

***Petition for Annual Performance Review for the year 2021-22***

**Volume - 3**

**Annex C1 to C28**

***Submitted to***

**THE HON'BLE WEST BENGAL  
ELECTRICITY REGULATORY COMMISSION**

***by***



**CESC HOUSE  
CHOWRINGHEE SQUARE  
KOLKATA 700 001**

**APR 2021-22**

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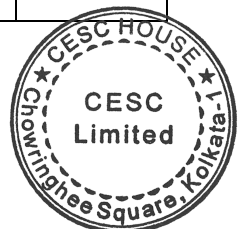
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# SUSTAINABLE energy for all

Smart  
Safe  
Cost-effective  
Low-carbon  
Reliable

Annual Report 2021-22



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## Forward-looking statements

The statements in this 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.



For more information,  
please, visit our corporate website:  
<https://www.cesc.co.in/>

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**The demand of power in India recovered strongly during the year. Electricity demand in India increased by over 100 billion units (BU) — a growth of 8.2% — from 1,276 BU in 2020-21 to 1,380 BU in 2021-22, surpassing the 2019-20 pre- Covid level.**

A common underlying theme of measures taken to maintain high service level to consumers is to prepare the organisation for the future through mindful adoption of digital technologies, data and analytics based solutions – to automate operations for efficiencies and scale, better utilise assets and optimise operating and capital expenditures – with the ultimate goal of moving to an environment where information based decision making is the norm.



# ON AN EPIC JOURNEY OF POWERING LIVES

**We are India's first fully integrated electrical utility company ever since 1899, generating and distributing power.**

We are the sole distributor of electricity within an area of 567sq km of Kolkata, Howrah and adjoining areas and serve 3.5 million consumers which include domestic, industrial, and commercial users. We own & operate two thermal power plants in our licensed area generating 885 MW of power. These are

Budge Budge Generating Station (750 MW) and Southern Generating Station (135 MW) within our licensed area.

Through our subsidiary, Noida Power Company Ltd, we distribute power in Greater Noida, Uttar Pradesh with

a license area of 335 sq. km. We also operate three Distribution Franchisee (DF) in Rajasthan: Kota, Bharatpur and Bikaner. We also won the Distribution Franchisee of Malegaon circle, close to Nashik in Maharashtra, which commenced operations in 2019-20.

## Vision

We will be a profitable consumer oriented power utility consistent with global standards, meeting the expectations of consumers, employees and other stakeholders.

**We will achieve this vision by:**

### Achieving

efficiency of operations and further developing core competencies.

### Readjusting

the business consistent with the changing environment, technologically and commercially.

### Maintaining

a rewarding and stimulating organisational climate with people orientation.

### Reaffirming

faith in the organisation's ethics and values developed in course of our long existence.

### Harnessing

and developing our professional competence.

### Being

responsive to social requirements.

## Mission

We will meet consumer's expectations continuously by providing safe, reliable and economic electricity through optimisation of available resources.

### Accomplishing

targetted performance in the key result areas of our business operations.

### Enhancing

consumer satisfaction through value addition to service supported by a consumer feedback monitoring system.

### Improving

work environment and helping employees for personal development and career satisfaction through an interactive approach.

### Being Recognised

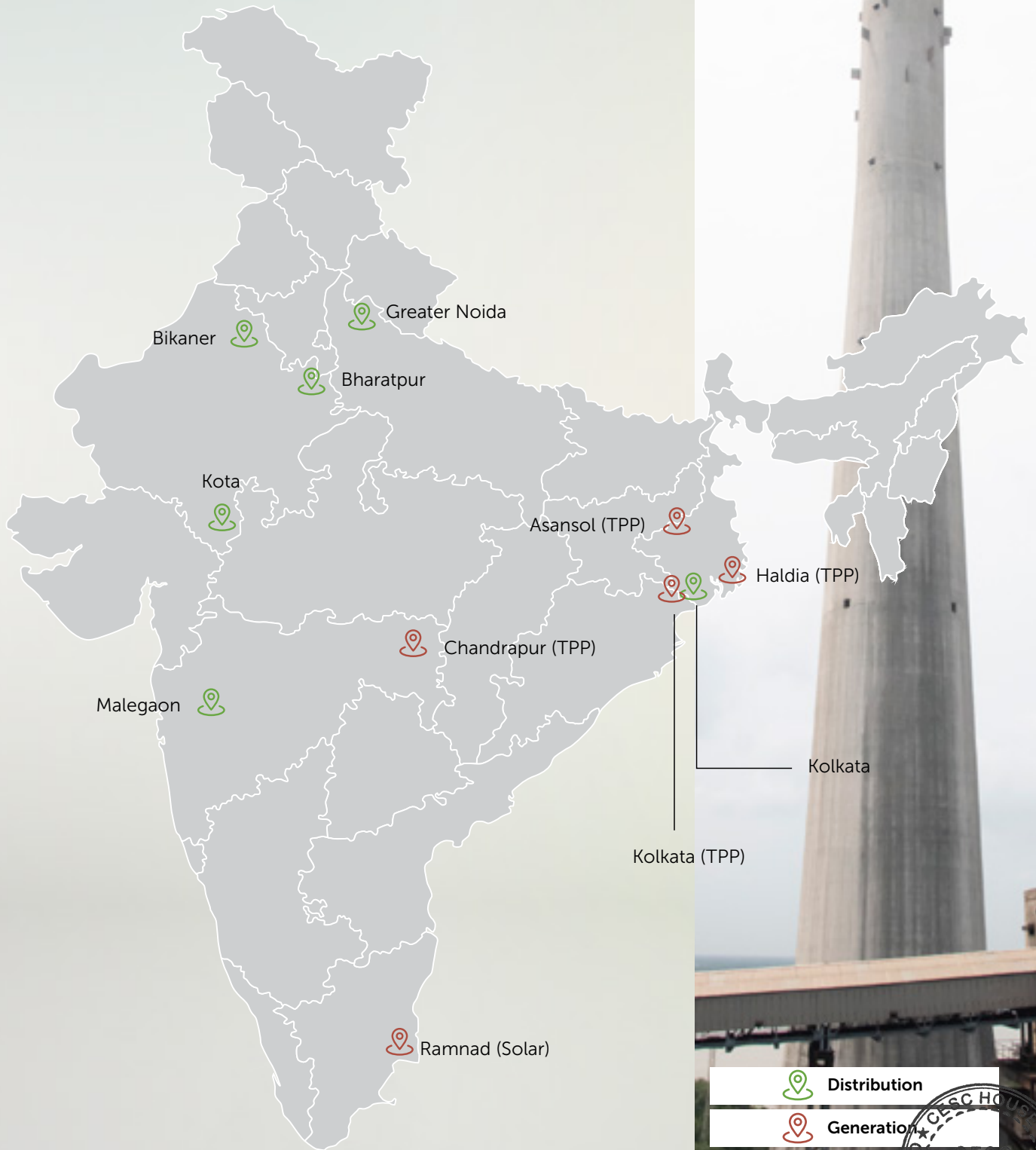
as an ethical and environmentally responsive organisation.





We currently handle more than **~4 Mn** customers across **6** locations in India.



# ILLUMINATING LIVES ACROSS INDIA



Map not to scale. Only for representation purpose

-  Distribution
-  Generation



Our operating capacities

**1485 MW**

For Kolkata operations -  
including capacity of Haldia plant



**658 MW**

Other Generation capacity

**23468  
circuit kms**

Distribution network (Kolkata  
operations)

**ISO 9001**

Quality Management System

**ISO 14001**

Environmental Management System

**ISO 45001**

Occupational Health and Safety Management  
System

**ISO 50001**

Energy Management System

**ISO 27001**

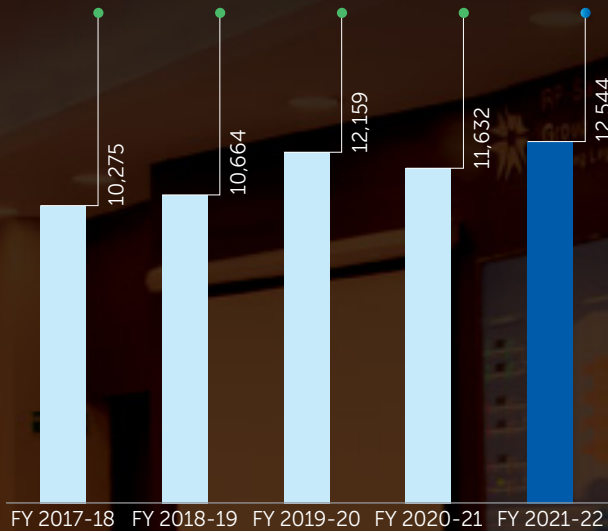
Cyber Crisis Management Plan

Certifications

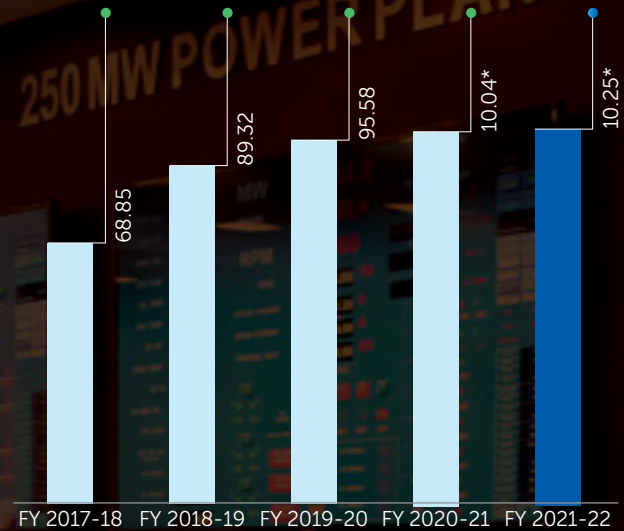


# OUR SUCCESS STORY - IN NUMBERS (CONSOLIDATED)

**Revenue from operations**  
(₹ Crore)

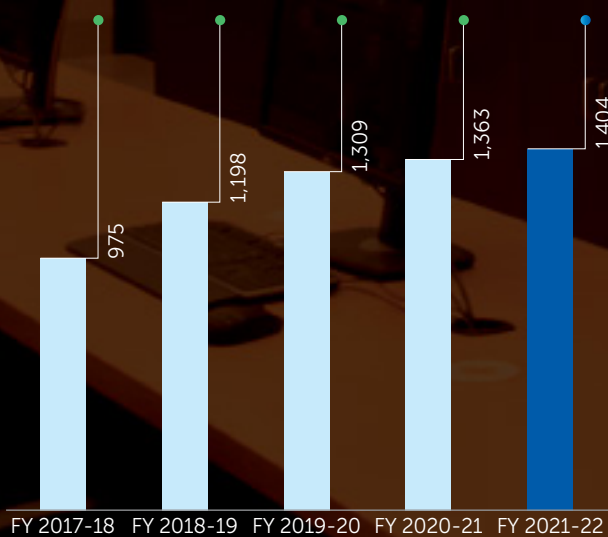


**EPS**  
(in ₹)

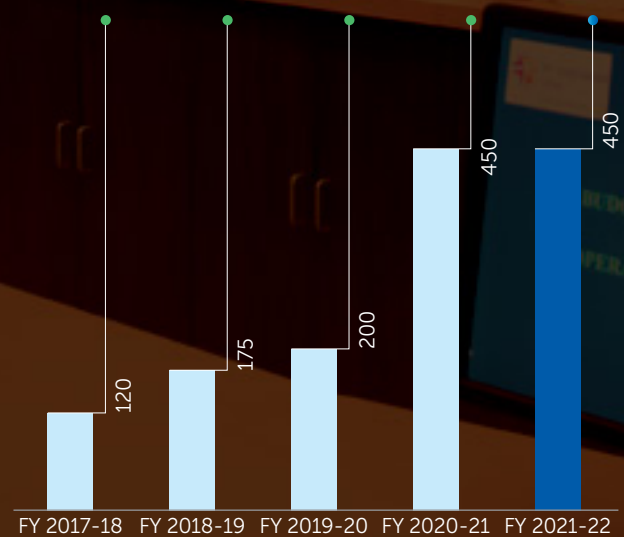


\*Share split from ₹ 10 per share to ₹ 1 per share w.e.f September 21, 2021

**PAT**  
(₹ Crore)



**Dividend**  
(In %)



# AWARDS AND ACCOLADES



IEEE Milestone for heralding the era of electricity in the Indian subcontinent

Haldia stood 1st runner-up at the 14th CII (ER) Energy Conservation Awards, 2021.

Haldia received a Certificate of Appreciation at the 1st FICCI Industry 4.0 Awards for its digital transformation projects.

Budge Budge won the Energy & Environment Foundations Global Water Awards 2021 and was recognised as 'Global Water Conservation Company of the Year'.

Budge Budge won the Aqua Foundations Excellence Awards 2021 in the category of Water Management – Private Sector.

CESC won Independent Power Producers Association of India (IPPAI) Power Awards 2022 for the Project "Implementation of Smart Pillar Box in LT Distribution System".

In recognitions, of its efforts, CESC was adjudged the winner of the 'Best Distribution Company to promote Consumer Awareness and also received award in the category "Innovation in Energy Conservation" at the IPPAI Power Awards 2022.

ASSOCHAM Energy Meet Excellence Awards 2022 for 'Push Alert: An In-house Vendor-Agnostic Solution for Real-time System Disturbance Analysis on Mobility Platform' in the category "Innovation in Energy Solution",

Budge Budge & Southern Generating Stations received 'Gold' and 'Silver' awards at the 3rd ICC National Occupational Health & Safety Awards 2021, Budge Budge also won 'Gold' prize in Power Sector at the 9th FICCI Safety System Excellence Awards, 'Gold' prize at the 11th EXCEED Occupational Health & Safety Awards 2021 and a Global award for outstanding achievement in practicing excellent workplace culture in Health & Safety at the Energy & Environment Foundations Global Awards on Safety.





# CHAIRMAN'S MESSAGE



**CESC's distribution infrastructure serves 3.5 million customers in Kolkata, Howrah, Hooghly, North and South 24 Parganas. In 2021-22, some 1.5 lakh meters were installed, of which over 97,000 were new connections.**



## Dear Shareholder

After a terrible 2020-21 when the devastating Covid-19 waves, lockdowns and Super Cyclone Amphan affected your Company's operations as well as its financial results, I am happy to share with you that things have returned to normal in 2021-22.

This reversion to normalcy was due to three factors.

First, though the third Omicron wave spread far and wide, its effects were far more muted than its devastating predecessor, the Delta.

Second, though we started late, India's vaccination programme has been a resounding success. As a nation, we have already administered almost 193 crore doses of the vaccine. Over 100 crore people have had their first dose; almost 89 crore have had their second dose; and some 3.4 crore have had their precautionary shot after two doses. In terms of size, scale and sheer geographical spread, it is an achievement of a kind that the world has never seen. The relatively restricted effects of Omicron had much to do with the protection that vaccination gave to our citizens.

The third factor was the speed at which your Company's management and employees re-gearred its efforts and work practices to get back to delivering the kind of performance that people associate with CESC. Despite the effects of yet another cyclone — Yaas, which occurred in May 2021 — your Company was much better prepared with the right technology, systems and processes to operate under such stressful conditions. It also ensured 100% vaccination of its permanent and contract employees at the earliest, which further reduced the risks of operating an essential service that supplies 24x7 electricity to 3.5 million customers.

Therefore, despite the challenges of Covid-19 and Cyclone Yaas, your Company reported credible results for 2021-22. The key features are:

- Total standalone income (including other income) of your Company increased by 5.3% to ₹ 7,479 crore in 2021-22. It is to be noted that this growth occurred notwithstanding the fact that electricity tariffs remained unchanged throughout the year.

- Although costs increased in part due to higher fuel costs, profit before taxes (PBT), after incorporating regulatory income, grew by 23.2% to ₹ 1,044 crore.
- Profit after taxes (PAT) was ₹ 814 crore in 2020-21 and ₹ 816 crore in 2021-22.

Further details are available in the chapter on Management Discussion and Analysis.

Let me now briefly touch upon some elements of the business performance your Company's (i) Kolkata operations, (ii) other generation projects, and (iii) other distribution ventures.

For the Kolkata operations, your Company generated 10,003 million units (MU), out of which over 98% came from the 750 MW generating station at Budge Budge and the 600 MW generating station at Haldia.

Budge Budge and Haldia have consistently excelled in operating efficiencies, energy conservation, quality systems and processes.



officially certified with respect to Quality Management Systems, Environment Management Systems, Occupational Health and Safety Management Systems and Energy Management Systems. Moreover, Haldia received the 1st runner-up prize at the 14th CII (ER) Energy Conservation Awards, 2021.

Your Company has set stringent environmental standards for its generation plants. In addition, I am happy to inform you that there are now over one lakh trees planted at both Haldia and Budge Budge; and over 30% of the plant area at Haldia is now under green cover. Our environmental initiatives have been recognised. During the year, Budge Budge won the 15th ICC Environment Excellence Awards (2021) for the Power Sector.

CESC's distribution infrastructure serves 3.5 million customers in Kolkata, Howrah, Hooghly, North and South 24 Parganas. In 2021-22, some 1.5 lakh meters were installed, of which over 97,000 were new connections. The average time taken to provide a new connection was 1-2 days. Distribution losses have consistently reduced over the last few years, and continued to do so in 2021-22.

Your Company has achieved high degree of automation through investments in technology and equipment. It has a fully functional SCADA system along with ring main unit automation and remote terminal unit integration for remote monitoring and control of its network.

My personal favourite for the year has been the introduction of an IoT-based 'Water level Indicator' in roadside pillar boxes in waterlogged areas to automatically sense inundation and trigger messages to the control room to take pre-emptive actions. This will ensure greater public safety. I was delighted when we won the Independent Power Producers Association of India (IPPAI) Power Awards 2022 for this project.

Outside of the Kolkata operations, your Company has two thermal power

projects with a capacity of 600 MW at Chandrapur (Maharashtra) and 40 MW atmospheric fluidised bed combustion power plant in Asansol (West Bengal). In addition, it has an 18 MW DC solar power project at Ramanathapuram (Tamil Nadu). Chandrapur and Ramanathapuram have long term power purchase agreements, while Asansol operates in the merchant power market.

Also, other than the Kolkata operations, your Company has five operational distribution ventures. These are for Greater NOIDA (Uttar Pradesh); Kota, Bharatpur and Bikaner (Rajasthan); and Malegaon (Maharashtra). In 2021-22, together these five serviced almost 7.2 lakh consumers and accounted for electricity sales of 4,965 MU — showing a creditable growth of 13.5% vis-a-vis 2020-21.

I am proud of your Company's human resources and the programmes that it conducts to institutionalise best-in-class HR practices. For instance, in 2021-22 alone, it carried out more than 300 training programmes covering over 6,000 man-days. Its Asia Institute of Power Management, the ISO 9001-2015 certified training and consulting wing of CESC, has established itself in the training of power professionals.

I am delighted to inform you that your Company received the prestigious Great Place to Work (GPTW) Certification for the third time in a row. It also featured among 'India's 100 Best Companies to Work For' and 'India's Best Workplaces in Energy, Oil & Gas' by GPTW for 2021.

For all the travails that we have suffered in the recent past, India is set to achieve anywhere between 6% and 7% real GDP for the next five to seven years. That will make it the fastest growing country among all large emerging nations, including China. In such a milieu, one can be confident about growing power demand — and, with it, rising income for your Company.

There is, however, one short- to medium-term constraint. It has to do

# 30%

over 30% of the plant area at Haldia is now under green cover. Our environmental initiatives have been recognised. During the year, Budge Budge won the 15th ICC Environment Excellence Awards (2021) for the Power Sector.

with rapidly rising cost of fuel — recently brought about by the Russia-Ukraine conflict but also on account of longer term demand-supply factors. In such a scenario, it is vital that power producers and distributors be able to expeditiously pass on purely the element of higher fuel cost through tariffs. Unfortunately, while this forms a part of each power supply contract, we still see reluctance of state governments and regulators to give their assent in a timely manner. This, in turn, negatively affects the financial results of power producers. I hope we will see considerably less of this reluctance in the years to come.

Notwithstanding this limitation, I am optimistic of the future of power generation and distribution in India. As I am of your Company, I, therefore, look forward to an era of even stronger growth, greater revenues and higher shareholder value.

One last comment. Just because the Omicron wave was mild, it doesn't mean that Covid-19 is over. The virus mutates, and we can expect other waves in the future. Therefore, be fully vaccinated. Take your precaution shots. Maintain social distance and sanitation. And wear your masks, especially when outside. Be safe. Because your family deserves it.

With my best wishes,  
Yours sincerely,

**Dr. Sanjiv Goenka**  
Chairman



# OUR ROADMAP TO ESG

**As environment, social and governance (ESG) gain prominence, our ESG agenda reflects the role and responsibilities we undertake to meet our ESG priorities. Aligned to our ESG goals, we believe our transparency and accountability enable us to address the challenges that are relevant in an ever-challenging business environment.**





## Environment

Our areas of focus for environment management are:

- a) Steps to counter climate change.
- b) Water Management.
- c) Air Quality.
- d) Waste Management.
- e) Biodiversity.

Following are some of the developments on leadership in Green Buildings:

### 2015 CESC House

First Heritage Building to be certified as "LEED Platinum" under v4.1 Dynamic Arc Platform in Nov 2020

### 2018 Haldia Administrative Building

Certified "IGBC Platinum" green building under O&M category in Jan 2018

### Chakmir substation

First Substation to be certified as "IGBC Platinum" under O&M Category in Jan 2018

### 2018 NPCL Customer Care Office

Certified as "LEED Gold" under NC Category in Aug 2018

### 2018 NPCL Corporate Office

Certified as "LEED Gold" under NC Category in Aug 2018

### 2022 CESC Park Circus Substation

India's first certified LEED Gold Distribution station under v4.1 Dynamic Arc Platform in 2022

**3**  
million sq. ft

of Green Building certified spaces





### Social

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

#### CESC – An employer of Choice

## Great Place to Work (GPTW) Certification

third time in a row

## Amongst India's 100 Best Companies

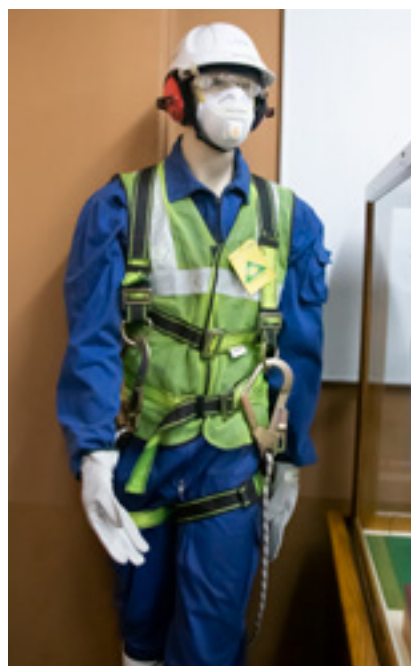
to work for.

## Amongst India's Best Workplaces

in Energy, Oil and Gas

### Building a safety culture

The central Safety Cell has been instrumental in implementing safe work procedures as well as monitoring and control of any unsafe situations in line with its corporate safety manual and internal safety standards for critical work. Job site audits, safety 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.



### Strengthening communities

Despite challenging times, CESC remained steadfast in its commitment to social development and towards fulfilling its CSR responsibilities. It is focused on improving the quality of life in the communities where it operates through projects based on identified needs around education, child protection, healthcare, water and sanitation, livelihood generation and skill development.

#### Focus areas:

-  Education & Child Protection
-  Healthcare
-  Clean Drinking Water, Sanitation and Hygiene
-  Skill Development and livelihood generation

**₹ 20.70 Crore**

Spent on CSR projects

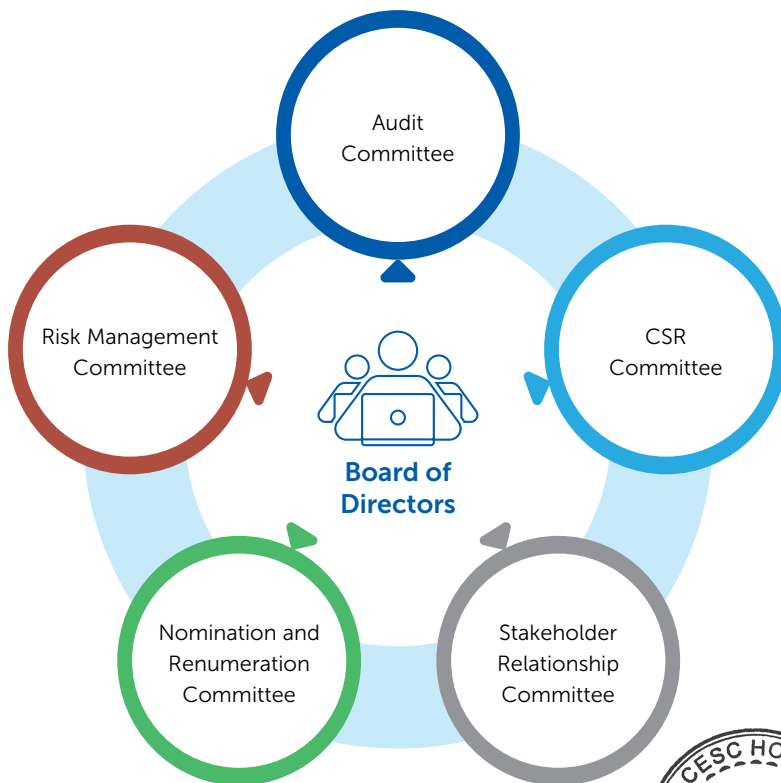




**Governance**

CESC strives to maintain the highest standards of Corporate Governance keeping in view the international codes of Corporate Governance and practices of well-known global companies. The Company has established systems, processes, procedures and policies to ensure that its Board of Directors are well informed and well equipped to discharge overall responsibilities and provide management with the strategic direction catering to exigency of long term shareholders value. Its initiatives towards adhering to highest standards of governance includes self-governance, professionalization of the Board, fair and transparent process and reporting system.

Our Corporate Governance framework is guided by our core values – Sustainability, Customer first, Execution Excellence, Credibility, Agility, Risk taking and Humanness.



# BOARD OF DIRECTORS



**Dr. Sanjiv Goenka**  
Chairman



**Mr. Shashwat Goenka**  
Vice-Chairman



**Mr. Pradip Kumar Khaitan**  
Non-Executive Non-Independent Director



**Mr. Chandra Kumar Dhanuka**  
Independent Director



**Ms. Rekha Sethi**  
Independent Director



**Mr. Pratip Chaudhuri**  
Independent Director





**Mr. Sunil Mitra**  
Independent Director



**Mr. Debanjan Mandal**  
Independent Director



**Mr. Rabi Chowdhury**  
Managing Director (Generation)



**Mr. Debasish Banerjee**  
Managing Director (Distribution)





# CORPORATE INFORMATION

## Board of Directors

Dr. Sanjiv Goenka  
Mr. Shashwat Goenka  
Mr. Pradip Kumar Khaitan  
Mr. Chandra Kumar Dhanuka  
Ms. Rekha Sethi  
Mr. Pratip Chaudhuri  
Mr. Sunil Mitra  
Mr. Debanjan Mandal  
Mr. Rabi Chowdhury  
Mr. Debasish Banerjee

## Company Secretary

Mr. Jagdish Patra

## Executive Director & CFO

Mr. Rajarshi Banerjee

## Auditors

S. R. Batliboi & Co. LLP

## Solicitors

Khaitan & Co.  
Sandersons & Morgans

## Debenture Trustee

IDBI Trusteeship Services Limited

## 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@rpsg.in  
Website: www.cesc.co.in

## Bankers

Axis Bank Limited  
Bank of Baroda  
Central Bank of India  
Citibank N.A.  
DBS Bank India Limited  
The Federal Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited  
IDFC First Bank Limited  
Indian Bank  
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  
Yes Bank Limited

## Registrar and share Transfer Agent (RTA)

Link Intime India Private Limited



# CESC Limited

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

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

E-mail: [secretarial@rpsg.in](mailto:secretarial@rpsg.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-fourth Annual General Meeting (AGM) of the Members of CESC Limited will be held on **Friday, July 29, 2022 at 10.30 a.m.**, Indian Standard Time (IST), through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of:

- the audited financial statements of the Company for the financial year ended March 31, 2022 and the Reports of Board of Directors and Auditors thereon, and
- the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and the Reports of the Auditors thereon.

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

#### "RESOLVED THAT:

- the audited financial statements of the Company for the financial year ended March 31, 2022 and the reports of Board of Directors and Auditors thereon, as circulated to the Members, and
- the audited consolidated financial statements of the Company for the financial year ended March 31, 2022 and reports of the Auditors thereon, as circulated to the Members,

be and are hereby considered and adopted."

#### 2. Confirmation of payment of Interim Dividend for the financial year ended March 31, 2022.

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the Interim Dividend @ 450% (i.e. ₹ 4.50/- per share on 1,32,55,70,430 Equity Shares) paid to the shareholders for the Financial Year ended March 31, 2022, be and is hereby noted and confirmed."

#### 3. Re-appointment of Mr. Debasish Banerjee who retires by rotation as a Director.

To consider and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary**

#### Resolution:

"RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, read with Articles of Association of the Company, Mr. Debasish Banerjee (DIN: 06443204) who retires by rotation at this meeting, be and is hereby re-appointed as a Director of the Company."

#### 4. Re-appointment of the Auditors of the Company for a second term of five years.

To consider, and if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to Section 139 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time M/s. S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration Number 301003E/E300005), be and are hereby re-appointed as Auditors of the Company for a second term of five (5) consecutive years to hold office from the conclusion of this forty-fourth (44th) Annual General Meeting (AGM) till the conclusion of the forty-ninth (49th) AGM of the Company at such remuneration (plus goods and services tax and reimbursement of out of pocket expenses) as may be decided by the Board of Directors from time to time."

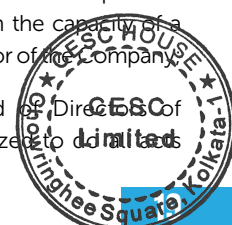
### SPECIAL BUSINESS

#### 5. Continuation of Directorship of Mr. Pradip Kumar Khaitan as Non-Executive, Non-Independent Director of the Company.

To consider and if thought fit, to pass, with or without modification(s) the following resolution 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, (including any statutory modification(s) thereof), for the time being in force, approvals and recommendations of the Nomination and Remuneration Committee, and that of the Board of Directors, approval of members of the Company be and is hereby accorded to the continuation of Directorship of Mr. Pradip Kumar Khaitan (DIN: 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 such



and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution.”

**6. Creation of Charge / Security on the movable and immovable properties of the Company.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution 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”) and the Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (“the Board” which term shall be deemed to include any committee thereof) to create charges, mortgages, hypothecations and / or otherwise encumber all or any of the properties of the Company, whether immovable and/or movable, and whether present or future and wheresoever the same may be situated in favour of:

- a) Bank of Baroda for a term loan of ₹ 300 crore;
  - b) State Bank of India for a term loan of ₹ 300 crore;
  - c) Union Bank of India for a term loan of ₹ 300 crore;
- (banks named in (a) to (c) above hereinafter collectively referred to as ‘lenders’)
- d) any Public Financial Institution within the meaning of Section 2(72) of the Act and / or any Scheduled Bank as defined in Section 2(e) of the Reserve Bank of India Act, 1934 and / or any other bank or lender and / or any institution / corporation controlled by the Central and / or State Governments or by any combination thereof (hereinafter collectively referred to as ‘future lenders’) for their respective financial assistance, for an aggregate sum not exceeding ₹1000 crore which may, in future, be sanctioned to the Company in one or more instalments for any purpose and in any form including by way of term loan and / or refinance loan and / or foreign currency assistance and / or debentures and/or other debt securities and / or fund and / or non- fund based working capital facility (hereinafter collectively referred to as ‘Financial Assistance’);

to secure the aforesaid term loans and Financial Assistance with agreed interest, charges, expenses, front-end fees and all other monies payable by the Company to the lenders / future lenders in terms of their facility agreement, hypothecation agreement, debenture trustee agreement or any other agreement or any amendments thereto entered into / to be entered into by the Company with such lenders / future lenders so that the mortgage and / or charge may be created by the Company over and in respect of its properties in favour of the said lenders / future lenders 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 said lenders / future lenders;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds things and matters to finalize and execute all such agreements, instruments and documents with all or any of the said lenders / future lenders for creating the aforesaid mortgages and / or charges as may be required from time to time and to delegate all or any of its powers herein conferred to a committee constituted/ to be constituted by the Board and/or to any member of such committee with power to the said committee to sub-delegate its powers to any of its members and/or to any officers or employee of the Company for the purpose of giving effect to the above resolution.”

**7. Ratification of the remuneration of Cost Auditors for the financial year ending March 31, 2023.**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of ₹8,00,000 (plus applicable goods and services tax and reimbursement of out of pocket expenses) to be paid to M/s Shome & Banerjee, Cost Accountants, the Cost Auditors of the Company, as approved by the Board of Directors of the Company, for conducting the audit of cost records for the Financial Year ending March 31, 2023, be and is hereby ratified.”

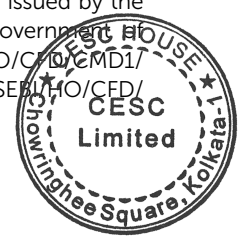
By Order of the Board of Directors

**Jagdish Patra**

Place: Kolkata Company Secretary and Compliance officer  
Date: May 13, 2022 (ICSI Membership No. FCS 5320)

**NOTES:**

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 ('the Act') in respect of the Special Business to be transacted at the AGM is annexed hereto.
2. A) Pursuant to the General Circular numbers 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively, issued by the Ministry of Corporate Affairs (MCA) Government of India, and Circular numbers SEBI/HO/CFD/CMD17/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/



CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM during the period upto December 31, 2022 through Video Conferencing (VC) / Other Audio-Visual Means (OAVM).

## B) AGM through VC/OAVM

- i. Members are requested to join the AGM on Friday, July 29, 2022 through VC/OAVM mode latest by 10.00 A.M. IST by clicking on the link <https://www.evoting.nsdl.com> under members login, where the EVEN (E-voting Event Number) of the Company will be displayed, by using the remote evoting credentials and following the procedures mentioned later in these Notes. The said process of joining the AGM will commence from 9.30 A.M. IST and may be closed at 10.45 A.M. IST, or, soon thereafter.
  - ii. The facility of attending the AGM will be made available for upto 1000 members on a first-come-first served basis.
  - iii. Members who would like to express any views, or, during the AGM ask questions may do so, by sending their views or questions in advance in writing, as may be, along with their name, DP ID and Client ID number/folio number, email id and mobile number, to reach the Company's email address at [cescagm2022@rpsg.in](mailto:cescagm2022@rpsg.in) latest by Monday, July 25, 2022 by 5.00 p.m. (IST).
  - iv. When a pre-registered speaker is invited to raise at the AGM, his/her questions, already emailed in advance as requested in para (iii) above, but he / she does not respond, the turn will go to the next pre-registered speaker to raise his/her questions. Accordingly, all speakers are requested to get connected to a device with a video camera along with stable internet speed.
  - v. The Company reserves the right to restrict the number of questions/speakers, as appropriate, for smooth conduct of the AGM.
3. 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 the shares of the Company held by them in physical form.
  4. The Register of Members of the Company will remain closed from July 22, 2022 to July 29, 2022, both days inclusive.
  5. All documents referred to in the Notice are put up on the Company's website and can be accessed at <https://www.cesc.co.in>.
  6. **Instructions for attending the AGM**
    - i. In view of the outbreak and continuance of the COVID-19 pandemic, social distancing norm has to be followed and pursuant to the Circulars, physical attendance of the members at the AGM is not required and AGM has to be held through VC/ OAVM. Hence, members can attend and participate at the ensuing AGM only through VC/OAVM as mentioned in Note 2(B) above as arranged by the Company along with National Securities Depository Limited (NSDL).
    - ii. Members may access NSDL e-Voting system by following the steps mentioned above and after successful login, they will be requested to click on VC/OAVM link placed under "Join General Meeting" menu against the Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed.
    - iii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
    - iv. Since the AGM will be held through VC/ OAVM, where physical attendance of members has been dispensed with, there is no requirement of proxies and hence, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Bodies Corporate are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Scrutinizer by e-mail at [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
    - v. The facility of participation at the AGM through VC/OAVM will be made available for upto 1000 members on first come first served basis. This will not include Large Members (i.e. Members holding 2 % or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without any restriction on account of first come first served basis.
    - vi. In compliance with the Circulars, Notice of the AGM along with the Annual Report for the year 2021-22 are being sent only through electronic mode to those Members whose email addresses are registered with the Company or Central Depository Services Limited / National Securities Depositories Limited ("Depositories"). Members may note that the Notice and Annual Report for the year 2021-22 will also be available on the Company's website <http://www.cesc.co.in> and websites of the Stock Exchanges where the shares of the Company are listed.



- i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively. Additionally, Notice of the AGM will also be available at <https://www.evoting.nsdl.com>.
- vii. Members whose email addresses are not registered as above can register the same in the following manner:
- Members holding share(s) in physical mode are requested to send the following details for registration of their email id: Folio No., Name of shareholder, Mobile no., email id, Bank Account details such as Bank and Branch name, Account no. and IFSC Code and self-attested scanned copy of PAN card by email to CESC Limited at [cescagm2022@rpsg.in](mailto:cescagm2022@rpsg.in) or to the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or upload the same at [https://web.linkintime.co.in/emailreg/email\\_register.html](https://web.linkintime.co.in/emailreg/email_register.html).
  - Members holding share(s) in electronic mode are requested to register / update their e-mail addresses and Bank Account details as mentioned above with their respective Depository Participants ("DPs") for receiving all communications from the Company electronically.
- viii. Participation of members through VC/OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
- ix. Since AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
- x. During the AGM, members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon logging to the NSDL e-voting system at <https://www.evoting.nsdl.com>.
- xi. Members who need assistance before or during the AGM with regard to use of technology, can:
- Send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or use Toll free no.: 1800 1020 990 / 1800 22 44 30
  - Contact Ms. Pallavi Mhatre, Manager, NSDL at the designated email ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- xii. Members are encouraged to join the Meeting through Laptops for better experience. When the meeting is in progress, please keep your device under 'Mute' mode, except when you have pre-registered yourself as a speaker and are invited to speak at the AGM.
- xiii. Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile

Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- xiv. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the AGM of the Company through VC/OAVM facility.

#### 7. Instructions for Voting through electronic means:

Pursuant to the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an arrangement with NSDL for facilitating e-voting through electronic means, as the authorized agency. The facility of casting vote by a member using remote e-voting system during the meeting on the date of the AGM will also be provided by NSDL.

The remote e-voting period begins on Tuesday, July 26, 2022 at 9.00 A.M. (IST) and ends on Thursday, July 28, 2022 at 05.00 P.M. (IST) The remote e-voting will not be allowed beyond the aforesaid date and the remote e-voting module shall be disabled by NSDL upon expiry of the aforesaid period.

The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date), i.e. July 22, 2022 may cast their vote electronically.

The voting rights of a Member/Beneficial owner (in case of electronic shareholding) shall be in proportion to his/her/its shareholding in the paid up equity capital of the Company as on the cut-off date, being Friday, July 22, 2022.

#### How do I vote electronically using NSDL e-Voting system?

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





##### Step 1: Access to NSDL e-Voting system

#### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.



Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at: <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider</b> i.e. <b>NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="https://www.cdslindia.com">https://www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider</b> i.e. <b>NSDL</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at : <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a>.</li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="https://www.cdslindia.com">https://www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.



**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022- 23058542-43

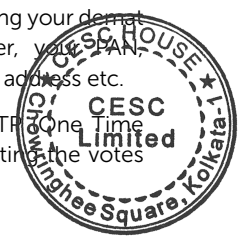
**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP 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 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 For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders 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 force 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. 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, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
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 <https://www.evoting.nsdl.com>.
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on <https://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 etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes



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.

### Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

#### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [evotingam@gmail.com](mailto:evotingam@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution/Power of Attorney/Authority Letter etc by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-voting" tab in their login.
2. Any person holding shares in physical form and/or a non individual shareholder, who acquires share(s) of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. July 22, 2022 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.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 forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on <https://www.evoting.nsdl.com> or call on toll free no.

1800 1020 990 and 1800 22 44 30 . In case of individual shareholders holding securities in demat mode who acquires shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. July 22, 2022 may follow steps mentioned in the Notice of the AGM under Step 1 : "Access to NSDL e-Voting system"(Above).

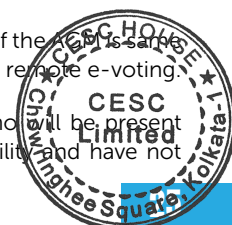
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

#### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

1. In case share(s) are held in physical mode please provide Folio No., Name of shareholder, Mobile no., email id and self attested scanned copy of PAN card by email to CESC Limited at [cescsagm2022@rpsg.in](mailto:cescsagm2022@rpsg.in) or to the Registrar and Share Transfer Agent of the Company, Link Intime India Private Limited at [rnt.helpdesk@linkintimeco.in](mailto:rnt.helpdesk@linkintimeco.in) or upload the same at [https://web.linkintime.co.in/emailreg/email\\_register.html](https://web.linkintime.co.in/emailreg/email_register.html).
2. Members holding share(s) in electronic mode are requested to register / update their e-mail addresses as mentioned above with their respective Depository Participants ("DPs"). If you are an individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present during the AGM through VC/OAVM facility and have not





cast their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## OTHER INSTRUCTIONS

1. The voting rights of the members 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., Friday, July 22, 2022.
2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
3. Mr. Anil Kumar Murarka, Practicing Company Secretary, (Membership No. FCS 3150, CP 1857) has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and votes cast through the e-Voting system during the Meeting in a fair and transparent manner.
4. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer's Report.
5. The Results of voting will be declared within two working days from the conclusion of AGM. The declared results along with the Scrutinizer's Report will be available forthwith on the website of the Company <https://www.cesc.co.in> and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office of the Company and shall be forwarded to the National Stock Exchange of India Limited and BSE Limited.

## PARTICULARS OF DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE MEETING ARE GIVEN BELOW:

### Mr. Debasish Banerjee

Mr. Debasish Banerjee (DIN 06443204), aged 60 years, is an Electrical Engineer with proficiency in Business Management, having 38 years of rich and diverse industry experience. He commenced his professional career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Dealer, Industry & Utilities domain.

In his last stint as CEO of Reliance Energy, he contributed in improving Operational Efficiency and Optimizing Cost through Business Processes Reengineering & Automation, thus increasing bottom line and Customer Delight.

Mr. Banerjee is on the Board of the Company since May 28, 2018. In his current capacity as MD (Distribution) of CESC, he has ushered in a transformational journey for leapfrogging CESC to newer heights of excellence with enhanced Operational Resilience & Efficiency for effective Business Continuity during and after any crisis. Adoption of Industry 4.0 and Sensor based IoT along with Big Data Analytics and Immersive Technologies / Digital Twins has enabled the shift from Preventive to Predictive

Maintenance, thus making CESC more Agile, Customer Centric, Cost-Effective and a Digital Utility of the future.

In pursuit of his passion to deploy cutting-edge Technologies for radical change, he is constantly engaged in embracing disruptive Technological Innovations, for enhancing Customer & Employee Experience (CX & EX). Rapid deployment of digital platforms like ChatBot, WhatsappBot & unique vernacular VoiceBot embedded with AI/ML & NLL/NLP technologies has further enriched Customer Service delivery.

He has been instrumental in demonstrating Sustainability, which is one of the core values of CESC through Digitization & Decentralization for providing safe, cost-effective and reliable electricity. He is engaged in developing a responsible and diverse value chain for powering a Sustainable future & creating a positive societal impact for a better planet and people.

Apart from CESC, Mr. Banerjee is also on the Board of Eminent Electricity Distribution Limited and Malegaon Power Supply Limited.

Mr. Banerjee 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. Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

### Mr. Pradip Kumar Khaitan

Mr. Pradip Kumar Khaitan (DIN 00004821), aged 81 years, is a B.Com, LL.B. and Attorney-at-law (Bell Chambers Gold Medallist). He has professional Affiliations with Bar Council of India, Bar Council of West Bengal, Indian Council of Arbitration, New Delhi and Incorporated Law Society of Calcutta. Mr. Khaitan is the Senior Partner of Khaitan & Co. and is widely regarded as amongst the most influential legal practitioners in India. With over 50 years of experience, Mr. Khaitan has advised on a wide range of transactions.

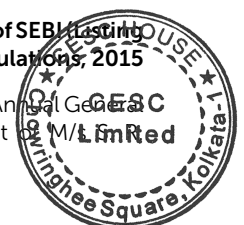
Mr. Khaitan's practice includes advising domestic business houses and International Corporations on all aspects of commercial and corporate laws, taxation, joint ventures, mergers & demergers, corporate governance and restructuring. He regularly advises on strategic decisions and sensitive commercial and legal issues. He is on the Board of Directors of CESC since October 29, 1992.

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

Mr. Khaitan 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. Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

### Explanatory Statement under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Members of the Company at its Thirty-ninth Annual General Meeting (AGM) had approved the appointment of



Batliboi & Co. LLP, Chartered Accountants (Firm Registration No 301003E/E300005) ('SRB') as the Auditors of the Company for a period of five years commencing from the conclusion of Thirty-ninth AGM till conclusion of Forty-fourth AGM.

