) | (1,57,00,149) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | 2 | - | 12,975 |
| Net cash inflow (outflow) from investing activities | | - | 12,975 |
| Cash flows from financing activities | | | |
| Issue of equity shares | 7(a) | 2,50,00,000 | 2,30,00,000 |
| Net cash inflow from financing activities | | 2,50,00,000 | 2,30,00,000 |
| Net increase (decrease) in cash and cash equivalents | | (69,62,688) | 73,12,826 |
| Cash and cash equivalents at the beginning of the financial year | 5(a) | 1,37,07,501 | 63,94,675 |
| Cash and cash equivalents at the end of the year | 5(a) | 67,44,813 | 1,37,07,501 |

Significant accounting policies

Notes 1-23 form an integral part of financial statements.

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

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

CA Hemal Mehta
Partner
Membership.No. 063404
Place: Kolkata
Date: 13th May, 2021



For and on behalf of the Board

[Signature]
Director

[Signature]
Director

CESC Projects Limited

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

(Amount in Rupees, except share and per share data, unless otherwise stated)

Statement of changes in Equity for the year ended 31st March, 2021

Equity Share Capital

| Particulars | Balance as at 01 April, 2019 | Changes in equity share capital during the year 2019-20 | Balance as at 31 March, 2020 | Changes in equity share capital during the year 2020-21 | Balance as at 31 March, 2021 |
|----------------------|------------------------------|---|------------------------------|---|------------------------------|
| Equity Share Capital | 36,85,00,000 | 2,30,00,000 | 39,15,00,000 | 2,50,00,000 | 41,65,00,000 |
| | 36,85,00,000 | 2,30,00,000 | 39,15,00,000 | 2,50,00,000 | 41,65,00,000 |

Other equity

| Particulars | Notes | Share application money pending allotment | Reserves and Surplus | Total |
|---|-------|---|----------------------|----------------|
| | | | Retained Earnings | |
| Balance as at 01 April, 2019 | 7(b) | - | (32,22,76,051) | (32,22,76,051) |
| Profit for the year | 7(b) | - | (1,64,37,344) | (1,64,37,344) |
| Other Comprehensive Income | | - | (2,83,917) | (2,83,917) |
| Total Comprehensive Income for the year | 7(b) | - | (1,67,21,261) | (1,67,21,261) |
| Allotment of shares | | - | - | - |
| Balance as at 31 March, 2020 | 7(b) | - | (33,89,97,311) | (33,89,97,311) |

| Particulars | Notes | Share application money pending allotment | Reserves and Surplus | Total |
|---|-------|---|----------------------|----------------|
| | | | Retained Earnings | |
| Balance as at 01 April, 2020 | 7(b) | - | (33,89,97,311) | (33,89,97,311) |
| Profit for the year | 7(b) | - | (1,63,33,395) | (1,63,33,395) |
| Other Comprehensive Income | | - | (90,768) | (90,768) |
| Total Comprehensive Income for the year | 7(b) | - | (1,64,24,163) | (1,64,24,163) |
| Balance as at 31 March, 2021 | 7(b) | - | (35,54,21,474) | (35,54,21,474) |

Significant accounting policies

Notes 1-23 form an integral part of financial statements.

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

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

CA Hema Mehta
Partner
Membership.No. 063404
Place: Kolkata
Date: 13th May, 2021



For and on behalf of the Board

Director

Director

CESC Projects Limited

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

Note-1: Significant Accounting Policies

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

a) Basis of Accounting

The financial statements have been prepared on the historical cost convention and except for certain financial assets and liabilities are measured at fair value.

b) Use of Estimate

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

c) Property, Plant and Equipment

Tangible Assets are stated at cost of acquisition together with any incidental expenses for acquisition/installation less accumulated depreciation and accumulated impairment loss, if any. Profit and Loss on disposal of tangible assets is recognized in the Statement of Profit and Loss.

An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceeds its fair value or value in use whichever is higher.

Depreciation on tangible assets is provided on written-down value method based on useful life as prescribed under Schedule II to the Companies Act, 2013.

The Company has used the following useful life to provide depreciation on its tangible assets:

| Type of assets | Useful Life (in years) |
|------------------------|------------------------|
| Computer | 3 |
| Furniture and fittings | 10 |
| Office Equipment | 5 |



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

d) Financial Assets

The financial assets are classified in the following categories:

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

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

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

Financial Assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. Interest income from these financial assets is included in other income using the effective interest rate method.