The Board of Directors at its meeting held on May 13, 2022, based on the recommendation of the Audit Committee, had approved the re-appointment of SRB as Auditors of the Company for a second term of five consecutive years from the conclusion of this Forty-fourth AGM till the conclusion of the Forty-ninth AGM of the Company at such remuneration (plus goods and services tax and reimbursement of out-of-pocket expenses) as may be decided by the Board of Directors from time to time.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution contained in item number 4 of the accompanying Notice.

**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-FOURTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD THROUGH VC / OAVM ON FRIDAY, JULY 29, 2022 AT 10.30 AM IST**

**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, aged 81 years, is an Attorney-at-Law (Bell Chambers Gold Medalist), and is an eminent personality. A senior partner of Khaitan & Co., a 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 continues on the Board as a Non-Executive Non-Independent Director.

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

Mr. Pradip Kumar Khaitan is deemed to be concerned or interested in the resolution for continuation of his Directorship. None of the other Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said Special Resolution. Please refer to the Report on Corporate Governance forming part of this Annual Report for other necessary details.

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

**Item No. 6:**

In order to finance a part of its capital expenditure requirements and for other financing purposes, the Company, from time to time, has availed of various term loans from banks and financial institutions as per the details mentioned in the resolution. The said term loans are required to be secured, inter alia, by creation of charge and / or equitable mortgage on the Company's movable and / or immovable properties with such ranking of charges as may be required under the respective terms of sanction.

Further, for undertaking various projects / capital expenditure as well as for refinancing any existing financial assistance and / or for any other business purpose, the Company may avail of various rupee and / or foreign currency assistance, debentures / other debt securities / non fund based working capital assistance which may also be required to be secured by mortgage / charge over the Company's immovable and movable properties with such ranking of charges as may be required under the respective terms of sanction. In order to facilitate creation of such mortgage / charge expeditiously when so required in future, paragraph (d) of the Special Resolution set out in the Notice under Item No. 6 includes a reference to availment of fresh financial assistance for a sum not exceeding ₹1000 Crore.

The Special Resolution set out under Item No. 6 of the Notice is for seeking the approval of Members in terms of the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 to enable the Company to create charge / security, as aforesaid, on the movable / immovable properties of the Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said Special Resolution in the accompanying Notice.

The Board recommends the above Special Resolution as set out under item no. 6 of the Notice for approval of the Members.

**Item No.7**

The Board of Directors of the Company ('the Board'), 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 the audit of the cost records of the Company for the financial year ending on March 31, 2023.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 8,00,000/- (plus applicable goods and services tax and out of pocket expenses) payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board, has to be ratified by the members of the Company.

Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the Financial Year ending on March 31, 2023 by passing an Ordinary Resolution as set out under Item No. 7 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the said resolution in the accompanying Notice.

The Board recommends the above Ordinary Resolution as set out under item no. 7 of the Notice for ratification of the Members.

By Order of the Board of Directors

Place: Kolkata      Company Secretary and Compliance Officer  
Date: May 13, 2022      (ICSI Membership No. ECS 5320)



# BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 44<sup>th</sup> Board Report on the Company's business and operations, together with Audited Financial Statements for the financial year ended March 31, 2022 ('the year').

## COMPANY OVERVIEW

**"We don't just Generate and Distribute Electrical Power... We Generate Association and Distribute Assurance."**

CESC is India's first fully integrated electrical utility company ever since 1899, generating and distributing power.

We are the sole distributor of electricity within an area of 567sq km of Kolkata, Howrah and adjoining areas and serve 3.5 million consumers which include domestic, industrial, and commercial users. We operate two thermal power plants in our licensed area generating 885 MW of power. These are Budge Budge Generating Station (750 MW) and Southern Generating Station (135 MW) within our licensed area.

Amongst others, we have through a wholly-owned subsidiary, Haldia Energy Limited, commissioned Haldia thermal power plant, which is a 600 MW project at Haldia, West Bengal. The entire power from Haldia is utilised to meet the total power requirement of CESC. The power from Haldia propagates to the city through dedicated 400KV network.

From our embedded generating station along with power from Haldia, we met around 89% of our customers' electricity requirement during the year.

We continuously strive to provide the best-in-class service to our consumers. We have carefully designed each of our Online Services in a way, that can be seamlessly accessed and operated through the electronic platform. This enables our Consumers to avail all our services online, from the comfort of their homes.

Our zeal lies to stay true and deliver exceptional service to all our stakeholders, who are with us on this relentless journey with a hope that they will continue to be part of our journey.

## FINANCIAL RESULTS

In compliance with the provisions of the Companies Act, 2013 ('the Act'), and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') the Company has prepared its standalone and consolidated financial statements as per Indian Accounting Standards for

the Financial Year 2021-22. The standalone and consolidated financial highlights of the Company's operations are as follows:

(₹ in Crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Income from operations	7,294	6,921	12,544	11,632
Other Income	185	180	276	242
<b>Total Income</b>	<b>7,479</b>	<b>7,101</b>	<b>12,820</b>	<b>11,874</b>
<b>Profit before regulatory Income and Tax</b>	<b>328</b>	<b>390</b>	<b>1,179</b>	<b>1,328</b>
Regulatory Income	716	457	737	424
<b>Profit before tax</b>	<b>1,044</b>	<b>847</b>	<b>1,916</b>	<b>1,752</b>
<b>Profit for the year</b>	<b>816</b>	<b>814</b>	<b>1,405</b>	<b>1,363</b>
Other comprehensive loss	(15)	(33)	(11)	(29)
<b>Total comprehensive Income</b>	<b>801</b>	<b>781</b>	<b>1,394</b>	<b>1,334</b>

The financial results and the results of operations, including major developments have been further discussed in detail in the Management Discussion and Analysis Report.

## DIVIDEND

During the year, an interim dividend of 450% i.e. ₹ 4.50 per equity share was paid within the permissible timeline after deducting the tax at source pursuant to prevailing laws. The above dividend was declared in terms of the Dividend Distribution Policy of the Company.

The Notice convening the ensuing Annual General Meeting ("AGM") of the Members of the Company includes an item for confirmation of the said interim dividend.

According to Regulation 43A of the Listing Regulations, the top 1000 listed entities based on market capitalization, calculated as on March 31 of every financial year are required to formulate a Dividend Distribution Policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Accordingly, the Company has adopted Dividend Distribution Policy which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and / or retaining profits earned by the Company. The policy can be accessed using the link [https://www.cesc.co.in/wp-content/uploads/policies/Dividend\\_Policy.pdf](https://www.cesc.co.in/wp-content/uploads/policies/Dividend_Policy.pdf).



## ALTERATION OF ARTICLES OF ASSOCIATION

During the year under review, the Articles of Association ("AOA") of the Company was altered by adoption of a new restated AOA in substitution and supersession of existing AOA. The said new restated AOA was approved by the members of the Company through postal ballot by way of remote electronic voting.

## MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Regulation 34 of Listing Regulations, the Management Discussion and Analysis Report for the year under review, is presented in a separate section elsewhere in the report as **Annexure 'A'**.

## TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the shares on which dividend remains unpaid / unclaimed for seven consecutive years or more shall be transferred to the Investor's Education and Protection Fund ('IEPF') after giving due notices to the concerned shareholders.

The details of equity shares transferred to IEPF are given elsewhere in the report and also available on the Company's website at <https://www.cesc.co.in>.

During the Financial Year 2021-22, the Company has transferred the unpaid/ unclaimed dividend to the Investors Education and Protection Fund ('IEPF') Account established by the Central Government in compliance with the provisions of the above rules. The Company has also uploaded the details of unpaid and unclaimed dividend amounts lying with the Company on the Company's website <https://www.cesc.co.in>.

The shareholders whose unpaid dividend / shares are transferred to the IEPF can request the Company / Registrar and Transfer Agent as per the applicable provisions in the prescribed Form No. IEPF-5 for claiming the unpaid dividend / shares out of the IEPF. The process for claiming the unpaid dividend / shares out of the IEPF is also available on the Company's website at <http://www.cesc.co.in>.

## SUBSIDIARIES

As on March 31, 2022, the Company had eighteen subsidiaries. During the year under review, Surya Vidyut Limited (SVL) ceased to be a subsidiary of the Company consequent to sale of SVL's shares to Torrent Power Limited in terms of Share Purchase Agreement executed with them.

Details of operations of the Company's subsidiaries are set out in Management Discussion and Analysis, which forms part of the Annual Report. Pursuant to Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statement of the subsidiary companies in Form No. AOC-1 is given in the Annual Report. The statement also provides details of the performance and the financial position of each of the subsidiaries. Copies of the financial statements of the

subsidiary companies are available on the Company's website at <https://www.cesc.co.in/?cat=25>

The Company has formulated a Policy for determining Material Subsidiaries. The Policy is available on the Company's website and can be accessed at: [https://www.cesc.co.in/wp-content/uploads/policies/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](https://www.cesc.co.in/wp-content/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

## CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Companies Act, 2013 ("the Act") read with applicable Accounting Standards and the Listing Regulations, consolidated financial statements of the Company for the Financial Year 2021-22, duly audited by Company's Auditors M/S S. R. Batliboi & Co. LLP, Chartered Accountants, forming a part of the Annual Report and shall be laid before the AGM of the Company as required under the Act.

The audited financial statements including the consolidated financial statements of the Company and all other documents required to be attached thereto, are available on the Company's website and can be accessed at <https://www.cesc.co.in/?cat=16>.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the 43<sup>rd</sup> AGM of the Company held on August 18, 2021, the shareholders approved: (i) appointment of Mr. Debanjan Mandal as an Independent Director for a term of five years effective May 10, 2021, (ii) re-appointment of Mr. Pradip Kumar Khaitan as a Non-Executive Non-Independent Director in terms of Regulation 17(1A) of the Listing Regulations, and (iii) re-appointment of Dr. Sanjiv Goenka as a Non-Executive Director liable to retire by rotation.

During the year under review Mr. Kalaikuruchi Jairaj (DIN:01875126), Independent Director, resigned from the Board of Directors of the Company with effect from December 29, 2021 due to his personal reasons. Mr. Jairaj was on the Board since August 1, 2014 and made significant contribution as a Director during his tenure. The Board places on record its appreciation to Mr. Jairaj for his invaluable contribution.

On the recommendation of the Nomination & Remuneration Committee (NRC), the Board recommends the following re-appointment(s): (i) re-appointment of Mr. Debasish Banerjee (DIN: 06443204), who retires by rotation and being eligible has offered himself for re-appointment as a director liable to retire by rotation (ii) re-appointment of Mr. Pradip Kumar Khaitan (DIN: 00004821) as a Non-Executive Non-Independent Director in terms of Regulation 17(1A) of the Listing Regulations. Notice of the AGM includes appropriate Resolutions seeking your approval in respect of both the above re-appointments.

In the opinion of the Board, all the Directors, including the Directors proposed to be re-appointed, possess the requisite qualifications, experience and expertise and hold high standards of integrity. All of the Independent Directors are exempt from the requirement of passing the independence test. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act.



the Listing Regulations. In terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

The list of key skills, expertise and core competencies of the Board of Directors is provided in the Report on Corporate Governance forming part of this report. Details, such as brief resumes, nature of expertise in specific functional areas, names of companies in which the above-named directors hold directorships, committee memberships/ chairpersonships, shareholding in CESC, etc. are furnished in the Notice of the AGM.

The criteria for determining qualification, positive attributes and independence of a director are given in the, Remuneration Policy. The said Policy for Directors, Key Managerial Personnel and Senior Managerial Personnel is uploaded on the website of the Company and its accessible at [https://www.cesc.co.in/wp-content/uploads/policies/REMUNERATION%20POLICY\\_CESC\\_SM.pdf](https://www.cesc.co.in/wp-content/uploads/policies/REMUNERATION%20POLICY_CESC_SM.pdf)

As on March 31, 2022, the Company has the following Key Managerial Persons (KMP) as per Section 2(51) of the Act:

No	Key Managerial Personnel	Designation
1	Mr. Rabi Chowdhury	Managing Director(Generation)
2	Mr. Debasish Banerjee	Managing Director(Distribution)
3	Mr.Rajarshi Banerjee	ED& CFO
4	Mr. Jagdish Patra	Company Secretary and Compliance Officer

None of the Managing Directors received any commission from any of the Company's subsidiaries. During the year under review, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and commission, as applicable, received by them.

Five meetings of the Board of Directors were held during the year on May 10, 2021, June 16, 2021, August 11, 2021, November 11, 2021 and January 13, 2022.

## SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs, Govt. of India, relating to Meetings of the Board of Directors and General Meetings respectively.

## CRITERIA ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES AND REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

In terms of the provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II to the Listing Regulations, the NRC is responsible for determining qualification, positive attributes and independence of a

Director. The NRC is also responsible for recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees. In line with this requirement, the Board has adopted the Policy on Remuneration for Directors, Key Managerial Personnel and other employees.

## BOARD EVALUATION

In order to ensure that the Board and Committees of Board are functioning effectively and to comply with statutory requirements, the annual performance evaluation of the Board, Committees of Board and individual directors was conducted during the year. The evaluation was carried out based on the criteria and framework approved by the NRC. A detailed disclosure on the parameters and the process of Board evaluation as well as the outcome has been provided in the Report on Corporate Governance.

## COMMITTEES OF THE BOARD

The various Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following statutory Committees constituted by the Board according to their respective roles and defined scope:

- Audit Committee
- Nomination and Remuneration Committee
- Corporate Social Responsibility Committee
- Stakeholder's Relationship Committee
- Risk Management Committee

Details of the composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance.

The Company has adopted a Code of Conduct and Ethics for its Directors and Senior Management Personnel. The same can be accessed at <https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf>.

All Directors and Senior Management Personnel have affirmed the compliance with the said Code of Conduct and Ethics.

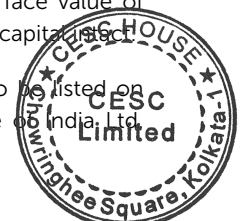
The Managing Directors have also confirmed and certified the same and the certification is given elsewhere in the report.

## EQUITY CAPITAL AND DEBT SECURITIES

### Equity Shares

Pursuant to the approval of the Members of the Company at the Forty-third AGM held on August 18, 2021, the equity shares of your Company were sub-divided for each equity share of face value of ₹ 10/- into ten equity shares of face value of Re. 1/- each, thereby keeping the paid up share capital as

The equity shares of the Company continue to be listed on BSE Limited and the National Stock Exchange of India Ltd.



The Company has paid the requisite listing fees to the Stock Exchanges up to the financial year 2022-23.

### Issue of Debentures

During the year, the Company had issued and allotted, on private placement basis, Secured, unlisted Non Convertible Redeemable Debentures (NCDs) aggregating to ₹ 500 crore for cash at par, in compliance with the applicable circulars of the Securities and Exchange Board of India on issue of debt securities by certain large corporates.

The funds raised through NCDs have been utilized as per terms of the issue.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors hereby state and confirm that:

- i) in the preparation of the accounts for the Financial Year ended March 31, 2022, the applicable accounting standards have been followed alongwith proper explanation relating to the 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

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the related requirements set out in the Listing Regulations.

In compliance with Regulation 34 read with Schedule V of the Listing Regulations, a Report on Corporate Governance for the year under review, is presented in a separate section elsewhere in the Report as **Annexure 'B'** and Additional Shareholder Information as **Annexure 'C'**.

A certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance, as stipulated under the Listing Regulations, is annexed to this report.

### DETAILS OF SIGNIFICANT AND MATERIAL ORDERS

No significant and material order was passed by any regulator or court or tribunal impacting the going concern status and your Company's operations in future.

### CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

There was no proceeding, initiated by any Financial Creditor or Operational Creditor or by the Company, under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the Financial Year 2021-2022.

### CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business of the Company.

### CORPORATE SOCIAL RESPONSIBILITY

As a responsible utility serving the city of Kolkata for more than 100 years, your Company has a commitment to serve the society. As the Company continues to play a dynamic role in India's power sector, our community engagements are creating value in a manner that is environmentally sustainable and socially uplifting. Through the CSR initiatives, your Company is dedicated to the cause of providing, access to basic services, empowering people, educating them and improving their quality of life. The Company undertakes programmes based on identified needs of the community around healthcare, education, safe drinking water and sanitation, child protection as well as through livelihood generation and skill development.

Through Nayee Roshni Project, the Company facilitates underprivileged children in urban slums to acquire quality education with level- appropriate reading and writing ability. Child-friendly environment in schools is created through provision of safe drinking water and sanitation facilities under Nirmal Abhiyan Project. The Company's Hamari Awaaz Project seeks to create child friendly communities in urban slums by mobilising, sensitising and empowering communities to fight against child labour and foster child protection. Improvement of health and nutrition status of pregnant women, lactating mothers, adolescent girls and children in 0-6 years age group through Suswasthya Project is another focus area of CESC's CSR initiatives. Under the Nirmal Parivesh project, community-based water and sanitation initiatives have been undertaken for protection of environment and promotion of sustainable development. CESC supports skill development projects, such as, Saksham, Udaan, Prayas and Pragati.



locations for employment generation among underprivileged youths. Across the different programme areas focused by the Company, its endeavour is to reach out to the disadvantaged and the marginalized sections of the society, and thereby, contribute to the regional and national development goals.

CESC has also been actively supporting a project undertaken by the RP-Sanjiv Goenka Group CSR Trust of which CESC is a part for setting up in Kolkata, a school of international standard. The construction work for the school building is still in process.

In terms of Companies (Corporate Social Responsibility Policy) 2014, as amended, the Company has revised its Corporate Social Responsibility Policy, a brief outline of which along with the required disclosures are annexed elsewhere in this report. The CSR Policy is uploaded on Company's website and can be accessed 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). A detailed section on the activities undertaken during the year under review is included in **Annexure 'D'** and forming a part of this report.

## BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

In recent times, adapting to and mitigating climate change impact, inclusive growth and transitioning to a sustainable economy have emerged as major issues globally. There is an increased focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society. Thus, reporting of Company's performance on sustainability related factors has become as vital as reporting on financial and operational performance.

In terms of amendment to regulation 34 (2) (f) of Listing Regulations, SEBI has introduced new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) which seeks disclosures from listed entities on their performance against the nine principles of the 'National Guidelines on Responsible Business Conduct' (NGBRCs) and reporting under each principle is divided into essential and leadership indicators.

CESC has been a torchbearer of responsible business practices, always ensuring its decisions balance social and environmental considerations with financial factors. We have always believed that being responsible and reliable also means being sustainable. These principles have always been an integral part of strategic planning of the Company both to manage risk as well as to enable long term sustainable growth and value creation.

As stipulated under the Listing Regulations, the BRSR describing the initiatives taken by the Company from an environmental, social and governance perspective, is given in the report as **Annexure - 'E'**.

## RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year under review with related parties, were in ordinary course of business and on an arm's length basis. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for the Financial Year 2021-22 and hence the same is not provided.

During the year, the Company amended the Policy on Dealing with Related Party Transactions ('RPT Policy') in view of the amendments issued by SEBI and to simplify the process of transaction approval sought from the Audit Committee. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions as approved by the Board is available on the Company's website and can be accessed 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)

Transactions with related parties entered into in the normal course of business are periodically placed before the Audit Committee of the Board for its review and approval. Members may please refer to Note 42 to the Standalone Financial Statements for requisite disclosure in respect of related parties and transactions entered into with them during the Financial Year 2021-22.

## RISK MANAGEMENT

Your Board has formed a Risk Management Committee to frame, implement and monitor the risk management policy for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

## PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company is committed to providing a safe and conducive work environment to all its employees and associates. The Company has a Policy on Prevention of Sexual Harassment at Workplace, which is available on the Company website at <https://www.cesc.co.in>. The Company has constituted an Internal Complaints Committee in compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is fully compliant. The Audit Committee oversees compliance at regular intervals. Details of complaints received/disposed during Financial Year 2021-22 are provided in the Report on Corporate Governance.



## INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY

CESC has laid down an adequate system of internal controls, policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures. The IFC are adequate and operating effectively. Effectiveness of IFC is ensured through Management reviews, controlled self-assessment and independent testing by the Internal Auditor.

## AUDITORS AND AUDITORS' REPORT

M/s S R Batliboi & Co. LLP, Chartered Accountants, (ICAI Firm Registration No.301003E/E300005) was appointed as the Auditors of the Company for a term of five consecutive years, at the Thirty-ninth AGM of the Company and their appointment shall cease at the conclusion of the forthcoming AGM.

As per the provisions of Section 139 of the Act, the Board of Directors of the Company, on the recommendation of the Audit Committee, recommends re-appointment of M/s S R Batliboi & Co. LLP, Chartered Accountants for a further period of five years i.e. upto the conclusion of 49<sup>th</sup> AGM.

M/s S R Batliboi & Co. LLP, Chartered Accountants, (i) have expressed their willingness to be re-appointed as Auditors for a further term, (ii) have submitted their confirmation to the effect that they continue to satisfy the criteria provided in Section 141 of the Act and (iii) that their appointment is within the limits prescribed under Section 141(3)(g) of the Act.

A resolution proposing re-appointment of M/s S R Batliboi & Co. LLP, as the Auditors of the Company and their remuneration pursuant to Section 139 of the Act, along with the statement, forms part of the Notice of 44<sup>th</sup> AGM.

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

## COST AUDITORS AND COST AUDIT REPORT

The Board of Directors, on the recommendation of the Audit Committee, had appointed M/s Shome & Banerjee, Cost Accountants (Firm Registration No 000001) as the Cost Auditors to conduct the audit of Company's cost records for the Financial Year ended March 31, 2022. The Cost Auditors have confirmed that they are not disqualified pursuant to the provisions of Section 141 of the Act read with Section 139 and 148 of the Act. The Cost Auditors will submit their report for

the Financial Year 2021-22 on or before the due date. The Cost Audit Report, for the year ended March 31, 2021, was filed with the Central Government within the prescribed time. The Company maintains the Cost Records as per the provisions of Section 148(1) of the Act.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, since the remuneration to be paid to the Cost Auditors for the Financial Year 2022-23 is required to be ratified by the members, the Board of Directors recommends the same for approval by members at the ensuing AGM. The proposal forms part of the Notice of the AGM.

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

## SECRETARIAL AUDIT REPORT

The Board had appointed M/S. S.M. Gupta & Co.,(Firm Regn. No S1993WB816800) Company Secretaries, as the Secretarial Auditors of the Company to conduct the secretarial audit for the Financial Year 2021-22.

The Secretarial Audit Report for the Financial Year ended March 31, 2022 is annexed as **Annexure 'F'** forming part of this Report.

As per the requirements of the Listing Regulations, Practicing Company Secretaries of the material unlisted subsidiaries of the Company have undertaken Secretarial Audit for the Financial Year 2021-22. The Secretarial Audit Reports of such material unlisted subsidiaries confirms that they have complied with the provisions of the Act, Rules, Regulations, and Guidelines and that there were no deviations or non-compliances. Secretarial Audit Reports of Haldia Energy Limited, Dhariwal Infrastructure Limited and Noida Power Company Limited, three material unlisted subsidiaries of the Company, are also forming part of the Report and attached as **Annexures 'F1', 'F2' and 'F3'**.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In line with the Company's code of conduct, any actual or potential violation, howsoever insignificant or perceived as such, would be a matter of serious concern for the Company. The role of the employees in pointing out such violations of the Company's code of conduct cannot be undermined.

In view of the above, your Company has established a robust Vigil Mechanism / Whistle-blower policy in accordance with provisions of the Act and Listing Regulations 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 have been disclosed on the Company's website <https://www.cesc.co.in>. The Vigil Mechanism / Whistle-blower policy provides a mechanism for employees of the Company to approach the Chairman of the Audit Committee of the Company through the Company Secretary for redressal. No person had been denied access to the Chairman of the Audit Committee and there was no such reporting during the Financial Year 2021-22.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company, being a company providing infrastructural facilities, is exempt from the provisions applicable to loans, guarantees, security and investments under Section 186 (11) of the Act. Therefore, no details are required to be provided.

## FIXED DEPOSITS

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

## 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-'G'**, forming a part of this report.

## ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link at [https://www.cesc.co.in/wp-content/uploads/annreport/Annual\\_Return.pdf](https://www.cesc.co.in/wp-content/uploads/annreport/Annual_Return.pdf).

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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 - 'H'**.

Details of employee remuneration as required under provisions of Section 197 of the Act and Rule 5(2) and 5(3) of the aforesaid Rules are provided in Annexure I. In terms of proviso to

Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the **Annexure I**. The said statement is available for inspection with the Company. Any Member interested in obtaining a copy of the same may write to the Company Secretary at [secretarial@rpsg.in](mailto:secretarial@rpsg.in).

None of the employees listed in the said Annexure are related to any Director of the Company.

The Company has in place a Remuneration Policy for Directors, Key Managerial Personnel and other employees, duly recommended by the Nomination and Remuneration Committee and approved by the Board. Other details relating to remuneration paid during the year to Directors 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 included in the Management Discussion and Analysis forming a part of this report.

## COVID 19 PANDEMIC

India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Company's business includes Generation and Distribution of power within its licensed area in the state of West Bengal, India. Considering power supply being an essential service, management believes that there is not much of a long term impact likely due to this pandemic on the business of the Company, its subsidiaries and joint venture except some lower demand and its consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Company has duly ensured compliance with specific regulatory directives issued in the related matter.

The Company is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees. The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation. The Company is also monitoring the operations of its subsidiaries and joint venture, basis which, no impairment is required to be recognized in respect of such investments.

## GREEN INITIATIVES

Pursuant to the relevant circulars issued by Ministry of Corporate Affairs, Government of India (MCA) and Securities & Exchange Board of India and in view of the prevailing situation of the pandemic, owing to the difficulties involved



in dispatching of the physical copies of the Notice of the forty fourth AGM and the Annual Report of the Company for the year 2021-22, the said documents are being sent only by email to the shareholders.

The Company supports the 'Green Initiative' undertaken by the MCA, enabling electronic delivery of documents including Annual Report etc. to shareholders at their e-mail address already registered with the Depository Participants ("DPs") and Registrar and Transfer Agents ("RTA"). Additionally, the Company conducts various meetings by means of electronic mode in order to ensure the reduction of carbon footprint.

In view of the above, shareholders who have not yet registered their email addresses are requested to register the same with their DPs/ the Company's RTA for receiving all communications, including Annual Report, Notices, Circulars etc. from the Company electronically.

## ACKNOWLEDGEMENT

The Board of Directors wishes to place on record its deep sense of appreciation for the committed services by all the employees of the Company, co-operation received from the shareholders, business partners, financial institutions, banks, consumers and vendors during the year under review.

The Directors are also thankful to the Government of India, the various ministries of the State Governments, the central and state electricity regulatory authorities, communities in the neighborhood of our operations, municipal authorities of Kolkata and local authorities in areas where we are operational in India for all the support rendered during the year.

The Directors regret the loss of lives due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety, to fight this pandemic. Finally, we appreciate and value the contributions made by all our employees and their families for making the Company what it is.

Your Directors are also grateful for your continued encouragement and support.

On behalf of the Board of Directors

**Dr. Sanjiv Goenka**  
Chairman  
DIN: 00074796

Place : Kolkata  
Date : May 13, 2022



# MANAGEMENT DISCUSSION AND ANALYSIS

## (Annexure 'A' to the Board's Report)

CESC Limited ('CESC' or 'the Company') is a flagship company of the RP-Sanjiv Goenka Group. It is an integrated power utility engaged in the generation and distribution of electricity across 567 square kilometres of its licensed area – Kolkata, Howrah, Hooghly, North and South 24 Parganas in West Bengal – supplying safe, cost-effective and reliable electricity to its 3.5 million Customers. The Company, through its subsidiaries, 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 macroeconomic environment as well as the 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.

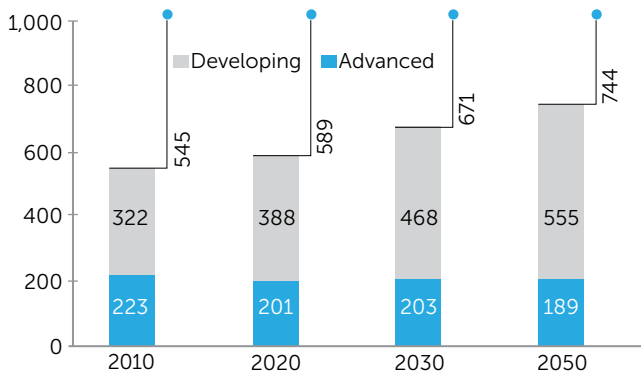
### ECONOMIC OVERVIEW

#### Global Energy Scenario

As the global economy came out of the pandemic-induced recession, there was a sharp rise in energy prices in 2021 – with prices of natural gas, coal and electricity recording their highest ever levels in several parts of the world. Outages on the supply side and weather related aspects also played their part, as did the fact that the ongoing structural shifts in fuel mix and technologies constrained the ability to respond to the demand-supply imbalance.

The war in Ukraine made this difficult situation worse with sharp increases not just in energy prices but all other major commodity groups such as food, fertiliser, metals and minerals. According to the Commodities Market Outlook published by The World Bank in April 2022, energy prices are expected to rise further in 2022, before easing in 2023 and 2024. This further reinforces the key priorities facing the sector: to

**Chart A: Total Primary Energy Demand (EJ)**



Source : Stated Policies Scenario, World Energy Outlook 2021, IEA

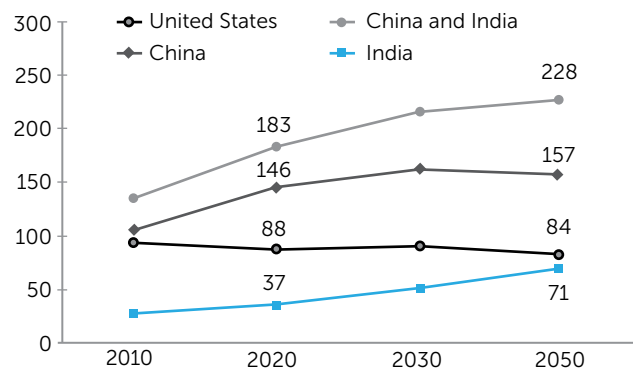
move aggressively towards achieving climate change goals by investing in energy efficiency and at the same time shift to zero-carbon sources of energy such as renewables.

According to the World Energy Outlook 2021 released by the IEA in October 2021, total primary energy demand under the 'Stated Policies Scenario (SPS)'<sup>1</sup> will grow by 155 exajoules<sup>2</sup> (EJ) – from 589 EJ in 2020 to 744 EJ in 2050 (see Chart A) – at a compound annual growth rate (CAGR) of 0.8%. Advanced economies,<sup>3</sup> which used to account for over half of global energy demand in 2000, will see their share decline from 34% in 2020 to 25% by 2050. Demand from advanced economies will also come down in absolute terms from 201 EJ in 2020 to 189 EJ in 2050.

A considerable part of the rise in global energy demand between 2020 and 2050 will come from China and India. Their combined energy demand would grow from 183 EJ in 2020 to 228 EJ in 2050 (see Chart B), in stark contrast to the decline in demand from the advanced world noted earlier.

India's energy demand is projected to increase by 33 EJ – a CAGR of 2.2% – from 37 EJ in 2020 to 71 EJ in 2050. Significantly, this increase in demand from India will be higher than that of China, which is estimated to grow by 11 EJ during the same period. With considerable rise in demand, these two countries alone will account for 31% of global energy demand in 2050. Overall, China, the US and India will continue to be the top three consumers of energy in the world in 2050, with their shares being 21.1%, 11.2% and 9.5%, respectively.

**Chart B: Comparative Energy Demand (EJ)**



Source: Stated Policies Scenario, World Energy Outlook 2021, IEA

In terms of energy sources, fossil fuels – coal, oil and gas – will continue to be dominant, though their share in global energy demand will come down considerably from 79% in 2020 to 66% in 2050 (see Chart C). This is primarily due to the push for renewable technologies, which will contribute

<sup>1</sup>'Stated Policies Scenario' reflects current policy settings based on a sector-wise assessment of specific policies that are in place, as well as those that have been announced by governments around the world.

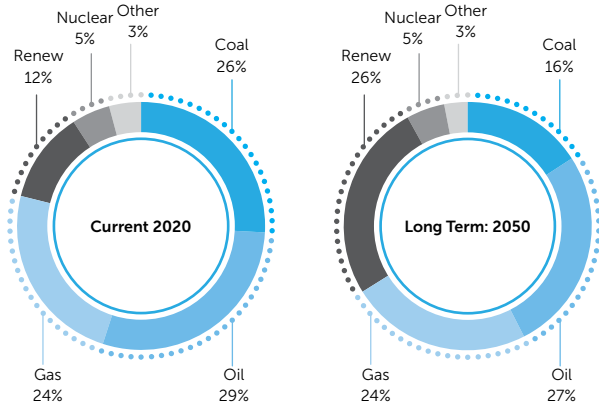
<sup>2</sup>1 exajoule (EJ) = 23.88 million tons of oil equivalent (Mtoe) = 277778 gigawatt-hour (GWh)

<sup>3</sup>In this report, advanced economies refer to North America, Europe and Japan.



around 80% of the increase in energy demand between 2020 and 2050, resulting in an increase in their share from 12% in 2020 to 26% in 2050.

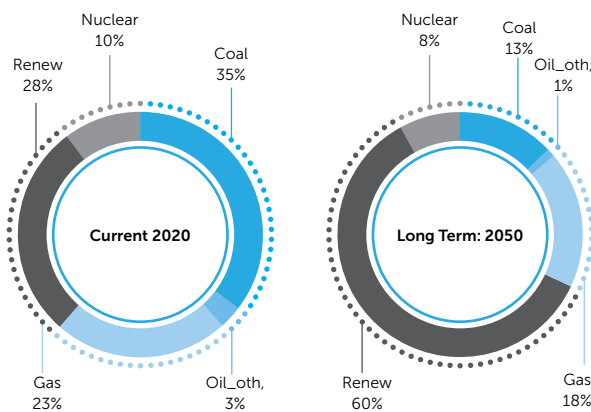
**Chart C: Global Energy Mix-Fuel Source**



Source: Stated Policies Scenario, World Energy Outlook 2021, IEA

An important aspect of global energy dynamic is rise in electricity demand — led by, Commercial and Industrial sectors requirement to comply with their Net-Zero commitments and hence reduce GHG emissions through process automation and conversion of less efficient fuel with cleaner and safer option like electricity, higher penetration of household appliances, cooling and electric vehicles. Under the Stated Policies Scenario, electricity generation is expected to grow at a CAGR of 1.9% — which is more than twice the rate of overall demand for energy— from 26,762 terawatt hour (TWh) in 2020 to 46,703 TWh in 2050. It is also worth noting that with more aggressive commitments and policy action<sup>4</sup> by governments to achieve climate goals, while global energy demand in 2050 might end-up at levels below the actual demand in 2020, there will be a more decisive shift towards consumption of electricity.

**Chart D: Global Electricity Generation Outlook**



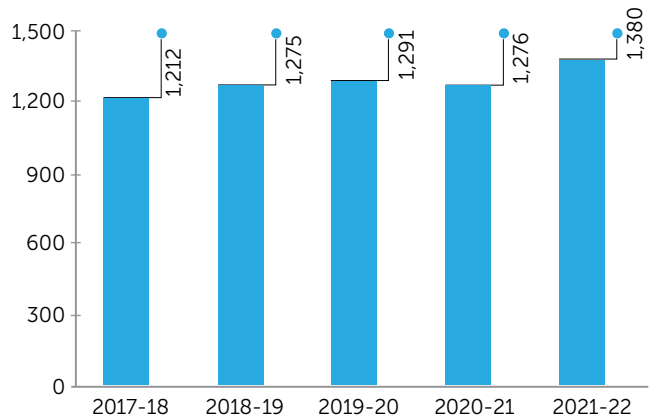
<sup>4</sup> Under the 'Sustainable Development Scenario' of the IEA, which is consistent with achieving even stricter outcomes targeted by the Paris Agreement, total energy demand is estimated to stabilise and come down from 589 EJ in 2020 to 578 EJ in 2050. In contrast, electricity generation under this scenario will grow at a CAGR of 2.6% to 57,950 TWh in 2050, which is substantially higher than 46,703 TWh under the baseline 'Stated Policies Scenario'.

This increase in electricity generation between 2020 and 2050 will also have a significant implication on the fuel mix. As shown in Chart D, share of fossil fuels in electricity generation is expected to come down drastically from 62% in 2020 to 32% by 2050. Renewable sources — solar, wind, hydro and modern bioenergy — will become the dominant source of power accounting for 60% of the total power generation by 2050.

**India's Power Scenario**

The demand of power in India recovered strongly during the year. **Electricity demand in India increased by over 100 billion units (BU) — a growth of 8.2% — from 1,276 BU in 2020-21 to 1,380 BU in 2021-22 (Chart E)**, surpassing the 2019-20 pre-Covid level. Most of this demand was met by the system, with a shortfall limited to 5.8 BU or about 0.4% of the total demand.

**Chart E: Electricity Demand in India (Billion Units)**



Power generation capacity also increased, with the addition of 17.3 GW in 2021-22 — reflecting a 4.5% growth over last year. **This increase in capacity was overwhelmingly led by renewable sources (includes Hydro), which accounted for 92% of this increase — growing from 141 GW in 2020-21 to 157 GW in 2021-22. As a result, share of renewable power grew to 39.2% by the end of 2021-22.** Generation capacity in India stood at 399 GW at the end of 2021-22. Table 1 gives the details.

**Table 1: Power Generation Capacity in India: 2021-22, By Fuel Source**

Fuel	MW	% Share	Growth (%)
Coal & Lignite	2,10,700	52.7%	0.7%
Gas	24,900	6.2%	-0.1%
Diesel	510	0.1%	0.0%
<b>Thermal</b>	<b>2,36,110</b>	<b>59.1%</b>	<b>0.6%</b>
Nuclear	6,780	1.7%	0.0%
Hydro	46,723	11.7%	1.1%
Other Renewables	1,09,885	27.5%	16.4%
<b>Total</b>	<b>3,99,498</b>	<b>100.0%</b>	<b>4.5%</b>

Source: Central Electricity Authority

As shown in Table 2, the peak demand for power in 2021-22 was 203 GW whereas the peak power supply was 201.7 GW. Hence, the demand-supply situation remained broadly balanced, with a nominal shortfall of 1.2% at the all-India level.



**Table 2: Power Demand and Deficit: 2021-22**

Region	Peak Demand (MW)	Peak Met (MW)	Deficit	Deficit %
Northern	73,305	72,935	370	0.5%
Western	65,433	65,205	228	0.3%
Southern	61,138	59,781	1,357	2.2%
Eastern	26,019	25,145	874	3.4%
North-Eastern	3,427	3,360	67	1.9%
<b>All India</b>	<b>2,03,014</b>	<b>2,00,539</b>	<b>2,475</b>	<b>1.2%</b>

Source: Central Electricity Authority

The demand-supply deficit at the regional level is due to unsatisfactory situations in few areas: UT of Jammu & Kashmir and Ladakh (8.1%) in the northern region; Andhra Pradesh (4.1%) in the southern region; Jharkhand (14.6%) and Bihar (9.3%) in the eastern region; and Arunachal Pradesh (14.6%), Nagaland (11.7%) and Mizoram (7.6%) and in the north-east. Other than these, no state or union territory had a peak power deficit exceeding 2%.

### Macroeconomic Outlook

The global economy bounced back sharply in 2021, recovering from the significant decline in economic activity due to the Covid-19 pandemic. **According to the IMF, global output grew at 6.1% in 2021, after an unprecedented contraction of (-) 3.1% in the previous year. India also registered an impressive turnaround in performance. According to the Second Advance Estimates released by the Central Statistics Office (CSO) in February 2022, India's Gross Domestic Product (GDP) grew at 8.9% in 2021-22, compared to a contraction of (-) 6.6% in 2020-21.** Both industry and services output grew significantly at 10.3% and 8.6% respectively in 2021-22, even as agricultural growth continued to be stable at 3.3%, same as last year.

Even as one cannot rule out subsequent waves of more virulent forms of the virus — overall risks of the Covid-19 pandemic have receded. The main reasons being: (i) a successful vaccination campaign by the government; multiple vaccines and strong coverage across the country, (ii) better understanding of the virus; more effective medical therapies, and (iii) better preparedness to operate effectively under restrictions at all levels — government for service delivery, large organisations, local businesses and even households. In fact, this is clearly reflected in faster return to normalcy after outbreaks in 2021-22.

The bigger challenge today is the war in Ukraine, which apart from being a grave humanitarian crisis, threatens to derail the fragile recovery process. The economic effects of war are not localised, but impacting economies across the globe, through commodity markets, trade and financial linkages. Inflationary pressures, which led to tightening of monetary policy in Advanced Economies in early 2022, have become unhinged due to the war, especially in global commodities and energy.

**Considering these, the IMF has moderated its growth projections for 2022 to 3.6% in its latest estimates released in April 2022, down from 4.9% estimated around six months back. What is encouraging, however, is that India has managed the situation well so far and is expected to continue to be the fastest growing large economy in 2022-23. In its**

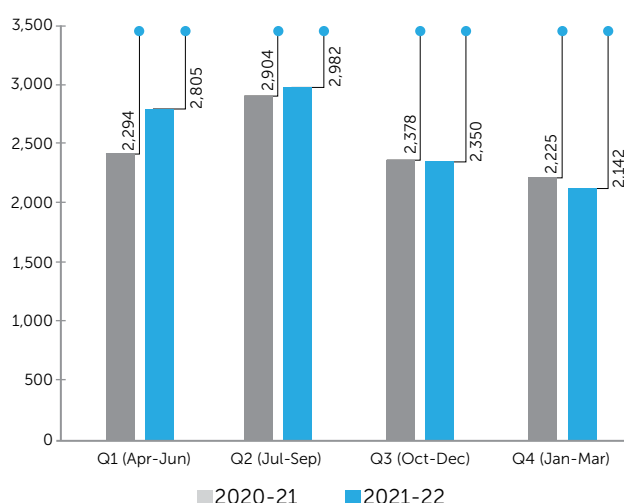
**recent Monetary Policy Report released on April 8, 2022, the RBI pegged India's GDP growth in 2022-23 at 7.2%.**

### KEY HIGHLIGHTS

2021-22 started amidst conditions that were very similar to the previous year, with lockdowns and mobility restriction due to the strong second wave of the Covid-19 pandemic, followed by Cyclone Yaas in May 2021. But CESC was much better prepared on this occasion with the right technology, systems and processes to operate under these conditions. At the same time, it also ensured 100% vaccination of its employees at the earliest, further bringing down the risks of operating an essential service — supplying 24x7 electricity to its 3.5 million Customers.

Even at the macroeconomic level, this made the return to normalcy faster. The experience during and the third wave of Covid-19 infections in January 2022 was even more encouraging. As shown in Chart F, CESC's electricity demand improved in 2021-22, especially during the first quarter, which was the most affected period in 2020-21.

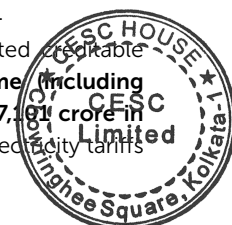
**Chart F: Quarterly System Demand of CESC (MU)**



**Overall, system demand grew at 5% during the year, from 9,801 million units (MU) in 2020-21 to 10,279 MU in 2021-22.** Even so, decline in demand for electricity — due to Covid-related lockdowns and restrictions meant that electricity demand in 2021-22 continued to be less than the pre-Covid level recorded in 2019-20.

In this environment, focus continued to be on ensuring that generation and distribution of electricity to its Consumers remained unaffected, while maintaining high service levels and bringing down distribution losses. A common underlying theme of these measures is to prepare the organisation for the future through mindful adoption of digital technologies, data and analytics based solutions — to automate operations for efficiencies and scale, better utilise assets and optimise operating and capital expenditures — with the ultimate goal of moving to an environment where information based decision making is the norm. These initiatives are discussed in detail in the sections on 'Generation', 'Distribution' and 'Customer Service'.

Despite the challenging situation, CESC reported creditable results for 2021-22. **Total standalone income (including other income) of CESC grew by 5.3% from ₹ 7,191 crore in 2020-21 to ₹ 7,479 crore in 2021-22,** even as electricity tariffs



remaining unchanged during the year. Although operating and other costs increased, in part due to high fuel costs, **Standalone profit before taxes (PBT), after incorporating regulatory income, grew by 23.2% from ₹ 847 crore in 2020-21 to ₹ 1,044 crore in 2021-22. Profit after taxes (PAT) was ₹ 814 crore in 2020-21 and ₹ 816 crore in 2021-22.** Further details are available in the section on 'Financial Results'.

## BUSINESS PERFORMANCE

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

- **Kolkata Operations:** Distribution of electricity, with own generation facilities, 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, (HEL), the operations are directly under CESC Limited.
- **Generation Projects:** Thermal and renewables projects owned and operated by various subsidiaries of CESC

(excluding HEL). At the end 2021-22, cumulative generation capacity of these projects stood at over 650 MW.

- **Distribution Ventures:** Distribution licence for Greater Noida (Uttar Pradesh); three distribution franchisees (DFs) in Kota, Bharatpur and Bikaner in Rajasthan; and the DF in Malegaon, Maharashtra. These are operated by CESC's subsidiaries.

## KOLKATA OPERATIONS

### Generation

CESC operates a 750 MW generating station at Budge Budge, and a 135 MW generating station at Garden Reach (Southern). In addition, 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 10,003 million units (MU), out of which 9,839 MU or 98.40% of the total generation in 2021-22 came from Budge Budge and Haldia.**

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

Plant	Capacity (MW)	2021-22			2020-21		
		PAF%	PLF%	Gen (MU)	PAF%	PLF%	Gen (MU)
Budge Budge (BBGS), CESC	3 x 250	96.7%	84.7%	5,562	96.0%	82.5%	5,423
Haldia, HEL	2 x 300	94.7%	81.4%	4,277	93.5%	80.4%	4,225

PAF: Plant Availability Factor. PLF: Plant Load Factor.

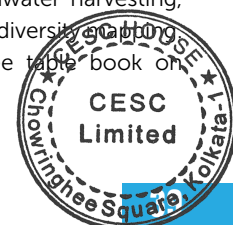
Table 3 presents data on performance of the two key generating stations — Budge Budge (BBGS) and Haldia (HEL). Both plants recorded commendable performance during the year.

CESC has been at the forefront of using best-in-class technology and digital interventions to effect improvements in several key areas such as operations, maintenance, safety and asset management. The Centralised Remote Monitoring Control Room monitors the efficiency and reliability of major assets through advanced pattern recognition systems using big data analysis. The Asset Maintenance and Reliability Management system captures and analyses large amounts of data utilising cloud computing and big data analytics to provide a complete picture of machine health with advance indications. Data analytics is also used for optimisation of process parameters and for most efficient operation of the units. Internet of Things (IoT) integration with wireless sensors for monitoring of critical asset parameters is also being increasingly used. Digitalisation of complex maintenance and overhauling procedures by onsite visualisation using digital hand-held devices and application of robotics for inspection of inaccessible areas have also been adopted. At the same time, **CESC is also alive to the digital security threats and has taken suitable protective measures, which are also in line with the guidelines issued by Ministry of Power, Government of India. Haldia has received a Certificate of Appreciation at the 1st FICCI Industry 4.0 Awards for its digital transformation projects.**

Both Budge Budge and Haldia stations are ISO 9001, ISO 14001, ISO 45001 and ISO 50001 certified in respect of Quality Management Systems, Environment Management Systems, Occupational Health and Safety Management Systems and Energy Management Systems. They have consistently excelled in operating efficiencies, energy conservation, quality systems and processes. **For its energy conservation efforts, Haldia received the 1st runner-up prize at the 14th CII (ER) Energy Conservation Awards, 2021.**

CESC has set stringent environmental standards, and both Budge Budge and Haldia plants continue to achieve 100% utilization of ash in an environment friendly manner. Ambient air quality and stack emission are monitored continuously and data is transmitted real time to statutory authorities. Both plants continuously optimise their water usage by reducing consumption, reusing and recycling wherever possible. BBGS is a zero liquid discharge (ZLD) station and has a robust water treatment system for optimal water usage. Water consumption at both plants has been maintained well below the national standard.

Over the years, CESC has also excelled in environment and sustainability. These include medicinal and herbal gardens, automatic organic compost machines, rainwater harvesting, butterfly parks, tree plantation drives and biodiversity labelling. During the year, Haldia published a coffee table book on biodiversity after an in-depth study.



In 2021-22, 1,000 and 2,600 saplings were planted at Haldia and Budge Budge respectively, taking total tree plantation at both plants to over one lakh each. HEL has earned the distinction of having over 30% of the plant area under green cover. The administrative building at Haldia was earlier converted to an IGBC-certified Platinum green building. Deployment of energy efficient appliances and fixtures in the building has resulted in water and energy savings to the tune of 35% to 40%.

**The Company's initiatives in environment and sustainability have been well recognised. During the year, Budge Budge won at the 15th ICC Environment Excellence Awards (2021) in the Power sector, while its Southern Generating Station was the runner-up. Budge Budge won the Energy & Environment Foundations Global Water Awards 2021 and was recognised as 'Global Water Conservation Company of the Year'. It also won the Aqua Foundations Excellence Awards 2021 in the category of Water Management – Private Sector.**

### Distribution

CESC's distribution infrastructure serves its 3.5 million Customers in Kolkata, Howrah, Hooghly, North and South 24 Parganas in the state of West Bengal. The demand for power is quite variable in its licensed area, with the Company having registered a peak demand more than 2,300 MW and a lean demand lower than 400 MW in recent years.

During periods of high demand, CESC also imports power to complement its own generation (including from HEL). Conversely, it exports surplus power, when possible. Banking of power is also done with other licensees to facilitate availability of power during periods of high demand.

In 2021-22, although there was an improvement in demand compared to the previous year, the overall situation is yet to recover to pre-Covid levels. The peak power demand was 2,012 MW in 2021-22, compared to 1,865 MW in 2020-21 and 2,337 MW in 2019-20. Similarly, **total energy requirement recovered to 10,279 million units (MU) in 2021-22 from 9,801 MU in the previous year but continued to be below 11,024 MU recorded in 2019-20. About 89% of this requirement was met by CESC's own generation, including HEL.**

During 2021-22, about 1.5 lakh meters were installed on account of new supplies and replacements. CESC undertakes continuous upgradation of its distribution infrastructure to maintain the Quality and Reliability of supply as well as to reduce downtime, overloads and sustainable reduction in losses. **Distribution losses, which have consistently come down over the last few years, continued to follow the declining trend in 2021-22 as well.** This was made possible with technological interventions to create a pilfer proof network such as use of Theft-proof pillar boxes, Co-axial cables and leveraging Smart Meter based Automated Remote Surveillance cum theft prevention systems.

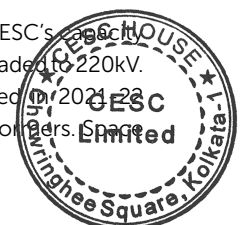
Over the years, CESC has achieved high degree of automation through its investments in technology and equipment. It has a fully functional SCADA System along with RMU automation and RTU integration for remote monitoring and control of its network. More recently, it has embraced innovative Digital Technologies to further expand its capabilities in the area. Some of these include:

- Move from Preventive Maintenance to Predictive condition-based maintenance with deployment of remote asset health monitoring technologies. These include cutting-edge Industry 4.0 based Internet of Things (IoT) sensors embedded at transformers, RMU, LT pillar boxes; pan and tilt thermal cameras at outdoor substation; drones for monitoring and thermal imaging of transmission towers and outdoor yards. This has been instrumental in keeping health of assets in pristine condition and at the same time improving reliability of power supply.
- Introduced IoT-based "Water level Indicator" in road side pillar boxes in waterlogged areas to automatically sense inundation and trigger SMS to control room for taking pre-emptive actions, thereby ensuring safety of public. **CESC won Independent Power Producers Association of India (IPPAI) Power Awards 2022 for the Project "Implementation of Smart Pillar Box in LT Distribution System".**
- Enhancing safety of operations through implementing Extended Reality (XR) technologies, including Augmented Reality / Mixed Reality for remote troubleshooting and training on protection systems. Another project under implementation in the area of safety includes creating digital twins including 3D modelling of sub-station for upgrading skills of workmen through better visualisation and replicating real working environment.
- Improving Operational Efficiencies and Consumer experience through automation of several processes through in-house Artificial Intelligence / Machine Learning (AI/ML) enabled applications such as prediction of HT Cable Faults, prioritisation of low voltage complaints, health indexing of transformers and Social Media sentiment analysis. In 2021-22, it completed a pilot project using Robotic Process Automation (RPA) technology to handle manual, rule based routine tasks in handling applications for New Connections and being extended to other applications like Customer Service and Operations.

Given the proliferation of technology-based solutions across the Company's operations and explosion of data generated in the process, another area which received considerable emphasis in 2021-22 was cybersecurity. This involved development of a comprehensive Cyber Crisis Management Plan (CCMP), strengthening of IT-OT network security, identification of critical information infrastructure, to ring fence our IT-OT systems as well as compliance with ISO 27001 and ISMS. Training programmes and mock-drills were also conducted to improve awareness on cybersecurity among the employees

CESC is at the forefront of deploying advanced technology and innovations to provide better services to its Customers. The Company is also executing special projects to upgrade its distribution network and enhance its long-term capacity. Some of the key initiatives were:

- As a part of a longer term plan to augment CESC's capacity to import power, import points are being upgraded to 220kV. Upgrade of one import point was completed in 2021-22 along with installation of 2 x 200 MVA transformers.



consolidation is another focus area. Several measures have been implemented to optimise space requirement, as well as to upgrade and enhance capacities of existing substations. Besides, old and ageing equipment are regularly replaced through an optimised capex plan.

- 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 as well as to identify thefts in certain loss-prone pockets by implementing micro energy audit based on analysis of data from these meters. Around 2,875 smart meters were installed in 2021-22.
- CESC had installed a 315 kWh Battery Energy Storage System (BESS) in 2020-21 to address frequency regulation, future solar intermittency planning, peak power shaving and supply voltage improvement. In 2021-22, a series of studies have been undertaken and the Company is contemplating a plan for a larger grid-connected BESS.
- Implemented an experimental peer-to-peer (P2P) platform for power transfer and demand side management using blockchain technology in association with a consortium led by IIM, Ahmedabad. A bigger pilot to further assess the benefits and possibilities for bringing down costs is slated for 2022-23.
- Given back to back cyclones over the last couple of years, importance of grid resiliency under extreme weather events can hardly be overstated. CESC has initiated an in-depth study for improving its distribution network resiliency in association with IIT, Kharagpur.
- A micro-grid with 100 kWp floating solar PV plant and 218 kWh BESS inside one of the substations is in advanced stage of commissioning. The micro-grid will provide uninterrupted power supply for local loads inside the station. Based on the success, these standalone micro-grids can also be used to provide back-up power to important Customers.
- In the process of upgrading its existing optical fibre based communication backbone to cutting edge 10G ready Multiprotocol Label Switching – Transport Profile (MPLS-TP) communication system to cater to all mission critical, latency sensitive operational technology (OT) services.

CESC won several awards in 2021-22 recognising its pioneering implementation of advanced technology-based solutions and its achievements in operational excellence in the area of distribution. These include: (i) **ASSOCHAM Energy Meet Excellence Awards 2022 for 'Push Alert: An In-house Vendor-Agnostic Solution for Real-time System Disturbance Analysis on Mobility Platform' in the category "Innovation in Energy Solution"**, (ii) **IPPAI Power Awards 2022 in the category "Innovation in Energy Conservation"**, (iii) **At the 9th Excellence Practice Competition 2021 organised by Institute of Quality, Confederation of Indian Industries (CII), it was adjudged 1st Runner up for the Project 'Conversion of unauthorized user of electricity to authorized Consumer in Tiljala-Topsia area', and 2nd Runner up for the Project 'Significant OPEX reduction for annual maintenance of Distribution Asset (Automatic Power Control Unit – APFC) through business process innovation'.**

## Customer Service

As a leading power utility providing services to 3.5 million Customers, establishing and maintaining high levels of customer service is the overarching objective of CESC. Over the years, it has launched many initiatives to improve the quality of power supply and service. Built on the principle of customer centricity, these measures have enabled significant improvement in Customer satisfaction. **In recognition, of its efforts, CESC was adjudged the winner of the 'Best Distribution Company to promote Consumer Awareness' at the IPPAI Power Awards 2022.**

Some of the key development in 2021 - 22 were:-

- **New Connections:** CESC provided some 97,000 new connections in 2021-22. The average time taken to provide a new connection was 1-2 days. Moreover, where premises have an existing connection, supply typically starts within 24 hours of compliance and payment.
- **Billing and Payment:** CESC has a wide variety of user-friendly online payment options such as debit/credit card, net banking, mobile wallets, ECS, NEFT/RTGS, Bharat QR and UPI. During the year, payment of bills for metered temporary supplies through NEFT/RTGS and payment of bills through WhatsApp was introduced. **By the end of 2021-22, almost 70.8% of LT consumers were making online payments accounting for 71.1% of the revenue - compared to 64% and 72% respectively in the previous year.**
- **Customer Contact:** The Company's centralised 24x7 call centre acts as the primary touch point for all complaints and queries. Key Account Managers continued to provide personalised support to large corporate and institutional Consumers. **In 2021-22, CESC launched a voice bot called 'Aastha' to further enhance Customer experience (See Box 1). Around 9.4 lakh unique Customers interacted with the Company on its Chatbot (E-Buddy), without having to reach an agent. In addition, the WhatsApp Bot serviced around 1.6 lakh unique users CESC's Chatbot and WhatsApp Bot are equipped with Artificial Intelligence (AI) and Machine Learning (ML) capabilities. Social media interactions and engagements were also at an all-time high.**
- **Supply Interruptions:** Over the years CESC has taken different steps to ensure reliable power supply and quicker restoration times. The 24x7 Control Room, manned by engineers, is further equipped with radio-linked and GPS-enabled mobile service vans which are placed at strategic locations to enable faster supply restoration. Outage information is sent to bulk Consumers and important LT Consumers, proactively.
- **Digital Services:** CESC has continued its focus on digital initiatives so that Consumers can avail them at their fingertips from the comfort of their homes and offices, without having to visit CESC Offices physically. Apart from ascertaining their daily consumption pattern, Customers can now also check their power factor and demand from the website.





### Box 1: Special Initiatives During 2021-22

CESC values customer feedback and is responsive to the needs and expectations of its Customers. Based on the feedback received through various engagement platforms, the Company introduced several special initiatives to enhance customer service and satisfaction levels during the year. Some of these were:

- **Voice Bot:** As a part of its digitalisation initiatives, CESC introduced “Aastha” – a digital voice assistant for its Customers. This voice bot, which is enabled with Artificial Intelligence, Machine Learning and Natural Language Processing capabilities, is integrated with the Company’s CRM and Outage Management System to ensure quick and uniform assistance to Customers. It independently converses with Customers to provide them information regarding outages and registers their complaints. Consumer calls are now being transferred to Aastha, eliminating wait time when the call centre is busy. ***CESC is the first power utility in India to introduce a voice bot in a regional language, in addition to Hindi and English.***
- **Customer Engagement Activities:** Given the restrictions due to Covid, CESC has been conducting Customer engagement activities digitally. During the year, “Puja Baithaki Adda”, “Technical Workshop for HT Customers” and “Safety Workshops for Electricians” were held on online platforms. Special webinars for residents of housing complexes were also organised to discuss CESC’s Customer initiatives, electrical and fire safety, and creating awareness on environmental benefits of Electric cooking and Electric vehicles.
- **Social Media Management:** CESC Social Media strategy was revamped in 2021-22. Recognising the broader brand building context, activities were restructured under three pillars: (i) content management, (ii) customer response management and (iii) online reputation management. Overall, it has led to a quantum jump in social media interactions and engagements, which are at an all time high .

CESC promotes environment and sustainable practices under its campaign #LiveFreeBreatheFree. In 2021-22, it partnered with GoBykes, an E-bike company, for in-house commute between its various operating locations and in the process create awareness among its employees. The Company is facilitating the creation of EV charging infrastructure across the city: supply was provided to WBTC bus charging stations to mobilise E-buses and public charging stations have been set up in collaboration with KMC. Its sustainability initiatives were showcased at big events like the International Kolkata Book Fair 2022 and on its website and social media channels.

### 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. Over the years, it has redefined its daily work management practices to create a culture of safety within the organisation. As noted earlier, both key generating stations – BBGS and Haldia – are ISO 45001 certified for occupational health and safety management systems.

The central Safety Cell has been instrumental in implementing safe work procedures as well as monitoring and control of any unsafe situations in line with its corporate safety manual and internal safety

standards for critical work. The Safety Cell has also been providing training to all its workers. Besides, officers have undergone safety-related training by institutions of national and international repute. Job site audits, safety 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 bi-annual safety magazine ‘Surakshabarta’ (available in Bengali and Hindi) and a web-based monthly newsletter ‘Safety Spotlight’. Besides, safety mailers are regularly sent to its consumers and seminars are organised to educate customers on electrical and fire safety.

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 are also available to the employees through tie-ups with major super-speciality hospitals, nursing homes and diagnostic clinics. It also conducts regular health check-up for all employees as a part of its occupational health initiative. It publishes a quarterly medical bulletin called ‘Mediflash’ for its employees. In 2021-22, it published covid-related bulletins, posters and video messages to improve awareness. Further details of its activities during the pandemic are presented in Box 2.



**Box 2: Safety and Health During Covid-19 Pandemic**

Ensuring safety and security of its people and providing proper medical care to those affected was the key to ensuring continuity of services during Covid-19 outbreaks.

- CESC maintained regular contact with government authorities and implemented their guidelines from time-to-time. Steps were taken to practise social distancing, use of masks and sanitizers, use of PPE by the staff and regular sanitisation of premises to effectively counter the second and third waves of Covid which peaked in May 2021 and January 2022 respectively.
- Appropriate protective gears were made available to our frontline workers and at-risk employees. While work from home was implemented wherever possible during the outbreaks, strict Covid guidelines were implemented for spacing at workplace and staggered work schedule for critical functions.
- Facilities were created for screening, testing, contact-tracing and quarantining employees. Despite severe challenges, Covid isolation beds were arranged wherever required. The Company established a Woodlands-CESC Satellite Centre for prompt treatment for all affected employees.
- With the launching of nationwide vaccination programme from February 2021, **CESC proactively ensured that almost 100% of its employees got themselves vaccinated primarily through WPCVC as well as other hospital and nursing homes.**

In recognition of its efforts in the area, the Company won several awards during the year. **Budge Budge and Southern Generating Stations received the 'Gold' and 'Silver' awards at the 3rd ICC National Occupational Health & Safety Awards 2021. Budge Budge also won the 'Gold' prize in Power Sector at the 9th FICCI Safety System Excellence Awards, 'Gold' prize at the 11th EXCEED Occupational Health & Safety Awards 2021 and a Global award for outstanding achievement in practicing excellent workplace culture in Health & Safety at the Energy & Environment Foundations Global Awards on Safety.**

**GENERATION PROJECTS**

Apart from plants catering to Kolkata operations, CESC has built independent generation capacities to benefit from the opportunities in the sector and build capabilities in the renewable energy space. This includes two thermal power projects with a capacity of 600 MW and 40 MW, as well as a solar power project with a capacity of 18 MW DC.

Apart from these, the Company owned four wind power projects with a total capacity of 156 MW through its wholly owned subsidiary Surya Vidyut Limited (SVL). During the year, it sold its wind power portfolio to Torrent Power Limited through transfer of its entire shareholding in SVL on March 11, 2022. During this period (YTD March 11, 2022), the combined generation of the four wind power projects was 232 MU with a capacity utilisation factor of 18%.

**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 Fuel Supply Agreements (FSAs) with South Eastern Coalfields Limited and Western 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 the Noida Power Company Limited (NPCL). During 2021-22, Unit II maintained PLF of 79%. In November 2019, DIL had secured a power purchase agreement for 185 MW with MAHAGENCO, which in turn supplies to MSEDCL. Under this agreement, which was valid up to March 31, 2022, power was supplied from Unit I. With this and other short-term contracts, Unit I achieved PLF of 73% in 2021-22, taking the overall PLF for DIL to 76% in 2021-22. In February 2022, DIL signed a medium-term PPA for supply of 210 MW to Railway Energy Management Company Limited in Maharashtra for a period of 3 years.

DIL is certified in respect of Quality Management Systems (ISO 9001), Environmental Management Systems (ISO 14001), Occupational Health & Safety Management Systems (ISO 45001) and Energy Management Systems (ISO 50001) and has consistently excelled in operating efficiencies, energy conservation, quality systems and processes. Like Budge Budge and Haldia, it also has (i) an Asset Maintenance & Reliability Management system involving high degree of digitisation and automation, and (ii) a Centralised Remote Monitoring Control Room for monitoring the station using advanced pattern recognition systems and big data analysis for enhanced reliability and efficiency.

DIL has excelled in meeting high environmental standards in its operations through continuous innovations and efforts. It has established three online Ambient Air Quality Monitoring Stations. It has a highly efficient combustion control and fly ash separation units and has achieved 100% ash utilisation and an outstanding record on health and safety. **During the year, it received several awards that underscore its performance in these respects: Platinum award winner for environmental initiatives in the Green Maple ACE Awards; Gold award winner in Occupational Health & Safety in the 'Ek Kaam Do-ke Naam' Awards; winner in the 8th Greentech CSR India awards for promotion of healthcare.**



DIL has a strong commitment to environment and sustainability, which is reflected in its continuous efforts to conserve water through reducing consumption, recycling and reuse. Being a zero liquid discharge (ZLD) plant, various initiatives such as rainwater harvesting and ash water recovery system have also been implemented. These have resulted in water consumption levels well below the national standards. It has also taken several measures to protect and enhance the biodiversity of the region, which include an orange orchard, a sandalwood corridor and a waterfowl species park. A composting unit utilising horticultural waste was set-up inside the plant in 2021-22.

**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 has been operational since July 2009. The power plant is owned by Crescent Power Limited, a CESC subsidiary, which operates in the merchant power market. **In 2021-22, the plant generated 347 million units (MU) of power, compared to 346 MU in 2020-21. During the year, it won the Platinum award (Thermal Power Sector) of Apex India Occupational Health & Safety Awards 2021 and the 'Gold' award for "Women Empowerment" under CSR category of Grow Care India Awards 2021.**

#### Solar

Ramnathapuram, Tamil Nadu: This is the Company's first solar power project commissioned in January 2016. It has been undertaken through Crescent Power Limited, a subsidiary of CESC, and has a capacity of 18 MW DC. Power generated in the project is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement. During 2021-22, it generated 26.5 MU of electricity.

#### DISTRIBUTION VENTURES

CESC has been active in the private distribution space outside Kolkata since 1993 through the Noida Power Company Limited, its subsidiary 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. CESC won bids for three DFs in Rajasthan and Malegaon in Maharashtra. Kota and Bharatpur became operational in 2016-17, Bikaner became operational in 2017-18 and Malegaon commenced operations in 2019-20.

**The five operational distribution ventures of the Company, other than Kolkata operations, collectively service around 7.18 lakh consumers (6.88 lakh in 2019-20) and accounted for electricity sales amounting to 4,965 million units (MU) in 2021-22, up by 13.5% from 4,373 MU in 2020-21.**

In an important development during the year, CESC's wholly owned subsidiary, Eminent Electricity Distribution Limited, emerged as the highest bidder for acquiring 100% stake in the power distribution company for Union Territory of Chandigarh. The granting of distribution license, which will be for a period of 25 years, is subject to further formalities which are currently in progress. **Chandigarh is an affluent city with one of the highest per capita incomes in the country. The licensed area is spread across 114 square kilometre, with around 2.3 lakh**

**consumers and about 1,600 million units (MU) in annual sales of electricity. Once operational, this venture will significantly bolster the Company's distribution footprint.**

**Greater Noida, Uttar Pradesh:** Noida Power Company Limited (NPCL), a subsidiary 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 comprising a mix of industrial establishments as well as 118 fully electrified villages. Currently, around 8% of its 1,17,753 customers comprise business establishments.

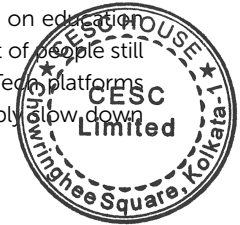
NPCL has implemented state-of-the-art technology and processes to deliver safe and reliable electricity along with highly customer-centric services, setting industry benchmarks in the process. It has a fully integrated GIS and a 100% SCADA compliant network. It has also piloted 'self-healing technology' for smart grids and deployment of drones for network surveillance.

**In 2021-22, NPCL's peak load was 522 MW, compared to 446 MW in the previous year. Although there was decline in sales during the first quarter due to the lockdowns, it was able to arrest this decline — registering sales of 2,338 MU in 2021-22, compared to 2,012 MUs in the previous year.** As a mature and efficient distribution business, its distribution losses continue to be low. In 2021-22, its losses came down further to 7.95%, from 8.39% in the previous year. Following prudent practices and proactive engagement with its customers, NPCL was able to maintain collections at more than 100% in 2021-22. The company's digital collection ratio stood at 83%.

**NPCL received over 40 awards and recognitions in 2021-22. Some of the key ones were: Par Excellence and Excellence Awards at QCFI's International Convention on Quality Control Circles; Platinum, Gold and Silver awards at CII's National Technology, Kaizen and Office Innovation Competitions; winner at CII's National Energy Efficiency Circle Competition, Star Champion and Star Challenger Awards at CII's Champions and Challengers Trophy; Gold award at India Smart Grid Forum Innovation Awards; and, Special Jury recognition Award at SAP Ace Awards. It also received multiple awards at ICC's 9th Innovation with Impact Award for DISCOMs, 35th NCQC Competition and QCFI's CCQC Competition.**

**Kota, Rajasthan:** Kota Electricity Distribution Limited (KEDL), a wholly owned subsidiary of CESC, took over operations in Kota on September 1, 2016 after signing of Distribution Franchisee Agreement with the Jaipur Vidyut Vitran Nigam Limited (JVNL).

As lockdown and other restrictive measures for Covid-19 pandemic were relaxed during the year, the demand of electricity witnessed a healthy revival. Around 10,200 new customers were added during the year, and sale of electricity increased to 960 MU in 2021-22 — compared to 849 MU in 2020-21 — but still remains below the pre-Covid levels. It is important to note that Kota's economy which is heavily dependent on education sector has still not returned to full normalcy. A lot of people still prefer online modes of coaching and many EdTech platforms have made significant inroads, which may possibly slow down growth in the immediate future.



KEDL continued with its efforts to strengthen the network and curb losses in 2021-22. This included installation of nearly 80 distribution transformers to enhance sub-transmission capacity, revisiting of old network to review health of network assets and replacing cables with open joints and damaged insulation with armoured cables. In addition, network surveillance activity has been aggressively pursued in the areas with high pilferage. **With these efforts, distribution losses were contained at 19.2% in 2021-22, compared to 21.8% in 2020-21.**

**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.

BESL's focus is on minimising losses, bringing improvement in metering, billing and collection as well as enhancing customer satisfaction by improving quality and reliability of service. Despite the pressures from the pandemic, lockdowns and ensuing poor economic conditions, it **added 3,000 consumers in 2021-22. Sale of electricity grew from 249 MU in 2020-21 to 255 MU in 2021-22. The company also reduced its distribution losses from 13.5% in 2020-21 to 12.8% in 2021-22.**

**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 Vitran Nigam Limited (JdVVNL).

BKSEL has made considerable investments in deploying advanced technologies and upgrading the network to make it safe and robust. Its focus on loss control activities such as re-laying of old dilapidated network with state-of-art of network peripherals and replacement of old electro-mechanical meters with new meters have shown significant results. Besides, setting up of quick response teams to support vigilance have enhanced operating efficiencies. **During the year, close to 7,500 new consumers were added and sale of electricity increased to 671 MU in 2021-22, from 667 MU in 2020-21. Distribution losses were contained at 13.9% in 2021-22.**

**Malegaon, Maharashtra:** Malegaon Power Supply Limited (MPSL), a wholly owned subsidiary of CESC, took over the operations in Malegaon on March 1, 2020 after signing a Distribution Franchisee Agreement with Maharashtra State Electricity Distribution Company Limited (MSEDCL). The distribution area covers the Malegaon Corporation Area spread across 57.6 square kilometres with around 1.19 lakh Consumers. Approximately 75% of the demand comes from the power loom sector.

Covid 19 pandemic followed by severe lockdown restrictions resulted in reduced business activities for the power looms since last two years, which contributes around 75% of our Sales. Despite

the challenges posed by the Covid -19 pandemic, MPSL diligently maintained operations, reduced T&D losses and enhanced customer service levels. In 2021-22, the company added 7,112 new connections and exchanged another 11,272 meters. It also stepped-up vigilance activities, even carrying out inspection drives at odd hours. These initiatives along with improved billing efficiency has resulted in considerable improvement in performance. **MPSL registered a 24% increase in sales from 596 MU in 2020-21 to 740 MU in 2021-22. T&D loss, which was above 50% at the time of takeover, came down to 38.7% at the end of 2021-22.** Going forward, focus will be on further improving the quality and reliability of supply, customer services, capacity augmentation and reduction of distribution losses.

## HUMAN RESOURCES (HR)

CESC strives to institutionalise best-in-class HR practices to create an environment that ensures growth, development and well-being of its employees. Accordingly, all HR strategies are formulated keeping employees at the core and supporting them to contribute to organisational growth. Processes are in place by way of engagement surveys and perception studies to receive feedback from employees and align the organisation with changing business needs.

It seeks to establish itself as an 'Employer of Choice' through its well-structured recruitment processes and engagement with premier engineering and management institutes. Both 'Unmesh', its summer internship programme, and 'Anneswan', its annual induction process, were carried out on a hybrid mode in 2021-22. During the year, diploma engineers from leading polytechnic institutes were recruited as Trainee Technical Assistant Officer for strengthening its operational fleets.

Developing a culture of knowledge and innovation is important to remain ahead of the curve. At CESC, this process is structured under the overall guidance of an Apex Panel of Mentors comprising members of its top leadership team and driven by a Knowledge and Innovation Management Council comprising senior experts from various functions.

Learning and development is an important focus area. CESC has a robust process for conducting training and other learning interventions in line with an annual training plan. **During 2021-22, the Company carried out 302 training programmes totalling around 6,014 man-days. These programmes were a mix of physical classroom-based and web-based sessions. 'Eclectic' – the in-house technical journal was released in September 2021 and March 2022.**

### Box 3: Asia Institute of Power Management (AIPM)

Asia Institute of Power Management – the ISO 9001-2015 certified training and consulting wing of CESC – has established itself in training of power professionals. In 2021-22, AIPM mostly suspended physical trainings but stressed on online trainings on digital platforms. **It conducted seven online trainings with many states of India and one physical training programme, providing 412 man-days of training to the executives working in power utilities in India**

Key topics in distribution included network planning and reliability, best O&M practices and asset management. Considering sustainability goals as outlined in India's Energy Policy, training programs also focused on digitalisation, automation and RE integration along with smart grid activities. Trainings on safety and efficiency improvement in power sector were highly appreciated by the participants.



CESC has always focused on quality of life and overall well-being of its employees. As a part of employee engagement efforts, several initiatives were taken during the year to focus on quality of life and overall well-being of the employees. While programmes like 'Ankur Samman' to recognise the meritorious children of employees and 'Avishkar', a talent search and promotion initiative continued, a new online Children's Carnival featuring unique activities was organised for the first time during the year.

**During the year, CESC received the prestigious Great Place to Work (GPTW) Certification for the third time in a row. It featured among 'India's 100 Best Companies to Work for' and Best Workplaces in Energy, Oil & Gas' by GPTW for 2021. In what was another significant recognition received in December 2021, CESC was awarded the 'IEEE Milestone' for heralding the era of electricity in the Indian subcontinent. It was also awarded the Global HR Skill Development Award 2022 by the Energy & Environment Foundation.**

As on March 31, 2022, CESC had 6,920 employees on its payroll. Unions representing the employees continued to play a positive role in partnering with management to drive excellence in operations. CESC enjoyed industrial harmony in its operations during the year with no major incidents of service interruption due to industrial relations issues.

### Business Excellence and Quality (BEQ)

Quality has been an integral part of CESC ever since it started its operations. A strong process driven business model, continuously upgraded with quality practices has not only resulted in an ethos of customer centricity and operational excellence but has also established CESC as one of the most efficient power utilities in the country.

In 2021-22, focus continued to be on growth of individual involvement through Kaizen and Workplace Organisation practices through 5S disciplines. This also included adoption of technology to effectively navigate through Covid-related restrictions. During the year, the 24th Quality Day was observed on a virtual platform to have widespread coverage across the organisation along with felicitation of the winners of the annual Kaizen and Workplace Organisation contests.

Significant progress was made on promoting project management discipline in its quality improvement journey through adoption of the DMAIC discipline for improvement projects. This as a structured methodology for problem identification and implementation of solution to ensure sustainable improvement and to meet need and expectations of the beneficiaries.

**In 2021-22, five teams from different functions participated in the Quality Competition organised by QCFI and won the 'Par Excellence' (highest recognition in the category of Kaizen Allied Concepts) at the international forum, ICQCC 2021 at Hyderabad, after qualifying through the State and National levels. Further, 10 teams participated at CCQC and NCQC 2021 and secured 'Gold' awards at both the State and National levels and are gearing up to compete at the forthcoming international level competition at ICQCC 2022 later this year.**

Going forward, with the learnings from the journey so far, focus will be on reinforcing the skills of our users and appropriately harness their experience for developing a higher level business process management framework.

### Environment Social Governance (ESG)

CESC is conscious of the importance of environmental, social and governance (ESG) considerations for the overall well-being of the ecosystem and sustainable growth. As a part of the RP-Sanjiv Goenka Group, it has embraced the ESG principles, incorporating these into its strategic planning both as a risk mitigation tool and to support long-term growth and value creation.

As a company operating in the energy sector, CESC is required to comply with several regulations and environmental norms. However, its initiatives in this area go beyond the requirements emanating from existing statutes and reflect its voluntary commitment to responsible, ethical and sustainable business practices. Some of its areas of intervention are:

- **Environment:** Energy efficiency and emission control; biodiversity and tree plantation; waste management, water resource management; promoting green buildings and solar rooftop; and awareness campaigns.
- **Social:** Employee rights, benefits, diversity and engagement; workplace safety; customer rights, engagement and satisfaction; supply chain management; CSR initiatives in education, health and sanitation; and community engagement and development.
- **Governance:** Board composition and committees; ethics and code of conduct; whistle blower mechanism and anti-corruption; disclosures, reporting and transparency; and, shareholders' rights and participation.

Some key initiatives in the areas of environment and sustainability have been discussed in the sections discussing the Company's generation projects earlier in this Report. Social initiatives of the Company are presented in the sections on HR and CSR. Further details on ESG initiatives in 2021-22 can be found in the CSR Report, Business Responsibility and Sustainability Report, and Report on Corporate Governance which form a part of this Annual Report.

A more structured and in-depth presentation of the Company's sustainability journey is available in the Company's ESG Report, which contains disclosures on non-financial parameters for CESC as well as its key operating subsidiaries in adherence to the GRI Standards. **The inaugural edition of this report was released in 2020-21. The preparation of CESC's second ESG report for 2021-22 with the theme "Powering the Sustainable Future" is currently in progress.**

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Despite challenging times, CESC remained steadfast in its commitment to social development and towards fulfilling its CSR responsibilities. It is focused on improving the quality of life of the communities where it operates through projects based on identified needs around education, child protection, health, water and sanitation, livelihood generation and skill development.



Many of these projects are on-going in nature. In a significant commitment, CESC is participating in a project undertaken by RP-Sanjiv Goenka Group CSR Trust to set-up an international bacalaureate school in Kolkata.

**During the year, CESC received several awards and recognitions that underscore its efforts in this area. These include ICC Social Impact Award 2021 for reducing child mortality and improving maternal health in the mega enterprise category for its 'Roshni' Project; Golden Bird CSR Excellence Award 2021 for livelihood creation in the Platinum category; and Grow Care India Education Award 2021 in the Platinum category.**

The details of CSR programmes and projects undertaken by the Company during the year are described in the Report on Corporate Social Responsibility Activities (**Annexure 'D'**) and the Business Responsibility and Sustainability Report (**Annexure 'E'**) forming part of this report.

Some key projects undertaken in 2021-22 are presented below

### Education

The 'Nayee Roshni' project focuses on early child care and education, access to formal school, prevention of dropout, enhancing scholastic skills of children in primary level and remedial education for children in secondary level. It also focuses on maternal and child health up to three years of age to ensure early child care and development. The project covers a population of over 26,000 in urban slum areas in Tiljala, Kolkata.

### Child Protection

'Hamari Awaaz' is a child protection project that seeks to build a community safety net and make children resilient through inclusive and sustainable education. The ultimate objective is to reduce child vulnerability issues. More than 3,000 school-based and 1500 out-of-school children have been sensitised on child rights through rallies, workshops and trainings.

### Health

'Suswasthya' is a mother and child health project which focuses on improving the health and nutrition status of pregnant women, lactating mothers, and children in 0-6 age group residing in the slums of Kamarhati Municipality. The programme involves generating awareness on ante-natal care, intra-natal care, post-natal care, immunisation, institutional delivery, nutrition, hygiene and strengthening of linkages between government health services and communities. The project covers a population of 5,102 comprising 931 households and 2,757 direct beneficiaries.

### Water and Sanitation

'Nirmal Abhiyan' School WASH project seeks to create child-friendly environment in government schools by providing safe drinking water and sanitation facilities. At the same time, it promotes behaviour change through hygiene education and linking the same to home and community. The project has been implemented in 29 schools benefiting over 2,500 students.

'Nirmal Parivesh' is a project aligned with the Swachh Bharat Mission, which focuses on improving availability, usage, quality and sustainability of sanitation facilities in Titagarh Municipality with the objective of making the Municipality 100% open-defecation free. The project has benefited 2,763 households. 13 pay-and-use sanitary complexes have been built under the project with approximately 5,100 users.

### Skill Development and Livelihood Generation

CESSC implements various skill development and livelihood generation projects, such as, 'Saksham', 'Udaan', 'Prayas' and 'Pragati' across eight centres in and around Kolkata. The objective of these projects is to create employability by providing vocational training in trades ranging from beauty and wellness, tailoring, driving, basic computer with advanced excel, air-conditioning and refrigeration to name a few. After successful completion of training, assistance is provided for employment and self-employment. On an average, 60% placement is achieved every year. A total of 849 youths were trained in 2021-22.

## FINANCIAL RESULTS

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

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

(₹ Crore)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from operations	7,294	6,921	12,544	11,632
Other Income	185	180	276	242
<b>Total Income</b>	<b>7,479</b>	<b>7,101</b>	<b>12,820</b>	<b>11,874</b>
Operating Costs	4,294	3,983	6,810	5,925
Employee Benefit Expenses	886	900	1,081	1,074
Other Expenses	996	863	1,736	1,466
Depreciation	471	463	885	867
Finance Costs	504	502	1,129	1,214
<b>Total Expenses</b>	<b>7,151</b>	<b>6,711</b>	<b>11,641</b>	<b>10,546</b>
Regulatory Income/ (Expense)	716	457	737	424
<b>Profit Before Taxes (PBT)</b>	<b>1,044</b>	<b>847</b>	<b>1,916</b>	<b>1,752</b>
Tax Expense	228	33	511	389
<b>Profit After Taxes (PAT)</b>	<b>816</b>	<b>814</b>	<b>1,405</b>	<b>1,363</b>
Basic & Diluted EPS (₹)	6.16	6.14	10.25	10.04

### Standalone Performance

Total income (including other income) of CESC grew by 5.3% from ₹ 7,101 crore in 2020-21 to ₹ 7,479 crore in 2021-22, reflecting improved demand conditions with shorter disruptions due to the Covid-19 pandemic, compared to last year.



The Company's focus on controlling costs continued during the year. Operating and other expenses increased in 2021-22, primarily due to higher fuel costs and operational and maintenance expenses. In contrast, employee costs, depreciation and finance costs remained broadly stable, compared to the previous year. Total expenses increased by 6.6% from ₹ 6,711 crore in 2020-21 to ₹ 7,151 crore in 2021-22.

Profit before taxes (PBT), after incorporating regulatory income, grew by 23.2% from ₹ 847 crore in 2020-21 to ₹ 1,044 crore in 2021-22. Profit after taxes (PAT) for 2021-22 was ₹ 816 crore, compared to ₹ 814 crore in the previous year. Earnings per share (EPS) for the year was ₹ 6.16, versus ₹ 6.14 in 2020-21.

#### 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 and Net Profit Margin for the Financial Year 2021-22 reflected a change of 25% or more compared to Financial Year 2020-21. Return on Net worth for the Financial Year 2021-22 & 2020-21 stood at 8.19% and 8.14% respectively.

#### Consolidated Performance

Total income (including other income) of CESC as a consolidated entity grew by 8% from ₹ 11,874 crore in 2020-21 to ₹ 12,820 crore in 2021-22. Total expenses during the year increased by 10.4% from ₹ 10,546 crore in 2020-21 to ₹ 11,641 crore in 2021-22, driven by an increase in operating and other expenses. In contrast, employee costs and depreciation remained stable, whereas financing costs came down by 7% from ₹ 1,214 crore in 2020-21 to ₹ 1,129 crore in 2021-22 on account of decline in interest rates.

Profit before taxes (PBT), after incorporating regulatory income grew by 9.4% from ₹ 1,752 crore in 2020-21 to ₹ 1,916 crore in 2021-22. Profit after taxes (PAT) grew by 3.1% from ₹ 1,363 crore in 2020-21 to ₹ 1,405 crore in 2021-22. Earnings per share (EPS) stood at ₹ 10.25 in 2021-22, compared to ₹ 10.04 in 2020-21.

## 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 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 regularly reviewed and monitored by the Audit Committee and placed before the Board of Directors. 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. Pradip Kumar Khaitan, Non-executive Director and comprises other senior management team members. 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 these. 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.

#### Box 4: Covid-19 Risks and Mitigation

With high vaccination coverage, better medical therapies and established process to deal with lockdowns and restrictions, the risks associated with the Covid-19 pandemic have come down. However, there is still possibility of fresh outbreaks, exposing CESC to risks ranging from maintaining day-to-day operations to longer term performance. Accordingly, its approach to mitigate Covid-related risks is at multiple levels:

- *The Apex Committee constituted by CESC at the beginning of the pandemic continues to monitor the situation in line with directives issued from time to time by the state and central governments. It continues to be responsible for taking quick decisions and communicating with stakeholders in the event of future waves of infections.*
- *To ensure business continuity, processes are in place (i) to ensure adherence to safety, sanitisation and hygiene protocols by employees operating essential services, and (ii) to use technology and digital solutions to manage operations and communicate with each other. Also almost 100% employees have been vaccinated, primarily through workplace CVC. These have successfully allowed the Company to maintain uninterrupted power supply so far during the pandemic.*
- *While the demand outlook has improved, CESC is taking measures to mitigate risks associated with subdued sales volumes. It is focusing on optimising costs and increasing non-tariff revenues by leveraging its reach in the market. In the medium to longer term, it also expects to benefit from greater adoption of electric vehicles and appliances, which it is actively promoting.*



### Macroeconomic and Market Risks

Although the global economy recovered strongly as the Covid-situation improved, the sustained inflationary pressures are a cause for concern. The war in Ukraine has further exacerbated risks, particularly those related to inflation and energy security. This can have significant impact on the power sector, including CESC. Surplus power generation capacities exposes the industry to risks associated with difficulties in executing PPAs and adverse price movements in the short-term power market. Availability of coal, coal prices, coal quality and linkages for new projects continue to be issues of concern.

CESC believes that the fundamentals of the Indian economy are strong. There is a global shift to electricity as a favoured and cleaner source of energy. As this trend gathers further momentum, demand of electricity will increase. CESC's efforts to mitigate Covid-19 risks have already been presented in Box 4. Most of the Company's generation capacities have long-term power sale arrangements. It is also well placed to access state and national grids to sell surplus power and is actively looking at long-term PPAs for Unit I of DIL to further mitigate this risk. To mitigate the coal-related risk, CESC has adopted a strategy of ensuring long term coal linkages for its projects.

### Operational Risks

As power plants age, their operating efficiencies reduce. Beyond a point in time, shutting down and replacement of these plants become imperative. 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. Integration of renewable energy into the grid as well as scheduling through implementation of Open Access power transactions, enhanced variability in management of grid stability and demand supply balances are other such operational risks.

The medium to long term risks associated with generation sites, availability and quality of power have been alleviated with the generation plant at Haldia. To mitigate disaster related risks, the Company has a comprehensive disaster management plan which classifies such risks into two categories: fire safety management and disaster management arising out of natural calamities with each having detailed SOPs to handle such events. Online health monitoring of fire safety systems has been implemented. Periodic mock drill on fire fighting and evacuation during emergency are part of the yearly training calendar. Its success in handling the Covid crisis and cyclones over the last couple of years provides further confidence in this regard.

### 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. Efficient managing and recycling of fly ash; order to install Flue Gas Desulphurisation (FGD) system in existing thermal power plants; obligations on use of power from renewable sources and use of biomass as a part of fuel-

mix are some instances of these policies and restrictions. This can make it more difficult to execute new projects as well as increase cost of operations.

CESC is conscious of these risks and is prepared to take measures to implement changes to ensure compliance with extant regulations in the sector. All generating stations of the Company have achieved 100% ash utilisation. It is going ahead with implementation of FGD plants for its thermal projects.

### OUTLOOK

Global economic output turned around sharply, growing at 6.1% in 2021. India also registered impressive growth, with the GDP increasing by 8.9% in 2021-22 — making it the fastest growing large country in the world. Although pandemic-related risks have come down, fresh risks have emerged in the form of high global inflation, further exacerbated by the war in Ukraine.

Electricity is a growth sector globally, with its demand growing twice the rate of overall demand for energy. As the world moves more aggressively towards cleaner technologies and fuels to meet its obligations in the fight against climate change, the role of electricity as a preferred form in which energy is consumed will drive demand further.