Financial Assets measured at fair value through profit and loss

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

Impairment of Financial Assets

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

e) Cash and cash equivalents

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



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f) Financial liabilities

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

g) Employee Benefits

Contribution to Provident Fund is accounted for on accrual basis and contribution to the fund is maintained with the Regional Provident Fund Commissioner, West Bengal.

The liability recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expenses in the statement of profit or loss.

Re-measurement gains and losses arising from experience adjustments and change in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

h) Taxes

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

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

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



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(Amount in Rupees, except share and per share data, unless otherwise stated)

Note 2: Property, plant and equipment

| Particulars | Office equipment | Total |
|---|------------------|-----------------|
| Gross carrying value | | |
| Deemed cost as at 01 April, 2019 | 8,71,952 | 8,71,952 |
| Additions | - | - |
| Disposals / adjustments | (16,226) | (16,226) |
| Gross carrying amount as at 31 March, 2020 | 8,55,726 | 8,55,726 |
| | | |
| At 01 April, 2020 | 8,55,726 | 8,55,726 |
| Additions | - | - |
| Disposals / adjustments | - | - |
| Gross carrying amount as at 31 March, 2021 | 8,55,726 | 8,55,726 |
| | | |
| Accumulated depreciation | | |
| At April 1, 2019 | 7,95,333 | 7,95,333 |
| Depreciation expense | 21,590 | 21,590 |
| Disposals / adjustments | (3,251) | (3,251) |
| At March 31, 2020 | 8,13,672 | 8,13,672 |
| | | |
| At 01 April, 2020 | 8,13,672 | 8,13,672 |
| Depreciation expense | 4,629 | 4,629 |
| Disposals / adjustments | - | - |
| At 31 March, 2021 | 8,18,301 | 8,18,301 |
| | | |
| Net carrying value 31 March, 2021 | 37,425 | 37,425 |
| Net carrying value 31 March, 2020 | 42,054 | 42,054 |



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(Amount in Rupees, except share and per share data, unless otherwise stated)

Non-current assets

Note 3: Financial assets

3(a): Loans

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|---------------------------|-------------------------|-------------------------|
| Unsecured considered good | | |
| Loans to employees | 1,48,131 | 3,10,579 |
| Total | 1,48,131 | 3,10,579 |

Note 4: Other non current assets

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|------------------------|-------------------------|-------------------------|
| Deferred employee cost | 30,790 | 68,295 |
| Advance to Projects | 1,14,50,624 | 1,14,50,624 |
| Total | 1,14,81,414 | 1,15,18,919 |

Current Assets

Note 5: Financial assets

5(a): Cash and cash equivalents

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks | | |
| - In current accounts | 67,44,813 | 1,36,82,451 |
| Cash in Hand | - | 25,050 |
| Total | 67,44,813 | 1,37,07,501 |

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

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|-----------------------|-------------------------|-------------------------|
| Balances with banks | | |
| - In current accounts | 67,44,813 | 1,36,82,451 |
| Cash in Hand | - | 25,050 |
| Total | 67,44,813 | 1,37,07,501 |

5(b): Loans

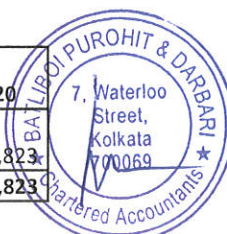
| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|---------------------------|-------------------------|-------------------------|
| Unsecured considered good | | |
| Loans to employees | 1,46,990 | 1,28,992 |
| Security deposit | 80,000 | 80,000 |
| Total | 2,26,990 | 2,08,992 |

5(c): Other financial assets

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|---|-------------------------|-------------------------|
| Receivable towards claims and services rendered | 4,95,03,002 | 3,33,57,533 |
| Total | 4,95,03,002 | 3,33,57,533 |

Note 6: Other current assets

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|--------------------------------------|-------------------------|-------------------------|
| Advances other than capital advances | | |
| Others | 1,05,918 | 1,51,823 |
| Total | 1,05,918 | 1,51,823 |



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(Amount in Rupees, except share and per share data, unless otherwise stated)

Note 7: Equity share capital & other equity

7(a): Equity share capital

| Particulars | As at | As at |
|---|---------------------|---------------------|
| | 31 March, 2021 | 31 March, 2020 |
| Authorised 50,000,000 (31.03.2020: 50,000,000) Equity Shares of Rs 10/- each | 50,00,00,000 | 50,00,00,000 |
| Issued, subscribed and paid-up capital 41,650,000 (31.03.2020: 39,150,000) Equity Shares of Rs 10/- each | 41,65,00,000 | 39,15,00,000 |
| Total | 41,65,00,000 | 39,15,00,000 |