As far as India is concerned, fundamentals of the sector are strong and the long term demand outlook is positive. Even in 2021-22, although the demand slipped initially during the lockdown, there was a sharp recovery as the year progressed. Robust policy initiatives by the government to revive economic growth, focus on manufacturing, electric vehicles and universal electricity access should all contribute to significant growth in demand for electricity. Proposed deregulation of the power sector, including de-licensing of distribution, will open up further opportunities for efficient power utilities.

This should augur well for CESC, which has sufficient expertise in both power generation and in operating distribution networks across the country.

### 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

**Dr. Sanjiv Goenka**

Place : Kolkata  
Date : May 13, 2022





# REPORT ON CORPORATE GOVERNANCE

## (Annexure 'B' to the Board's Report)

Corporate Governance is a process of governing a corporate entity which through a set of systems, procedures and practices establishes a valuable relationship of trust with all stakeholders. Fundamental of Corporate Governance includes transparency, accountability and independence. Such a strong fundamental helps in maximizing wealth for the Company's stakeholders. In order to accomplish fair Corporate Governance, the Government of India has put in place a framework based on stipulations contained under the Companies Act, SEBI Regulations, Accounting Standards, Secretarial Standards etc. Company considers stakeholders as partners in its business process.

### CESC's Philosophy on Corporate Governance

Corporate Governance is a process of the Company that reflects its culture, policies and relationships with the stakeholders. Integrity and transparency are key to our Corporate Governance practices to ensure that we gain and retain the trust of our stakeholders at all times.

Commitment to good Corporate Governance practices serves as the foundation for long term success of CESC Limited ('CESC' or 'the Company'). Corporate Governance forms a part of business strategy which includes, inter alia, creating an organization intended to maximize wealth of shareholders, establish productive and lasting relationship with all stakeholders with emphasis laid on fulfilling the responsibility towards the entire community and society. As a consumer-oriented power utility service provider, is committed to continuous upgradation of standards in its operations and services. These practices 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 in order to establish fairness in dealings and enhance satisfaction of consumers and other stakeholders.

CESC strives to maintain the highest standards of Corporate Governance keeping in view the international codes of Corporate Governance and practices of well-known global companies. The Company has established systems, processes, procedures and policies to ensure that its Board of Directors are well informed and well equipped to discharge overall responsibilities and provide management with the strategic direction catering to exigency of long term shareholders value. Its initiatives towards adhering to highest standards of governance includes self-governance, professionalization of the Board, fair and transparent process and reporting system.

Our Corporate Governance framework is guided by our core values – Sustainability, Customer first, Execution Excellence, Credibility, Agility, Risk taking and Humanness and is based on the following principles:

- To ensure legal compliance.
- To ensure transparency and maintain a high level of integrity.
- To be objective and ethical and deliver the best to earn trust and respect from our stakeholders.
- To build simple and transparent processes driven by business needs of all stakeholders.
- To communicate frequently with stakeholders, including clients, investors, shareholders and stock markets.
- To lead by example by ensuring independence of the Board and effectiveness of the Management.
- To safeguard the shareholder's capital as trustee and not as its owner.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") by CESC for the year ended March 31, 2022.

## BOARD OF DIRECTORS

### COMPOSITION AND ATTENDANCE

As on March 31, 2022, the Board of Directors ('the Board') comprised of ten Directors, two Executive Directors, two Non-Executive Promoter Directors (including the Chairman), one Non-Executive, Non-Independent Director and five Independent Directors including one Woman Director. 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 and attendance details as on March 31, 2022**

Name of the Directors	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director <sup>1</sup>	Member <sup>2</sup>	Chairman <sup>2</sup>	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Dr. Sanjiv Goenka	Promoter, Non-Executive	8	1	3	5	5	Yes
Mr. Shashwat Goenka	Promoter, Non-Executive	5	3	0	5	5	Yes
Mr. Pradip Kumar Khaitan	Non-Executive, Non-Independent	7	4	2	5	5	Yes
Mr. Chandra Kumar Dhanuka	Independent	8	8	1	5	5	Yes
Ms. Rekha Sethi	Independent	4	2	0	5	5	Yes
Mr. Pratip Chaudhuri	Independent	5	5	0	5	5	Yes
Mr. Sunil Mitra	Independent	6	2	2	5	5	Yes
Mr. Debanjan Mandal*	Independent	9	5	1	5	5	Yes
Mr. Debasish Banerjee	Executive	2	0	0	5	5	Yes
Mr. Rabi Chowdhury	Executive	5	0	0	5	5	Yes

\*w.e.f. May 10, 2021

**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.
- Except Dr. Sanjiv Goenka and Mr. Shashwat Goenka, none of the Directors are related to each other.
- 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)
- Mr. Kalaikuruchi Jairaj, Independent Director, resigned from the Board on December 29, 2021 due to personal reason before completion of his tenure. The Director confirmed that there is no other material reason for his resignation.
- Names of other listed entities where the Directors hold Directorship and their category of directorship.

Sl. No.	Name of the Directors	Directorship in Listed Entities	Category
1.	Dr. Sanjiv Goenka	1. PCBL Limited (formerly known as Phillips Carbon Black Limited) 2. Saregama India Limited 3. RPSG Ventures Limited (formerly known as CESC Ventures Limited) 4. Spencer's Retail Limited 5. Firstsource Solutions Limited	Chairman/Non-Executive/Non-Independent
2.	Mr. Shashwat Goenka	1. PCBL Limited (formerly known as Phillips Carbon Black Limited) 2. Firstsource Solutions Limited 3. RPSG Ventures Limited (formerly known as CESC Ventures Limited) 4. Spencer's Retail Limited	Non-Executive/Non-Independent
3.	Mr. Pradip Kumar Khaitan	1. Firstsource Solutions Limited 2. Electrosteel Castings Limited 3. Emami Limited 4. Graphite India Limited 5. India Glycols Limited 6. Dalmia Bharat Limited	Non-Executive / Non-Independent Non-Executive/Independent



Sl. No.	Name of the Directors	Directorship in Listed Entities	Category
4.	Mr. Chandra Kumar Dhanuka	1. Emami Limited	Non-Executive/Independent
		2. Dhunseri Ventures Limited	Executive/Non-Independent
		3. Dhunseri Tea & Industries Limited	
		4. Dhunseri Investments Limited	Chairman/Non-Executive/Non-Independent
		5. Naga Dhunseri Group Limited	Independent
		6. Mint Investments Limited	
5.	Ms. Rekha Sethi	1. Spencer's Retail Limited	Non-Executive/Independent
		2. Motherson Sumi Systems Limited	
		3. Kirloskar Brother Limited	
6.	Mr. Pratip Chaudhuri	1. Spencer's Retail Limited	Non-Executive/Independent
		2. Firstsource Solutions Limited	
		3. Muthoot Finance Limited	
		4. Cosmo Films Limited	Non-Executive/Non-Independent
7.	Mr. Sunil Mitra	1. Century Plyboards (India) Limited	Non-Executive/Independent
		2. Firstsource Solutions Limited	
8.	Mr. Debanjan Mandal	1. Spencer's Retail Limited	Non-Executive/Independent
		2. Century Plyboards (India) Limited	
		3. Industrial and Prudential Investment Company Limited	
9.	Mr. Rabi Chowdhury	Nil	Nil
10.	Mr. Debasish Banerjee	Nil	Nil

## EXPERTISE AND COMPETENCE OF THE BOARD OF DIRECTORS

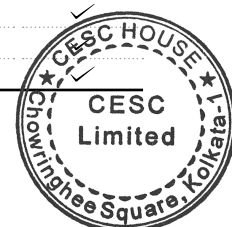
The Company has a balanced and diverse Board. The Non-Executive Directors including Independent Directors on the Board are well qualified, experienced, competent and renowned persons from the fields of power, manufacturing, finance and banking, taxation, economics, law and governance etc. They take active 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 and compliance etc. and play critical role on strategic issues, which enhances the transparency and add value in the decision making process of the Board.

The Board has identified the following skills/expertise/competencies fundamental in the context of the Company's business and the industry or sector in which it operates:

- Finance & Audit
- Risk Management
- Regulatory Compliance, Governance and Board Service.
- Business operations including Human Resources, Technical and Marketing services.
- Corporate Social Responsibility, Sustainability and Environment.

While all the Board members possess the skills identified, their areas of core expertise are given below:

Name	Finance & Audit	Risk Management	Regulation & Compliances	Human Resources	CSR and Sustainability	Marketing	Technical
Dr. Sanjiv Goenka	✓	✓	✓	✓	✓	✓	✓
Mr. Shashwat Goenka	✓	✓	✓	✓	✓	✓	✓
Mr. Pradip Kumar Khaitan	✓	✓	✓	✓	✓	✓	✓
Mr. Chandra Kumar Dhanuka	✓	✓	✓	✓	✓	✓	✓
Ms. Rekha Sethi	✓	✓	✓	✓	✓	✓	✓
Mr. Debanjan Mandal	✓	✓	✓	✓	✓	✓	✓
Mr. Pratip Chaudhuri	✓	✓	✓	✓	✓	✓	✓
Mr. Sunil Mitra	✓	✓	✓	✓	✓	✓	✓
Mr. Debasish Banerjee	✓	✓	✓	✓	✓	✓	✓
Mr. Rabi Chowdhury	✓	✓	✓	✓	✓	✓	✓



## Role of the Board of Directors

The primary role of the Board is that of trusteeship – to protect and enhance shareholder value through strategic directions to the Company.

- As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth.
- It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.
- It monitors the effectiveness of the Company's governance practices and makes changes as needed.
- It provides strategic guidance to the Company, ensures effective monitoring of the Management and is accountable to the Company and the shareholders.
- It exercises independent judgment on corporate affairs.
- It assigns sufficient number of Non-Executive members of the Board of Directors capable of exercising independent judgment in tasks where there is a potential for conflict of interest.
- It reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

## Responsibilities of the Board leadership

Dr. Sanjiv Goenka, Chairman, is responsible for fostering and promoting the integrity of the Board while nurturing a culture where the Board works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board and of the shareholders of the Company. The Chairman takes a lead role in managing the Board and facilitates effective communication among directors. He is responsible for overseeing matters pertaining to governance, including the organization, composition and effectiveness of the Board and its committees, and individual directors in fulfilling their responsibilities. The Chairman provides independent leadership to the Board, identifies guidelines for the conduct and performance of directors, and oversees the management of the Board's administrative activities, such as meetings, schedules, agendas, communications and documentations. The Chairman is also instrumental for the overall strategy of the Company. The Chairman works actively with the Nomination and Remuneration Committee to plan the composition of the Board and Board Committees, induct directors to the Board, plan for directors' succession, participate effectively in the Board evaluation process and meet with individual director to provide constructive feedback and advice.

## BOARD / COMMITTEE MEETINGS

The Board meets at regular intervals to discuss and decide on Company / business policies and strategy apart from other regular business matters. The Board/Committee Meetings are pre-scheduled and a tentative calendar of the Board and Committee Meetings circulated to all Directors and invitees well in advance to enable them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business needs, the Board's approval is taken by passing resolution by circulation, for the matters permitted by law, which is noted and confirmed in the subsequent meetings of Board/Committee(s). Business Unit heads and Senior Management Personnel make presentations to the Board as and when required. The Board is updated on the discussions held at the Committee Meetings and the recommendations made by various Committees. The agenda of the Board/Committee Meetings is set by the Company Secretary in consultation with the Chairman, MDs/CFO and functional heads of the Company. The agenda is circulated a week prior to the date of the meeting and includes detailed notes on items to be discussed at the meeting to enable the Directors to take an informed decision. Usually meetings of the Board are held at the Registered Office / Corporate Office of the Company at Kolkata but during the Financial Year 2021-22, all the Board / Committee meetings were held through Video Conferencing / Other Audio-Visual Means as per the guidelines issued by the Ministry of Corporate Affairs.

Board meets at least once in a quarter to review the quarterly Financial results, performance of the Company and other items on the agenda. Additional meetings are held when necessary on need basis. The Company also provides facility to the Directors to attend the meetings of the Board and its Committees through Video Conferencing mode and Other Audio Visual Means.

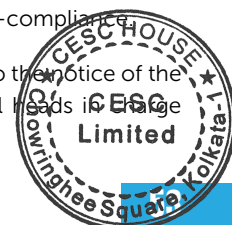
In 2021-22, the Board met five times on May 10, 2021, June 16, 2021, August 11, 2021, November 11, 2021 and January 13, 2022. The maximum gap between any two Board meetings was less than one hundred and twenty days or any statutory extension thereof.

The Company Secretary attends all the meetings of the Board and its Committees, advises and assures the Board on compliance and governance principles and ensures appropriate recording of minutes of the proceedings of the meetings.

## 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 the 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 of the



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.

## MEETING OF INDEPENDENT DIRECTORS

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of the Management. At such meetings, the Independent Directors discuss, among other matters, the flow of information to the Board, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements, human resource matters and performance of the executive members of the Board, including the Chairman. During 2021-22, Independent Directors met on January 13, 2022.

## CONFIRMATION OF INDEPENDENCE

The Independent Directors have confirmed that they meet the criteria of independence under section 149(6) of the Act and the Listing Regulations. The Board of Directors of the Company is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

## 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 2021-22 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 at [www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf](http://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf)

## COMMITTEES OF THE BOARD

The Board Committees play a vital role in strengthening the Corporate Governance practices and focus effectively on the issues and ensure expedient resolution of diverse matters. The Board Committees are set up under formal approval of the Board to carry out clearly defined roles as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their actions. The minutes of the proceedings of the meetings of all Committees are placed before the Board for its review and noting purposes.

The Board, is responsible for assigning and fixing terms of service for committee members. The Chairman of the Board, in consultation with the Company Secretary and the Committee Chairperson, determines the frequency and duration of the Committee meetings. The recommendations of the Committees are submitted to the Board for approval. During the year, all recommendations of the Committees were

approved by the Board. The quorum for meetings is the higher of two members or one-third of the total number of members of the Committee.

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) Objectives of the Committee

The primary objective of the Committee is, inter alia, to assist the Board with oversight of:

- i. The accuracy, integrity and transparency of the Company's financial statements with adequate and timely disclosures.
- ii. Compliance with legal and regulatory requirements.
- iii. The Company's Independent Auditors' qualifications and independence.
- iv. Review and monitor the performance of the Company's Independent Auditors and Internal Auditors.
- v. Acquisitions and investments made by the Company.

#### Process adopted by the Committee to fulfill its objectives

- Ensuring an effective and independent internal audit function, which works to provide assurance regarding the adequacy and operation of internal controls and processes intended to safeguard the Company's assets, effective and efficient use of the Company's resources, and timely and accurate recording of all transactions.
- Meeting the Independent Auditor from time to time to discuss key observations relating to the financial statements for the relevant period.
- Providing an independent channel of communication for the Compliance Officer, Internal Auditor and the Independent Auditor.
- Inviting members of the management, and at the discretion, external experts in legal, financial and technical matters, to provide advice and guidance.



- Meeting at least four times in a year and not more than 120 days shall elapse between two meetings.
- Providing periodic feedback and reports to the Board.

(ii) **Composition:**

As on March 31, 2022, Audit Committee comprises of four members consisting of Dr. Sanjiv Goenka, Mr. Pratip Chaudhuri, Ms. Rekha Sethi and

Mr. Chandra Kumar Dhanuka, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise. The Company Secretary acts as the Secretary to the Committee.

- (iii) The Committee met five times during the year on May 10, 2021, June 16, 2021, August 11, 2021, November 11, 2021 and January 13, 2022. 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. Chandra Kumar Dhanuka	Chairman	Non-Executive / Independent	5	5
Dr. Sanjiv Goenka	Member	Non-Executive / Non-Independent	5	5
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	5	5
Ms. Rekha Sethi	Member	Non-Executive / Independent	5	4

Executive Director & CFO and representatives of the Statutory Auditors and Internal Auditors are invited by the Audit Committee to the meetings. The Auditors are heard in the meetings of the Audit Committee when it considers the financial results of the Company.

(iv) **Terms of reference**

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

- 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.
- 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.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
  - 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.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in the draft audit report, if any.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors any significant findings and follow up thereon.
- 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.
- 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.
- v) Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
- w) Any other duties and responsibilities that the Audit Committee may be required to discharge in terms of any amendment to the Act, or Rules made thereunder / or Listing Regulations that may be effected from time to time.

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

- A. Management discussion and analysis of financial position and results of operations.
- B. Statement of significant related party transactions, Management letters/letters of

internal control weaknesses issued by the Statutory Auditors.

- C. Internal audit reports relating to internal control weaknesses.
- D. The appointment, removal and terms of remuneration of the chief of internal audit function.
- E. 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) Objective of the Committee:

The objective of the Committee is to assist the Board and the Company to oversee the various aspects of interests of stakeholders of the Company such as:

1. Consider and resolve the security holders' concerns or complaints
2. Monitor and review the investor service standards of the Company
3. Take steps to develop an understanding of the views of shareholders about the Company, either through direct interaction, analysts' briefings or survey of shareholders
4. Oversee and review the engagement and communication plan with shareholders and ensure that the views and concerns of the shareholders are highlighted to the Board at the appropriate time and that steps are taken to address such concerns

### (ii) Composition:

As on March 31, 2022, the Stakeholders Relationship Committee comprises of three members consisting of Dr. Sanjiv Goenka, the Chairman of the Committee, Mr. Rabi Chowdhury and Mr. Pratip Chaudhuri. The Company Secretary acts as the Secretary to the Committee.

### (iii) Meetings:

The Committee met four times on June 16, 2021, August 11, 2021, November 11, 2021, January 13, 2022. Table 3 below reports the attendance 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
Dr. Sanjiv Goenka	Chairman	Non-Executive / Non-Independent	4	4
Mr. Rabi Chowdhury	Member	Executive	4	4
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	4	4

Details of the number and nature of complaints received and redressed during the financial year 2021-22 are given in the section titled "Additional Shareholder Information".

**(iv) 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 interests 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.

relating to human resource management and compensation and to ensure a fair transparent and equitable remuneration to employees and Directors based on quality of people, their performance and capability.

**(ii) Composition:**

As on March 31, 2022, the Nomination and Remuneration Committee comprises of six members consisting of Dr. Sanjiv Goenka, Mr. Pradip Kumar Khaitan, Mr. Pratip Chaudhuri, Ms. Rekha Sethi, Mr. Debanjan Mandal and Mr. Chandra Kumar Dhanuka, being the Chairman of the Committee. The Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings:**

The Committee met three times on May 10, 2021, June 16, 2021 and August 11, 2021.

Table 4 below reports the attendance records of the members at the meeting.

**3. NOMINATION & REMUNERATION COMMITTEE****(i) Objective of the Committee:**

The objective of the Nomination and Remuneration Committee is to assist the Board of Directors in fulfilling its governance and supervisory responsibilities

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

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. Chandra Kumar Dhanuka	Chairman	Non-Executive / Independent	3	3
Dr. Sanjiv Goenka	Member	Non-Executive / Non-Independent	3	3
Mr. Kalaikuruchi Jairaj*	Member	Non-Executive / Independent	3	3
Mr. Pradip Kumar Khaitan	Member	Non-Executive / Non-Independent	3	3
Mr. Debanjan Mandal #	Member	Non-Executive / Independent	3	-
Ms. Rekha Sethi	Member	Non-Executive / Independent	3	-
Mr. Pratip Chaudhuri	Member	Non-Executive / Independent	3	-

\* Mr. Kalaikuruchi Jairaj ceased to be a member w.e.f. December 29, 2021

# Mr. Debanjan Mandal, Ms. Rekha Sethi and Mr. Pratip Chaudhuri become members w.e.f. January 13, 2022

**(iv) Remuneration Policy:**

In accordance with the recommendation of the Committee, the Company has 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.

**(v) Terms of Reference:**

The role of the Nomination & Remuneration Committee includes:

- To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments, re-appointments, removals, where necessary;





- ii. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required for every appointment of an independent director and recommend to the Board the said appointment.
- iii. 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;
- iv. To evaluate the performance of every director, key managerial personnel and other employees;
- v. To devise a policy on Board diversity.
- vi. 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.
- vii. To recommend to the Board all remunerations, in whatever form, payable to senior management of the Company.

**(vi) Performance Evaluation of Board, its Committees and Individual Directors:**

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the nomination and remuneration committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and executive / non-executive / independent directors through peer evaluation, excluding the director being evaluated.

Independent Directors have three key roles – governance, control and guidance. Some of the performance indicators, based on which the independent directors are evaluated, includes:

- The ability to contribute to and monitor our corporate governance practices
- The ability to contribute by introducing international best practices to address business challenges and risks
- Active participation in long-term strategic planning
- Commitment to the fulfillment of a director's obligations and fiduciary responsibilities; these include participation in Board and committee meetings

To improve the effectiveness of the Board and its committees, as well as that of each individual director,

a formal and rigorous Board review is internally undertaken on an annual basis. The evaluation process focused on Board dynamics and softer aspects. The process involved independent discussions with all Board members.

Further, the evaluation process was based on the affirmation received from the Independent Directors that they met the independence criteria as required under the Act and the Listing Regulations, 2015.

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 (CSR) COMMITTEE**

**(i) Objectives of the Committee:**

The Committee focuses on social and environmental responsibilities to fulfill the needs and expectations of the communities around company's business operations. The CSR activities are not limited to philanthropy, but encompasses holistic community development, institution-building and sustainability-related initiatives.

**(ii) Composition**

As on March 31, 2022, the Corporate Social Responsibility Committee consisted of Dr. Sanjiv Goenka, Chairman of the Committee, Mr. Chandra Kumar Dhanuka and Mr. Rabi Chowdhury. The Company Secretary acts as the Secretary to the Committee.

**(iii) Meetings:**

During the financial year, the Committee met twice on June 16, 2021 and January 13, 2022. 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
Dr. Sanjiv Goenka	Chairman	Non- Executive / Non-Independent	2	2
Mr. Chandra Kumar Dhanuka	Member	Non-Executive / Independent	2	2
Mr. Rabi Chowdhury	Member	Executive	2	2

**(iv) Terms of reference:**

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

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To discharge such other responsibilities as required under the Act and the Rules made thereunder.

The Board approved the revised CSR Policy effective from June 16, 2021 and the same is available on our website at: [www.cesc.co.in/wp-content/uploads/policies/CSR\\_Policy.pdf](http://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf)

**5. RISK MANAGEMENT COMMITTEE****(i) Objectives of the Committee:**

The Committee oversees implementation of the risk management policy and risk management

framework of the Company. It assists the Board of Directors in fulfilling its responsibilities with regard to Company's risk management, its mitigation process and compliance framework, with the help of its governance structure.

**(ii) Composition:**

As on March 31, 2022, the Risk Management Committee consisted of Mr. Pradip Kumar Khaitan (Chairman), Mr. Pratip Chaudhuri, Mr. Rabi Chowdhury and Mr. Debasish Banerjee. Besides, the Committee also comprised of three senior executives viz. Executive Director (HR & Admin), Executive Director & CFO and Executive Director (Regulatory Affairs and Corporate Services) as its members. The Company Secretary acts as the Secretary the Committee.

**(iii) Meetings:**

During the financial year 2021-22 the Committee met twice on October 29, 2021 and March 22, 2022. 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. Pradip Kumar Khaitan	Chairman	Non-Executive/ Non-Independent	2	2
Mr. Pratip Chaudhuri	Member	Non-Executive/Independent	2	2
Mr. Rabi Chowdhury	Member	Managing Director (Generation)	2	2
Mr. Debasish Banerjee#	Member	Managing Director (Distribution)	2	1
Mr. Rajarshi Banerjee	Member*	Executive Director & CFO	2	2
Mr. Gautam Ray	Member*	Executive Director (HR & Admin.)	2	2
Ms. Gargi Chatterjea#	Member*	Executive Director (Regulatory Affairs & Corporate Services)	2	1

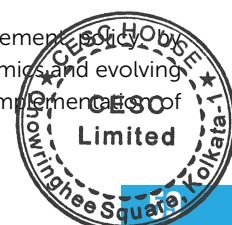
\*Not a director on the Board of the Company

# Became member w.e.f. January 13, 2022

**(iv) Terms of reference:**

- To formulate a detailed framework for identification of internal and external risks and the measures for risk mitigation including systems and processes for internal control of identified risks in order to ensure effective business continuity plan

- To ensure that appropriate methodology, processes and systems to monitor and evaluate risks associated with the business of the Company;
- To periodically review the risk management policy, considering the changing industry dynamics and evolving complexity and monitor and oversee implementation of the risk management policy;



- iv) To keep the board of directors/the management informed about the discussions, recommendations and actions taken report ;
- v) To review appointment, removal and terms of remuneration of the Chief Risk Officer

## REMUNERATION OF DIRECTORS

Payment of remuneration to Managing Directors is governed by the agreements executed with the Company and is also 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 March 31, 2022:

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2021-22 are as follows:

Dr. Sanjiv Goenka, Chairman - ₹ 19,00,000, Mr. Shashwat Goenka, Vice Chairman - ₹ 5,00,000, Mr. Pradip Kumar Khaitan - ₹ 10,00,000, Mr. Chandra Kumar Dhanuka - ₹ 16,00,000, Ms. Rekha Sethi - ₹ 10,00,000, Mr. Kalaikuruchi Jairaj - ₹ 7,00,000, Mr. Pratip Chaudhuri - ₹ 17,00,000 and Mr. Sunil Mitra - ₹ 6,00,000 and Mr. Debanjan Mandal ₹ 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 2021-22 at the rate of 3% of net profits for the financial year 2020-21, calculated under the applicable provisions of the Companies Act, 2013. A sum of ₹ 26.16 crore has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of ₹ 0.70 crore was paid to the Non-Executive Directors other than the Chairman and the Vice-Chairman, who were paid the balance amount equally, as per the decision of the Board. Amount of the proposed commission for the Non-Executive Directors for the year 2021-22 on the same basis is ₹ 31.86 crore, payable in the year 2022-23.

### Remuneration of the Managing Directors:

The remuneration of Mr. Debasish 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 – ₹ 2.23 crore, Contribution to Pension and Provident Fund and Gratuity – ₹ 0.61 crore, Estimated value of other benefits – ₹ 2.67 crore, Total: ₹ 5.51 crore. The remuneration of Mr. Rabi Chowdhury, Managing Director (Generation) was paid by Haldia Energy Limited, a wholly-owned subsidiary of the Company, where he is also the Managing Director.

### Shares held by Non-Executive Directors:

As on March 31, 2022, Dr. Sanjiv Goenka, Chairman and Non-Executive Director held 13,47,940 equity shares whereas Mr. Shashwat Goenka, Vice Chairman and Non – Executive Director held 11,14,080 equity shares of the Company. No other Non-Executive Director holds any equity share in CESC as on March 31, 2022.

## SUBSIDIARY COMPANIES

As on March 31, 2022, CESC had 18 subsidiaries. Haldia Energy Limited (HEL) was the only material subsidiary of the Company during the year in terms of Regulation 24 of the Listing Regulations. Mr. Debanjan Mandal, an Independent Director of the Company was appointed on HEL's Board as an Independent Director with effect from June 15, 2021. 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, if any, 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 in compliance with all material aspects of the applicable accounting principles in India, including accounting standards notified under Section 133 of the Act and other 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.

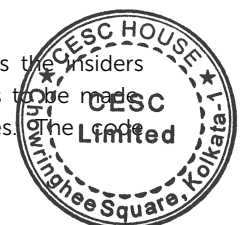
### FEES PAID TO THE STATUTORY AUDITORS BY THE COMPANY AND ITS SUBSIDIARIES

Fees for Audit and other services paid to the Statutory Auditors and all entities in the network firm / network entity of which statutory auditors are a part was ₹ 4.25 crore and ₹ 0.74 crore towards reimbursement of expenses.

### CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

The Company amended the Code of Conduct to Regulate, Monitor and Report Trading by Insiders" effective from February 11, 2021 in line with the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018.

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. The Company Secretary is the Compliance Officer of the Company. The above two codes are posted on the Company's website at [https://www.cesc.co.in/wp-content/uploads/insid\\_trade/Insider\\_trading\\_prohibition\\_code.pdf](https://www.cesc.co.in/wp-content/uploads/insid_trade/Insider_trading_prohibition_code.pdf).

## CREDIT RATINGS

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

Date	Facility Type	Rating	Rating Agency
October 4, 2021	Long-term Bank Facilities	CARE AA; Stable (Double A; Outlook: Stable)	CARE Ratings Limited
	Short-term Bank Facilities	CARE A1+ (A One Plus)	
	Long term – Non- Convertible Debenture	CARE AA; Stable (Double A; Outlook: Stable)	
July 27, 2021	Commercial Paper	CARE A1+ (A One Plus)	ICRA Limited
	Commercial Paper	[ICRA] 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: ₹ 1,370 crore

- b. Exposure of the listed entity to various commodities:

Commodity Name	Exposure towards the particular commodity (₹)	Exposure in Qty towards the particular commodity	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Coal	1,370 crore	3.40 Million MT	Nil	Nil	Nil	Nil	Nil

- c. Commodity risks faced by the listed entity during the year.

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/its subsidiaries. The domestic price of linkage coal and the reserve price of E-Auction Coal are governed as per rates notified by CIL and its subsidiaries. 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

Transactions entered into with the related parties alongwith other disclosures 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 standalone financial statements for the year 2021-22. There has been no material transaction with any of the related parties which was in conflict with the interests of the Company. There has been no material pecuniary relationship or transaction between the Company and its 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).

## ESTABLISHMENT OF VIGIL / WHISTLEBLOWER MECHANISM

The Company has established a mechanism for Directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Code. It also provides for adequate safeguards against the victimization of employees who are entitled to avail the mechanism and direct access to the chairperson of the Audit Committee in exceptional cases. During the year, no such case has been reported hence 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 The Sexual Harassment of Women at the 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	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

## 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 under the Listing Regulations and provided elsewhere in the Report.

## 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/CONTINUATION OF DIRECTORS

Mr. Debasish Banerjee (DIN: 06443204) retires at the conclusion of the forthcoming Annual General Meeting of the Company, and being eligible, offers himself for reappointment.

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 in terms of Sub- Regulation 17(1A), introduced with effect from April 1, 2019 under the Listing Regulations. The Notice convening the ensuing Annual General Meeting includes the requisite Special Resolution for this purpose.

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

Name of the Director	Mr. Debasish Banerjee
Age	60
Brief Resume	Mr. Debasish Banerjee (DIN 06443204) , aged 60 years, is an Electrical Engineer with proficiency in Business Management, having 38 years of rich and diverse industry experience. He commenced his professional career from Areva and moved onto Crompton Greaves and Schneider Electric, heading Business Operations in Dealer, Industry & Utilities domain. In his last stint as CEO of Reliance Energy, he contributed in improving Operational Efficiency and Optimizing Cost through Business Processes Reengineering & Automation, thus increasing bottom line and Customer Delight. In his current capacity as MD (Distribution) of CESC, he has ushered in a transformational journey for leapfrogging CESC to newer heights of excellence with enhanced Operational Resilience & Efficiency for effective Business Continuity during and after any crisis. Adoption of Industry 4.0 and Sensor based IoT along with Big Data Analytics and Immersive Technologies / Digital Twins has enabled the shift from Preventive to Predictive Maintenance, thus making CESC more Agile, Customer Centric, Cost-Effective and a Digital Utility of the future.



In pursuit of his passion to deploy cutting-edge Technologies for radical change, he is constantly engaged in embracing disruptive Technological Innovations, for enhancing Customer & Employee Experience (CX & EX). Rapid deployment of digital platforms like ChatBot, WhatsappBot & unique vernacular VoiceBot embedded with AI/ML & NLL/NLP technologies has further enriched Customer Service delivery. He has been instrumental in demonstrating Sustainability, which is one of the core values of CESC through Digitization & Decentralization for providing safe, cost-effective and reliable electricity. He is engaged in developing a responsible and diverse value chain for powering a Sustainable future & creating a positive societal impact for a better planet and people.

Apart from CESC, Mr. Banerjee is also on the Board of Eminent Electricity Distribution Limited and Malegaon Power Supply Limited.

Other Directorship	Mr. Banerjee is on the Boards of Malegaon Power Supply Limited and Eminent Electricity Distribution Limited which are wholly owned subsidiaries of CESC.
Shareholding	Nil

Name of the Director	Mr. Pradip Kumar Khaitan
Age	81
Brief Resume	Mr. Pradip Kumar Khaitan (DIN 00004821), aged 81 years, is a B.Com, LL.B. and Attorney-at-law (Bell Chambers Gold Medallist). He has professional Affiliations with Bar Council of India, Bar Council of West Bengal, Indian Council of Arbitration, New Delhi and Incorporated Law Society of Calcutta. Mr. Khaitan is the Senior Partner of Khaitan & Co. and is widely regarded as amongst the most influential legal practitioners in India. With over 50 years of experience, Mr. Khaitan has advised on a wide range of transactions.
	Mr. Khaitan's practice includes advising domestic business houses and International Corporations on all aspects of commercial and corporate laws, taxation, joint ventures, mergers & demergers, corporate governance and restructuring. He regularly advises on strategic decisions and sensitive commercial and legal issues. He is on the Board of Directors of CESC 1992.
Other Directorship	Mr. Khaitan is on the Boards of Graphite India Limited (Chairman of the Nomination & Remuneration Committee and member of Stakeholders Relationship Committee), India Glycols Limited (Chairman of Audit Committee , Nomination & Remuneration Committee, Stakeholders Relationship Committee and member of CSR & Risk Management Committee), Electrosteel Castings Limited (Chairman of the Board, Member of Audit Committee, Nomination & Remuneration Committee & CSR Committee), Emami Limited, Firstsource Solutions Limited, Woodlands Multispecialty Hospital Limited (Chairman of the Board and member of Audit Committee and Nomination & Remuneration Committee) and Odisha Cement Limited (Member of 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 <https://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/annual results, prepared in accordance with the Listing Regulations, have been published in leading English and Vernacular language newspapers and also posted on the website of the Company as well as on the websites of the Stock Exchanges where the shares of the Company are listed. Hence, they are not separately sent to the shareholders. However, the Company furnishes the results on receipt of a request from the shareholder.

Pursuant to the relevant circulars issued by Ministry of Corporate Affairs, Government of India (MCA) and Securities & Exchange Board of India and in view of the prevailing situation of the pandemic, the Notice of the Forty-fourth AGM and the Annual Report of the Company for the year 2021-22, are being sent only by email to the shareholders unless any shareholder has requested for a physical copy of the same.

The Company supports the 'Green Initiative' undertaken by the MCA, enabling electronic delivery of documents including Annual Report etc. to shareholders at their e-mail address already registered with the Depository Participants ("DPs") and Registrar and Transfer Agents ("RTA"). Additionally, the Company conducts various meetings by means of electronic mode in order to ensure the reduction of carbon footprint.

In view of the above, shareholders who have not yet registered their email addresses are requested to register the same with the RTA for receiving all communications, including Annual Report, Notices, Circulars etc. from the Company electronically. Schedule of investor's meeting and presentation made thereat are informed to the Stock Exchanges and uploaded on the Company's website in advance for information to the shareholders and other stakeholders.



## GENERAL BODY MEETINGS

The Forty-fourth Annual General Meeting of the Company shall be held on Friday, July 29, 2022 at 10.30 A.M. (IST) via Video Conferencing (VC) and Other Audio-Visual Means (OAVM).

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

Financial year	Date	Time	Venue	Special Resolutions Passed
2018-19	July 19, 2019	10:30 AM (IST)	SWISSOTEL Kolkata, City Centre Two, New Town Action Area 2 D, Plot No. 11/5, New Town, Rajarhat, Kolkata – 700157	Four
2019-20	August 3, 2020	10:00 AM (IST)	Via VC / OAVM as directed by Ministry of Corporate Affairs	Two
2020-21	August 18, 2021	10:30 AM (IST)	Via VC / OAVM as directed by Ministry of Corporate Affairs	Four

No resolution is proposed to be passed through postal ballot as on the date of this report.

There was no Extra-Ordinary General Meeting held during the financial year 2021-22. During the year under review the Company had sought approval of shareholders through postal ballot for alteration of Articles of Association by special resolution and 98.69% of the Votes were cast in favour of the said resolution. The Company had appointed Mr. Anil Kumar Murarka (FCS-3150, COP-1857), Practicing Company Secretary, to act as the Scrutinizer for conducting the Postal Ballot Process, in fair and transparent manner.

## COMPLIANCE

### Details of non-compliance

No penalty has been imposed by any stock exchange, SEBI nor has there been any instance of non-compliance with any legal requirements, or on matters relating to the capital market.

## NON-MANDATORY REQUIREMENTS

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

### • SHAREHOLDERS RIGHTS

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

### • AUDIT QUALIFICATIONS

During the financial year 2021-22, there was no audit qualification in the financial statements of the Company.

The Company continues to adopt appropriate best practices in order to ensure unqualified financial statements.

## CONFIRMATION

1. 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.
2. 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.
3. 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

**Dr. Sanjiv Goenka**

Chairman

DIN: 00074796

Place : Kolkata

Date : May 13, 2022



## Independent Auditors' 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, as amended

The Members of CESC Limited  
CESC Limited  
CESC House  
Chowringhee Square  
Kolkata - 700001

1. The Corporate Governance Report prepared by CESC Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.

### 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 provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
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 ICAI.
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 procedures performed include:
  - i. Read and understood 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 with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held from April 1, 2021 to March 31, 2022:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);





- (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee;
  - (g) Corporate Social Responsibility Committee;
- v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. 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

9. 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 specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

## Other matters and Restriction on Use

10. 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.
11. 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: 22058652AIXHRD9039

Place of Signature: Kolkata

Date: May 13, 2022



# ADDITIONAL SHAREHOLDER INFORMATION

(Annexure 'C' to the Board's Report)

## ANNUAL GENERAL MEETING

Day & Date	:	Friday, July 29, 2022
Time	:	10.30 A.M. (IST)
Venue	:	Video Conferencing / Other Audio-Visual Means

## FINANCIAL CALENDAR

: April 1 to March 31

For the year ended March 31, 2021, results were announced on:

First quarter	August 11, 2021
Second quarter	November 11, 2021
Third quarter	January 13, 2022
Fourth quarter and annual	May 13, 2022

For the year ending on March 31, 2022, results will be announced :

First quarter	On or before August 14, 2022*
Second quarter	On or before November 14, 2022*
Third quarter	On or before February 14, 2023*
Fourth quarter and annual	On or before May 30, 2023*

\* The above dates are subject to any statutory extension, if any, allowed in future.

## DIVIDEND

The Board of Directors at its meeting held on January 13, 2022 declared an interim dividend of ₹ 4.50 per equity share that was paid on and from February 7, 2022. 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 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)

## LISTING

Equity shares of CESC are listed on BSE Limited, Mumbai and the National Stock Exchange of India Limited, Mumbai.

## ISIN & STOCK CODES DETAILS

### A. Equity shares (ISIN: INE486A01021)

Stock Exchanges	Stock Code
BSE Limited (Phiroze Jeejeeboy Tower, Dalal Street, Mumbai – 400001)	500084
The National Stock Exchange of India Limited (Bandra Kurla Complex, Bandra (E), Mumbai – 400051)	CESC

### B. Listed Secured Non-Convertible Debentures :-

Stock Exchanges	ISIN	Coupon Rate	Principal amount ₹ (crore)
The National Stock Exchange of India Limited (Bandra Kurla Complex, Bandra (E), Mumbai – 400051)	INE486A07242	7.75%	300.00
	INE486A07267	12 month T-bill rate + spread of 240 bps	200.00

Note:-

- The Equity shares of the Company of face value of ₹ 10/- each were sub-divided into 10 (ten) equity shares of face value of Re. 1/- each with effect from September 21, 2021.
- All listing and custodial fees to the stock exchanges and depositories have been duly paid upto financial year 2021-22.



## 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 of India Limited (NSE) for the year 2021-22.

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

Month	Bombay Stock Exchange (BSE)		The National Stock Exchange of India Limited (NSE)	
	High	Low	High	Low
April, 2021	631.60	575.00	632.00	577.15
May, 2021	707.90	594.60	708.80	612.00
June, 2021	819.15	677.10	820.00	676.90
July, 2021	871.00	750.10	870.90	750.00
August, 2021	852.95	722.60	853.00	723.00
September, 2021#	899.90	81.55	900.00	81.50
October, 2021	102.45	86.65	102.45	86.45
November, 2021	93.20	81.20	93.30	81.10
December, 2021	91.90	80.65	90.95	80.55
January, 2022	94.50	82.65	94.50	82.70
February, 2022	86.00	72.30	86.05	72.20
March, 2022	80.70	73.10	80.35	73.05

Note: # With effect from September 21, 2021 pursuant to the approval of Board and shareholders of the Company's one Equity Share of ₹ 10/- was sub-divided into ten Equity shares of Re. 1/- each.

Table 2 below 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 2021-22:

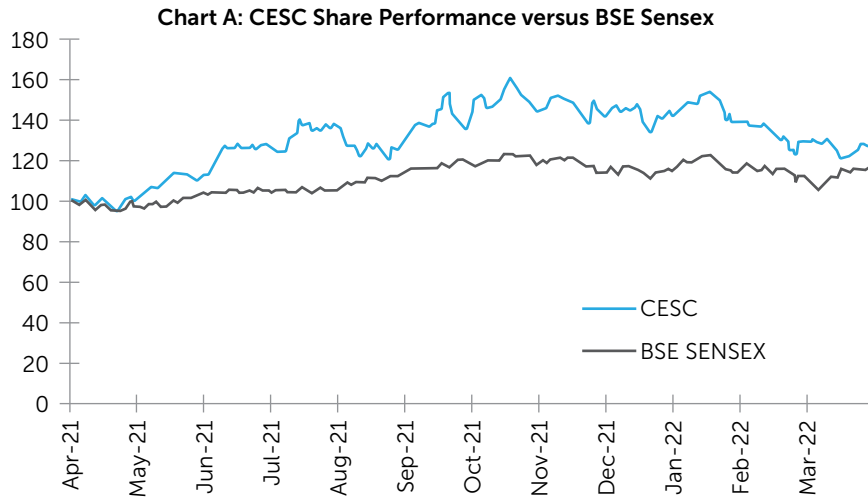
**Table 2: Performance in Comparison to NSE, BSE Sensex, BSE 500 and BSE Power Index**

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, 2021	607.95	14631.10	48782.36	19689.52	2481.15
May, 2021	684.70	15582.80	51937.44	21055.18	2816.44
June, 2021	769.90	15721.50	52482.71	21463.09	2755.48
July, 2021	838.80	15763.05	52586.84	21753.68	2616.52
August, 2021	803.85	17132.20	57552.39	23174.23	2921.29
September, 2021#	91.55	17618.15	59126.36	23937.54	3198.73
October, 2021	87.20	17671.65	59306.93	23990.09	3337.70
November, 2021	87.50	16983.20	57064.87	23276.88	3456.56
December, 2021	87.50	17354.05	58253.82	23811.00	3481.71
January, 2022	84.70	17339.85	58014.17	23715.29	3937.46
February, 2022	78.30	16793.90	56247.28	22741.64	3854.35
March, 2022	75.85	17464.75	58568.51	23695.01	4043.63

Note: # With effect from September 21, 2021 pursuant to the approval of Board and shareholders of the Company's one Equity Share of ₹ 10/- was sub-divided into ten Equity shares of Re. 1/- each.

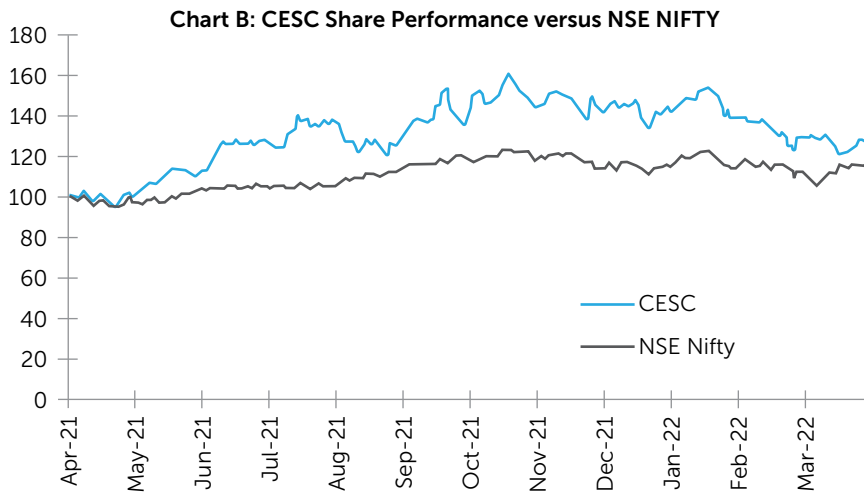


Chart A plots the movement of CESC's equity shares' adjusted closing prices compared to the BSE SENSEX



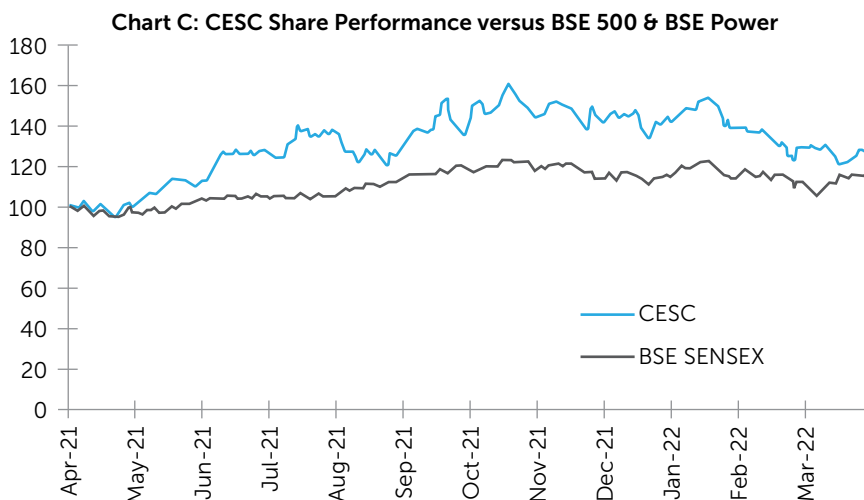
Note: Share price of CESC and BSE SENSEX have been indexed to 100 on April 1, 2021.