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

| Particulars | As at 31 March, 2021 | | As at 31 March, 2020 | |
|--|----------------------|---------------------|----------------------|---------------------|
| | Number of shares | Rs | Number of shares | Rs |
| Number of shares outstanding at the beginning of the period | 3,91,50,000 | 39,15,00,000 | 3,68,50,000 | 36,85,00,000 |
| Add: Fresh issue of equity shares | 25,00,000 | 2,50,00,000 | 23,00,000 | 2,30,00,000 |
| Number of shares outstanding at the end of the period | 4,16,50,000 | 41,65,00,000 | 3,91,50,000 | 39,15,00,000 |

Terms/rights attached to equity shares

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

Each holder of equity is entitled to one vote per share. In the event of liquidation of the company the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares of the company held by holding company

| Particulars | As at 31 March, 2021 | | As at 31 March, 2020 | |
|-------------------------|----------------------|------|----------------------|------|
| | Number of shares | % | Number of shares | % |
| Name of the shareholder | | | | |
| CESC Limited | 4,16,50,000 | 100% | 3,91,50,000 | 100% |

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

| Particulars | As at 31 March, 2021 | | As at 31 March, 2020 | |
|-------------------------|----------------------|------|----------------------|------|
| | Number of shares | % | Number of shares | % |
| Name of the shareholder | | | | |
| CESC Limited | 4,16,50,000 | 100% | 3,91,50,000 | 100% |



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(Amount in Rupees, except share and per share data, unless otherwise stated)

7(b): Other equity

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|--|-------------------------|-------------------------|
| Retained earnings | | |
| Retained earnings comprise of the Company's prior years' undistributed earnings after taxes. | (35,54,21,474) | (33,89,97,311) |
| Total | (35,54,21,474) | (33,89,97,311) |

Non-Current Liabilities

Note 8: Provisions for employee benefits

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Provision for Leave Encashment | 32,27,656 | 25,60,608 |
| Provision for Gratuity | 23,44,294 | 17,76,874 |
| Total | 55,71,950 | 43,37,482 |

Current Liabilities

Note 9: Financial Liabilities

Other financial liabilities

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|--------------------|-------------------------|-------------------------|
| Audit fees Payable | 50,850 | 32,400 |
| Total | 50,850 | 32,400 |

Note 10: Provisions for employee benefits

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|--------------------------------|-------------------------|-------------------------|
| Provision for Leave Encashment | 27,567 | 5,09,485 |
| Provision for Gratuity | 18,729 | 3,89,127 |
| Total | 46,296 | 8,98,612 |

Note 11: Other current liabilities

| Particulars | As at 31 March, 2021 | As at 31 March, 2020 |
|------------------------|-------------------------|-------------------------|
| Statutory dues payable | 37,62,213 | 43,78,075 |
| Total | 37,62,213 | 43,78,075 |



Note 12: Other income

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|--|-----------------------------|-----------------------------|
| Other non-operating income | | |
| Interest on I Tax | 1,08,024 | - |
| Notional Income on remeasurement of employee loan | 35,551 | 42,074 |
| Notional Income on remeasurement of security deposit | - | 52,500 |
| Total | 1,43,575 | 94,574 |

Note 13: Employee benefit expense

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Salaries and bonus | 1,14,99,642 | 86,07,758 |
| Contribution to provident and other funds | 17,37,836 | 20,38,411 |
| Staff welfare expenses | 4,90,568 | 5,72,062 |
| Employee loan amortised | 37,516 | 34,066 |
| Total | 1,37,65,562 | 1,12,52,297 |