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



Note: Share price of CESC and NSE NIFTY have been indexed to 100 on April 1, 2021

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



Note: Share price of CESC, BSE 500 and BSE Power have been indexed to 100 on April 1, 2021.



## INVESTOR SERVICES

Particulars of Registrar and Share Transfer Agent ('RTA'), of the Company are given below:

LINK INTIME INDIA PRIVATE LIMITED  
 Vaishno Chamber, 5 Floor, Flat No 502 & 503  
 6, Brabourne Road  
 Kolkata – 700 001  
 Tel No.: 033-40049728  
 Fax No.: 033-40731698  
 E-mail: kolkata@linkintime.co.in Website: www.linkintime.co.in

Investors correspondence may be sent to the Company's RTA 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.: 033-2225 6040  
 Fax No.: 033-2236 3868  
 E-mail: secretarial@rpsg.in

Non-Convertible Debentures ('NCDs') aggregating ₹ 1,360 crore were outstanding as on March 31, 2022 as may be referred to in Note 21 of the Standalone Financial Statements. The aforesaid NCDs are secured in favour of Debenture Trustee in terms of the relevant transaction documents. The details of the Debenture Trustee are given below:

IDBI Trusteeship Services Limited Asian Bldg., Ground Floor,  
 17, R.Kamani Marg, Ballard Estate,  
 Mumbai – 400 001  
 Tel No. : 022-4080 7000  
 Fax No. : 022-6631 1776  
 E-mail : itsl@idbitrustee.com  
 Website : www.idbitrustee.com

Mr. Jagdish Patra, Company Secretary, is also the Compliance Officer overseeing the process of redressal of all shareholders' grievances.

In compliance with the SEBI circular dated December 27, 2002, requiring share registry in terms of both physical and electronic mode to be maintained at a single point, CESC established direct connections with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories, through its RTA.

The Company's equity shares are under compulsory dematerialised trading. Shares held in the dematerialised form are electronically traded in the Depository. The RTA 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 has decided that securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2021.

As on March 31, 2022, dematerialised shares accounted for 99.15 % of total equity. 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 2021-22:

**Table 3: Complaints from Shareholders during 2021-22**

Particulars	Complaints				Total
	Non receipts of certificates	Non-Receipt of Dividend	Non Receipt of Annual Reports / Demat Related	Others	
Received during the year	0	8	3	2	
Attended during the year	0	8	3	2	
Pending as on March 31, 2022	–	–	–	–	



## 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 March 31, 2022**

Category	As on March 31, 2022	
	Total No. of Shares	Percentage
1. Management Group / Families	69,07,70,560	52.11%
2. Institutional Investors		
a. Mutual Funds(including Alternate Investments Fund)	21,62,50,208	16.31%
b. Banks, Financial Institutions, Insurance Companies	6,18,79,487	4.67%
c. Flls	18,28,85,394	13.80%
<b>Total</b>	<b>46,10,15,089</b>	<b>34.78%</b>
3. Others		
a. Bodies Corporate	2,11,64,029	1.60%
b. Indian Public	13,08,30,934	9.87%
c. NRIs	98,70,517	0.74%
d. Others	1,19,19,301	0.90%
<b>Total</b>	<b>17,37,84,781</b>	<b>13.11%</b>
<b>Grand Total</b>	<b>132,55,70,430</b>	<b>100.00%</b>

**Table 5: Pattern of Shareholding by Share Class as on March 31, 2022**

Shareholding Class	No. of shareholders	No. of shares held	Shareholding %
1 to 500	258107	2,92,78,795	2.21
501 to 1,000	21235	1,75,49,064	1.32
1,001 to 2,000	11692	1,79,03,730	1.35
2,001 to 3,000	4220	1,08,84,410	0.82
3,001 to 4,000	1853	65,72,999	0.50
4,001 to 5,000	1522	72,69,066	0.55
5,001 to 10,000	2141	1,59,05,155	1.20
10,001 and above	1850	1,22,02,07,211	92.05
<b>Total</b>	<b>302620</b>	<b>1,32,55,70,430</b>	<b>100.00</b>

## PLANT / OFFICE LOCATIONS

CESC's generating stations are located at Budge Budge, Southern and Titagarh in and around the city of Kolkata. The details of Corporate office and 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 Declaration	Due Date for Credit to IEPF	Amount Lying Unpaid /Unclaimed as on March 31, 2022 (₹)
2014-15	July 31, 2015	October 1, 2022	77,00,715.23
2015-16	March 11, 2016	May 9, 2023	93,88,801.15
2016-17	February 15, 2017	April 14, 2024	91,49,074.62
2017-18	February 28, 2018	May 6, 2025	1,28,92,207.80
2018-19	February 5, 2019	April 10, 2026	1,69,75,223.08
2019-20	February 11, 2020	April 10, 2027	1,47,00,519.84
2020-21	January 13, 2021	March 17, 2028	2,67,90,781.84
2021-22	January 13, 2022	March 17, 2029	1,30,50,000.14



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

Particulars	Amount (₹)	Date of Transfer
Unclaimed Equity dividend for 2013-14	59,70,296	September 27, 2021

**C. Transfer of shares to IEPF :**

Particulars	No. of Equity shares	Date of Transfer
Equity Shares relating to Unclaimed Equity Dividend for 2013-14	3,23,270	October 13, 2021

**UNCLAIMED SHARES**

In terms of the Listing Regulations, 12,02,920 equity shares of the Company 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 shareholder.

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 April 1, 2021	102	1,24,733 *
2	No. of shareholders who approached the Company for transfer of shares from the suspense account	1	500**
3	No. of shareholders to whom shares were transferred from the suspense account	1	500**
4	Transfer to IEPF	13	43910
5	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	88	12,02,920**

\*No. of shares of face value of ₹ 10/- each till September 20, 2021

\*\* No. of shares of face value of Re. 1/- each share w.e.f. September 21, 2021 (After sub division of each equity share of face value of ₹ 10/- into 10 equity shares of face value of Re. 1/- each, pursuant to the approval of the shareholders at the Annual General Meeting of the Company held on August 18, 2021).

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 12,02,920 equity shares appear in the Company's website so that the concerned shareholders can lodge claims for the said shares immediately.

On behalf of the Board of Directors

Place : Kolkata  
Date : May 13, 2022

**Dr. 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 2021-22.

	<b>Debasish Banerjee</b>	<b>Rabi Chowdhury</b>
Place : Kolkata	Managing Director (Distribution)	Managing Director (Generation)
Date : May 13, 2022	(DIN: 06443204)	(DIN: 06601588)

## CEO / CFO CERTIFICATE

To  
The Board of Directors  
**CESC Limited**  
**CESC House**  
Chowringhee Square  
Kolkata 700 001

Dear Sirs,

As required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), 2015 we hereby certify that:

- a. We have reviewed the financial statements and cash flow statement of CESC Limited for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies, if any, in the design or operation of such internal control, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. There was no:
  - i) significant change in internal control over financial reporting during the year;
  - ii) significant change in accounting policies during the year; and
  - iii) instance of significant fraud involving the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place :- Kolkata	<b>Rabi Chowdhury</b>	<b>Debasish Banerjee</b>	<b>Rajarshi Banerjee</b>
Date :- May 13, 2022	Managing Director (Generation)	Managing Director (Distribution)	Executive Director & CFO





# ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

undertaken during the year ended March 31, 2022

## (Annexure 'D' to the Board's Report)

### 1. Brief outline on CSR Policy of the Company:

Corporate Social Responsibility Policy ('CSR Policy') of the Company as approved by the Board of Directors, includes the following: -

- approach and direction given by the Board of Directors of the Company to its CSR programmes / projects;
- guiding principles for selection, implementation and monitoring of activities;
- focus areas of Company's CSR projects or programmes;
- roles and responsibilities of Board and CSR Committee in ensuring compliance with applicable CSR provisions; and
- basis of formulation of the annual action plan.

### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Dr. Sanjiv Goenka	Chairman, Non-Executive Director	2	2
2	Mr. Chandra Kumar Dhanuka	Member, Independent Director	2	2
3	Mr. Rabi Chowdhury	Member, Managing Director (Generation)	2	2

### 3. Provide the weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company

Details of composition of CSR Committee, CSR Policy and CSR projects to be undertaken by the Company during the financial year 2022-23 is uploaded on the website of the Company and can be accessed at : [https://www.cesc.co.in/wp-cotent/uploads/policies/CSR\\_Policy.pdf](https://www.cesc.co.in/wp-cotent/uploads/policies/CSR_Policy.pdf)

### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹ Crore)	Amount required to be set-off for the financial year, if any (in ₹ Crore)
1	2020-21	0.38	0.38

Amount (₹ In Crore)

### 6. Average net profit of the company as per section 135(5)

1024.20

### 7. (a) Two percent of average net profit of the company as per section 135(5)

20.48

### (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Nil

### (c) Amount required to be set off for the financial year, if any.

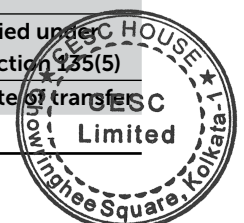
0.38

### (d) Total CSR obligation for the financial year (7a+7b-7c)

20.10

### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Unspent Amount (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount (₹ in crore)	Date of transfer	Name of the Fund	Amount	Date of transfer
2.70	18.00	April 28, 2022	-	-	-



(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		7	8	9	10	11	
				Location of the project.						Mode of Implementation - Through Implementing Agency	Name
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes / No).	State.	District.	Project duration.	Amount spent in the current financial Year (₹ in crore)	Amount Transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore)	Mode of Implementation - Direct (Yes/No)		
1	Setting up of an International School in Kolkata	Promoting Education	Yes	West Bengal	Kolkata	Expected to be completed by the end of Financial Year 2023-24	Nil	18.00	No	RP Sanjiv Goenka Group CSR Trust	CSR000002382
NIL											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)		
				Local area (Yes / No).	Location of the project.			Amount Spent for the project (in ₹)	Mode of implementation - Through implementing agency.	Name
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No).	State.	District.	Amount Spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No).	Name	CSR Registration number.	
1	Nirmal Parivesh	(i) Sanitation and making available safe drinking water	Yes	West Bengal	Kolkata	43,39,263.00	No	City Level Programme of Action for Street and working Children	CSR000000777	
2	Suswasthya Mother & Child Health Project	(i) promoting health care	Yes	West Bengal	Kamarhati, North 24 Parganas	17,23,014.00	No	City Level Programme of Action for Street and working Children	CSR000000777	
3	Nirmal Abhayan School Wash Project	(i) Sanitation and making available safe drinking water	Yes	West Bengal	-	22,74,900.00	No	City Level Programme of Action for Street and working Children	CSR000000777	
4	Prayas Skill Development Project	(ii) Promoting education, including special education and employment enhancing vocational skills.	Yes	West Bengal	Kolkata	27,86,352.00	No	City Level Programme of Action for Street and working Children	CSR000000777	
	Maintenance of elevated green median strip	(iv) environmental Sustainability	Yes	West Bengal	Kolkata	35,83,750.00	Yes	NA	NA	NA



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes / No).	(5) Location of the project.		(6) Amount Spent for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/ No).	(8) Mode of implementation – Through implementing agency.	
				State.	District.			Name	CSR Registration number.
6	Udaan Skill Development Project	(ii) Promoting education, including special education and employment enhancing vocational skills.	Yes	West Bengal	Kolkata	25,85,291.00	No	City Level Programme of Action for Street and working Children	CSR000000777
7	Saksham Skill Development Project	(ii) Promoting education, including special education and employment enhancing vocational skills.	Yes	West Bengal	Kolkata	20,79,039.00	No	City Level Programme of Action for Street and working Children	CSR000000777
8	Hamari Awaaz Child Protection	(ii) Promoting education, including special education and employment enhancing vocational skills.	Yes	West Bengal	Kolkata, South 24 Parganas, North 24 Parganas	16,27,412.00	No	Child in Need Institute	CSR000000494
9	Nayee Roshni Project	(ii) Promoting education, including special education and employment enhancing vocational skills.	Yes	West Bengal	Kolkata	20,58,392.00	No	Child in Need Institute	CSR000000494
10.	Pragati Skill Development	(ii) Promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Kolkata	10,61,499.00	No	City Level Programme of Action for Street and working Children	CSR000000777
11.	Distribution of Swing Machines	(ii) Promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Kolkata	1,62,842.00	Yes	NA	NA
12	Support to Ramkrishna Mission Vidyapith, Purulia	(ii) Promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Purulia	5,00,000.00	Yes	NA	NA



(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes / No).	(5) Location of the project.		(6) Amount Spent for the project (in ₹)	(7) Mode of Implementation - Direct (Yes/ No).	(8) Mode of implementation – Through implementing agency.	
				State.	District.			Name	CSR Registration number.
13	School Building Project at								
	a) Dr. Bidhan Chandra Roy F.P. School	ii) Promoting education, including special education and employment enhancing vocational skills	Yes	West Bengal	Kolkata, South 24 Parganas, North 24 Parganas	2,31,285.00	Yes	NA	NA
	b) Kalipur High COED School					1,16,820.00			
	c) Antaranga Manasik Pratibandhi Mahila Vidyarniketan					5,71,745.00			
	d) Ramchandrapur F.P. School					2,35,625.00			
	e) Budge Budge Subhas Girls High School					1,18,000.00			
	f) Kalipur Girls High School					2,35,697.00			
14	Computer Training Centre					1,74,650.00	Yes	NA	NA
						2,64,65,576.00			

(d) Amount spent in Administrative Overheads : ₹ 4,90,257.00

(e) Amount spent on Impact Assessment, if applicable : N.A

(f) Total amount spent for the – Financial Year (8b+8c+8d+8e) : ₹ 20,69,55,833.00



(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the company as per section 135(5)	20.48
(ii)	Total amount spent for the Financial Year	20.70
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.22
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.60

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ crore)	Amount spent in the reporting Financial Year (₹ crore)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years (₹ crore)
				Name of the Fund	Amount (₹ crore)	Date of transfer	
1	2020-21	19.50	19.50	NA	NA	NA	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project in FY 2021-22 (₹ crore)	Amount spent on the project in the reporting Financial Year (₹ crore)	Cumulative amount Spent at the end of reporting Financial Year. (₹ crore)	Status of the project - Completed /Ongoing.
1.	FY 31.03.2021	International School Project	2020-21	Estimated to be completed during FY 2023-24	18.00	19.50	19.50	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year :

(a) Date of creation or acquisition of the capital asset(s).	Not Applicable
(b) Amount of CSR spent for creation or acquisition of capital asset.	
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The unspent amount has been transferred to an Unspent CSR Account in the name of the Company. The amount transferred as such would be made available from time to time to RP-Sanjiv Goenka Group CSR Trust for meeting the Trust's fund requirements for the Ongoing Project (development of School Project), in conformity with the applicable provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended.

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

(Annexure 'E' to the Board's Report)

## SECTION A: GENERAL DISCLOSURES

### I. Details of listed entity

1.	Corporate Identity Number (CIN) of the Company	L31901WB1978PLC031411
2.	Name of the Company	CESC Limited
3.	Year of incorporation	1978
4.	Registered office address	CESC House, Chowringhee Square Kolkata 700001, West Bengal, India
5.	Corporate office address	RPSG House, 2/4 Judges Court Road, Kolkata 700027, West Bengal, India
6.	E-mail id	secretarial@rpsg.in
7.	Telephone	033 - 22256040-49
8.	Website	<a href="https://www.cesc.co.in/">https://www.cesc.co.in/</a>
9.	Financial year reported	2021-22
10.	Name of the Stock Exchanges where shares are listed	1. National Stock Exchange of India Limited 2. BSE Limited
11.	Paid-up Capital	₹ 1,32,55,70,430
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Jagdish Patra Company Secretary & Compliance Officer Contact No.: 033-22256040 Email Id: jagdish.patra@rpsg.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Reporting on standalone basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover, i.e. Revenue from Operations).

Sl. No.	Description of Main Activity	Description of Business Activity	% of turnover of the Company
1	Generation and distribution of Electricity	Generating and distributing electricity	100%

#### 15. Products/Services sold by the Company (accounting for 90% of the turnover, i.e. Revenue from Operations).

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Generation and distribution of Electricity	35102	100%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the Company are situated:

Location	Number of plants	Number of offices	Total
National	142	117	259
International	NA	NA	



## 17. Markets served by the Company

### a. Number of locations

Location	Number
National (No. of States)	1
International (No. of Countries)	NIL

### b. What is the contribution of exports as a percentage of the total turnover of the Company?

Nil. The company generates and distributes power only in its licensed area in and around Kolkata, India.

### c. Types of customers

- Domestic
- Industrial
- Commercial
- Others (e.g. Government Agencies, pumping stations, local bodies, schools etc.)

## IV. Employees

### 18. Details as at the end of Financial Year, i.e. March 31, 2022:

#### a. Employees and workers (including differently abled):

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent Employees	6920*	6419	92.76%	501	7.24%
	<b>Total</b>	<b>6920</b>	<b>6419</b>	<b>92.76%</b>	<b>501</b>	<b>7.24%</b>

\*Including officers, supervisors and workmen employees.

#### b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent Employees	62	61	98.39	1	1.61
	<b>Total differently abled employees</b>	<b>62</b>	<b>61</b>	<b>98.39</b>	<b>1</b>	<b>1.61</b>

### 19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Management Personnel	3	0	0%

### 20. Turnover rate for permanent employees and workers (disclose trends for the past 3 years)

Particulars	FY 2022			FY2021			FY 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	8.33%*	3.79%	8.01%	8.44%	4.04%	8.15%	8.34%	3.92%	8.07%

\*Including retirements and other separations.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 21. Name of holding/subsidiary/associate companies/joint ventures

Sl. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
1.	Malegaon Power Supply Limited	Subsidiary	100%	Yes
2.	CESC Projects Limited	Subsidiary	100%	Yes



Sl. No.	Name of the holding/ subsidiary/associate companies/joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by the Company	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the Company (Yes/No)
3.	Bantal Singapore Pte. Ltd	Subsidiary	100%	No
4.	Ranchi Power Distribution Company Limited	Subsidiary	100%	No
5.	Pachi Hydropower Projects Limited	Subsidiary	100%	No
6.	Papu Hydropower Projects Limited	Subsidiary	100%	No
7.	Au Bon Pain Café India Limited	Subsidiary	93.10%	No
8.	Haldia Energy Limited	Subsidiary	100%	No
9.	Dhariwal Infrastructure Limited	Subsidiary	100%	No
10.	Kota Electricity Distribution Limited	Subsidiary	100%	No
11.	Bikaner Electricity Supply Limited	Subsidiary	100%	No
12.	Bharatpur Electricity Services Limited	Subsidiary	100%	No
13.	Crescent Power Limited	Subsidiary	67.83%	No
14.	CESC Green Power Limited	Subsidiary	100%	No
15.	Jharkhand Electric Company Limited	Subsidiary	100%	No
16.	Jarong Hydro-Electric Power Company Limited	Subsidiary	100%	No
17.	Eminent Electricity Distribution Limited	Subsidiary	100%	No
18.	Noida Power Company Limited	Subsidiary	72.73%	No
19.	Surya Vidyut Limited*	Subsidiary	100%	No
20.	Mahuagarhi Coal Company Pvt. Ltd.	Joint Venture	50%	No

\*Ceased to be subsidiary w.e.f. March 11, 2022.

## VI. CSR Details

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes

### (ii) Turnover (₹ in Crore):

₹ 6921.48\*

### (iii) Net worth (₹ in Crore):

₹ 9977.58\*

\* Pertains to the financial year 2020-21

## VII. Transparency and Disclosure Compliances

### 23. Complaints/Grievances on any of the principles (Principle 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom Complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY2022			FY2021		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Communities				NIL			
Investors (other than shareholders)				NIL			
Shareholders							
Employees and workers							Given elsewhere in the report
Customers							





Stakeholder group from whom Complaint is received	Grievance Redressal Mechanism in place (Yes/No) (If yes, then provide weblink for grievance redressal policy)	FY2022			FY2021		
		No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks	No. of complaints filed during the year	No. of complaints pending resolution at close of the year	Remarks
Value Chain				NIL			
Partners							
Other (please specify)				NIL			

24. Overview of the Company's business conduct, pertaining to environment and social matters that present a risk or an opportunity to the business of the Company, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Emission and Energy reduction	Opportunity and Risk	<ul style="list-style-type: none"> <li>- CO2 emissions/ carbon reduction</li> <li>- Particulate matter emission/ reduction</li> <li>- Sulphur dioxide emission/reduction</li> <li>- Oxides of Nitrogen emission/reduction</li> </ul>	<ul style="list-style-type: none"> <li>- Installation of up to date technologies to minimize impact of air emissions</li> <li>- High efficiency ESPs have been installed to keep the Particulate Matter (PM) emission well below norms.</li> <li>- Automated Ammonia dosing system is in place to control the PM emission during combustion of varying coal quality and other probable excursions.</li> <li>- Technology for NOX control like low NOX burners and over fire air damper in the boilers are already in place at all generation stations. In addition, through continuous operational optimization and trials, further reduction of NOx emission is being done.</li> </ul>	<ul style="list-style-type: none"> <li>- Helps to reduce the overall impact on environment.</li> <li>- Helps to improve relation with stakeholders.</li> <li>- Huge credibility boost in the eyes of customer.</li> <li>- Just lowering the Company's energy use, reduces both its carbon impact and its running expenditures.</li> </ul>
2	Strengthening Communities	Opportunity		<ul style="list-style-type: none"> <li>- Empowering underprivileged youth and women Self Help Group members through skill development initiatives</li> <li>- Ensuring quick restoration in response to climate related disaster like Yash, Amphan etc.</li> <li>- Addressing maternal and new born child health under Roshni Programme</li> <li>- Protection of rights of girl child in Hamari Awaaz Programme</li> </ul>	<ul style="list-style-type: none"> <li>- Helps to increase the awareness of the Company.</li> <li>- Helps to attract local talent.</li> <li>- Helps to foster a culture of collaboration.</li> <li>- Improves the Company's social impact.</li> </ul>
3	Reliable power supply	Opportunity	<ul style="list-style-type: none"> <li>- Continuous power supply to consumer</li> <li>- Network planning and innovative technological intervention</li> <li>- Loss Prevention and Control</li> <li>- Consumer and Community Safety</li> </ul>	<ul style="list-style-type: none"> <li>- The organization's continuous effort to monitor the power supply quality has led it to develop several homegrown digital systems with a clear transparent objective to provide the best service to its consumers. Digital systems are in place to ensure that any deviation from best practice is redressed in a clinical manner, thereby ensuring reliable power supply to all consumers and reducing distribution losses</li> </ul>	<ul style="list-style-type: none"> <li>- Helps to build trust and faith in the consumer's mind for the Company.</li> <li>- Showcases that the Company cares for its consumers.</li> <li>- Improved competitive edge in the market.</li> <li>- Improved brand positioning.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Diversity, inclusion, and equity	Opportunity	<ul style="list-style-type: none"> <li>- The organization believes in diversity and equality not only within the boundaries of the Company but also in its supply chain.</li> <li>- Talent attraction, talent development, employee engagement, rewards and recognition, diversity, inclusion, adherence with applicable human rights and occupational health and safety regulations are cornerstones of CESC's HR strategy.</li> <li>- Aspiring to become an equal opportunity employer, it offers employment opportunities through a fair recruitment process and encourages the employees to overcome new challenges every day.</li> </ul>	<ul style="list-style-type: none"> <li>- Has established long term partnership with several organizations that employ senior citizens and women entrepreneurs</li> <li>- Enabling Growth of Local Women Entrepreneurs</li> <li>- Capacity Building of Local Vendors: Manufacturing of Weather Resilient and Safe Electrical Equipment Casing</li> <li>- OEM (Original Equipment Manufacturer) -Substitution: Supplier Capacity building</li> <li>- No engagement of Child Labour</li> <li>- No engagement of Forced Labour</li> <li>- Non - Discrimination policy</li> <li>- Working Hours and Fair Wages policy</li> <li>- Freedom of Speech policy</li> </ul>	<ul style="list-style-type: none"> <li>- Increased diversity may improve talent retention.</li> <li>- Customer orientation, employee happiness and decision-making are also improved, all of which contribute to a virtuous cycle of rising returns.</li> </ul>
5	Environmental compliance	Risk and opportunity	<p>CESSC's commitment towards enhancing biodiversity value, highlights its actions as an environmental steward beyond environmental compliance.</p> <ul style="list-style-type: none"> <li>- Physical dangers connected with weather-related variations that result in frequent tropical cyclones, floods, and water scarcity</li> <li>- Transitional risks linked to the prospect of the government restricting emissions, imposing a carbon price, and raising water taxes.</li> <li>- Increasing stringent environmental norms</li> </ul>	<ul style="list-style-type: none"> <li>- A sound environmental compliance management system ensures CESC's operations abide by applicable local regulations and laws. All the efforts to maintain social and environmental harmony are directed towards upholding the ecological values in CESC's region</li> <li>- In a constant endeavour to protect and preserve ecological goods and services through judicious use, CESC ensures compliance to applicable environmental regulations in India and derisks its operations from potential risks through a sound Environmental Management System of operation as per existing environmental regulations.</li> <li>- The Company is fully compliant with all environmental regulations governing conservation of wild habitats, species of flora and fauna and forestry in local communities and is committed towards its obligation to safeguard the regenerative upholding the ecological values in CESC's region of operation.</li> <li>- CESC data centres and disaster recovery centres have adopted energy efficient HCI &amp; Virtualization technology resulting in consolidation of servers and reducing server footprint by 8-fold over the last few years. These are amongst the many initiatives of CESC</li> </ul>	<ul style="list-style-type: none"> <li>- Helps in being recognized as an ethical and environmentally responsive organization.</li> <li>- Helps in reducing the environmental impact of the Company.</li> <li>- Helps in achieving the ESG targets set by the Company.</li> <li>- Helps reduce carbon footprint of the Company.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Consumer, community and occupational health and safety	Risk and opportunity	<ul style="list-style-type: none"> <li>- Kolkata and Howrah, which were hotspots of the Covid-19 epidemic in West Bengal, are where CESC works.</li> <li>- Guaranteeing continuity of services, avoiding bigger administrative issues for the State, assuring the safety and security of its citizens and providing competent medical treatment to those afflicted.</li> </ul>	<ul style="list-style-type: none"> <li>- CESC is dedicated to maintaining high levels of industrial safety throughout its activities, and it has a safety vision and policy, which includes a policy on the use of personal protective equipment.</li> <li>- It has modified its everyday work management process in order to foster a safety culture inside the organisation.</li> <li>- Budge Budge generating station is ISO 45001 accredited for occupational health and safety management systems, as previously stated.</li> <li>- Steps have been taken to raise staff understanding of safety, hygiene, and other processes. Steps were taken to practise social distancing, using of masks, sanitizers, use of PPE by its workers and frequent sanitisation of facilities while keeping regular communication with government authorities and adopting their directions from time to time.</li> <li>- Facilities for screening, testing, contact tracking, and quarantine were built, when hospital beds were not readily accessible. Arrangements were also made for Covid isolation to provide quick treatment for all afflicted staffs.</li> <li>- Safety teams, fully equipped, in health and safety performance carry out their roles and responsibilities in the best possible manner by adopting the DuPont Safety Management Systems.</li> <li>- Frequent training programmes are conducted to ensure that Company employees are competent in safety norms, methods and practises to enable them to execute their duties successfully while staying safe.</li> <li>- Employees are covered by training across the generation and distribution functions.</li> </ul>	<ul style="list-style-type: none"> <li>- Helps in achieving the Company's mission of 'Zero Incident'.</li> <li>- Helps in creating a safety culture within the organisation.</li> <li>- Helps in maintaining the highest standards of industrial safety across CESC's operations.</li> <li>- Helpful in saving lives and protecting the employees from job related injuries and illnesses.</li> <li>- Helps to promote safe and effective work practices</li> </ul>
7	Data Governance	Risk and opportunity	Data Governance is the process of managing availability, usability, integrity and severity of the data in enterprise system, based on internal data standard and policies that also control data usage. Effective data governance ensures that data is consistent, trustworthy and continuous and does not get misused.	<ul style="list-style-type: none"> <li>- CESC seeks to follow best practises and develop a good governance structure in order to identify possible risks, monitor information systems and security controls and take preventative and corrective steps as needed.</li> <li>- It provides regular training to its information security professionals.</li> <li>- ISO 27001 certification has been granted to the company data centre.</li> <li>- The CESC Enterprise Information Systems rely on the CESCNET, a ubiquitous corporate data network.</li> <li>- Last year, the company responded to the epidemic by providing expanded Work from Home access via private and encrypted Virtual Private Network ('VPN') connections, as well as allowing corporate customers simple access to missioncritical IT applications.</li> </ul>	<ul style="list-style-type: none"> <li>- Good data governance practises imply a better response to a constantly changing environment.</li> <li>- Ensures unhindered business continuity.</li> <li>- Helps to monitor all environmental parameters related to emission, effluents and air quality in real time which are shared with statutory bodies through dedicated online channels for necessary compliance.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			<p>Like financial instruments and other corporate assets, data driven organisations have come to realise that data is more than just data – its an asset when leveraged appropriately and it can be used for competitive advantage to help a business grow and sustain that growth</p> <p>Risks: Data Risk can be consequential from a regulatory prospective, consumers' growing awareness of privacy and use of their data. Establishment of strong data governance programme that aligns with Company's goal and objectives ensures protection of financial assets, data assets and mitigate risk exposure when the data is mismanaged.</p> <p>Some of the following steps taken to ensure better and effective data governance are:</p> <ul style="list-style-type: none"> <li>- Detective Control</li> <li>- Corrective Control</li> <li>- Preventive Control</li> <li>- Maintaining Data Control</li> </ul>	<ul style="list-style-type: none"> <li>- The Company has embraced digital platforms for convening practically all business and statutory events, including Town Halls, Annual General Meetings, and Board Committee meetings, using audio and video conferencing modes, in order to facilitate virtual cooperation throughout the pandemic period.</li> <li>- Virtual platforms are used to perform all staff training and engagement programmes in a seamless manner.</li> <li>- The organisation is working to upgrade its Data Center (DC) and Disaster Recovery (DR) sites at the same time, to establish a state of the art 24x7 Network Operation Centre (NOC) and Security Operation Centre (SOC), to ensure unhindered business continuity, as the infrastructure and application ecosystems continue to be dynamic.</li> <li>- The generating stations make considerable use of digital and ICT technologies to continuously monitor all environmental parameters related to emissions, effluents, and air quality, which are shared with statutory agencies via dedicated online channels for required compliance. The remote performance monitoring and diagnostics system for the generating stations not only provides a comprehensive collection of industrial analytic libraries, but also a unique framework for creating machine learning analytics, which aid in the prediction of critical failures to drive efficiency and in development of new technologies.</li> </ul>	<ul style="list-style-type: none"> <li>- Provides a unique framework to create machine learning analytics, which assists in predicting critical failures and driving efficiencies and safety.</li> </ul>
8	Data Security and Privacy	Risk	<ul style="list-style-type: none"> <li>- Customer data privacy is at danger due to cybersecurity vulnerabilities.</li> <li>- Individuals must believe that their personal data will be treated with care before they would engage in online activities.</li> </ul>	<ul style="list-style-type: none"> <li>- CESC attempts to follow best practises and develop a good governance structure in order to identify possible risks, monitor information systems and security controls, and take corrective and preventative steps as needed, and it provides regular training to its information security professionals.</li> <li>- ISO 27001 certification has been granted to the company data centre.</li> <li>- The Company updates and publishes the Corporate ICT Policy on a regular basis on its intranet website, and it conducts periodic ITOT security assessments by CERTIN accredited auditors.</li> <li>- It's also collaborating with nodal agencies to develop a Critical Information Infrastructure (CII) architecture and improve its present cybercrisis response strategy.</li> <li>- These initiatives will aid the Company's preparation to implement a compliant privacy setup once the India Data Protection Bill is passed into law.</li> </ul>	<ul style="list-style-type: none"> <li>- Good data governance practises imply a better response to a constantly changing environment.</li> <li>- Ensures unhindered business continuity.</li> <li>- Helps to monitor all environmental parameters related to emission, effluents and air quality in real time which are shared with statutory bodies through dedicated online channels for necessary compliance.</li> <li>- Provides a unique framework to create machine learning analytics, which assists in predicting critical failures and driving efficiencies and safety.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Water Stress	Risk	<ul style="list-style-type: none"> <li>- Water stress occurs when demand for water exceeds availability. Freshwater loss and degradation are caused by water stress, which has significant consequences for human health and the Water Stress Map environment.</li> <li>- As a result, water's importance as a resource for generating power is a major concern for CESC.</li> </ul>	<ul style="list-style-type: none"> <li>- CESC continually analyses water stress using the World Wildlife Fund's (WWF) Water Filter tool and successfully manages water resources in accordance with the facility's Integrated Management System policy and the corporate's Sustainability policy</li> <li>- By December 2017, existing thermal power plants had cooling towers. In view of the above, the Company has installed a specified water usage of 3.5 cubic metres per MWh.</li> <li>- Existing thermal power plants with cooling towers must reduce specific water consumption to a maximum of 3.5 cubic metre per MWh by December 2017.</li> <li>- AVT regulates the chemical parameters of boiler water for HEL, DIL, and BBGS (All Volatile Treatment). This treatment procedure not only prevents corrosion, but it also minimises boiler blowdown, lowering water usage.</li> <li>- Water and steam leaks are addressed with high priority at all generation stations to reduce losses.</li> <li>- At HEL and BBGS, water rejected from the dual media filtration and ultrafiltration processes (both of which are required for the removal of pollutants during the raw water treatment process) is used in a variety of procedures.</li> <li>- Cooling tower blowdown (important for system protection) water is used as much as feasible for dust suppression and service water applications in all of the major stations.</li> </ul>	<ul style="list-style-type: none"> <li>- Helps in managing water resources effectively as per the facility level Integrated Management System policy and the corporate level Sustainability policy.</li> <li>- Water is essential source for generation of electricity and hence its proper management helps reduce cost and and effective management of resources.</li> <li>- Helps in optimisation of water footprint of the Company.</li> <li>- Helps the Company to undertake steps to reuse and restore water from local communities.</li> </ul>
10	Responsible Sourcing	Opportunity	<ul style="list-style-type: none"> <li>- Focused sourcing activities, supplier selection, and contract management lead to better supply strategies.</li> <li>- Supplier selfservice, connection, cooperation, and supply chain visibility all help to increase supplier engagement.</li> </ul>	<ul style="list-style-type: none"> <li>- CESC follows :</li> <li>- Strategic Purchasing and Sourcing, which includes analysis of the spending, choosing a supplier (RFx, Auction), contract administration.</li> <li>- Operational management involves procurement of the selfservice as well as that of other services and also its driven by a plan.</li> <li>- Supplier collaboration is given priority for the purpose of supplier registration, collaboration of the designs and the orders received as well as replenishment of the collaborations.</li> <li>- Process automation and compliance management for products and services have sped up purchasing procedures.</li> </ul>	<ul style="list-style-type: none"> <li>- Helps in creating a supply chain that is reliable, resilient and above all responsible.</li> <li>- Helps in identifying and assessing environmental, social, and regulatory risks, preemptively mitigating or adapting the assessed risks, thereby future proofing any disruptions arising from legal noncompliance, climate change and human right violations.</li> <li>- Helps CESC in digitally transforming its supply chain operations.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Governance and Accountability	Opportunity	<ul style="list-style-type: none"> <li>- CESC's business strategy is inextricably linked to its governance architecture.</li> </ul>	<ul style="list-style-type: none"> <li>- CESC sees its stakeholders as partners in success and it will continue to work to maximise stakeholder value.</li> <li>- The Company's governance architecture promotes / encourages continual improvement of its operations and services since it is consumer centric.</li> <li>- To secure sensitive employee and consumer data, such measures are driven by strong board supervision, the highest levels of integrity in its decisionmaking process, proactive cyber security practises, and data governance.</li> <li>- CESC adapts to changing circumstances by redesigning its organisational structure to handle growing areas/ issues. The following are some of the recent Departments that have been established: <ul style="list-style-type: none"> <li>- Business Process Reengineering Cell: To focus on improving the efficacy of essential business processes through reengineering.</li> <li>- Department of Business Excellence and Quality: To develop a quality culture and to focus on business excellence.</li> <li>- Department of Safety: To promote safety awareness throughout the organisation and to drive safety culture, methods, and practises in diverse areas.</li> <li>- Risk and Disaster Management Cell: To reduce the effect of fire / calamities and catastrophes by planning ahead of time.</li> <li>- Cell for Company Intelligence and Analytics: To analyse data from important business activities and deliver insights for enhanced decisionmaking.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Helps in treating stakeholders as partners for achieving maximum stakeholder value.</li> <li>- Aids in upholding the highest uncompromising standards of transparency, accountability and independence.</li> <li>- Helps in continuous improvement of the Company's operations and services.</li> <li>- Improved attempts to fulfil stated goals will attract considerable capital investment if good governance is in place.</li> <li>- Business Process Reengineering Cell: To focus on improving the efficacy of essential business processes through reengineering.</li> <li>- Department of Business Excellence and Quality: To develop a quality culture and to focus on business excellence.</li> <li>- Department of Safety: promotion of safety awareness , methods and culture throughout the organization.</li> <li>- Risk and Disaster Management Cell: To reduce the effect of fires and catastrophes by planning ahead of time.</li> <li>- Cell for Company Intelligence and Analytics: To analyse data from important business activities and deliver insights for effective usage of data for enhancing and strengthening the business process.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Ethics and Compliance	Opportunity	<ul style="list-style-type: none"> <li>- The Company cherishes the trust it has with its business partners and the relationships it has created with them.</li> </ul>	<ul style="list-style-type: none"> <li>- New hire value training raise knowledge and comprehension of the Core Values. Customer First, Execution Excellence, Credibility, Agility, Risk Taking and Humaneness are shown in 'Cherish,' an interactive compilation of short tales, and a Competency Hand-book is issued to all workers.</li> <li>- The Ethics and Code of Conduct ("Code") extends to all persons employed by CESC &amp; its subsidiaries.</li> <li>- Employees are ought to follow the company's ethics, insider trading, discrimination, harassment, anticorruption, antibribery and conflict of interest policies, as well as follow all applicable local laws when conducting business.</li> <li>- CESC ensures that the Code is followed by holding regular trainings, such as refresher courses and awareness seminars. The employee must comprehend and recognise the Code throughout the onboarding process.</li> <li>- Employees are encouraged to convey concerns about suspected misconduct, fraud, bribery, corruption, or other unethical behaviour to the attention of management without fear of disciplinary action or unjust treatment by reporting to the Whistle Blower Policy's email address/contact information.</li> </ul>	<ul style="list-style-type: none"> <li>- Helps the Company to value the relationship built and the trust it shares with its business partners.</li> <li>- Helps CESC in achieving the highest standards of ethics and integrity in dealing with its stakeholders.</li> <li>- Helps in creating awareness and understanding of core values of the organization.</li> </ul>
13	Human Rights and Labor Practices		<ul style="list-style-type: none"> <li>- CESC understands its fundamental responsibilities to respect and protect human rights in compliance with its Labour Relations policy.</li> </ul>	<ul style="list-style-type: none"> <li>- The Company's commitment to human rights is based on:               <ol style="list-style-type: none"> <li>1. The United Nations Universal Declaration of Human Rights</li> <li>2. United Nations Convention on the Rights of the Child</li> <li>3. United Nations Convention on the Elimination of All Forms of Discrimination against Women</li> <li>4. The International Labour Organization (ILO) Conventions</li> </ol> <p>The mechanisms created at CESC to uphold its human rights commitment are as follows:</p> <ul style="list-style-type: none"> <li>- There is no tolerance for child labour and the minimum age for work options is established at minimum 18 years old.</li> <li>- Employee recruitment by CESC is expressly prohibited based on individual bonds, debts or obligations to the Company or its agents and the Company never takes any monetary deposits / obligations or a recruiting fee to secure employment.</li> <li>- Individuals have the right to quit from their jobs at any moment by giving sufficient notice as per the terms of the employment</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Encourages awareness amongst the workforce.</li> <li>- Helps foster a culture of equality and team spirit amongst employees and workers.</li> <li>- Helps in the Company's constant endeavour in creating a better workplace.</li> <li>- Helps in improved understanding of the Company's fundamental responsibilities and in carrying them out.</li> <li>- Creates strong bonds between the Company and the employees and they start caring for the success of the Company.</li> </ul>



Sl. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
				<ul style="list-style-type: none"> <li>- As required by Indian legislation, the recruitment and performance assessment procedures are consistent, transparent, and unbiased toward any type of prejudice, including but not limited to caste, ethnicity, religion, or gender.</li> <li>- Employees are paid fairly and equally depending on their abilities and experience. Wages and statutory benefits are paid on time, ensuring social and economic stability.</li> <li>- As part of an open-door policy, CESC's top leadership team, including the Managing Directors, are accessible via the web portal Leadership Connect, which allows workers to directly voice their thoughts and concerns. Coffee with MD is another weekly effort aimed at establishing a connection.</li> </ul>	
14	Talent Attraction and Development	Opportunity	<ul style="list-style-type: none"> <li>- CESC's Human Resource strategy emphasises talent acquisition, development, employee engagement, incentives and recognition, diversity, inclusion, and adherence to applicable human rights and occupational health and safety requirements.</li> </ul>	<ul style="list-style-type: none"> <li>- Unmesh, a summer internship programme for pre-final year students from chosen elite academic institutions, is held with the goal of early talent identification and acquisition.</li> <li>- Aptitude, technical and psychometric exams, as well as personal interviews, are used to assess them. 'Unmesh' gives the organisation the chance to examine the students' proficiency as well as their cultural fit, while the students acquire first-hand experience working in CESC and learning about its culture.</li> <li>- CESC has developed a Campus Connect Cross Functional Team (CFT) comprising young and seasoned graduates from renowned schools who are currently working with CESC in order to recruit the best talent and be regarded as a "Employer of Choice."</li> <li>- CESC believes that successful integration of new recruits is critical to assimilating them into the CESC family and instilling the organization's values and culture.</li> <li>- 'Anweswan' is the name of the induction programme for new fresh graduates entering as Management Trainees, while 'Unmilon' is the name of a different induction programme for new employees joining as Technical Supervisors.</li> <li>- The senior leadership team, which includes the Managing Directors, interacts with new hires and shares viewpoints, experiences, and knowledge in order to inspire and encourage them at the start of their careers</li> </ul>	<ul style="list-style-type: none"> <li>- Fosters a culture of team spirit, leadership and knowledge sharing within the Company.</li> <li>- Helps the Company enhance its operational efficiency.</li> <li>- Helps CESC in maintaining a totally dedicated workforce.</li> <li>- Helps in creation and maintenance of strong relationship amongst employees.</li> <li>- Helps in enhancing the employee productivity at the workplace.</li> <li>- CESC believes that keeping people by providing fair and equal chances for growth and development is critical to company continuity and success.</li> <li>- Assists in the formation of a team comprised entirely of individuals who are really interested about the Company's success.</li> </ul>





## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether the Company's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Weblink of the policies, if available	i) Code of business conduct and ethics for members of the board and senior management officers : <a href="https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf">https://www.cesc.co.in/wp-content/uploads/2014/02/Code-of-Conduct.pdf</a> ii) Whistle Blower Policy : <a href="https://www.cesc.co.in">https://www.cesc.co.in</a> iii) CSR Policy: <a href="https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf">https://www.cesc.co.in/wp-content/uploads/policies/CSR_Policy.pdf</a> iv) Sustainability Policy : <a href="https://www.cesc.co.in/wp-content/uploads/policies/SUSTAINABILITY_POLICY.PDF">https://www.cesc.co.in/wp-content/uploads/policies/SUSTAINABILITY_POLICY.PDF</a> (v) Related Party Policy: <a href="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</a> vi) Insider trading prohibition code: <a href="https://www.cesc.co.in/wp-content/uploads/insid_trade/Insider_trading_prohibition_code.pdf">https://www.cesc.co.in/wp-content/uploads/insid_trade/Insider_trading_prohibition_code.pdf</a>								
2. Whether the Company has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to the Company's value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by the Company and mapped to each principle.	Generation: Budge Budge generating station is ISO9001, ISO14001, ISO45001 and ISO50001 certified in respect of quality management system, environment management system, occupational health and safety management and energy management system. ISO 27001 certification has been granted to Company's data centre.								
5. Specific commitments, goals and targets set by the Company with defined timelines, if any.	The Commitments and Goals wherever required are set by the Company and have been mentioned in respective principle.								
6. Performance of the Company against the specific commitments, goals and targets along with reasons, in case the same are not met.	The Company has achieved the targeted goals and objectives wherein the timelines are set for each parameter and there is no deviation to it.								
<b>Governance, leadership and oversight</b>									
7. Statement by Director, responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) :	The Board of the Company overseas / reviews the matters related to ESG and business responsibility activities from time to time to ensure seamless and effective implementation of the parameters given in ESG policy of the Company.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Rabi Chowdhury Designation : Managing Director (Generation)								
9. Does the Company have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Audit Committee of the Board of Directors is responsible for decision making on sustainability related issues.								
	DIN	Name		Designation					
	00005684	Mr. Chandra Kumar Dhanuka		Chairman					
	00074796	Dr. Sanjiv Goenka		Member					
	00915201	Mr. Pratip Chaudhuri		Member					
	06809515	Ms. Rekha Sethi		Member					



Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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10 Details of review of NGRBCs by the Company:

Subject for review	Indicate whether review provided below/taken by Director/Committee of the Board/any other Committee									Frequency (Annually/Half yearly/Quarterly/Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action																		Annually
Compliance with Statutory requirements of relevance to the principles and rectification of any non - compliance																		Annually
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.																		The evaluation of CSR and sustainability activities undertaken by CESC and its subsidiaries are in line with the Sustainability / CSR policy. Audit Committee constituted in terms of the provisions of the Act are responsible to oversee the progress and ensure the compliance thereof.

12. If answer to question (1) above is 'No' i.e. not all Principles are covered by a Policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principle material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									NA
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	Nil*	Nil*	Nil*
Key Managerial Personnel	Nil*	Nil*	Nil*
Employees other than Board of Directors and KMPs	416	Principles – 1 to 9	15.86%

\* In view of the pandemic, training and awareness programme could not be held.



2. Details of fines /penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year:

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Amount (In ₹ ) Brief of the Case Has an appeal	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment			Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	Not Applicable

4. Does the Company have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

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.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2021-22	FY 2020-21
Directors		
KMPs		Nil
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

Category	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA



7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflict of interest. NA

#### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
16	RPSG Group Core Values, Standing Order practices	8.5%*

\* Pertaining to the financial year 2021-22. Company conducts such programme on regular basis

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Board of Directors of the Company are governed by code of business conduct and ethics which also provides for detailed provisions on conflict of interest. The aforesaid code can be accessed at [https://www.cesc.co.in/wp\\_content/uploads/2014/02/code\\_of\\_Conduct.pdf](https://www.cesc.co.in/wp_content/uploads/2014/02/code_of_Conduct.pdf).

#### Principle 2: Business should provide goods and services in a manner that is sustainable and safe

##### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.

Segment	FY2022	FY2021	Details of improvements in environmental and social impacts
R&D Capex (in ₹ Cr)	The Company has incurred expenses from time to time on R&D and Augmentation of Fire Safety Systems at major offices, regional offices at NSRO, HRO and downstream establishment, investment for Rainwater harvesting Projects and similar areas, etc which have been incurred as a part of routine expenses.		

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

YES

- b. If yes, what percentage of inputs were sourced sustainably?

Materials department of the Company deals only with the approved vendors who are working with CESC for a long time and hence 100% procurement is to be considered as sustainable .

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

##### Plastics and Other waste

- Dry (Paper, plastic, wood etc.) and Wet wastes are segregated at source in major offices.
- They are handed over to Conservancy Staff of Local Bodies in segregated condition.
- In one office, a Composting M/C has been installed for treatment of Wet Waste
- Search is on for a suitable Recycling Agency for better treatment of Dry Waste.



**E-waste and Hazardous waste**

- Disposed by e-auction conducted by third party auctioneer. Only PCB (Pollution Control Board) authorised bidder are entitled to participate in the auction
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Extended Producer Responsibility is currently not applicable to CESC’s activities.

**Leadership Indicators -**

1. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

CESC ensures safe handling and safe use of electricity by its employees and by the consumers through several initiatives as follows:

Name of Product / Service	Description of the risk / concern	Action Taken
<p><b>a) For Employees</b></p> <p>Work on electrical installations for addition / alteration / modification / repairs / maintenance</p>	<p>Mainly electrical and / or mechanical injury that may lead to fatality of the employees and damages to the plant and equipment due to unsafe work, unsafe conditions, knowledge deficiency, unauthorized work, nonexistence of safe work procedures and training, deficiency in PPE and safety gadgets etc.</p>	<ul style="list-style-type: none"> <li>- Regular Safety Training</li> <li>- Safety Workshops</li> <li>- Communication Meetings</li> <li>- Handholding exercise</li> <li>- Preparation of SWP/WI for critical jobs</li> <li>- Preparation of Internal Safety Standards for critical activities</li> <li>- Providing required PPEs</li> <li>- Safety Observations with corrective measures</li> <li>- Site safety audits and CAPA implementation</li> <li>- Reward &amp; Recognition policy</li> <li>- Incident Investigation and Root cause Analysis</li> <li>- Encouraging reporting of Near Miss incidents</li> <li>- Preparation of Safety videos and video-based training programme</li> </ul>
<p><b>b) For Consumers</b></p> <p>Supply of electricity at the consumer premises and at public places</p>	<p>Electrical fire/ Electric shock/ injury/ fatality due to unsafe work by the consumers, unsafe condition developed due to natural calamities, unsafe condition due to poor maintenance of Consumer installations, etc.</p>	<ul style="list-style-type: none"> <li>- Safety messages on Hoarding on P/T Structure</li> <li>- Call Centre vehicles Branding</li> <li>- Safety Workshops with the Electricians</li> <li>- Safety SMS</li> <li>- Bill-face Safety Messaging</li> <li>- Safety Leaflets during monsoon</li> <li>- Mailers with Safety messages</li> <li>- Safety messages through Social Media</li> <li>- Safety Tableau Movement, Safety skits</li> <li>- Road side safety Kiosks</li> <li>- Miking from mobile vans/ auto rickshaws conveying safety advisories</li> </ul>



2. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

CESC has no divisions that use recycled products as inputs.

Indicate input material	Recycled or re-used input material to total material	
	FY2022	FY2021
	NA	

3. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

S. No.	Type of Waste	Unit	Classification (ha)	FY2022			FY2021		
				Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
1	Ferrous Scrap	MT	Non-hazardous	-	-	8.60	-	-	0.00
2	Copper Scrap	MT	Hazardous	-	-	4.82	-	-	6.20
3	Aluminium Scrap	MT	Non-hazardous	-	-	40.57	-	-	18.00
4	Used/Waste Oil	lt	Hazardous	-	-	1,99,193	-	-	28,900
5	E waste	Nos	e-waste	-	-	15 Lot	-	-	12 Lot

4. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

CESC is not involved in products manufacturing and packaging materials usage .

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	NA

Principle 3: Business should respect and promote the wellbeing of all employees, including those in their value chains

Essential indicators:

1. a. Details of measures for the well being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	6419	6419	100%	6419	100%	NA	NA	NA	NA	NA	NA
Female	501	501	100%	501	100%	501	100%	NA	NA	NA	NA
<b>Total</b>	<b>6920*</b>	<b>6920</b>	<b>100%</b>	<b>6920</b>	<b>100%</b>	<b>501</b>	<b>7.24%</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

\*Including officers, supervisors and workmen employees.

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY2022			FY2021		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	Exempted	NA	NA	Exempted	NA	NA
Others- leave encashment, post retiral medical benefit	100%	100%	100%	100%	100%	100%



### 3. Accessibility of workplaces

Are the premises / offices of the Company accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the Company in this regard.

Facilities for differently abled employees and workers exist in key locations / offices

### 4. Does the Company have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

At present there is no structured policy that is accessible through weblink. However, the Company fosters a culture that practices a state of fairness in which different stakeholders are treated similarly, unhampered by artificial business, prejudices or preferences except when particular distinction can be explicitly justified.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees	
	Return to work rate	Retention Rate
Male	NA	NA
Female	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Permanent Employees	i) In accordance with the Standing Orders of the Company in respect of employees whose terms of employment are covered by such standing orders. ii) For other permanent employees grievances are addressed through joint committees existing between employees and management.
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### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY:2021-22 (Current Financial Year)			FY: 2020-21 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>	<b>6920*</b>	<b>5966</b>	<b>86.21%</b>	<b>7378</b>	<b>6446</b>	<b>87.37%</b>
- Male	6419	5617	87.50%	6884	6101	88.63%
- Female	501	349	69.66%	494	345	69.84%

\*Including officers, supervisors and workmen

### 8. Details of training given to employees and workers:

Category	FY2022					FY2021				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	6419	630	9.81%	1221	19.02%	6883	277	4.02%	698	10.14%
Female	501	6	1.20%	101	20.15%	495	4	0.81%	86	17.37%
<b>Total</b>	<b>6920*</b>	<b>636</b>	<b>9.19%</b>	<b>1322</b>	<b>19.10%</b>	<b>7378</b>	<b>281</b>	<b>3.81%</b>	<b>784</b>	<b>10.63%</b>

\*Including officers, supervisors and workmen



## 9. Details of performance and career development reviews of employees and workers:

Category	FY2022			FY2021		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	6419	1665	25.94%	6883	1772	25.74%
Female	501	241	48.10%	495	199	40.20%
<b>Total</b>	<b>6920*</b>	<b>1906</b>	<b>27.54%</b>	<b>7378</b>	<b>1971</b>	<b>26.71%</b>

\*Including officers, supervisors and workmen

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, Occupational Health & Safety Management System has been implemented by the Organisation. At present the System covers the Operational Departments of Distribution and Generation Divisions.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Organisation has Rules & Procedure Safety Sub Committees in all the Operational Departments of Distribution and Generation Divisions who have developed Safe Work Procedures (SWP) and Work Instructions (WI) for all critical routine activities under the purview of individual Departments considering all probable hazards, risks, probability and severity of occurrence of any incidents in the specific work through conducting HIRA. All jobs start with a Safety Tool Box Meeting where the job-related Hazards and specific site related Hazards are discussed amongst the group of workmen, involved risks are analysed and all necessary hazard control measures are taken including use of specific types of PPES and applying all necessary Engineering and administrative controls.

- c. Whether you have processes for workers to report work related hazards and to remove themselves from such risks. (Y/N)

Yes, Employees including workers are encouraged to report work related Hazard to their reporting Supervisors who in turn arrange for addressing the risks associated through necessary corrective and preventive actions.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, Permanent Employees of the Organisation are provided with medical support for any non-occupational health care need through the Medical Department.

## 11. Details of safety related incidents, in the following format:

Safety Incident /Number	Category	FY2022	FY2021
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)*	Employees	--	--
Total recordable work-related injuries	Employees	79	53
No. of fatalities	Employees	2	0
High consequence work-related injury or ill-health (excluding fatalities)**	Employees	31	18

\* LTIFR could not be calculated as the record of total no. of employees and workers and manhours deployed by them are not available with CESC. Furthermore, joining information after Sick Leave do not flow to the Company.

\*\* The number of high-consequence work-related injuries (excluding fatalities) - THIS SEGREGATION IS NOT MAINTAINED AT PRESENT. THIS FIGURE IS A PART OF THE 'Number of lost work injury cases' which has been put in against respective cases.

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

For ensuring a safe work place, the approach is through the Hierarchy of Control: Elimination → Substitution → Engineering → Administrative → PPE.

The activities taken up are listed below:

- Large-scale use of PPEs
- Using proper tools & tackles
- Various Process Safety measures have been put in place
- SWP/Wis are prepared
- Training on General Safety & WI are given to employees & workers
- Adoption of technology to minimize risk to workers & employees





13. Number of Complaints on the following made by employees and workers:

	FY2022			FY2021		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions Health & Safety			NIL			

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices Working Conditions	Internal assessment procedure is in place by the Medical / Safety department

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

For all fatal and other incidents of high consequences, proper investigations have been carried out and the recommendations have been implemented immediately. Best efforts are also put place in for removal of unsafe situations.

**Principle 4: Business should respect the interests of and be responsive to all its stakeholders**

**Essential indicators:**

1. Describe the processes for identifying key stakeholder groups of the Company.

Consumers are the stakeholders of the company and key stakeholders are identified on the basis of their Profile Nature of usage and/or Consumption Pattern.

2. List stakeholder groups identified as key for the Company and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Emails, SMS, Newspapers, Pamphlets, Advertisements, Community Meetings, Notice Board, Website, Others)	Frequency of engagement (Annually, Half yearly, quarterly /others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Consumers of Electricity within CESC's Licensed Area	A segment of Consumers has been identified as Marginalised as per Government Guideline	SMS E Mails Newspapers Websites Notice Boards Messages on Consumption Bill Pamphlets Hoardings Local Miking Customer Meets/ Workshops Customer Care Stalls at important events having High Footfall Social Media	Monthly as well as Event driven Need Based and as per Regulatory Guidelines Need Based Need Based Once in 2 months Event Base Daily and Occasion/ Need Based	Generally to keep the Consumers informed about the status of our Service Delivery To keep the Consumers aware about our Services or for complying with Regulatory Directives To keep the Consumers aware about our Services or other Major Initiatives Carried out in case of any exigency like Cyclone, severe Water logging etc. • Connecting with Consumers and Relationship Building • Developing awareness on Digital and Environmental Initiatives of CESC and Electrical Safety Promote our Services, Provide Guidance and Support to Customers



**Principle 5: Business should respect and promote human rights****Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY2022			FY2021		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
<b>Employees</b>						
<b>Total Employees</b>	<b>6920*</b>	<b>75</b>	<b>1.08%</b>	<b>7378</b>	<b>470</b>	<b>6.37%</b>

\*Including officers, supervisors and workmen employees.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2022				FY2021					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	6920	0	0%	6920	100%	7378	0	0%	7378	100%
Male	6419	0	0%	6419	100%	6884	0	0%	6884	100%
Female	501	0	0%	501	100%	494	0	0%	494	100%

3. Details of remuneration/salary/wages, in the following format:

Gender	Male		Female	
	Number	Median remuneration/ salary/wages of respective category	Number	Median remuneration/ salary/wages of respective category
Board of Directors (BoD)*	1	55099158	-	-
Key Managerial Personnel (KMP)	3	29621173	-	-
Employees other than BoD and KMP	6415	999935	501	712735

\*Does not include any payment to Non-Executive Directors

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

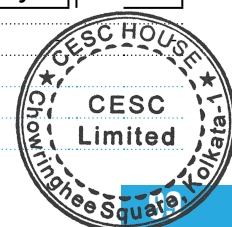
Yes, the rights of all categories of employees are protected through the Joint Committees existing between Unions / Associations and Management

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The rights of all categories of employees are protected through the Joint Committees existing between Unions / Associations and Management

6. Number of Complaints on the following made by employees and workers:

	FY2022			FY2021		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	Nil	-	-	1	-	-
Discrimination at workplace	-	-	-	Nil	-	-
Child Labour	-	-	-	Nil	-	-
Forced Labour/Involuntary Labour	-	-	-	Nil	-	-



	FY2022			FY2021		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Wages						Nil
Other Human rights related issues						Nil

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Concerns on discrimination and harassment are dealt with confidentiality. Joint committee exists between Unions / Association and Management to deal with such cases. CESC does not tolerate any form of retaliation against anyone reporting in good faith concerns. Anyone involved in targeting such a person raising such complaints will be subjected to disciplinary action

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No) Yes**

**9. Assessment for the year:**

	% of the Company's plants and offices that were assessed (by the Company or statutory authorities or third parties)
Child Labour	
Forced Labour/Involuntary Labour	
Sexual Harassment	
Discrimination at workplace	Nil*
Wages	
Other- please specify	

\* The Internal & external Auditors conduct assessments as per the Audit schedule. Assessments are also carried out by respective Government authorities and the Company has not received any non-compliance certification.

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	During the year, no such incidents have been reported
Wages	
Others – please specify	

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

**Essential Indicators**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format: (Generation)**

Parameter	
Total electricity consumption (A) (Auxiliary power consumption) Unit of Giga joules	CESC uses multiple energy sources in its daily operations, electricity being the primary source. Other sources of energy include fuel used in company vehicles, cooking gas used in cafeteria and diesel used in diesel generators (mainly used as back up sources for power shortage, if any). During the year, the power consumption at BBGS and SGS plants has increased by 2.48% and 80.53% respectively, while rise in generation was 2.6% and 82.50% respectively.
Total fuel consumption (B)	
Energy consumption through other sources (C)	
<b>Total energy consumption (A+B+C)</b>	
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	
Energy intensity (optional) – the relevant metric may be selected by the Company	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) Yes, name of the external agency.

Yes. M/s Schneider Electric India Pvt. Ltd. carried out Energy Audit at Budge Budge and Southern Generating Stations.



2. Does the Company have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Budge Budge Generating Station and Southern Generating Station are identified as Designated Consumers (DC's) under PAT Scheme. As per recent Ministry of Power notification, PAT targets for CESC yet to be set.

Target under PAT scheme has been achieved by Budge Budge Generating Station. Southern Generating Station is marginally below the target.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2022		FY2021	
	BBGS	SGS	BBGS	SGS
<b>Water withdrawal by source (in kilolitres)</b>				
(i) Surface water	11370695	27348963	11735835	15001041
(ii) Groundwater	0	0	0	0
(iii) Third party water	0	0	0	0
(iv) Seawater / desalinated water	0	0	0	0
(v) Others	8969	7732	8969	7732
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	<b>11379664</b>	<b>27356695</b>	<b>11744804</b>	<b>15008773</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>11379664</b>	<b>291563</b>	<b>11744804</b>	<b>176395</b>
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>0.07</b>	<b>0</b>	<b>0.07</b>	<b>0</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the Company implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Budge Budge Generating Station is a Zero Liquid Discharge station where the entire process effluent is recirculated and reused. Southern Generating Station has a Zero Liquid Discharge system except for Condenser Cooling System

5. Please provide details of air emissions (other than GHG emissions) by the Company, in the following format: (Generation)

Parameter	Unit	FY2022 (Average Figures)		FY2021 (Average Figures)	
		BBGS	SGS	BBGS	SGS
NOx	mg/Nm <sup>3</sup>	535	441	599	398
SOx	mg/Nm <sup>3</sup>	917	824	817	768
Particulate matter (PM)	mg/Nm <sup>3</sup>	27	52	27	47
Persistent organic pollutants (POP)		Not a statutory requirement			
Volatile organic compounds (VOC)		Not a statutory requirement			
Hazardous air pollutants (HAP)		Not a statutory requirement			
Others – please specify					

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2022		FY2021	
		BBGS	SGS	BBGS	SGS
<b>Total Scope 1 emissions</b>	Metric tonnes	4819421	210135	4697706	98841
(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	of CO <sub>2</sub> equivalent	(Only CO <sub>2</sub> emission)	(Only CO <sub>2</sub> emission)	(Only CO <sub>2</sub> emission)	(Only CO <sub>2</sub> emission)
<b>Total Scope 2 emissions</b>	Metric tonnes	-	-	-	-
(Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	of CO <sub>2</sub> equivalent				

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No



7. Does the Company have any project related to reducing Green House Gas emission? If yes, then provide details.

Details of Auxiliary power consumption management projects of F.Y. 2021-22 are tabulated below which also led to GHG emission reduction

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Energy management	Replacement of power transmission system by direct coupled arrangement in 2 nos. AC Plant Cooling Tower fans at SGS	Estimated Energy savings 13026 kWh/year
2	Energy management	Replacement of conventional luminaires by LED luminaires at BBGS	Estimated Energy savings 240900 kWh/year
3	Energy management	Replacement of Intake pump by lower capacity one at BBGS	Estimated Energy savings 315000 kWh/year
4	Energy management	Replacement of Holding Pond pump by energy efficient pump at BBGS	Estimated Energy savings 591300 kWh/year

8. Provide details related to waste management by the Company, in the following format:

	FY2022		FY2021	
	BBGS	SGS	BBGS	SGS
<b>Total Waste generated (in metric tonnes)</b>				
Plastic waste (A)	-	-	-	-
E-waste (B)	5.13 MT	0	0.13 MT	0.364 MT
Bio-medical waste (C)	Removed regularly on a monthly basis by PCB authorised agency			
Construction and demolition waste (D)	-	-	-	-
Battery waste (E)	-	-	-	-
Radioactive waste (F)	-	-	-	-
Other Hazardous Waste. Please specify, if any. (G)	Used Oil-17.64 KL, Used DM Plant Resin-0.680 MT, Oil Soaked Cotton Waste-0.695 MT	Used Oil-1.45 KL, Oil Soaked Cotton Waste-0.055 MT	Used Oil-20.28 KL, Used DM Plant Resin-0.690 MT, Oil Soaked Cotton Waste-0.340 MT	Used oil-3.3 KL, Oil Soaked Cotton Waste-0.130 MT
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	1081751 MT (ASH)	31703 MT (ASH)	1043093 MT (ASH)	21117 MT (ASH)
<b>Total (A+B + C + D + E + F + G + H)</b>	Cannot be summed up since units of measurement are different.			
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>				
<b>Category of waste</b>				
(i) Recycled	Total quantity of Used oil is recycled by WBPCB Authorised recyclers.			
(ii) Re-used	Total quantity of Ash generated is 100% utilized in manufacturing of (i) Portland Pozzolana cement (ii) Bricks, blocks and tiles & (iii) Ready mixed concrete used in roads, embankments, industrial and housing projects, flyovers etc.			
(iii) Other recovery operations	-	-	-	-
<b>Total</b>				
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>				
<b>Category of waste</b>				
(i) Incineration	Total quantity of Used DM Plant resin and Oil-soaked cotton waste is incinerated by WBPCB Authorised Hazardous Waste Treatment Storage and Disposal Facility (HWTSDF) operator			
(ii) Landfilling	-	-	-	-
(iii) Other disposal operations	-	-	-	-
<b>Total</b>	-	-	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Yes/No) name of the external agency. No



9. Briefly describe the waste management practices adopted in your establishment. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

E-waste, biomedical waste and other hazardous wastes listed above are disposed through PCB authorised recyclers and Hazardous Waste Treatment Storage and Disposal Facility operators for recycling and disposal. Non-hazardous wastes like Ash are utilized 100% consistently over the years in areas as described above in Section 8. Hazardous chemicals are used in the production of process water. Leakages, spillages/overflows etc. of such water is strictly monitored and controlled by prompt operational and maintenance actions, resulting in automatic reduction in quantum of hazardous chemicals used to produce such water. As stated earlier, ZLD systems ensure that process water is recirculated fully.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
NA			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N).

Yes.

If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
NA				

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential indicators**

1. a. Number of affiliations with trade and industry chambers/associations. 17



- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the Company is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations (State/National)
1	Confederation of Indian Industries (CII)	National
2	The Associated Chambers of Commerce & Industry of India (ASSOCHAM)	National
3	The Committee of International Council on Large Electric Systems, India (CIGRE)	National
4	India Smart Grid Forum (ISGF)	National
5	National Safety Council (NSC)	National
6	Central Board of Irrigation & Power (CBIP)	National
7	All India Management Association (AIMA)	National
8	National HRD Network (NHRDN)	National
9	Employers' Federation of India (EFI)	National
10	Administrative Staff College of India (ASCI)	National
11	Quality Circle Forum of India (QCFI)	National
12	Council of Power Utility	National
13	Bureau of Indian Standards (BIS)	National
14	Institute of Electrical and Electronics Engineers (IEEE)	National
15	Calcutta Management Association (CMA)	State
16	British Council Limited (BCL)	State
17	State Productivity Council	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the Company, based on adverse orders from regulatory authorities.

Name of the authority	Brief of the case	Corrective action taken
Not Applicable		

#### Principle 8: Businesses should promote inclusive growth and equitable development

##### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the Company, based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not undertaken during the period under report.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by the Company, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In ₹)
No Rehabilitation and Resettlement is being undertaken by the Company.						

3. Describe the mechanisms to receive and redress grievances of the community.

At present, no data pertaining to the above are maintained.



## 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY2022	FY2021
Directly sourced from MSMEs/small producers	16.07%	18.85%
Sourced directly from within the district and neighbouring districts	78.04%	78.25%

## Leadership Indicators

## 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name & brief details of Project	SIA Notification Number	Date of Notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable, as any Social Impact Study has not been undertaken in 2021-22.					

## 2. Provide the following information on CSR projects undertaken by the Company in the designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹ Crore)
1.	West Bengal	Kolkata, North 24 Parganas and South 24 Parganas	20.70

## 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No. Materials Department does not have any preferential policy.

(b) From which marginalized /vulnerable groups do you procure? N.A.

(c) What percentage of total procurement (by value) does it constitute? N.A.

## 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Training on Operation and maintenance processes	Yes	Yes	Positive Feedback
2	Training on Safety Practices	Yes	Yes	Positive Feedback
3	Training on Renewable Integration and Smart Grid	Yes	Yes	Knowledge gain reported by the participants.

## 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

## 6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Nayee Roshni Project	Direct: 3,335, Indirect: 2,474	100
2	Nirmal Abhiyan School Wash Project	3,521	100
3	Hamari Awaaz Child Protection Project	4,012	100
4	Nirmal Parivesh	5,037	100
5	Suswasthya Mother & Child Health Project	2,757	100
6	Pragati Skill Development Project	82	100
7	Prayas Skill Development Project	277	100
8	Saksham Skill Development Project	286	100
9	Udaan Skill Development Project	204	100





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

**Essential indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

As per Regulatory Guideline, CESC has put in place a Grievance Redressal Forum (GRF) consisting of Grievance Redressal Officers (GROs) and Central Grievance Redressal Officers (CGROs).

Any aggrieved Consumer may approach his/ her concerned GRO with his/ her complaint when the concerned officer will deal with the complaint in accordance with the Regulatory Guideline and pass a reasoned order after hearing the complainant and representing officer of CESC.

Apart from the aforesaid Grievance Redressal Forum, any consumer may lodge a complaint to CESC through Letter, Mail, over Telephone or through other platforms like CESC's Website, Mobile App, Chat Bot etc.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	NA
Recycling and/or safe disposal	

**3. Number of consumer complaints in respect of the following:**

	FY2022		Remarks	FY2021		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL	NIL	NIL	NIL	NIL
Advertising	NIL	NIL	NIL	NIL	NIL	NIL
Cyber- security	NIL	NIL	NIL	NIL	NIL	NIL
Delivery of essential services	922 *	13	* Includes Pending complaints of previous years	1076*	19	* Includes Pending complaints of previous years
Restrictive Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Unfair Trade Practices	NIL	NIL	NIL	NIL	NIL	NIL
Other (product related)	NIL	NIL	NIL	NIL	NIL	NIL

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NA

**5. Does the Company have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

A comprehensive cyber security policy covering both IT & OT is published in our internal portal.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

As corrective measure CESC invests substantial CAPEX for Network Development activities every year to ensure uninterrupted Power Supply for the Consumer.



# SECRETARIAL AUDIT REPORT

(Annexure 'F' to the Board's Report)

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2022

[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-700001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CESC LIMITED (CIN: L31901WB1978PLC031411)** (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) read with Company Secretaries Auditing Standards (CSAS) and in a manner that provides 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 devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express/give 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 also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, including by way of electronic mode, 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 March 31, 2022 ('Audit Period') 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 the Company for the financial year ended on March 31, 2022 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 Audit Period**
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,;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015,;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:-
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable during the year**
  - e) The Securities and Exchange Board of India (Issue and Listing of Non Convertible Securities) Regulations, 2021;



- 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, 2021; **No delisting was done during the year under review.**
- h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018. **Not applicable to the Company during the year**

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

- Secretarial Standards issued by the Institute of Company Secretaries of India;
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

- A sum of ₹ 2.70 crore was spent on CSR Activities by the company directly and a sum of ₹ 18.00 crore was transferred to CESC Limited Unspent CSR Account 2021-22 for contributing to school project undertaken by RP-Sanjiv Goenka Group CSR Trust and recognized by the Company as its "Ongoing Project"

Total amount required to be spent by the Company on CSR was ₹ 20.48 crore and the amount spent during the year under report was ₹ 20.70 crore.

- Section 186 is not applicable to the Company as the Company engaged in the business of providing infrastructural facilities as provided in Section 186(11)(a) of the Act.

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

- 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.

- Adequate notice was given to all directors to schedule the Meetings of the Board and Committees of the Board. 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.
- All decisions at the Board Meetings and Committee Meetings were carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board as the case may be.
- 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:-

- The Electricity Act, 2003 and the Electricity Rules, 2005.
- The Factories Act, 1948.
- The Payment of Bonus Act, 1965.
- The Industrial Disputes Act, 1947.
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- The Employees' State Insurance Act, 1948.

We further report that as informed to us, during the Audit Period, the Company has had the following specific events / updates:

- The Company issued and allotted on private placement basis secured unlisted redeemable non-convertible debentures to the following banks:

Sl. No.	Name of the Bank	Date of allotment	No. of NCDs	Face Value (₹)	Total Amount (₹)
1.	Axis Bank Limited, Ahmedabad	30-09-2021	4,000	10,00,000 each	400 Crore
2.	Kotak Mahindra Bank Limited, Mumbai	24-12-2021	1,000	10,00,000 each	100 Crore



2. The company has created/modified/satisfied various charges with the Registrar of Companies during the Audit period, as per details available at the MCA portal.
3. Article 88 of the Articles of Associations of the Company was altered by a special resolution passed by the shareholders of the Company through Postal Ballot on April 15, 2021 to inter alia enable it to increase its number of directors to 15.
4. During the year under review, Surya Vidyut Limited ceased to be a Wholly-owned subsidiary of the Company effective 11.03.2022 as its shares were transferred to Torrent Power Limited in terms of Share Purchase Agreement dated 21.09.2021
5. During the year under review, the Company had adopted re-stated Articles of Association in substitution and supersession of the existing Articles of Association after passing a special resolution on 28.12.2021 by the shareholders of the Company via Postal Ballot.
6. During the year under review, the Company has sub-divided its equity shares from one share of the face value of ₹ 10 to 10 shares of the face value of Re. 1 each fully paid effective from 21.09.2021 and also altered its Memorandum and Articles of Association to give effect to the said sub-division of shares after passing a special resolution in the Annual General Meeting of the Company held on 18.08.2021.
7. Mr. Jagdish Patra was appointed Company Secretary and Compliance Officer (KMP) effective 10.05.2021 in place of Mr. Subhasis Mitra.
8. The Company had following issued and outstanding listed commercial papers as on 31.03.2022 :
9. In this Certificate, we have not taken into consideration the events which are already in public domain and also not those events which have not come to our knowledge while conducting this audit.

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)**

Proprietor

**S. M. GUPTA & CO.**

Company Secretaries

Firm Registration No.: S1993WB816800

Membership No: FCS – 896

CP No.: 2053

Peer Review No: 718/2020

UDIN: F000896D000314902

Sl. No.	ISIN	Amount (₹)
1	INE486A14ET8	300 Crores
2	INE486A14ER2	150 Crores
3	INE486A14EQ4	150 Crores
4	INE486A14ES0	100 Crores

Place: Kolkata

Date: May 13, 2022

Encl.: Annexure 'A' forming an integral part of this Report



## “Annexure-A”

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

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)**

Proprietor

**S. M. GUPTA & CO.**

Company Secretaries

Firm Registration No.: S1993WB816800

Membership No: FCS – 896

CP No.: 2053

Peer Review No: 718/2020

UDIN: F000896D000314902

Place: Kolkata

Date: May 13, 2022



# SECRETARIAL AUDIT REPORT

(Annexure 'F1' to the Board's Report)

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2022

[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,  
**Haldia Energy Limited**  
2A, LORD SINHA ROAD,  
FIRST FLOOR  
KOLKATA -700071

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Haldia Energy Limited** (hereinafter called 'the Company') having (CIN-U74210WB1994PLC066154). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company 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, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the 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 the Company for the financial year ended on March 31, 2022 according to the provisions of:

- a) The Companies Act, 2013 (the Act) and the rules made there under;
- b) 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 **(The Company did not have any Foreign Direct Investment during the financial year)**;
- c) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder **(The Company complied with provisions of the Depositories Act, 1996 to the extent applicable)**.

We have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company and on examination of the documents and records in test check basis.

### The followings are the other laws as specifically applicable to the Company:

- a) The Electricity Act, 2003;
- b) The Factories Act, 1948;
- c) The Payment of Bonus Act, 1965;
- d) The Industrial Disputes Act, 1947;
- e) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- f) The Employees' State Insurance Act, 1948;

The Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines etc. were not applicable to the Company:

- (i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.



- (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 and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the financial year ended on March 31, 2022, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

### We further report that

Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice were 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.

Majority decision is carried through while the dissenting member's view, if any are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Company has accorded the consent of members to the Board of Directors for the following specific events/action:

- 1) Appointment of Mr. Debanjan Mandal (DIN: 00469622) as an independent director of the Company, for a period of five years from May 10, 2021 till May 9, 2026, pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013;
- 2) Appointment of Ms. Gargi Chatterjea (DIN: 05307577), as a non-executive director of the Company, pursuant to the provisions of Sections 152, read with other applicable provisions of the Companies Act, 2013;
- 3) To grant unsecured loan / letter of comforts / performance or other guarantees / counter guarantees / indemnities or similar documents to any lender and / or other party / parties or enter into consortium agreements in order to support one or more guarantees / commitment to group companies, namely RPSG Ventures Limited and/or any of its subsidiaries, Eminent Electricity Distribution Limited, CESC Green Power Limited, Dhariwal Infrastructure Limited upto an aggregate amount not exceeding ₹ 1000 crore;
- 4) Payment of Remuneration of ₹ 5,00,000/- to M/s. Shome & Banerjee, Cost accountants, the Cost auditors of the Company for the Financial year ending 31.03.2022.

For **M/s Manoj Shaw & Co.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

Place: Kolkata  
Date: May 12, 2022

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO.: 1243/2021  
UDIN:F005517D000307566

The report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report.



## “Annexure A”

To,  
The Members,  
**Haldia Energy Limited,**  
2A, LORD SINHA ROAD,  
FIRST FLOOR  
KOLKATA -700071

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
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.

For **M/s Manoj Shaw & Co.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO.: 1243/2021  
UDIN:F005517D000307566

Place: Kolkata  
Date: May 12, 2022





# SECRETARIAL AUDIT REPORT

(Annexure 'F2' to the Board's Report)

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2022

[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,  
**Dhariwal Infrastructure Limited**  
CESC House, Chowringhee Square,  
Kolkata- 700001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Dhariwal Infrastructure Limited** (hereinafter called 'the Company') having (CIN-U70109WB2006PLC111457). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company 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, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the 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 the Company for the financial year ended on March 31, 2022 according to the provisions of:

- The Companies Act, 2013 (the Act) (including amendments made thereto) and the rules made there under;
- Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (The Company did not have any Foreign Direct Investment during the financial year);
- The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; (the Company complied with provisions of the Depositories Act, 1996 to the extent applicable)

We have relied on the representation made by the Company and its Officers for systems and mechanism framed by the Company and on examination of the documents and records in test check basis.

### The followings are the other laws as specifically applicable to the Company:

- The Electricity Act, 2003.
- The Factories Act, 1948
- The Payment of Bonus Act, 1965
- The Industrial Dispute Act, 1947
- The Employees Provident Fund and Miscellaneous Provisions Act, 1952
- The Employees State Insurance Act, 1948

The Company being an unlisted Public Limited Company the following Acts, Regulations, Guidelines etc. were not applicable to the Company:

- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;



- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

During the financial year ended on March 31, 2022, the Company has complied with the applicable clauses of Secretarial Standard (SS-1 and SS-2) issued by the Institute of Company Secretaries of India and it was noted that the Company has complied with the same to the extent possible.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes which took place in the composition of the Board of Directors during the period under review were in compliance with the Act.

Adequate notices were 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.

Majority decision is carried through while the dissenting member's view, if any are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period, the Members of the Company have accorded their consent for the following specific events/ actions having a major bearing on the Company's affairs:-

- Appointment of Mr. Bhaskar Kumar Ganguly (DIN: 09145209), Whole time Director of the Company, with effect from April 13, 2021 to March 31, 2022.
- Appointment of Ms. Maitrayee Sen (DIN: 07731507), as a non executive director of the Company, pursuant to provisions of Section 152, read with other applicable provisions of the Companies Act, 2013.
- Under Section 180(1) (a) of the Companies Act, 2013 for approval and creation of security interest in favour of RBL Bank Limited and/or its Security Trustee for securing Rupee term loan of ₹ 204 crore.
- Payment of remuneration of ₹ 4,50,000/- to M/s Shome & Banerjee, Cost Accountants, the Cost Auditors of the Company for the Financial Year ending March 31, 2022.

For **M/s Manoj Shaw & Co.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO.: 1243/2021  
UDIN: F005517D000307599

Place: Kolkata  
Date: May 12, 2022

The report is to be read with our letter of even date which is annexed as **Annexure – A** and forms an integral part of this report



## “Annexure A”

To,  
The Members,  
**Dhariwal Infrastructure Limited**  
CESC House, Chowringhee Square,  
Kolkata- 700001

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

### Management’s Responsibility:

1. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
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.

For **M/s Manoj Shaw & Co.**  
(Company Secretaries)

**Manoj Prasad Shaw**  
(Proprietor)

FCS No. 5517; C P No.: 4194  
PEER REVIEW NO.: 1243/2021  
UDIN: F005517D000307599

Place: Kolkata  
Date: May 12, 2022



# SECRETARIAL AUDIT REPORT

(Annexure 'F3' to the Board's Report)

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED March 31, 2022

[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

**NOIDA POWER COMPANY LIMITED**

We have conducted the secretarial audit of the compliance with the applicable statutory provisions and the adherence to good corporate practices by **NOIDA POWER COMPANY LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the 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 the Company for the financial year ended on March 31, 2022 according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (Not applicable to the Company during the Audit period);
3. The Depositories Act, 1996 and the Regulations and Bye-law framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;(Not applicable as there was no reportable event during the financial year under review);
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 - (Not applicable as there was no reportable event during the financial year under review);
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 - (Not applicable as there was no reportable event during the financial year under review);
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 - (Not applicable as there was no reportable event during the financial year under review);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - (Not applicable as there was no reportable event during the financial year under review);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable as there was no reportable event during the financial year under review);
  - (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 - (Applicable to the Company during the Audit period pursuant to Companies (Prospectus and allotment of securities) Third Amendment Rules 2018, Rule 9A w.e.f October 2, 2018);
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable as there was no reportable event during the financial year under review); and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - (Not applicable as there was no reportable event during the financial year under review);
6. Other laws specifically applicable to the Company as per the representation made by the management :
- (a) The Electricity Act, 2003.
- (b) Policies, Rules and Regulations framed by the Authorities like Uttar Pradesh Electricity Regulatory Commission, Central Electricity Authority, Ministry of Power, Central Electricity Regulatory Commission etc. under the provisions of Electricity Act, 2003.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India related to meetings and minutes.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.
- As per the minutes, the decisions at Board Meetings and Committee Meetings were carried out unanimously;

**We further report that** based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines;

For **V.Agnihotri & Associates**  
Company Secretaries

**Vaibhav Agnihotri**

Mem No.: 10363

C.P. No.: 21596

UDIN: F010363D000270777

Place: Kanpur

Date: May 5, 2022

**Note:** This report is to be read with our letter of even date which is annexed as '**ANNEXURE A**' and forms an integral part of this report.



## “Annexure A”

To  
The Members  
**NOIDA POWER COMPANY LIMITED**

Our Secretarial Audit Report of even date for the financial year 2021-2022 is to be read along with this letter.

### Management’s Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that systems are adequate and operate effectively.

### Auditor’s Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records.
4. We believe that audit evidence and information obtained by the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained the Management’s representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

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.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **V.Agnihotri & Associates**  
Company Secretaries

**Vaibhav Agnihotri**

Mem No.: 10363

C.P. No.: 21596

UDIN: F010363D000270777

Place: Kanpur  
Date: May 5, 2022



# PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION ETC. FOR THE YEAR ENDED MARCH 31, 2022

## (Annexure 'G' to the Board's Report)

### A. Conservation of Energy

Following measures taken over 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).
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 around 800 nos. Modified Pillar Boxes with HRC fuses.

### B. Additional investment/proposals

1. During the year, several major plant and equipment and lines were commissioned. These include:
  - a. Erection & Commissioning of PRS 160 MVA T2.
  - b. Erection & Commissioning of EM South 200 MVA T2 & T3 along with their respective ETs & newly erected 33kV ODY bays.
  - c. Installation & commissioning of 20MVA 33/11-6 kV Ester-filled transformer at Serampore D/S by replacing high Furan 16MVA T1.
  - d. Installation & commissioning of second 20MVA 33/6-11 kV Ester-filled transformer at Anandapur D/S.
  - e. Construction of Pre-fabricated building and installation & commissioning of 6-panel 33kV SBB GIS board at Serampore D/S.
  - f. Laying of 33kV cable from Airport SS to Birati D/S and installation & commissioning of 33kV RMU at Birati D/S.
  - g. At the 33/11-6 kV Distribution Station level, 41 MVA of capacity was added at various Distribution Stations.
  - h. 99 Nos Distribution Transformers (DTs) aggregating 47.24 MVA were added during the year taking the installed base to 8535 DTs and 2908MVA.
  - i. Laying & Commissioning of WBSETCL Kasba SS - EM (South) SS 220kV 1600 Sq. mm Circuit-1 & 2.
  - j. Laying & commissioning of 33kV feeders to provide supply to three nos. Receiving Substations of New Garia-Biman Bandar Metro corridor and Joka-BBD Bag Metro corridor of Kolkata metro.

- k. Lengths of lines added at different voltage levels were: 0.75 ckm at 220 kV, 4.18 ckm at 132 kV, 8.406 ckm at 33 kV, 66.88 ckm at 11 & 6 kV and 268.83 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.

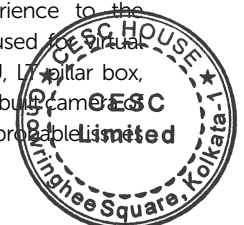
### Impact of the measures

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

- Use of fully bio-degradable Ester Oil in place of conventional mineral oil-based transformer oil in 33/11-6 KV Power Transformer for enhancing fire safety threshold and environment friendly transformer cooling medium.
- Experimented P2P (Peer To Peer) power transfer and Demand Side Management platform using Blockchain technology in association with a consortium led by IIM, Ahmedabad.
- Improving Grid Resiliency under extreme weather events is of paramount importance. The Company has initiated an in-depth study in association with IIT, Kharagpur for improving its distribution network resiliency.
- A micro-grid with Floating Solar PV plant and BESS is under development inside a Substation. The micro-grid will provide uninterrupted power supply for local loads inside the station sourcing 100% green power.
- Subscribed to Technology driven electric bike rental platform for in-house commute and captive usage at various locations.
- AR (Augmented Reality) technologies like SLAM (Simultaneous Localization & Mapping) and Image Target AR are deployed in PoC mode for development of interactive applications. These help in manpower optimization, faster & effective decision making at site and offering better training experience to the employees. SLAM technology is being used for optimal placement of equipment viz. 33 kv RMU, LPT pillar box, meter arrangement etc. at site utilizing in-built AR capable mobiles/tablets. It helps to anticipate the probable



that may arise during actual installation of equipment. Image Target AR application helps in 3D visualization of assets along with sections from 2D layouts.

- AMI based smart metering - around 26000 smart meters installed in CESC system.
- Online PD measurement technology using HFCT (High Frequency Current Transformer) technique (improved version) for monitoring live cables.
- 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.
- Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.
- 2050 nos. Automatic Power Factor Controllers (APFC) in LT distribution network for effective capacity utilization and loss reduction.
- Installation of Battery Energy Storage System (BESS). The Company has installed BESS of 315 kWh capacity in association with Exide Industries. BESS is targeted to address frequency regulation, solar intermittency, peak power shaving and supply voltage improvement.
- Large-scale application of combined Partial Discharge, Temperature & Humidity monitoring & alarm generating sensors.
- Incorporated Industrial IoT based Field Devices/ Sensors for real-time condition monitoring of Power & Distribution Transformers. IoT based voltage monitoring & alarm generation system developed to detect Overhead LT faults. IoT based motorized CFS remotely controllable unit developed for LT Sides of DTRs, thereby helping in remote isolation of DTRs during water logging as a safety measure.
- IoT powered supply monitoring system developed for Covid-cold-chain establishments and hospitals.
- Integration of Dissolve Gas analyzer system into Transformer IoT Monitoring System for unified visibility.
- Phase wise replacement of Old Electromechanical relays by IEC 61850 compatible Numerical relays.
- Implementation/ extension of Special Protection Scheme (like Budge Budge Lock Out, Under Frequency) across the system.
- Implementation of IEEE C37.94 Line-Differential protection system (for specific relays) helping lower the dependence on a particular OFC fibre.
- Digitalization initiatives covering protective relays, networking of relays, monitoring of communicability status of numerical relays implemented.
- PMU (Phasor Measurement Unit) for better visibility of disturbances in the entire EHT network

through continuous monitoring which is helping in identification of cause of system disturbance quickly and making faster decision for restoration of supply.