a) Defined Benefit Plan

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

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

| Particulars | Gratuity | | Leave Encashment | |
|--|------------------|------------------|------------------|------------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Actuarial study analysis | | | | |
| Principal actuarial assumptions | | | | |
| Discount rate | 6.85% | 6.58% | 6.85% | 6.58% |
| Range of compensation increase | 5.00% | 5.00% | 5.00% | 5.00% |
| Weighted average duration of the defined benefit plan(in years) | 12.91 | 11.47 | 12.26 | 11.21 |
| Components of statement of income statement charge | | | | |
| Current service cost | 3,77,489 | 3,98,489 | 4,02,296 | 3,72,098 |
| Interest cost | 1,29,344 | 1,19,686 | 1,85,478 | 1,64,027 |
| Recognition of past service cost | - | - | - | - |
| Actuarial (gains) / losses | - | - | 99,924 | 7,08,032 |
| Settlement/curtailment/termination loss | - | - | - | - |
| Total charged to consolidated statement of profit or loss | 5,06,833 | 5,18,175 | 6,87,698 | 12,44,157 |
| Other Comprehensive Income | | | | |
| Actuarial (gains) / losses | 90,768 | 2,83,917 | - | - |
| (Excess) / insufficient return on plan assets (excl. interest income) | - | - | - | - |
| Change in unrecognized assets | - | - | - | - |
| Revaluation of reimbursement right | - | - | - | - |
| Expense / (income) recognized in Other comprehensive income | 90,768 | 2,83,917 | - | - |
| Movements in net liability/(asset) | | | | |
| Net liability at the beginning of the year | 21,66,001 | 18,44,837 | 30,70,093 | 25,71,577 |
| Employer contributions | (4,00,579) | (4,80,928) | (5,02,568) | (7,45,641) |
| Total expense recognised in the consolidated statement of profit or loss | 5,06,833 | 5,18,175 | 6,87,698 | 12,44,157 |
| Total amount recognised in OCI | 90,768 | 2,83,917 | - | - |
| Net liability at the end of the year | 23,63,023 | 21,66,001 | 32,55,223 | 30,70,093 |
| Reconciliation of benefit obligations | | | | |
| Obligation at start of the year | 21,66,001 | 18,44,837 | 30,70,093 | 25,71,577 |
| Current service cost | 3,77,489 | 3,98,489 | 4,02,296 | 3,72,098 |
| Interest cost | 1,29,344 | 1,19,686 | 1,85,478 | 1,64,027 |
| Benefits paid directly by the Group | (4,00,579) | (4,80,928) | (5,02,568) | (7,45,641) |
| Actuarial loss | 90,768 | 2,83,917 | 99,924 | 7,08,032 |
| Defined benefits obligations at the end of the year | 23,63,023 | 21,66,001 | 32,55,223 | 30,70,093 |
| Re-measurements of defined benefit plans | | | | |
| Actuarial gain/(loss) due to changes in financial assumptions | - | - | - | - |
| Actuarial gain/(loss) on account of experience adjustments | - | - | - | - |
| Total actuarial gain/(loss) recognised in OCI | - | - | - | - |
| Calculation Net position | | | | |
| Actuarial present value of retirement pension commitment (DBO) | 23,63,023 | 21,66,001 | 32,55,223 | 35,68,609 |
| Fair value of plan assets | - | - | - | - |
| Net funded status – liability/(asset) | 23,63,023 | 21,66,001 | 32,55,223 | 25,71,577 |
| Net liability / (asset) recognized in Balance Sheet | 23,63,023 | 21,66,001 | 32,55,223 | 25,71,577 |
| Annual comparison | | | | |
| in absolute terms: | | | | |
| Defined benefit obligation (DBO) | 23,63,023 | 21,66,001 | 32,55,223 | 25,71,577 |
| Net funded status | 23,63,023 | 21,66,001 | 32,55,223 | 25,71,577 |
| Estimated Cash Flows (Undiscounted) in subsequent years | | | | |
| 1st Year | 19,360 | 4,01,726 | 28,495 | 5,25,980 |
| 2 to 5 years | 16,56,389 | 13,54,496 | 24,29,802 | 20,48,237 |
| 6 to 10 years | 48,363 | 35,555 | 61,466 | 48,123 |
| Above 10 years | 42,42,640 | 31,25,566 | 53,63,659 | 42,17,301 |
| Change in fair value of plan assets | | | | |
| Contributions made by the company | 4,00,579 | 4,80,928 | 5,02,568 | 7,45,641 |
| Benefits paid | (4,00,579) | (4,80,928) | (5,02,568) | (7,45,641) |
| Fair value of plan assets at the end of the year | - | - | - | - |