- Developed and implemented Push Notification through Mobile Application for getting alerts on-the-move from Protective Relaying Devices in the event of any tripping in HV/EHV network, to enable quick decision making & network restoration.
  - Implemented Field Force Automation for Metering complaint related Inspection Activity for handling Customer Complaints through Smart Tablet causing substantial reduction in Cycle Time of activities. Field Force Automation Tools developed for Transformer as well as Cable fault tests at sites.
  - Developed AI/ML Based Predictive screening of Metering Complaints.
  - Assessment of residual life for transformers by use of technology.
  - Implementation of IPv6 4G Omni vendor P2P Smart Metering.
  - Convergence of HES into a single, standard following system, capable of dealing with any make DLMS smart meter and its integration with utility systems.
  - CESC is in the process of upgradation of existing optical fibre based SDH/PDH communication backbone to cutting edge 10G ready MPLS-TP communication system to cater to all mission critical, latency sensitive OT services.
  - Use of ADSS (All Dielectric Self Support) cables instead of normal OFC.
  - Registered applications for Patents for a few innovations / technology absorption.
  - Have undertaken an AI/ML based Demand Forecast Study in collaboration with ISI, Kolkata
  - Installation of Solar PV cell at company's establishments
  - Exploring alternatives of SF6 gas in switchgears at all voltage levels to reduce Carbon foot print.
- 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 ₹ 0.34 crore during the year (previous year ₹ 0.24 crore).

## E. Foreign Exchange Earnings and Outgo

There have been no foreign exchange earnings during the year (previous year - ₹ 0.003 crore). The total foreign exchange outgo was ₹ 2.41 crore (previous year ₹ 2.15 crore).

On behalf of the Board of Directors



Kolkata, May 13, 2022



# 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 'H' to Board's Report)

(1) The ratio of the remuneration (including sitting fees) of the Directors - Mr. Debasish Banerjee, Mr. Pratip Chaudhuri, Mr. Chandra Kumar Dhanuka, Dr. Sanjiv Goenka, Mr. Shashwat Goenka, Mr. Kalaikuruchi Jairaj, Mr. Pradip Kumar Khaitan, Mr. Sunil Mitra, Ms. Rekha Sethi and Mr. Debanjan Mandal to the median remuneration of the employees of the Company for the financial year 2021-22 and increase in their remuneration during the said financial year (Percentage) is 54.99:1 (9.91%), 2.73 : 1 (8 %), 2.63 : 1 (18.18 %), 130.70 : 1 (-24.51 %), 129.30 :1 (-24.89%), 1.72 : 1 (6.25%), 2.02 : 1 (17.65%), 1.62 : 1 (6.67%), 2.02 : 1 (0%) and 1.52 : 1 (N.A %) #, respectively. The increase in remuneration of the Executive Director & CFO during the said financial year was 25.23%. Increase in remuneration of the Company Secretary during the said financial year over the last financial year is not comparable as the outgoing Company Secretary and new Company Secretary have been in office for part of the year. During the said financial year, there was an increase of 13.71 % in the median remuneration of employees on the rolls as at March 31, 2022. There were 6920 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2021-22 the average increase in remuneration was 18.03%. (3) The average percentage increase in the salaries of employees on roll as at 31.3.2022 other than the managerial personnel was 17.33 % in 2021-22 whereas the increase in the managerial remuneration for the same financial year was 6.95%. (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

# Not comparable since appointed during the financial year 2021-22.

On behalf of the Board of Directors

Place: Kolkata  
Date: May 13, 2012

**Dr. Sanjiv Goenka**  
Chairman  
DIN: 00074796



# Standalone Financial Statements



# Independent Auditor's Report

To  
The Members of **CESC Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 standalone 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 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, 2022, 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 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 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 financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone 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 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 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 financial statements.

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

#### Key Audit Matter:

The Company recognizes regulatory income / expense / 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 orders including interpretation of the regulations. Such regulatory deferral balances are discounted over an estimated period of recovery using a discounting rate.

In consideration of the significance of the amount of the 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 considered the Company's accounting policies with respect to accrual for regulatory deferrals and assessed compliance with Ind AS 114 "Regulatory Deferral Accounts".
- We have understood and carried out testing of the design and implementation of key financial controls related to accrual of such regulatory balances and its disclosure in the financial statements of the Company.
- We discussed with the management on the key assumptions and estimates used for recognition of these regulatory balances and corroborated them.



with the applicable regulatory provisions, APR orders, Tariff orders and underlying records of the Company.

- We discussed with the management on the consistency of its key 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 also assessed the discounting rate and the estimated period of recovery considered by the management with reference to the APR process and the tariff regulations.
- We have assessed the adequacy of 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 financial statements)

### Key Audit Matter:

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

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 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 by the management 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 read and evaluated 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 tested the arithmetical accuracy of the financial projections.

## 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 Corporate Social Responsibility Activities, Business Responsibility and Sustainability Report and Statement containing salient features of the financial statements of Subsidiaries/Joint Venture, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 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 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 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 standalone 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these standalone 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, 2022 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 financial statements – Refer Note 31 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Act.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place of Signature: Kolkata

Membership Number: 058652

Date: May 13, 2022

UDIN: 22058652AIXHBH7486



# Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: CESC Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (i) (b) The Company has verified part of its Property Plant and Equipment during the year in accordance with its regular programme of verification of these assets whereby all the assets except those in distribution system for which we have been informed that physical verification is not possible, are physically verified over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (i) (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the standalone financial statements included in Property, Plant and Equipment are held in the name of the Company, except the following:

Description of Property	Amount in INR crores	Held in the name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Leasehold land at Pagladanga DS	2.72	West Bengal Small Industries Corporation Ltd	No	1999	The Company has applied for renewal with the West Bengal Small Industries Corp. Ltd.
Leasehold land at Rabindra Sadan DS	3.80	Governor of State Of West Bengal	No	1985	The Company has applied for renewal with the Public Works Department (PWD), Govt of West Bengal.
Leasehold land at Auckland Square DS	5.09	The Kolkata Municipal Corporation	No	1994	The Company applied for renewal with the Kolkata Municipal Corporation.
Leasehold land at Southern Generating Station	169.85	Kolkata Port Trust	No	1925	The Company is in the process of renewal of the expired lease with Kolkata Port Trust.
Leasehold Land at Taltala DS	0.93	Governor of State Of West Bengal	No	1968	The Company is in the process of renewal of the lease deed with Government of West Bengal.
Leasehold land- Saint James Square Rectifier Station	4.27	Bengal	No	1964	
Leasehold land- Budge Budge Generating station	79.89	Governor of State Of West Bengal	No	1991	The Company has applied with Land Department of Govt. of West Bengal for renewal of the lease



- (i) (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (i) (e) As represented to us by the management, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2022 and discrepancies were not noticed in respect of such confirmations.
- (ii) (b) As disclosed in note 26 to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company. The Company does not have any sanctioned working capital limits from financial institutions.
- (iii) (a) During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. The Company has provided loan to a company as follows:

Particulars	Amount in INR crores
Aggregate amount granted/ provided during the year	
- Subsidiaries	-
- Joint Ventures	-
- Associates	-
- Others	14.50
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiaries	-
- Joint Ventures	-
- Associates	-
- Others	14.50

- (iii) (b) During the year the Company has not provided guarantees and security and not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. The investments made and the terms and conditions of the loans granted are not prejudicial to the Company's interest.
- (iii) (c) The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. The Company has granted interest free loans during the year to a company where the schedule of repayment of principal has been stipulated and the same are not due for repayment as on March 31, 2022.
- (iii) (d) The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (iii) (e) The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties during the year. There were no loans granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (iii) (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) 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 neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (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 goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and





other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (vii) (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs. in crores)	Period to which the amount relates	Forum where the dispute is pending
The Customs Act, 1962	Customs Duty	19.38	2011-12 and 2012-13	Customs, Excise and Service Tax Appellate Tribunal.
Finance Act, 1994	Service Tax	14.71	April 2016-June 2017	The Commissioner, Central Tax and Central Excise

- (viii) As represented to us by the management, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (ix) (b) As represented to us by the management, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (ix) (c) Term loans of Rs. 300 crores were raised towards the end of the year (March 2022) out of which Rs. 125 crores have not been utilized by the end of the year and is lying in cash and cash equivalents as on March 31, 2022. This matter has been disclosed in note 21(c) to the standalone financial statements.
- (ix) (d) On an overall examination of the financial statements of the Company, the Company has used short term funds aggregating to Rs. 893.19 crores for long-term purposes representing financing of regulatory assets.
- (ix) (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture. The Company does not have any associate during the year.

- (ix) (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures companies. The Company does not have any associate during the year. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

- (x) (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

- (xi) (a) As represented to us by the management, no fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.

- (xi) (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (xi) (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clauses 3(xii)(a), (b) and (c) of the Order is not applicable to the Company.

- (xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.

- (xiv) (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.



- (xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (xvi) (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvi) (d) As represented to us by the management, the Group has 5 Core Investment Companies as a part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 54 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet

date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 51 to the standalone financial statements.
- (xx) (b) All amounts that are unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the said Act. This matter has been disclosed in note 51 to the standalone financial statements.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place of Signature: Kolkata

Date: May 13, 2022

Membership Number: 058652

UDIN: 22058652AIXHBH7486



# Annexure '2'

## To the Independent Auditor's Report of Even Date on the Standalone 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 with reference to standalone financial statements of CESC Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 with reference to these standalone 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone 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 Company's internal financial controls with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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 with reference to standalone financial statements and such internal financial

controls with reference to standalone financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place of Signature: Kolkata

Date: May 13, 2022

Membership Number: 058652

UDIN: 22058652AIXHBH7486



# Balance Sheet

as at 31st March, 2022

₹ in crore

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	4	14,089.77	14,265.22
Capital work-in-progress	4A	43.23	66.31
Investment Property	5	62.87	62.87
Intangible Assets	6	100.55	109.28
<b>Financial Assets</b>			
Investments	7	5,001.95	5,060.45
Loans	8	3.77	3.81
Others	9	220.81	111.50
Other non-current assets	10	256.78	120.27
	(A)	<b>19,779.73</b>	<b>19,799.71</b>
<b>Current Assets</b>			
Inventories	11	434.35	379.91
<b>Financial Assets</b>			
Investments	12	13.96	13.49
Trade receivables	13	1,035.39	1,394.42
Cash and cash equivalents	14	859.64	551.94
Bank balances other than cash and cash equivalents	15	415.23	404.87
Loans		14.50	-
Others	16	110.40	130.95
Other current assets	17	295.89	223.07
	(B)	<b>3,179.36</b>	<b>5,098.65</b>
Regulatory deferral account balances	(C)	<b>5,507.28</b>	<b>4,759.18</b>
	(A+B+C)	<b>28,466.37</b>	<b>27,657.54</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	19	133.22	133.22
Other Equity	20	9,821.60	9,844.36
	(D)	<b>9,954.82</b>	<b>9,977.58</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	21	5,668.78	5,410.61
Lease Liabilities	22	112.47	127.08
Trade Payables		-	-
(a) Total outstanding dues of micro enterprises & small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		50.81	50.60
Consumers' Security Deposits	45	1,563.63	1,715.85
Others		2.99	3.53
Provisions	23	475.50	455.83
Deferred tax liabilities (net)	24	3,360.05	3,384.81
Other non-current liabilities	25	278.58	184.08
	(E)	<b>11,512.81</b>	<b>11,332.39</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	26	2,682.70	1,868.25
Lease Liabilities		27.48	27.30
Trade Payables		-	-
(a) Total outstanding dues of micro enterprises & small enterprises	27	4.35	11.51
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	27	1,012.47	770.04
Others	28	1,133.93	1,574.31
Other current liabilities	29	460.67	434.67
Provisions	30	57.06	84.79
Current tax liabilities (net)		62.23	50.81
	(F)	<b>5,440.89</b>	<b>4,821.68</b>
Regulatory deferral account balances	(G)	<b>1,557.85</b>	<b>1,525.89</b>
	(D+E+F+G)	<b>28,466.37</b>	<b>27,657.54</b>
Notes forming part of Financial Statements	1-57		

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

For and on behalf of Board of Directors

Chairman **Sanjiv Goenka**  
 Managing Director - Generation **Rabi Chowdhury**  
 Managing Director- Distribution **Debasish Banerjee**  
 Company Secretary **Jagdish Patra**  
 Executive Director & CFO **Rajarshi Banerjee**

DIN: 00074796  
 DIN: 06601588  
 DIN: 06443204



# Statement of Profit and Loss

for the year ended 31st March, 2022

₹ in crore

Particulars	Note No.	2021-22	2020-21
Revenue from operations	32	7,293.86	6,921.48
Other income	33	185.55	180.19
<b>Total Income</b>		<b>7,479.41</b>	<b>7,101.67</b>
<b>Expenses</b>			
Cost of electrical energy purchased		2,901.37	2,649.06
Cost of fuel	34	1,378.20	1,317.47
Purchase of stock-in-trade		15.24	17.31
Employee benefits expense	35	886.06	899.95
Finance costs	36	504.17	501.68
Depreciation and amortisation expense	37	470.51	462.74
Other expenses	38	995.74	862.98
<b>Total expenses</b>		<b>7,151.29</b>	<b>6,711.19</b>
<b>Profit before regulatory income/ (expense) and tax</b>		<b>328.12</b>	<b>390.48</b>
Regulatory Income/ (expense) (net)	39	716.14	456.92
<b>Profit before tax</b>		<b>1,044.26</b>	<b>847.40</b>
<b>Tax expense</b>	44		
Current tax		(253.24)	(128.82)
Deferred tax - Income / (Expense)		24.77	95.89
<b>Profit for the year</b>		<b>815.79</b>	<b>814.47</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(19.49)	(40.13)
Income tax on above		4.73	7.01
Gain/(loss) on fair value of Investments		0.05	(0.34)
Deferred tax (charge)/credit on above		(0.01)	0.08
Regulatory Income/ (expense) -deferred tax		0.01	(0.08)
Other comprehensive Income for the year (net of tax)		(14.71)	(33.46)
<b>Total comprehensive income for the year</b>		<b>801.08</b>	<b>781.01</b>
Basic & Diluted Earnings per equity share (Face value of ₹ 1 per share)	47	6.16	6.14
Notes forming part of Financial Statements	1-57		

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

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 **Jagdish Patra**

Executive Director & CFO **Rajarshi Banerjee**



# Cash Flow Statement

for the year ended 31st March, 2022

₹ in crore

Particulars	2021-22	2020-21
<b>A. Cash flow from Operating Activities</b>		
Profit before tax	1,044.26	847.40
Adjustments for :		
Depreciation and amortisation expense	470.51	462.74
Loss/(Profit) on sale / disposal of Property, Plant and Equipment (net)	2.77	(0.35)
Gain on sale/ fair valuation of non-current investments (net)	(28.42)	-
Gain on sale/ fair valuation of current investments (net)	(7.91)	(15.68)
Provision for Bad Debts	-	8.23
Bad debts, advances (net) written off	24.53	3.66
Dividend Income	(14.86)	-
Finance costs	504.17	501.68
Interest Income	(22.87)	(29.92)
Other non-operating income	(61.54)	(57.68)
<b>Operating Profit before Working Capital changes</b>	<b>1,910.64</b>	<b>1,720.08</b>
Adjustments for change in:		
Trade & other receivables	(129.51)	(334.09)
Inventories	(54.44)	7.26
Net change in regulatory deferral account balances	(716.14)	(456.92)
Trade and other payables	(71.53)	45.26
<b>Cash Generated from Operations</b>	<b>939.02</b>	<b>981.59</b>
Income Tax paid (net of refund)	(230.14)	(171.83)
<b>Net cash flow from Operating Activities</b>	<b>708.88</b>	<b>809.76</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(535.07)	(439.01)
Proceeds from Sale of Property, Plant and Equipment	4.76	8.08
Investment in subsidiaries including advance for share subscription	(70.03)	(622.10)
Sale of Subsidiary Company	163.93	-
Sale/(purchase) of Current Investments (net)	7.44	17.20
Net movement in Bank Balances other than Cash and Cash equivalents	(10.36)	(42.26)
Dividend received	14.86	-
Interest received	44.98	13.06
<b>Net cash used in Investing Activities</b>	<b>(379.49)</b>	<b>(1,065.03)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Non-Current Borrowings*	1,400.00	2,414.88
Repayment of Non-Current Borrowings*	(721.97)	(892.66)
Net movement in Cash credit facilities and other Current Borrowings	400.47	(676.12)
Payment of Lease Liabilities	(30.34)	(32.47)
Finance Costs paid	(475.36)	(462.62)
Dividend paid	(594.50)	(594.03)
<b>Net Cash used in Financing Activities</b>	<b>(21.70)</b>	<b>(243.02)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>307.70</b>	<b>(498.29)</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 14]</b>	<b>551.94</b>	<b>1,050.23</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 14]</b>	<b>859.64</b>	<b>551.94</b>

\* Net of ₹ 484.36 crore (previous year : ₹ 542.62 crore) utilized for refinancing of borrowings.



# Cash Flow Statement

for the year ended 31st March, 2022

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-21	Cash Flows	Others	31-Mar-22
Current borrowings	913.89	400.47	-	1,314.36
Non-Current borrowings (including current maturities)	6,385.41	678.03	(7.40)	7,056.04
Lease Liabilities	154.38	(30.34)	15.91	139.95
<b>Total liabilities from financing activities</b>	<b>7,453.68</b>	<b>1,048.16</b>	<b>8.51</b>	<b>8,510.35</b>

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-20	Cash Flows	Others	31-Mar-21
Current borrowings	1,590.01	(676.12)	-	913.89
Non-Current borrowings (including current maturities)	4,878.86	1,522.22	(15.67)	6,385.41
Lease Liabilities	268.76	(32.47)	(81.91)	154.38
<b>Total liabilities from financing activities</b>	<b>6,737.63</b>	<b>813.63</b>	<b>(97.58)</b>	<b>7,453.68</b>

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

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 **Jagdish Patra**

Executive Director & CFO **Rajarshi Banerjee**





# Statement of Changes in Equity

for the year ended 31st March, 2022

## 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
<b>Equity Shares of ₹ 1 each issued, subscribed and fully paid</b>			
As at 31 March 2021	133.22	-	133.22
As at 31 March 2022	133.22	-	133.22

## B Other Equity

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies		
<b>Balance as at 1 April, 2021</b>	10,352.69	(812.10)	298.60	5.17	9,844.36
Profit for the year	815.79				815.79
Other Comprehensive loss for the year (net of tax)	(14.76)			0.05	(14.71)
<b>Total</b>	<b>11,153.72</b>	<b>(812.10)</b>	<b>298.60</b>	<b>5.22</b>	<b>10,645.44</b>
Dividends paid [refer note 19(f)]	(596.51)				(596.51)
Transfer to/from retained earnings	(18.07)		18.07		-
Withdrawal of additional depreciation during the year (refer note 49)	(225.30)				(225.30)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (refer note 49)	(2.03)				(2.03)
<b>Balance as at 31 March, 2022</b>	<b>10,311.81</b>	<b>(812.10)</b>	<b>316.67</b>	<b>5.22</b>	<b>9,821.60</b>

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Total
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies		
<b>Balance as at 1 April, 2020</b>	10,432.30	(812.10)	279.10	5.51	9,904.81
Profit for the year	814.47				814.47
Other Comprehensive loss for the year (net of tax)	(33.12)			(0.34)	(33.46)
<b>Total</b>	<b>11,213.65</b>	<b>(812.10)</b>	<b>279.10</b>	<b>5.17</b>	<b>10,685.82</b>
Dividends paid	(596.51)				(596.51)
Transfer to/ from retained earnings	(19.50)		19.50		-
Withdrawal of additional depreciation during the year (refer note 49)	(243.57)				(243.57)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (refer note 49)	(1.38)				(1.38)
<b>Balance as at 31 March, 2021</b>	<b>10,352.69</b>	<b>(812.10)</b>	<b>298.60</b>	<b>5.17</b>	<b>9,844.36</b>

\* (refer note 20)

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

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 **Jagdish Patra**

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 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 (WBERC/ 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 prescribed GAAP has been considered as deemed cost as on date of transition to Ind AS.



# Notes forming part of Financial Statements

## (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

### Company as a lessee

The Company's lease asset classes primarily consist of leases for land, plant & equipment, buildings and offices. The Company assesses whether a contract contains a lease, at the inception of a contract.

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

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

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

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

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

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

### Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## (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.



# Notes forming part of Financial Statements

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 fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). Investment in subsidiaries and joint ventures are carried at cost or at deemed cost as considered on the date of transition to Ind-AS less provision for impairment loss, if any. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 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 on settlement/ translation of monetary items is recognized in the Statement of Profit and Loss.



# Notes forming part of Financial Statements

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, cash on hand and term deposits with original maturity of three months or less.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents 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 cost 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.



# Notes forming part of Financial Statements

## (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.

The Company reviews the MAT credit entitlement at each reporting date and recognises the credit against the tax payable to the extent that it is probable that it will be able to utilise the same against normal tax during the specified period.

Since tax on profits forms part of chargeable expenditure under the applicable regulations, current tax liability and deferred tax liability or asset is recoverable or payable, as applicable through future tariff. Hence, recognition of current tax liability and deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, to the extent 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, as applicable.

## (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/ Commission) and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances, at their present value duly considering discounting methodology using such rates in consonance with the applicable regulations and prudence. 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.



# Notes forming part of Financial Statements

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-2 A (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
- Estimates used in Lease liabilities -Note-50

## NOTE-3A Changes in existing Ind AS

Amendments and interpretations as outlined below apply for the year ended 31 March, 2022, but do not have an impact on the Standalone Financial Statements.

- a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116
- b. Ind AS 116: COVID-19 related rent concessions
- c. Ind AS 103: Business combinations
- d. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

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

**NOTE-3B** The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from 1 April, 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Company has given effect of such regroupings in these standalone financial statements including figures for the corresponding previous year wherein:

- a) Current maturities of long term debts has been regrouped from "Other Financial Liabilities" in the Standalone Financial Statements for FY 2020-2021 to "Current Borrowings" in these Standalone Financial Statements.
- b) Lease Liabilities are presented separately as "Lease Liabilities" in these Standalone Financial Statements and not grouped under "Other Financial Liabilities" as presented in the Standalone Financial Statements for FY 2020-2021.
- c) Security Deposits has been regrouped from "Loans" in the Standalone Financial Statements for FY 2020 – 2021 to "Other Financial Assets" in these Standalone Financial Statements.



# Notes forming Part of Financial Statements

## NOTE - 4 PROPERTY, PLANT AND EQUIPMENT

₹ in crore

PARTICULARS	COST/DEEMED COST			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1st April, 2021	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 1st April, 2021	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2022	As at 31st March, 2021
Land *	3,052.14	1.15	-	118.48	19.48	-	2,915.33	2,933.66
Buildings and Structures **	934.15	7.24	0.12	226.66	42.81	-	671.80	707.49
Plant and Equipment	5,970.25	139.37	2.90	1,872.47	276.26	1.86	3,959.85	4,097.78
Distribution System	7,644.94	341.08	29.92	1,528.05	291.28	25.84	6,162.61	6,116.89
Meters and Other Apparatus on Consumers' Premises	383.32	22.82	11.55	150.84	39.90	7.89	211.74	232.48
River Tunnel	2.78	-	-	2.76	-	-	0.02	0.02
Furniture and Fixtures	36.73	1.90	0.44	13.14	2.33	0.23	22.95	23.59
Office Equipment	120.31	5.59	0.30	53.03	9.70	0.18	63.05	67.28
Vehicles	12.30	1.98	1.37	3.19	2.28	1.02	8.46	9.11
Railway Sidings	94.55	-	-	17.63	2.96	-	73.96	76.92
<b>Previous Year</b>	<b>18,251.47</b>	<b>521.13</b>	<b>46.60</b>	<b>3,986.25</b>	<b>687.00</b>	<b>37.02</b>	<b>14,089.77</b>	<b>14,265.22</b>
	17,938.13	437.84	124.50	3,308.44	695.71	17.90	14,265.22	

\* includes leasehold

\*\* includes leasehold improvements

- Property, Plant & Equipment includes right-of-use assets recognised upon adoption of Ind AS 116 (Refer Note 50).
- The Company is in the process of renewing the lease agreement, in respect of certain leasehold land, having Gross Block ₹ 373.18 crore (31.03.2021: ₹ 200.75 crore) and Net Block ₹ 266.55 crore (31.03.2021: ₹ 188.66 crore). Immovable properties whose title deeds are not in the name of the Company included in Property, Plant & Equipment :





# Notes forming Part of Financial Statements

## NOTE - 4 PROPERTY, PLANT AND EQUIPMENT (Contd..)

As at 31st March, 2022

Description of property	Carrying Value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land at Pagladanga DS	2.72	West Bengal Small Industries Corporation Ltd	No	1999	The Company has applied for renewal with the West Bengal Small Industries Corp. Ltd.
Leasehold Land at Rabindra Sadan DS	3.80	Governor of State of West Bengal	No	1985	The Company has applied for renewal with the Public Works Department (PWD), Govt of West Bengal.
Leasehold Land at Auckland Square DS	5.09	The Kolkata Municipal Corporation	No	1994	The Company has applied for renewal with the Kolkata Municipal Corporation.
Leasehold Land - Budge Budge Generating station	79.89	Governor of State of West Bengal	No	1991	The Company has applied with Land Dept. of Govt. of West Bengal for renewal of the lease.
Leasehold Land at Southern Generating Station	169.85	Kolkata Port Trust	No	1925	The Company is in the process of renewal of the expired lease with Kolkata Port Trust.
Leasehold Land at Taltala DS	0.93	Governor of State of West Bengal	No	1968	The Company is in the process of renewal of the lease deed with Government of West Bengal.
Leasehold land - Saint James Square Rectifier Station	4.27	Governor of State of West Bengal	No	1964	The Company is in the process of renewal of the lease deed with Government of West Bengal.
	<b>266.55</b>				

As at 31st March, 2021

Description of property	Carrying Value (₹ in Crore)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
Leasehold Land at Pagladanga DS	2.72	West Bengal Small Industries Corporation Ltd	No	1999	The Company has applied for renewal with the West Bengal Small Industries Corp. Ltd.
Leasehold Land at Rabindra Sadan DS	3.80	Governor of State of West Bengal	No	1985	The Company has applied for renewal with the Public Works Department (PWD), Govt of West Bengal.
Leasehold Land at Auckland Square DS	5.13	The Kolkata Municipal Corporation	No	1994	The Company has applied for renewal with the Kolkata Municipal Corporation.
Leasehold Land at Southern Generating Station	171.70	Kolkata Port Trust	No	1925	The Company is in the process of renewal of the expired lease with Kolkata Port Trust.
Leasehold Land at Taltala DS	0.95	Governor of State of West Bengal	No	1968	The Company is in the process of renewal of the lease deed with Government of West Bengal.
Leasehold Land - Saint James Square Rectifier Station	4.36	Governor of State of West Bengal	No	1964	The Company is in the process of renewal of the lease deed with Government of West Bengal.
	<b>188.66</b>				

# Notes forming Part of Financial Statements

## NOTE - 4A CAPITAL WORK-IN-PROGRESS

Ageing for capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Capital work-in-progress as at 31st March, 2022	27.81	1.77	6.75	6.90	43.23
Capital work-in-progress as at 31st March, 2021	45.52	10.01	5.76	5.02	66.31

₹ in crore

## NOTE - 5 INVESTMENT PROPERTY

PARTICULARS	COST / DEEMED COST		DEPRECIATION / AMORTISATION		NET BLOCK	
	As at 1st April, 2021	As at 31st March, 2022	As at 1st April, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Land - Freehold	62.87	62.87	-	-	62.87	62.87
	<b>62.87</b>	<b>62.87</b>	-	-	<b>62.87</b>	<b>62.87</b>
Previous Year	62.63	62.87	-	-	62.87	62.87

₹ in crore

a) Income earned recognised in Statement of Profit & Loss ₹ 7.80 crore (previous year: ₹ 8.71 crore)

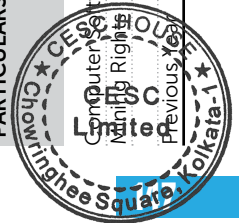
b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 286 crore (as on 31.03.2021 : ₹ 283 crore) as per registered independent valuer and categorised as level 2. The main inputs used in determining the fair valuation of the Investment Property are utility, 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 to five years ₹ 11.70 crore (as on 31.03.2021 : ₹ 12 crore) in each of the years and later than five years ₹ 66.32 crore (as on 31.03.2021: ₹ 79.98 crore).

## NOTE - 6 INTANGIBLE ASSETS

PARTICULARS	COST / DEEMED COST		AMORTISATION		NET BLOCK	
	As at 1st April, 2021	As at 31st March, 2022	As at 1st April, 2021	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022
Computer software	30.25	30.09	29.24	30.07	0.02	1.01
Marketing Rights	151.88	151.88	43.61	51.35	100.53	108.27
	<b>182.13</b>	<b>181.97</b>	<b>72.85</b>	<b>81.42</b>	<b>100.55</b>	<b>109.28</b>
Previous Year	179.76	182.13	62.25	72.85	109.28	109.28

₹ in crore



# Notes forming Part of Financial Statements

## NOTE - 7 NON-CURRENT INVESTMENTS

	As at 31st March, 2022	As at 31st March, 2021
₹ in crore		
<b>a Investments in Equity Instruments, unquoted, fully paid up, carried at fair value through other comprehensive income (FVTOCI) :</b>		
3,280 (31.03.2021 : 3,280) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	5.22	5.18
<b>b Investment in Subsidiary Companies, unquoted, fully paid up, carried at cost :</b>		
<b>(i) In Equity Instruments</b>		
11,33,50,000 (31.03.2021: 8,03,50,000) Equity Shares of Malegaon Power Supply Limited (previously Nalanda Power Company Limited) of ₹ 10 each	114.11	80.64
4,16,50,000 (31.03.2021 : 4,16,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each *	-	-
Nil (31.03.2021 : 13,55,05,800) Equity Shares of Surya Vidut Limited of ₹ 10 each #	-	135.51
1,10,00,000 (31.03.2021 : 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each *	-	1.85
2,93,00,000 (31.03.2021 : 2,87,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each *	-	-
28,23,615 (31.03.2021 : 28,23,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each *	-	-
44,20,983 (31.03.2021 : 44,20,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each *	-	-
39,38,30,000 (31.03.2021 : 35,30,80,000) Equity Shares of Kota Electricity Distribution Limited of ₹ 10 each @	396.48	355.40
12,75,50,000 (31.03.2021 : 12,75,50,000) Equity Shares of Bikaner Electricity Supply Limited of ₹ 10 each	128.99	128.99
2,40,50,000 (31.03.2021 : 2,00,50,000) Equity Shares of Bharatpur Electricity Services Limited of ₹ 10 each	24.61	20.61
4,07,00,000 (31.03.2021 : 4,07,00,000) Equity Shares of Crescent Power Limited of ₹ 10 each	71.91	71.91
1,20,34,41,049 (31.03.2021 : 1,20,34,41,049) Equity Shares of Haldia Energy Limited of ₹ 10 each	1,207.12	1,206.95
2,24,27,68,954 (31.03.2021 : 2,24,27,68,954) Equity Shares of Dhariwal Infrastructure Limited of ₹ 10 each	2,561.64	2,561.64
3,56,50,000 (31.03.2021 : 3,56,50,000) Equity Shares of Jharkhand Electric Company Limited of ₹ 10 each *	-	-
20,53,000 (31.03.2021 : 20,53,000) Equity Shares of Jarong Hydro-Electric Power Company Limited of ₹ 10 each *	-	-
11,83,52,500 (31.03.2021 : 10,80,00,000) Equity Shares of Au Bon Pain Café India Limited of ₹ 10 each *	-	-
50,50,000 (31.03.2021 : 50,000) Equity Shares of Eminent Electricity Distribution Limited of ₹ 10 each	5.05	5.05
50,000 (31.03.2021 : 50,000) Equity Shares of CESC Green Power Limited of ₹ 10 each	0.05	0.05
2,97,28,500 (31.03.2021 : 2,97,28,500) Equity Shares of Noida Power Company Limited of ₹ 10 each	30.63	30.63
<b>(ii) In Preference Shares</b>		
45,50,00,000 0.01% Compulsorily Convertible Non-Cumulative Preference Shares of ₹ 10 each issued by Eminent Electricity Distribution Limited (31.03.2021 : 45,50,00,000 Optionally Convertible Redeemable Preference shares of face value ₹ 10 each issued by Eminent Electricity Distribution Limited)	455.00	455.00
<b>c Investment in Joint Venture, unquoted, fully paid up, carried at cost :</b>		
24,29,800 (31.03.2021 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each *	-	-
<b>d Investment in Preference Shares , unquoted, fully paid up, carried at fair value through profit &amp; loss (FVTPL) :</b>		
5,00,000 (31.03.2021 : 5,00,000) 0.01% non cumulative Non Convertible Redeemable Preference Shares of face value ₹ 100 each issued by Spencers' Retail Limited.	1.14	1.04
	<b>5,001.95</b>	<b>5,060.45</b>
<b>Investment in unquoted investments:</b>		
Aggregate Book value	5,001.95	5,060.45
<b>Aggregate provision for impairment in value of investments</b>	<b>60.42</b>	<b>57.79</b>

\* Fully impaired.

@ Based on valuation carried out by an Independent third party, there is no impairment .

# The Company, together with some of its subsidiaries, had executed and completed a Share Purchase Agreement (SPA) during the year with Terna Power Limited to sell and transfer the entire shareholding in Surya Vidut limited, (a wholly owned subsidiary of the Company) for a total consideration of ₹ 304.73 crore after necessary closing price adjustments.



# Notes forming part of Financial Statements

## NOTE - 8 NON CURRENT - LOANS

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Considered good - Unsecured		
Loan to employees	3.77	3.81
	<b>3.77</b>	<b>3.81</b>

## NOTE - 9 NON CURRENT - OTHER FINANCIAL ASSETS

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
a. Security Deposits	165.64	47.83
b. Share application money to subsidiaries	-	8.50
c. Lease Receivables	55.17	55.17
	<b>220.81</b>	<b>111.50</b>

## NOTE - 10 OTHER NON-CURRENT ASSETS

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
a. Capital advances	86.46	54.55
b. Other advances	170.32	65.72
	<b>256.78</b>	<b>120.27</b>

## NOTE -11 INVENTORIES

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
a. Fuel (includes goods in transit 31.03.2022: ₹ 60.13 crore; 31.03.2021 : ₹ 67.98 crore)	220.95	193.45
b. Stores and Spares	210.19	183.68
c. Stock-in-trade	3.21	2.78
	<b>434.35</b>	<b>379.91</b>



# Notes forming part of Financial Statements

## NOTE -12 CURRENT INVESTMENTS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Quoted</b>		
<b>Investments in Mutual Funds carried at fair value through profit and loss (FVTPL) :</b>		
442,780.675 units of ₹ 315.2563 each (31.03.2021 : 442,780.675 units of ₹ 304.7364 each) of ICICI Prudential Liquid Fund - Direct - Growth	13.96	13.49
<b>Unquoted</b>		
Investments in Commercial Paper carried at amortised cost*	-	-
	<b>13.96</b>	<b>13.49</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	13.96	13.49
Aggregate Market value	13.96	13.49
<b>Investment in unquoted investments:</b>		
Aggregate Book value	-	-
Aggregate provision for impairment in value of investments	30.00	<b>30.00</b>

\* Fully impaired

## NOTE -13 TRADE RECEIVABLES

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Considered good - Secured	624.99	793.04
b. Considered good - Unsecured	410.43	601.41
c. Credit Impaired	6.15	14.39
	1,041.57	1,408.84
Less : Allowances for bad and doubtful debts	6.18	14.42
<b>Trade Receivables</b>	<b>1,035.39</b>	<b>1,394.42</b>

Trade Receivables includes a sum of unbilled revenue of Nil (31.03.2021: ₹ 29.14 crore)

Ageing for Trade Receivables as at 31st March, 2022 is as follows:

₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade Receivable- billed</b>							
(i) Undisputed Trade receivables – considered good	684.16	183.08	45.39	58.44	44.73	18.78	1,034.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							6.15
(iv) Disputed Trade Receivables – considered good	0.13	0.17	0.01	0.00	0.10	0.43	0.84
(v) Disputed Trade Receivables – which have significant increase in credit risk							
(vi) Disputed Trade Receivables – credit impaired							
	684.29	183.25	45.40	58.44	44.83	19.21	1,041.57
Less: Provision for Doubtful Debts							(6.18)
<b>Total Trade Receivable</b>							<b>1,035.39</b>



# Notes forming part of Financial Statements

## NOTE -13 TRADE RECEIVABLES (Contd..)

Ageing for Trade Receivables as at 31st March 2021 is as follows:

₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade Receivable- billed</b>							
(i) Undisputed Trade receivables – considered good	1,101.39	153.03	27.46	64.96	37.33	9.54	1,393.71
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							14.39
(iv) Disputed Trade Receivables – considered good	0.12	0.01	0.04	0.14	-	0.43	0.74
(v) Disputed Trade Receivables – which have significant increase in credit risk							
(vi) Disputed Trade Receivables – credit impaired							
	1,101.51	153.04	27.50	65.10	37.33	9.97	1,408.84
Less: Provision for Doubtful Debts							(14.42)
<b>Total Trade Receivable</b>							<b>1,394.42</b>

## NOTE-14 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Balances with banks		
- In current accounts	856.87	546.69
b. Cheques, drafts on hand	1.44	2.60
c. Cash on hand	1.33	2.65
	<b>859.64</b>	<b>551.94</b>

## NOTE-15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unpaid Dividend Account	11.06	9.01
Bank Deposits with original maturity more than 3 months	404.17	395.86
	<b>415.23</b>	<b>404.87</b>



# Notes forming part of Financial Statements

## NOTE-15 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (Contd..)

- a. Amount lying in deposit accounts with banks as at 31st March, 2022 includes ₹ 299.29 crore (31.03.2021: ₹ 279.85 crore) appropriated for upto the previous year towards Fund for unforeseen exigencies and interest attributable thereto.
- b. Bank deposits with original maturity more than 3 months include ₹ 320.64 crore (31.03.2021: ₹ 285.79 crore ) having maturity more than 12 months as on the reporting date.

## NOTE-16 OTHER FINANCIAL ASSETS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
<b>Unsecured, considered good</b>		
Receivable from Related Parties	94.93	71.27
Interest accrued on Bank Deposits	13.77	35.88
Derivative financial instruments	-	6.87
Receivable towards claims and services rendered	1.70	16.93
	<b>110.40</b>	<b>130.95</b>

## NOTE-17 OTHER CURRENT ASSETS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances for goods and services	155.66	84.27
Others	140.23	138.80
(Includes prepaid expenses etc and also refer Note 31 (b))		
	<b>295.89</b>	<b>223.07</b>

## NOTE-18 REGULATORY DEFERRAL ACCOUNT BALANCES

₹ in crore

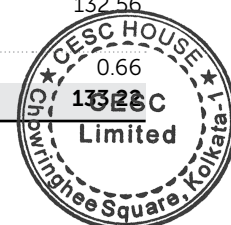
Particulars	As at 31st March, 2022	As at 31st March, 2021
Regulatory deferral account - debit balances	5,507.28	4,759.18
Regulatory deferral account - credit balances	1,557.85	1,525.89

(Refer note no. 39 for details)

## NOTE -19 EQUITY

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Authorised Share Capital		
3156,00,00,000 Equity Shares of Re 1/- each fully paid up (31.03.2021 : 315,60,00,000 Equity Shares of Rs 10/- each fully paid up)	3,156.00	3,156.00
b. Issued Capital		
138,85,70,150 ( 31.03.2021 : 13,88,57,015 Equity Shares of Rs 10/- each fully paid up ) Equity Shares of Re 1/- each fully paid up	138.86	138.86
c. Subscribed and paid up capital		
1,32,55,70,430 (31.03.2021 :13,25,57,043 Equity Shares of Rs 10/- each fully paid up) Equity Shares of Re 1/- each fully paid up	132.56	132.56
d. Forfeited Shares (amount originally paid up)	0.66	
	<b>133.22</b>	



# Notes forming part of Financial Statements

## NOTE -19 EQUITY (Contd..)

### e. Reconciliation of the shares outstanding at the beginning and at the end of the year.

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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 (Refer Note 1 below)	1,19,30,13,387	-	-	-
<b>At the end of the year</b>	<b>1,32,55,70,430</b>	<b>132.56</b>	<b>13,25,57,043</b>	<b>132.56</b>

#### Note :-

- Pursuant to the approval of the shareholders at the Forty-third Annual General Meeting 1(one) Equity Share of face value of Rs 10/- (Rupees Ten Only) each fully paid-up was subdivided into 10(ten) Equity Shares of Re 1/- (Rupee One Only) each fully paid-up effective 21st September, 2021.
- For the period of five years immediately preceding 31st March, 2022, no share was : - (i) allotted as fully paid up pursuant to any contract without payment 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 ₹ 1/- per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 4.50/- per equity share of ₹ 1/- each (31.03.2021: ₹ 4.50/- per equity share of ₹ 10/- each) has been paid during the year ended 31st March 2022. 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, 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, 2022		As at 31st March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [Refer Note 42 A]	58,79,66,320	44.36	5,87,96,632	44.36
HDFC Trustee Company Limited	9,58,85,809	7.23	1,19,54,406	9.00

### h. Shares held by Promoters at the end of the year

Name of Promoter	As at 31st March, 2022		As at 31st March, 2021		% Change During the year
	No. of shares	% of holding	No. of shares	% of holding	
Rainbow Investments Limited	58,79,66,320	44.36	5,87,96,632	44.36	0.00
Dr. Sanjiv Goenka	13,47,940	0.10	1,34,794	0.10	0.00

## NOTE -20 OTHER EQUITY

₹ in crore

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount (₹ crore)	No. of shares	Amount (₹ crore)
A. Retained Earnings		10,311.81		10,352.69
Equity Instruments through Other Comprehensive Income		5.22		5.17
Capital Reserve		(812.10)		(812.10)
Fund for unforeseen exigencies		316.67		298.60
		<b>9,821.60</b>		<b>9,844.36</b>





# Notes forming part of Financial Statements

## NOTE -20 OTHER EQUITY (Contd..)

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>B i) Retained Earnings [refer note C (i)]</b>		
Surplus at the beginning of the year	10,352.69	10,432.30
Add : Profit for the year	815.79	814.47
Less: Transfer to fund for unforeseen exigencies	18.07	19.50
Less : Withdrawal on account of depreciation / amortisation of surplus on fair valuation (refer note 49)	225.30	243.57
Less : Withdrawal of the residual surplus on fair valuation consequent to sale/disposal of assets (refer note 49)	2.03	1.38
Less: Dividends paid	596.51	596.51
Less: Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit plan (Net of tax)	14.76	33.12
	<b>10,311.81</b>	<b>10,352.69</b>
<b>ii) Equity Instruments through Other Comprehensive Income</b>		
At the beginning of the year	5.17	5.51
Add : Gain/(loss) on fair value of Investment	0.05	(0.34)
At the end of the year	5.22	5.17
<b>iii) Capital Reserve [refer note C (ii)]</b>	(812.10)	(812.10)
<b>iv) Fund for unforeseen exigencies [refer note C (i)]</b>		
At the beginning of the year	298.60	279.10
Add : Transfer during the year from Retained Earnings	18.07	19.50
At end of the year	316.67	298.60
	<b>9,821.60</b>	<b>9,844.36</b>

### C. Nature and purpose of other reserves

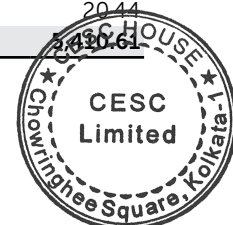
- Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year will be invested as per the applicable regulations. Retained Earnings represents profit earned by the Company, net of appropriations till date and adjustments done on transition 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.
- Capital reserve had arisen consequent to a scheme of arrangement in financial year ended 31st March 2018 and was adjusted with retained earnings.

## NOTE -21 NON-CURRENT - BORROWINGS

### a. Secured

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Non Convertible Debentures	1,360.00	920.00
Term Loans		
Rupee Loans from Banks	5,696.04	5,447.03
Foreign Currency Loans from Banks	-	18.38
	<b>7,056.04</b>	<b>6,385.41</b>
Less : Current maturities of long term debt transferred to Current Borrowings (refer note 26)	1,368.34	954.36
Less : Unamortised front end fees	18.92	20.44
	<b>5,668.78</b>	<b>5,410.61</b>



# Notes forming part of Financial Statements

## NOTE -21 NON-CURRENT - BORROWINGS (Contd..)

### b. Nature of Security :

#### i Out of the Term Loans in (a) above, loans amounting to:

- (a) ₹ 3,422.98 crore (31.03.2021 - ₹ 2,855.78 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the property, plant and equipment 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), book debts, monies receivable (refer Note 13) and bank balances (refer Note 14). However, creation of the said mortgage security in respect of three Rupee Loans (31.03.2021 - three Rupee Loans), aggregating ₹ 900 crore (31.03.2021 - ₹ 240.12 crore) is in process;
- (b) ₹ 455.40 crore (31.03.2021 - ₹ 333.56 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the property, plant and equipment of the Company as a first charge;
- (c) ₹ 550 crore (31.03.2021- ₹ 600 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment and current assets of the Company as a first charge;
- (d) ₹ 166 crore (31.03.2021- ₹ 462.50 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipments of the Company as a first charge and by hypothecation of the Company's current assets as a second charge;
- (e) ₹ 601.66 crore (31.03.2021- ₹ 713.57 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Company as a first charge; and
- (f) ₹ 500 crore (31.03.2021- ₹ 500 crore) are secured, ranking pari passu inter se, by hypothecation of the Company's current assets as a first charge and by equitable mortgage / hypothecation of the property, plant and equipment of the Company as a second charge.