ii) Sensitivity analysis of significant assumptions

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

| Particulars | Gratuity | | Leave Encashment | |
|----------------------------|---------------|---------------|------------------|---------------|
| | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
| Discount rate | | | | |
| + 1.00% discount rate | 21,38,596 | 19,83,405 | 29,63,292 | 28,17,334 |
| Corresponding service cost | 3,44,688 | 3,66,902 | 3,74,187 | 3,42,843 |
| - 1.00% discount rate | 26,32,881 | 23,85,721 | 36,04,993 | 33,73,352 |
| Corresponding service cost | 4,16,710 | 4,36,200 | 4,35,302 | 4,07,593 |
| Salary increase | | | | |
| + 1.00% salary growth | 26,25,943 | 23,87,042 | 36,08,069 | 33,75,173 |
| Corresponding service cost | 4,16,053 | 4,36,426 | 4,35,589 | 4,07,808 |
| - 1.00% salary growth | 21,32,995 | 19,79,279 | 29,55,992 | 28,11,614 |
| Corresponding service cost | 3,43,866 | 3,66,186 | 3,73,476 | 3,42,185 |
| Withdrawal rate | | | | |
| + 50.00% withdrawal rate | 23,69,401 | 21,69,069 | 32,64,172 | 30,76,786 |
| Corresponding service cost | 3,78,317 | 3,98,818 | 4,03,045 | 3,72,959 |
| - 50.00% withdrawal growth | 23,56,522 | 21,62,842 | 32,46,116 | 30,63,275 |
| Corresponding service cost | 3,76,643 | 3,98,145 | 4,01,533 | 3,71,219 |
| Mortality rate | | | | |
| + 10.00% mortality rate | 23,64,246 | 21,66,830 | 32,56,784 | 30,71,225 |
| Corresponding service cost | 3,77,662 | 3,98,628 | 4,02,430 | 3,72,231 |
| - 10.00% mortality growth | 23,61,795 | 21,65,169 | 32,53,656 | 30,68,957 |
| Corresponding service cost | 3,77,315 | 3,98,350 | 4,02,161 | 3,71,963 |

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

b) Defined contribution plan

The Company maintains a Provident Fund with the Regional Provident Fund authorities where contributions are made by the Company as well as by the employees. An amount of Rs. 11,40,325 (31 March, 2020– Rs.12,36,319) has been charged off to Statement of Profit and Loss.

Note 14: Depreciation and amortization expense

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Depreciation of property, plant and equipment | 4,629 | 21,590 |
| Total | 4,629 | 21,590 |

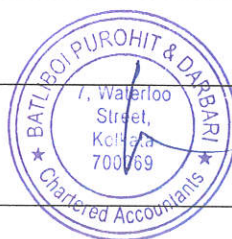
Note 15: Other expenses

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|------------------------------------|-----------------------------|-----------------------------|
| Rates & Taxes | 2,500 | 2,500 |
| Power and fuel | - | 27,593 |
| Travelling and conveyance expenses | - | 97,284 |
| Legal and professional charges | 25,48,840 | 49,58,786 |
| Fees/charges to other authorities | 600 | 34,400 |
| Remuneration to auditors | | |
| - Statutory audit | 53,100 | 53,100 |
| General charges | 1,01,738 | 84,368 |
| Total | 27,06,778 | 52,58,031 |

Note 16: Earnings per share

The calculation of basic earnings per share at 31 March 2021 was based on the loss attributable to equity shareholders of INR (163,15,695) [(Previous year INR (164,37,344))] and a weighted average number of equity shares outstanding (4,00,70,548) (Previous year 3,77,96,849), calculated as follows:

| Particulars | Year ended 31 March 2021 | Year ended 31 March 2020 |
|---|-----------------------------|-----------------------------|
| Face value of equity shares | 10 | 10 |
| Weighted average number of equity shares outstanding | 4,00,70,548 | 3,77,96,849 |
| Profit/ (loss) for the year | (1,63,33,395) | (1,64,37,344) |
| Weighted average earnings per share (basic and diluted) | (0.41) | (0.43) |



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(Amount in Rupees, except share and per share data, unless otherwise stated)

Note 17: Related Party Transaction

(a) Parent entities

The group is controlled by the following entity

| Name | Type | Place of incorporation | Ownership interest | |
|--------------|---------------|------------------------|--------------------|-----------|
| | | | 31-Mar-21 | 31-Mar-20 |
| CESC Limited | Parent Entity | India | 100% | 100% |

(b) Transactions with related party

The following transaction incurred with related party:

| Particulars | 31-Mar-21 | | | 31-Mar-20 | | |
|---|---------------|---------------------------|----------------|---------------|---------------------------|----------------|
| | Parent entity | Fellow subsidiary company | Common Control | Parent entity | Fellow subsidiary company | Common Control |
| Issue of equity shares | 2,50,00,000 | - | - | 2,30,00,000 | - | - |
| Share Application Money | 2,50,00,000 | - | - | 2,30,00,000 | - | - |
| Expenses Recovered: | | | | | | |
| CESC Limited | - | - | - | 46,98,412 | - | - |
| Surya Vidyut Limited | - | - | - | - | - | - |
| Crescent Power Limited | - | - | - | - | - | - |
| Haldia Energy Limited | - | - | - | - | - | - |
| Integrated Coal Mining Limited | - | - | - | - | - | - |
| Kota Electricity Distribution Limited | - | - | - | - | - | - |
| Ranchi Power Distribution Company Limited | - | - | - | - | - | - |
| Kolkata Games & Sports Private Limited | - | - | - | - | - | - |
| Expenses Recoverable: | | | | | | |
| CESC Limited | - | - | - | 55,94,652 | - | - |
| Crescent Power Limited | - | - | - | - | - | - |
| Surya Vidyut Limited | - | - | - | - | - | - |
| Kolkata Games & Sports Private Limited | - | - | - | - | - | - |
| Haldia Energy Limited | - | - | - | - | 6,28,817 | - |
| Kota Electricity Distribution Limited | - | - | - | - | - | - |
| Integrated Coal Mining Limited | - | - | - | - | - | - |
| Expenses Paid: | | | | | | |
| Integrated Coal Mining Limited | - | - | - | - | - | - |

(c) Outstanding balances arising from claims lodged

| Particulars | 31-Mar-21 | 31-Mar-20 |
|--|--------------------|--------------------|
| CESC Limited | 1,52,58,277 | 1,52,58,277 |
| Crescent Power Limited | - | - |
| Surya Vidyut Limited | - | - |
| Haldia Energy Limited | - | 5,75,527 |
| Kota Electricity Distribution Limited | - | - |
| Kolkata Games & Sports Private Limited | 16,08,519 | 16,08,519 |
| Integrated Coal Mining Limited | - | - |
| Total outstanding balances | 1,68,66,796 | 1,74,42,323 |

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

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

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



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(Amount in Rupees, except share and per share data, unless otherwise stated)

Note 18: Financial instruments

a) The carrying value and fair value of financial instruments by categories as at March 31 2020 & March 31, 2019 is as follows:

| Particulars | 31-Mar-21 | | | 31-Mar-20 | | |
|------------------------------|--------------------|----------|----------|--------------------|----------|----------|
| | Amortized cost | FVTOCI | FVTPL | Amortized cost | FVTOCI | FVTPL |
| Financial assets | | | | | | |
| Loans to employees | 3,75,122 | - | - | 5,19,571 | - | - |
| Cash and cash equivalents | 67,44,813 | - | - | 1,36,82,451 | - | - |
| Other financial assets | 4,95,03,002 | - | - | 3,33,57,533 | - | - |
| Total | 5,66,22,937 | - | - | 4,75,59,555 | - | - |
| Financial liabilities | | | | | | |
| Other financial liabilities | 50,850 | - | - | 32,400 | - | - |
| Total | 50,850 | - | - | 32,400 | - | - |

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

Note 19: Financial risk management objective and policies

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

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

- Credit risk
- Liquidity risk
- Market risk

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

A. Credit Risk

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

Cash and cash equivalents

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

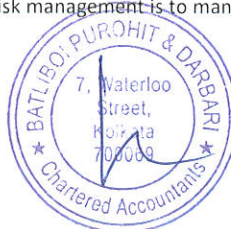
| Particulars | 31-Mar-21 | 31-Mar-20 |
|-------------------------|------------------|--------------------|
| Cash & cash equivalents | 67,44,813 | 1,37,07,501 |
| | 67,44,813 | 1,37,07,501 |

B. Liquidity risk

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

C. Market risk

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



CESC Projects Limited

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

Note 20: Capital Management

a) Risk management

The company objectives when managing capital are to

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

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

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

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

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



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Note 21: The Company is engaged in the business of development of power projects and does not operate in any other reportable segment.

Note 22: Previous year figures have been re-classified/regrouped wherever necessary.

Note 23: Since the Company is yet to commence its Operations, there is no material impact of Covid-19.

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



CA Hemal Mehta
Membership. No. 063404



For and on behalf of the Board



Director



Director

Place: Kolkata

Date: 13th May, 2021