#### ii Out of the Debentures in (a) above, Debentures amounting to:

- (a) ₹ 660.00 crore (31.03.2021 - ₹ 620 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Company as a first charge and
- (b) ₹ 700.00 crore (31.03.2021 - ₹ 300 crore) are secured, ranking pari passu inter se, by equitable mortgage / hypothecation of the property, plant and equipment of the Company as a first charge.

- c. Term loans of ₹ 300 crore were raised towards the end of the year (March 2022) out of which ₹ 125 crore have not been utilized by the end of the year and is lying in cash and cash equivalents as on March 31, 2022

### d. Major terms of repayment of Non Current Borrowings :

₹ in crore

Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2022	Debentures	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto 1 year	-	110.25	-	110.25	110.25
Borrowings with maturity between 1 and 3 years	660.00	1,399.03	-	2,059.03	692.99
Borrowings with maturity between 3 and 5 years	700.00	1,471.82	-	2,171.82	269.17
Borrowings with maturity between 5 and 10 years	-	2,214.94	-	2,214.94	280.92
Borrowings with maturity beyond 10 years	-	500.00	-	500.00	15.00
<b>Total</b>	<b>1,360.00</b>	<b>5,696.04</b>	<b>-</b>	<b>7,056.04</b>	<b>1,368.34</b>

Interest rates on Rupee Term Loans from Banks are fixed or based on spread over respective lenders' benchmark rate. Interest rate on Debentures are fixed or based on spread over Repo / T-Bill rate.



# Notes forming part of Financial Statements

## NOTE -21 NON-CURRENT - BORROWINGS (Contd..)

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to ₹ 1360 crore are due for maturity on 30-Sep-26 - ₹ 50 crore; 30-Jun-26 - ₹ 50 crore; 30-Mar-26 - ₹ 50 crore; 30-Dec-25 - ₹ 50 crore; 30-Sep-25 - ₹ 50 crore; 30-Jun-25 - ₹ 50 crore; 21-May-25 - ₹ 37.50 crore; 30-Mar-25 - ₹ 50 crore; 21-Feb-25 - ₹ 37.50 crore; 30-Dec-24 - ₹ 50 crore; 24-Dec-24 - ₹ 100 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore; 21-Aug-23 - ₹ 37.50 crore; 10-Feb-23 - ₹ 55.00 crore and 13-Oct-22 - ₹ 50.00 crore

₹ in crore

Maturity Profile of Non-Current Borrowings outstanding as at 31st March 2021	Debentures	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto 1 year	-	52.85	18.38	71.23	71.23
Borrowings with maturity between 1 and 3 years	370.00	1,009.50	-	1,379.50	368.00
Borrowings with maturity between 3 and 5 years	550.00	2,070.78	-	2,620.78	211.71
Borrowings with maturity between 5 and 10 years	-	2,313.90	-	2,313.90	303.42
Borrowings with maturity beyond 10 years	-	-	-	-	-
<b>Total</b>	<b>920.00</b>	<b>5,447.03</b>	<b>18.38</b>	<b>6,385.41</b>	<b>954.36</b>

Interest rates on Rupee Term Loans from Banks are based on spread over respective lenders' benchmark rate and that of on Foreign Currency Loan is based on spread over LIBOR. Interest rate on Debentures are fixed or based on spread over T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating of ₹ 920 crore are due for maturity on the following dates : 21-May-25 - ₹ 37.50 crore; 21-Feb-25 - ₹ 37.50 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore; 21-Aug-23 - ₹ 37.50 crore; 10-Feb-23 - ₹ 55.00 crore; 13-Oct-22 - ₹ 50.00 crore and 18-Feb-22 - ₹ 60.00 crore

## NOTE -22 NON CURRENT - LEASE LIABILITIES

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
Lease Liabilities	112.47	127.08
	<b>112.47</b>	<b>127.08</b>

(Refer note no. 50 for details)

## NOTE -23 NON CURRENT - PROVISIONS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a Provision for employee benefits	434.32	417.36
b Restoration liabilities	41.18	38.47
	<b>475.50</b>	<b>455.83</b>
<b>Reconciliation of movement in Restoration Liabilities</b>		
Opening balance	38.47	35.76
Add: Accrual for the year	2.71	2.71
<b>Closing balance</b>	<b>41.18</b>	<b>38.47</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.



# Notes forming part of Financial Statements

## NOTE -24 DEFERRED TAX LIABILITIES (NET)

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Deferred Tax Liabilities	3,554.27	3,571.36
Deferred Tax Assets	(194.22)	(186.55)
<b>Total Deferred Tax Liabilities (net)</b>	<b>3,360.05</b>	<b>3,384.81</b>

(refer note 44 for further details)

## NOTE -25 OTHER NON CURRENT LIABILITIES

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
Advance received from consumers	141.06	63.96
Others	137.52	120.12
	<b>278.58</b>	<b>184.08</b>

## NOTE -26 CURRENT - BORROWINGS

₹ in crore

Particulars	As at	As at
	31st March, 2022	31st March, 2021
<b>a. Secured</b>		
Loans repayable on demand from banks	614.36	763.89
Current maturities of long term debt (refer note 21)	1,368.34	954.36
<b>b. Unsecured</b>		
Commercial Paper	700.00	150.00
	<b>2,682.70</b>	<b>1,868.25</b>

### c. Nature of Security

Working capital 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 (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 property, plant and equipment of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc (refer note 4).

## NOTE - 27 CURRENT - TRADE PAYABLES

Ageing for Trade Payables outstanding as at 31 March, 2022 is as follows:

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	4.35	-	-	-	4.35
Others	963.80	14.44	19.14	15.09	1,012.47
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total Trade Payable</b>	<b>968.15</b>	<b>14.44</b>	<b>19.14</b>	<b>15.09</b>	<b>1,016.82</b>



# Notes forming part of Financial Statements

## NOTE - 27 CURRENT - TRADE PAYABLES (Contd..)

Ageing for Trade Payables outstanding as at 31 March, 2021 is as follows:

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	11.51	-	-	-	11.51
Others	731.90	14.26	6.25	17.63	770.04
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total Trade Payable</b>	<b>743.41</b>	<b>14.26</b>	<b>6.25</b>	<b>17.63</b>	<b>781.55</b>

Nil (31.03.2021- ₹ 0.01 Crore ), Nil ( 31.03.2021 - Nil), ₹ 0.28 crore (31.03.2021 - ₹0.34 crore ) and ₹ 2.99 crore ( 31.03.2021- ₹ 2.71 crore), Nil ( 31.03.2021 - 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.

## NOTE- 28 OTHER FINANCIAL LIABILITIES

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Interest accrued but not due	57.83	43.18
b. Unclaimed dividends	11.06	9.01
c. Others (refer note d)	1,065.04	1,522.12
	<b>1,133.93</b>	<b>1,574.31</b>

d. Others include current portion of consumer security deposit (including accrued interest thereon) ₹ 217.21 crore (31.03.2021: ₹ 218.77 crore), employee related liabilities ₹ 108.09 crore (31.03.2021: ₹ 112.85 crore) and ₹ 517.00 crore (31.03.2021: ₹ 917.00 crore) payable to Haldia Energy Limited.

## NOTE- 29 OTHER CURRENT LIABILITIES

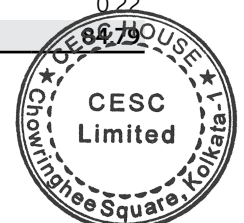
₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Receipt from consumers for jobs	165.07	161.81
b. Liability towards statutory taxes, duties, etc.	272.61	262.93
c. Advances received from consumers	22.99	9.93
	<b>460.67</b>	<b>434.67</b>

## NOTE -30 CURRENT PROVISIONS

₹ in crore

Particulars	As at 31st March, 2022	As at 31st March, 2021
a. Provision for employee benefits	56.84	84.57
b. Others	0.22	0.22
	<b>57.06</b>	<b>84.79</b>



# Notes forming part of Financial Statements

## NOTE -31 CONTINGENT LIABILITIES AND COMMITMENTS

- a. 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 ₹ 81.13 crore (31.03.2021 : ₹ 71.12 crore) and ₹ 1,606.19 crore ( 31.03.2021 : ₹ 1,292.73 crore ) respectively.
- b. 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.
- c. The Company has given bank guarantee of ₹ 139.95 crore (31.03.2021 : ₹ 155.95 crore) for procurement of coal, etc. which is outstanding as on the reporting date.
- d. 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.
- e. Commitments relating to leasing arrangement , refer note 50
- f. (i) The Company had received a Show Cause cum demand notice for Service Tax on Additional Premium together with other charges being paid for coal mining to Government of India as per the terms of allocation of the Sarisatoli Coal mine. The case is pending before The Commissioner Central Tax & Central Excise, Kolkata North Commissionerate. The amount of disputed Service Tax demand is ₹ 14.71 crores. Based on legal opinion obtained the Company expects a favourable outcome in the matter and no provision has been considered necessary in the books of accounts.
- (ii) The Company had received an order u/s 143(3) of Income Tax Act, 1961 for Assessment Year 2018-19 during the year involving certain disallowances leading to an outstanding demand of ₹ 12.74 crore which has been disputed by the Company at appropriate forum. Based on legal opinion obtained the Company expects a favourable outcome in the matter and no provision has been considered necessary in the books of accounts.

## NOTE - 32 REVENUE FROM OPERATIONS

Particulars	₹ in crore	
	2021-22	2020-21
a Earnings from sale of electricity	7,101.65	6,733.91
b Other Operating Revenue		
Meter Rent	53.91	52.93
Contribution from Consumers	110.66	105.30
Earnings from sale of traded goods	18.05	20.63
Others	9.59	8.71
	<b>7,293.86</b>	<b>6,921.48</b>

- 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 ₹ 93.54 crore ( previous year : ₹ 82.56 crore).



# Notes forming part of Financial Statements

## NOTE- 33 OTHER INCOME

Particulars	₹ in crore	
	2021-22	2020-21
a Interest Income	22.87	29.92
b Dividend Income	14.86	-
c Gain on sale/ fair valuation of non-current investments (net)	28.42	-
d Gain on sale/ fair valuation of current investments (net)	7.91	15.68
e Profit on sale of property, plant and equipment (net)	-	0.35
f Income from financial assets at amortised cost	5.14	4.41
g Liabilities written back	57.00	52.00
h Other Non -operating Income *	49.35	77.83
	<b>185.55</b>	<b>180.19</b>

\* includes Delayed payment surcharge, Usance fee , etc.

## NOTE -34 COST OF FUEL

- a Cost of Fuel includes freight ₹ 301.75 crore (previous year : ₹ 270.51 crore)  
b Consumption of fuel :

Particulars	UOM	₹ in crore	
		2021-22	2020-21
(a) Consumption of coal			
Quantity	Tonnes	33,96,506	32,27,353
Value (includes Biomass: ₹ 0.06 crore; previous year: Nil)	₹ in crore	1,370.34	1,310.99
(b) Consumption of oil			
Quantity	Kilolitres	1,420.04	1,390.24
Value	₹ in crore	7.86	6.48
(c) Total Value	₹ in crore	1,378.20	1,317.47

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ in crore	
	2021-22	2020-21
a. Salaries, wages and bonus	866.93	881.34
b. Contribution to provident and other funds	89.58	118.88
c. Employees' welfare expenses	56.80	48.41
	1,013.31	1,048.63
Less : Transfer to PPE / CWIP etc.	107.76	108.55
	905.55	940.08
Less : Transfer to Other Comprehensive Income*	19.49	40.13
	<b>886.06</b>	<b>899.95</b>

\*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 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 ₹ 64.61 crore (previous year : ₹ 63.03 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.



# Notes forming part of Financial Statements

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd..)

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)	2021-22			2020-21		
	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>466.80</b>	<b>(416.16)</b>	<b>50.64</b>	<b>443.04</b>	<b>(414.23)</b>	<b>28.81</b>
Current service cost	19.97		19.97	21.45		21.45
Interest expense/(income)	28.92	(27.44)	1.48	26.60	(25.82)	0.78
Past Service Cost			-	-	-	-
<b>Total amount recognised in profit and loss-Continuing operations</b>	<b>48.89</b>	<b>(27.44)</b>	<b>21.45</b>	<b>48.05</b>	<b>(25.82)</b>	<b>22.23</b>
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)		(2.35)	(2.35)		(9.86)	(9.86)
(Gain)/loss from change in demographic assumptions			-			-
(Gain)/loss from change in financial assumptions	(9.61)		(9.61)	(1.42)		(1.42)
Experience (gains)/losses	15.48		15.48	44.91		44.91
<b>Total amount recognised in other comprehensive income - Continuing operations</b>	<b>5.87</b>	<b>(2.35)</b>	<b>3.52</b>	<b>43.49</b>	<b>(9.86)</b>	<b>33.63</b>
Employer contributions		(55.96)	(55.96)		(34.03)	(34.03)
Benefit payments	(50.58)	50.58	-	(67.78)	67.78	-
<b>Closing Balance</b>	<b>470.98</b>	<b>(451.33)</b>	<b>19.65</b>	<b>466.80</b>	<b>(416.16)</b>	<b>50.64</b>

₹ in crore

Leave Obligation (Unfunded)	2021-22	2020-21
	Present value of obligation	Present value of obligation
<b>Opening Balance</b>	<b>192.69</b>	<b>178.87</b>
Current service cost	9.99	11.69
Interest expense/(income)	12.12	11.83
Remeasurements		
(Gain)/loss from change in demographic assumptions		-
(Gain)/loss from change in financial assumptions	(4.76)	(0.75)
Experience (gains)/losses	(13.95)	9.99
<b>Total amount recognised in profit and loss-Continuing operations</b>	<b>3.40</b>	<b>32.76</b>
Benefit payments	(15.18)	(18.94)
<b>Closing Balance</b>	<b>180.91</b>	<b>192.69</b>





# Notes forming part of Financial Statements

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd..)

₹ in crore

Particulars	Post retirement medical benefit		Pension	
	2021-22	2020-21	2021-22	2020-21
<b>Opening Balance</b>	<b>140.21</b>	<b>132.09</b>	<b>118.35</b>	<b>96.16</b>
Current service cost	3.75	3.50	0.83	0.64
Interest expense/(income)	8.96	8.39	7.75	6.25
Past Service Cost		-	8.86	17.98
<b>Total amount recognised in profit and loss-Continuing operations</b>	<b>12.71</b>	<b>11.89</b>	<b>17.44</b>	<b>24.87</b>
Remeasurements				
(Gain)/loss from change in demographic assumptions		-		-
(Gain)/loss from change in financial assumptions	(6.86)	(0.87)	(6.68)	(0.49)
Experience (gains)/losses	22.00	3.26	7.51	4.60
<b>Total amount recognised in other comprehensive income - Continuing operations</b>	<b>15.14</b>	<b>2.39</b>	<b>0.83</b>	<b>4.11</b>
Benefit payments	(6.91)	(6.16)	(7.21)	(6.79)
<b>Closing Balance</b>	<b>161.15</b>	<b>140.21</b>	<b>129.41</b>	<b>118.35</b>

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

₹ in crore

Particulars	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
<b>31-Mar-22</b>					
Defined benefit obligation (gratuity)	67.99	210.93	206.38	257.51	<b>742.81</b>
Leave obligation	20.59	71.71	77.85	173.54	<b>343.69</b>
Post-employment medical benefits	9.74	54.06	92.23	383.98	<b>540.01</b>
Pension	8.06	39.97	63.68	145.18	<b>256.89</b>
<b>Total</b>	<b>106.38</b>	<b>376.67</b>	<b>440.14</b>	<b>960.21</b>	<b>1,883.40</b>
<b>31-Mar-21</b>					
Defined benefit obligation (gratuity)	61.79	212.77	212.33	265.95	<b>752.84</b>
Leave obligation	20.02	72.43	84.90	185.91	<b>363.26</b>
Post-employment medical benefits	8.51	46.89	81.86	315.29	<b>452.55</b>
Pension	8.01	39.96	58.09	123.68	<b>229.74</b>
<b>Total</b>	<b>98.33</b>	<b>372.05</b>	<b>437.18</b>	<b>890.83</b>	<b>1,798.39</b>

(iv) Sensitivity Analysis

₹ in crore

Particulars	Gratuity		Post-employment medical benefits (PRMB)		Leave Obligation		Pension	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
DBO at 31st March with discount rate +1%	445.48	440.01	144.09	124.87	168.40	178.74	108.24	109.24
Corresponding service cost	18.59	19.88	5.08	2.57	18.72	10.58	0.60	0.56
DBO at 31st March with discount rate -1%	499.47	496.88	182.25	159.70	195.04	208.65	127.53	128.84
Corresponding service cost	21.55	23.26	8.67	4.12	22.77	13.02	0.79	
DBO at 31st March with +1% salary/benefit escalation	495.02	493.11	170.70	149.27	198.36	212.47		
Corresponding service cost	21.35	23.07	7.57	3.66	23.33	13.37		



# Notes forming part of Financial Statements

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd..)

₹ in crore

Particulars	Gratuity		Post-employment medical benefits (PRMB)		Leave Obligation		Pension	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
DBO at 31st March with -1% salary/benefit escalation	446.15	439.51	152.44	132.34	165.76	175.72		
Corresponding service cost	18.60	19.84	6.14	3.00	18.30	10.32		
DBO at 31st March with +50% withdrawal rate	471.30	467.07	160.29	139.58	180.89	192.70		
Corresponding service cost	19.99	21.47	6.64	3.23	20.59	11.70		
DBO at 31st March with -50% withdrawal rate	470.66	466.57	162.01	141.23	180.73	192.61		
Corresponding service cost	19.94	21.43	6.93	3.36	20.55	11.69		
DBO at 31st March with +10% mortality rate	471.15	466.95	158.21	137.92	180.84	192.67	113.45	114.44
Corresponding service cost	19.98	21.46	6.62	3.21	20.58	11.69	0.67	0.62
DBO at 31st March with -10% mortality rate	470.81	466.69	164.30	143.04	180.77	192.63	121.35	122.65
Corresponding service cost	19.96	21.44	6.96	3.38	20.57	11.69	0.70	0.65

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

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

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

₹ in crore

Particulars	31-Mar-22	31-Mar-21
<b>Gratuity</b>		
Cash & cash equivalents	451.33	416.18
non-quoted market price	451.33	416.18

### (vi) Actuarial assumptions

Particulars	31-Mar-22			
	Gratuity	Leave obligation	Medical	Pension
Discount rate for the year (%)	6.90%	6.90%	6.90%	6.90%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)



# Notes forming part of Financial Statements

## NOTE - 35 EMPLOYEE BENEFITS EXPENSE (Contd..)

Particulars	31-Mar-21			
	Gratuity	Leave obligation	Medical	Pension
Discount rate for the year (%)	6.55%	6.55%	6.55%	6.55%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

Expected Remaining Life	2021-22	2020-21
Employees Gratuity Fund	6.61	6.90
Executive Gratuity Fund	6.92	6.96
Leave Encashment	8.45	8.62
PRMB - Non Cov	16.66	12.33
PRMB - Cov	14.01	14.22
Pension	18.23	18.39

Expected contributions to be paid in next year for gratuity ₹ 42.10 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.

	2021-22	2020-21
Actual return on plan assets (₹ in cr.)	29.78	35.69

### (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.

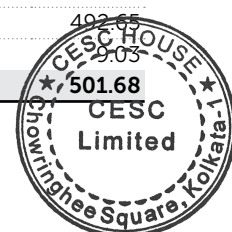
**Future Salary Increase Risk:** In case of gratuity & leave the scheme cost is sensitive to the assumed future salary escalation rates for all last drawn salary linked defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence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

**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

	2021-22	2020-21
a Interest expense	493.62	492.65
b Other Borrowing Costs	10.55	9.03
	504.17	501.68



# Notes forming part of Financial Statements

## NOTE- 37 DEPRECIATION AND AMORTISATION EXPENSE

₹ in crore

	2021-22	2020-21
Depreciation/ amortisation of Property, Plant & Equipment	687.00	695.71
Amortisation of intangible assets	8.81	10.60
	<b>695.81</b>	<b>706.31</b>
Less : Recoupment from Retained Earnings (refer note 49)	225.30	243.57
	<b>470.51</b>	<b>462.74</b>

## NOTE-38 OTHER EXPENSES

₹ in crore

	2021-22	2020-21
a Consumption of stores and spares	71.31	65.19
b Repairs		
Building	18.46	18.51
Plant and Machinery	84.06	81.33
Distribution System	104.87	91.65
Others	6.36	8.21
	<b>213.75</b>	<b>199.70</b>
c Insurance	20.57	18.73
d Rent	11.42	10.30
e Rates and taxes	10.13	10.71
f Bad debts / Advances made		
Bad debts / Advances written off during the year	32.76	40.24
Less: Adjustment for Provision for Bad Debts made in earlier years	(8.23)	(36.58)
	<b>24.53</b>	<b>3.66</b>
g Provision for Bad Debts	-	8.23
h Loss on sale / disposal of Property , Plant & Equipment (net)	2.77	-
i Interest on Consumers' Security Deposits	106.40	114.14
j Foreign Exchange Restatement loss / (gain)	(7.13)	(15.66)
k Mark to Market loss / (gain) on derivatives	6.87	15.64
l Corporate social responsibility activities (refer note 51)	20.70	22.30
m Cost of IT Outsourced Services	119.42	95.82
n Miscellaneous expenses	395.00	314.22
	<b>995.74</b>	<b>862.98</b>

## NOTE-39 REGULATORY INCOME

716.14

456.92

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 (c) Deferred Taxation estimate and (d) effect of exchange fluctuation including MTM gain, as appropriate, based on the Company's understanding of the applicable regulatory provisions and applicable orders of the competent authorities, amounting to ₹ (38.83) crore (Previous year ₹ (77.17) crore), ₹ 780.00 crore [Previous year ₹ 630.00 crore], ₹ (24.77) crore ( Previous year ₹ (95.89) crore ) and ₹ (0.26) crore [Previous year ₹ (0.02) crore] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance Sheet as Regulatory Deferral Account Balances (refer 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 ₹ 3,360.05 crore (31.03.2021 : ₹ 3,384.81 crore), Nil ( 31.03.2021 : ₹ 7.14 crore ) and ₹ 2,147.23 crore (31.03.2021 : ₹ 1,367.23 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, and (b) MTM Gain amounting to ₹ 1,557.85 crore ( 31.03.2021 : ₹ 1519.02 crore ), and Nil ( 31.03.2021 : ₹ 6.87 crore) respectively. These balances have been recognised with discounting methodology, assuming recovery over a period of time using such rate in consonance with the applicable regulations and application of prudence.



# Notes forming part of Financial Statements

## NOTE-39 REGULATORY INCOME (Contd..)

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

## 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

Particulars	31-Mar-22			31-Mar-21		
	Cost/ Amortized cost	FVTOCI	FVTPL	Cost/ Amortized cost	FVTOCI	FVTPL
<b>Financial Assets</b>						
Investments						
- Equity	4,540.59	5.22		4,599.23	5.18	
- Mutual funds			13.96			13.49
- Preference Shares	455.00		1.14	455.00		1.04
Loans	18.27			3.81		
Trade Receivables	1,035.39			1,394.42		
Cash and cash equivalents	859.64			551.94		
Bank balances other than cash and cash equivalents	415.23			404.87		
Security Deposit	165.64			47.83		
Lease Receivables	55.17			55.17		
Receivable from Related Parties	94.93			79.77		
Interest accrued on Bank Deposit	13.77			35.88		
Derivative Financial Instrument			-			6.87
Receivable towards claims and services rendered	1.70			16.93		
<b>Total Financial Assets</b>	<b>7,655.33</b>	<b>5.22</b>	<b>15.10</b>	<b>7,644.85</b>	<b>5.18</b>	<b>21.40</b>
<b>Financial Liabilities</b>						
Borrowings	8,351.48			7,278.86		
Trade Payables	1,067.63			832.15		
Lease Liabilities	139.95			154.38		
Interest accrued	57.83			43.18		
Unclaimed dividend	11.06			9.01		
Consumers' Security Deposits	1,676.70			1,826.31		
Others	954.96			1,415.19		
<b>Total Financial Liabilities</b>	<b>12,259.61</b>	<b>-</b>	<b>-</b>	<b>11,559.08</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 2022</b>					
<b>Financial assets</b>					
Investment in equity shares			5.22	5.22	
Investment in liquid mutual fund units	13.96			13.96	
Investment in Preference Share			1.14	1.14	
<b>Total</b>	<b>13.96</b>	<b>-</b>	<b>6.36</b>	<b>20.32</b>	



# Notes forming part of Financial Statements

## NOTE-40 Fair value measurements (Contd..)

As at 31 March 2021

### Financial assets

Investment in equity shares			5.18	5.18	5.18
Investment in liquid mutual fund units	13.49			13.49	13.49
Investment in Preference Share			1.04	1.04	1.04
Derivative financial instrument - cross currency swap		6.87		6.87	6.87
<b>Total</b>	<b>13.49</b>	<b>6.87</b>	<b>6.22</b>	<b>26.58</b>	<b>26.58</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 results in decrease / increase in fair value of preference share by ₹ 0.08 crore. The fair value of equity share is determined on the basis of discounted cash flow (31.03.21 discounted cash flow). 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 ₹ 0.06 crore and ₹ 0.09 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 the current borrowing rate.
- vi. Fair Value of financial Instruments is determined on the basis of discounted cash flow analysis, considering the nature, risk profile and other qualitative factors. The carrying amounts are a reasonable approximation of the fair value.



# Notes forming part of Financial Statements

## 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.

## NOTE-42 Related Parties and their Relationship

### A. Parent- under de facto control as defined in Ind AS -110

Rainbow Investments Limited

### B. Subsidiaries/ Joint Venture

Name	Relationship
Surya Vidyut Limited	Subsidiary *
Malegaon Power Supply 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	Subsidiary
CESC Green Power Limited	Subsidiary
Eminent Electricity Distribution Limited	Subsidiary
Jharkhand Electric Company Limited	Subsidiary
Jarong Hydro-Electric Power Company Limited	Subsidiary
Noida Power Company Limited	Subsidiary**
Mahuagarhi Coal Company Private Limited	Joint Venture



# Notes forming part of Financial Statements

## NOTE-42 Related Parties and their Relationship (Contd..)

### C . Other Related Parties having transactions during the year

#### (i) Entities under common control

Integrated Coal Mining Limited  
 RPG Power Trading Company Limited  
 PCBL Limited (Formerly known as Phillips Carbon Black Limited)  
 Harrison Malayalam Limited  
 STEL Holdings Limited  
 Dotex Merchandise Private Limited  
 Castor Investments Limited  
 Woodlands Multispeciality Hospital Limited  
 Spencer's Retail Limited  
 Sarala Real Estate Limited  
 Saregama India Limited  
 Open Media Network Limited  
 Bowlopedia Restuarants India Limited  
 RPSG Resources Private Limited (Formerly known as Accurate Commodeal Private Limited)  
 Apricot Foods Private Limited  
 Guiltfree Industries Limited  
 Natures Basket Limited  
 Kolkata Metro Networks Limited  
 Firstsource Solutions Limited  
 RPSG Ventures Limited (Formerly known as CESC Ventures Limited)  
 RP-SG Ventures Advisory LLP  
 Business Media Private Limited  
 ATK Mohun Bagan Private Limited (w.e.f. 17th June,2020)  
 Herbolab India Private Limited ( w.e.f. 8th March, 2021)  
 Quest Capital Markets Ltd. ( w.e.f 27th August, 2021)  
 Lebnitze Real Estates Private Limited ( w.e.f 26th August, 2021)  
 Quest Properties India Limited (QPIL)

#### (ii) Key Management Personnel (KMP)

Name	Relationship
Dr. S. Goenka	Chairman
Mr. Shashwat Goenka	Vice-Chairman
Mr. P. Chaudhuri	Director
Mr. C .K Dhanuka	Director
Mr. K. Jairaj	Director (Upto 29th December, 2021)
Mr. P.K. Khaitan	Director
Ms. R.Sethi	Director
Mr.Sunil Mitra	Director
Mr.Debanjan Mandal	Director (w.e.f 10th May, 2021)
Mr. Debasish Banerjee	Managing Director (Distribution)
Mr. Rabi Chowdhury	Managing Director (Generation)
Mr. Subhasis Mitra	Company Secretary (Upto 10th May, 2021)
Mr.Jagdish Patra	Company Secretary (w.e.f. 10th May,2021)
Mr. Rajarshi Banerjee	Executive Director & Chief Financial Officer

#### (iii) Other Related Parties

Ms.Preeti Goenka ( Shareholder and Relative of KMP)  
 Khaitan & Co LLP  
 Khaitan & Co. (Mumbai)  
 Khaitan & Co AOR  
 Khaitan & Co. (Kolkata)  
 Khaitan Consultants Limited  
 CESC Limited Provident Fund  
 Calcutta Electric Supply Corporation (I) Ltd. Senior Staff Pension Fund  
 CESC Executive Gratuity Fund  
 CESC Limited Employee's Gratuity Fund

\*\*Associate upto 9th February, 2021. Subsidiary w.e.f 10th February, 2021.

\* Subsidiary upto 11th March,2022





# Notes forming Part of Financial Statements

## NOTE-42 Related Parties and their Relationship (Contd..)

### D. Details of transaction between the Company and related parties and status of outstanding balances

₹ in crore

Sl. No.	Nature of Transactions	Parent having Control in terms of Ind AS -110, Subsidiaries & Joint Venture		Entities under common control		Key Management Personnel		Other Related Parties		Total	
		31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Investment	70.03	613.60	-	-	-	-	-	-	70.03	613.60
2	Advance for Share Subscription	-	8.50	-	-	-	-	-	-	-	8.50
3	Expense (Reimbursed)/ Recovered (net)	5.47	6.26	2.61	3.91	-	-	-	-	8.08	10.17
4	Income from sale/services	36.37	47.48	24.95	22.86	-	-	-	-	61.32	70.34
5	Dividend Income	14.86	-	-	-	-	-	-	-	14.86	-
6	Cost of Power Purchase	2,202.89	2,184.70	131.16	142.29	-	-	-	-	2,334.05	2,326.99
7	Expenses/Services Received	14.95	15.95	499.47	493.07	-	-	8.25	3.21	522.67	512.23
8	Provident Fund & Retiral funds	-	-	-	-	-	-	285.47	318.89	285.47	318.89
9	Balances written off / Provided	2.63	4.10	-	-	-	-	-	-	2.63	4.10
10	Security Deposit Received/ (Paid)	-	-	(220.20)	(11.96)	-	-	-	-	(220.20)	(11.96)
11	Dividend paid	264.58	264.58	44.98	31.91	1.11	1.11	0.17	0.17	310.84	297.77
12	Remuneration of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Short Term Employee Benefits	-	-	-	-	11.54	11.93	-	-	11.54	11.93
	Post Employment Benefits	-	-	-	-	1.70	0.99	-	-	1.70	0.99
13	Remuneration of Directors	-	-	-	-	32.76	26.89	-	-	32.76	26.89
	Outstanding Balance	-	-	-	-	-	-	-	-	-	-
1	Debit	-	-	372.63	109.64	-	-	-	-	372.63	109.64
2	Credit	1,289.16	1,482.28	-	-	31.86	26.16	11.19	18.72	1,332.21	1,527.16

a. Shares allotted during the year in respect of Share Application money paid to subsidiaries ₹ 8.50 crore ( 31.03.21 : ₹ 20 crore ).

b. Refer Note 31(a) relating to commitments (letter of comfort) provided to banks towards borrowing obligations as on 31.03.2022 in respect of subsidiary companies.

c. Outstanding balances are unsecured and settlement occurs in cash.



# Notes forming part of Financial Statements

NOTE-43 Miscellaneous expenses shown in Note no. 38 (n), include Auditors' Remuneration and expenses :

₹ in crore

	2021-22	2020-21
<b>As Statutory Auditors :</b>		
Statutory audit and Limited reviews	2.86	2.86
Other services	1.00	0.67
As a Tax Auditor	0.13	0.13
Reimbursement of expenses including applicable taxes	0.74	0.71

NOTE- 44 The major components of Deferred Tax Assets / (Liabilities) based on the temporary difference are as under :

## Deferred tax assets and liabilities (net)

Deferred tax relates to the following:

₹ in crore

	April 1, 2021	Recognised through P&L	Recognised through OCI	March 31, 2022
<b>Liabilities</b>				
Difference in WDV of Property, Plant and Equipment	(3,553.42)	21.26	-	(3,532.16)
Fair Valuation of Equity Investment as per IND AS	(1.20)	-	(0.01)	(1.21)
Others	(16.74)	(4.16)	-	(20.90)
<b>Assets</b>				
Items covered under section 43B of Income Tax Act, 1961	73.07	(2.45)	-	70.62
Others including items covered under section 35DDA of Income Tax Act, 1961	113.48	10.12	-	123.60
<b>Total Deferred Tax Liabilities (Net)</b>	<b>(3,384.81)</b>	<b>24.77</b>	<b>(0.01)</b>	<b>(3,360.05)</b>

₹ in crore

	April 1, 2020	Recognised through P&L	Recognised through OCI	March 31, 2021
<b>Liabilities</b>				
Difference in WDV of Property, Plant and Equipment	(3,603.22)	49.80	-	(3,553.42)
Fair Valuation of Equity Investment as per IND AS	(1.28)	-	0.08	(1.20)
Others	(29.24)	12.50	-	(16.74)
<b>Assets</b>				
Items covered under section 43B of Income Tax Act, 1961	5.07	68.00	-	73.07
Others including items covered under section 35DDA of Income Tax Act, 1961	147.89	(34.41)	-	113.48
<b>Total Deferred Tax Liabilities (Net)</b>	<b>(3,480.78)</b>	<b>95.89</b>	<b>0.08</b>	<b>(3,384.81)</b>

## a) Tax expense

### i) Tax recognised in Statement of profit and loss

₹ in crore

	March 31, 2022	March 31, 2021
<b>Current tax expense</b>	(253.24)	(164.81)
Provision for tax no longer required written back	-	35.99
	(253.24)	(128.82)
<b>Deferred tax</b>		
Deferred tax- Income / (expense)	24.77	95.89
<b>Total tax expense</b>	<b>(228.47)</b>	<b>(32.93)</b>



# Notes forming part of Financial Statements

**NOTE- 44** The major components of Deferred Tax Assets / (Liabilities) based on the temporary difference are as under : (Contd..)

**ii) Tax recognised in Other Comprehensive Income (OCI)**

₹ in crore

	March 31, 2022	March 31, 2021
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	4.73	7.01
<b>Deferred tax</b>		
Deferred Tax (charge)/credit	(0.01)	0.08
Regulatory Income / (expense) -deferred tax	0.01	(0.08)
<b>Total tax expense relating to OCI items</b>	<b>4.73</b>	<b>7.01</b>
<b>Tax expense [(i)+(ii)]</b>	<b>(223.74)</b>	<b>(25.92)</b>

**b) Reconciliation of tax expense and accounting profit**

₹ in crore

	March 31, 2022	March 31, 2021
<b>Accounting profit before tax after Other Comprehensive Income</b>	1,024.82	806.93
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)	(358.11)	(281.97)
Tax effect of amounts adjustable in calculating taxable income/expenses not considered for tax purpose including difference in depreciation	43.42	56.56
Incentive, deduction, etc. allowed under Income Tax Act	66.17	70.60
Other Adjustment etc.	24.78	128.89
<b>Tax expense</b>	<b>(223.74)</b>	<b>(25.92)</b>

**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** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Company's business includes Generation and Distribution of power within its licensed area in the state of West Bengal, India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Company, its subsidiaries and joint venture except some lower demand and its consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Company has duly ensured compliance with specific regulatory directives issued in the related matter.

The Company is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees.

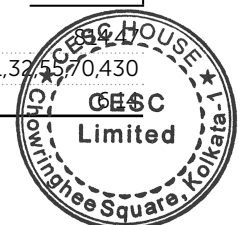
The Company is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

The Company is also monitoring the operations of its subsidiaries and joint venture, basis which, no impairment is required to be recognised in respect of such investments.

**NOTE- 47 Earnings per share:**

**(i) Computation of Earnings per share (net of tax)**

		2021-22	2020-21
Profit after tax (₹ in crore)	(A)	815.79	
Weighted Average no. of shares for Earnings per share	(B)	1,32,55,70,430	1,32,55,70,430
Basic and Diluted Earnings per share of ₹ 1/- = [(A) / (B)] (₹)		6.16	



# Notes forming part of Financial Statements

## NOTE- 47 Earnings per share: (Contd..)

### (ii) Computation of Earnings per share (net of tax)

		2021-22	2020-21
Profit After Tax excluding regulatory income (₹ in crore)	(A)	358.52	454.11
Weighted Average no. of shares for Earnings per share	(B)	1,32,55,70,430	1,32,55,70,430
Basic and Diluted Earnings per share of ₹ 1/- = [(A) / (B)] (₹)		2.71	3.43

Pursuant to the approval of the shareholders at the Forty-third Annual General Meeting 1(one) Equity Share of face value of ₹10/- (Rupees Ten Only) fully paid-up was subdivided into 10(ten) Equity Shares of ₹1/- (Rupee One Only) each fully paid-up, effective 21st September, 2021. This has been considered for calculating weighted average number of equity shares for the comparative period presented as per Ind AS 33 - 'Earning Per Share'. In line with the above, EPS (basic and diluted) have been adjusted for the comparative period presented.

**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 ₹225.30 crore (31.03.21 : ₹ 243.57 crore) and corresponding withdrawal of ₹ 2.03 crore ( 31.03.21 : ₹ 1.38 crore ) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

**NOTE- 50** Property, Plant and Equipment of the Company includes right-of-use assets in the opening balance as on 01.04.2021, additions, deletion, depreciation and closing balance for the year ended 31.03.2022 amounting to ₹ 742.67 crore (01.04.2020: ₹ 888.72 crore), ₹ 5.34 crore (31.03.2021 ₹ 5.69 crore), ₹ 0.12 crore (31.03.2021 ₹ 96.08 crore), ₹ 54.11 crore (31.03.2021 ₹ 55.66 crore) and ₹ 693.78 crore (31.03.2021 ₹ 742.67 crore) respectively. Carrying value of right of use assets as at 31.03.2022 in respect of land, building, plant & machinery and vehicles amounts to ₹ 440.02 crore (31.03.2021 ₹ 459.36 crore), ₹ 240.67 crore ( 31.03.2021 ₹ 263.30 crore), ₹ 13.08 crore (31.03.2021 ₹ 19.98 crore) and ₹ 0.01 crore (31.03.2021 ₹ 0.03 crore) respectively and its related depreciation / amortisation expense for the year ended 31.03.2022 in respect of land, building, plant & machinery and vehicles amount to ₹ 19.49 crore (31.03.2021 ₹ 19.44 crore), ₹ 27.70 crore (31.03.2021 ₹ 28.54 crore), ₹ 6.90 crore (31.3.2021 ₹ 7.66 crore) and ₹ 0.02 crore (31.03.2021 ₹ 0.02 crore) respectively.

The movement in lease liabilities for the year 2021-22 is as below:	₹ in crore
Lease liabilities as on 1st April, 2021	154.38
Additions	4.59
Deletions (pertaining to modification/termination of lease agreements during the year)	(0.13)
Finance cost expense (refer note 36)	11.45
Payment during the year (including interest ₹ 11.45 crore)	(70.34)
<b>Balance as on 31st March 2022</b>	<b>139.95</b>



# Notes forming part of Financial Statements

## NOTE- 50 (Contd..)

The movement in lease liabilities for the year 2020-21 is as below:	₹ in crore
Lease liabilities as on 1st April, 2020	268.76
Additions	1.84
Deletions (pertaining to modification/termination of lease agreements during the year)	(97.24)
Finance cost expense (refer note 36)	13.49
Payment during the year (includes interest ₹ 13.49 crore)	(32.47)
<b>Balance as on 31st March 2021</b>	<b>154.38</b>

Future minimum lease payments during next one year ₹ 12.03 crore (31.03.2021 ₹ 13.82 crore) and ₹ 15.45 crore (31.03.2021 ₹ 13.47 crore), later than one year but not later than five years ₹ 19.94 crore (31.03.2021 ₹ 29.63 crore) and ₹ 55.64 crore (31.03.2021 ₹ 54.94 crore) and later than five years ₹ 5.75 crore (31.03.2021 ₹ 5.68 crore) and ₹ 31.14 crores (31.03.2021 ₹ 36.84 crore) applying 10% and 7% respectively as weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 3.07 crore (31.03.2021 ₹ 2.47 crore) and low-value assets of ₹ 0.66 crore (31.03.2021 ₹ 0.67 crore), net of applicable taxes.

## NOTE- 51 Corporate Social Responsibility (CSR)

	2021-22	2020-21
₹ in crore		
<b>Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:</b>		
(i) Amount required to be spent by the company during the year	20.48	21.92
(ii) Amount of expenditure incurred	20.70*	22.30**
(iii) Shortfall at the end of the year	Nil	Nil
(iv) Total of previous years shortfall	Nil	Nil
(v) Reason for shortfall	N.A	NA
(vi) Nature of CSR activities	In terms of CSR policy approved by the Board of Directors of the Company as may be referred to in the CSR Report (Annexure 'D') forming part of the Board's Report	In terms of CSR policy approved by the Board of Directors of the Company as may be referred to in the CSR Report (Annexure 'D') forming part of the Board's Report
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	N.A	N.A

\* Including transfer of ₹ 18.00 crore to Unspent CSR Account for the Year 2021-22 for making available to RP- Sanjiv Goenka Group CSR Trust for School Project which has been identified as Ongoing Project by the Board of Directors of the Company.

\*\* Including transfer of ₹ 19.50 crore to Unspent CSR Account for the Year 2020-21 for making available to RP - Sanjiv Goenka Group CSR Trust for School Project which has been identified as Ongoing Project by the Board of Directors of the Company.

**NOTE- 52** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 161.81 crore, out of which ₹ 21.64 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 ₹ 165.07 crore pending satisfaction of the performance obligation



# Notes forming part of Financial Statements

**NOTE- 53** With regard to the Company's power purchase from one of its subsidiaries (provider), West Bengal Electricity Regulatory Commission (WBERC) has issued the tariff order in respect of its generation assets for the years 2018-19 and 2019-20 vide its tariff order dated 8 September 2021, wherein certain underlying issues/items have been dealt with in deviation from past practices of tariff determination and kept for disposal through future truing up exercise. The said provider not being in agreement with the same, has since preferred an appeal in respect of the above Tariff Order before the Hon'ble Appellate Tribunal for Electricity on the grounds inter alia, that the orders have been passed after substantial period of delay and in fact after the applicable periods are long over and certain directions that have been passed in the said are impossible to comply with because of the aforesaid delay in passing the said order and also not taking into consideration the final project cost for determination of tariff which was already filed with Hon'ble WBERC. Based on legal opinion obtained, the provider is continuing with the tariff earlier determined by WBERC for the year 2017-18 and is confident of the matter being adjudicated in its favour. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.

Further, Hon'ble WBERC has also issued the Tariff Order for 2017-18 in respect of transmission assets of the said provider vide its Order dated April 20, 2022 which have been passed after substantial period of delay and wherein certain issues/ items have been dealt with in deviation from its regulations and without having regard to the special nature of the Project. The said provider not being in agreement with the Order is in the process of filing necessary petition. Based on legal opinion obtained, the Company is continuing with the tariff earlier determined by Hon'ble WBERC for the year 2016-17 and is confident of the matter being adjudicated in its favour. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.

## NOTE- 54 Ratios

The following are analytical ratios for the year ended 31 March 2022 and 31 March 2021

Particulars	31-Mar-22	31-Mar-21
(i) Current Ratio	0.58	0.64
(ii) Debt – Equity Ratio	0.84	0.73
(iii) Debt Service Coverage Ratio	1.41	1.19
(iv) Return on Equity (ROE)	8.19%	8.14%
(v) Inventory Turnover Ratio	6.65	6.55
(vi) Trade receivables turnover ratio	6.00	5.80
(vii) Trade payables turnover ratio	5.49	6.91
(viii) Net working capital turnover ratio	**	**
(ix) Net profit ratio	10.91%	11.47%
(x) Return on capital employed (ROCE)	8.45%	7.81%
(xi) Return on investment		
Quoted	5.06%	4.76%
UnQuoted	-	-

\*\* net working capital is negative

None of the ratios vary more than 25%

Formulae for computation of above ratios are as follows:

**Current Ratio** = Total Current Assets / Total Current Liabilities

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

**Debt Service Coverage Ratio** = Profit after tax + depreciation + deferred tax provisions + finance costs / finance costs + lease rent expense (excluding short term lease rent) + debt repayments (net of proceeds utilised for Refinancing)

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

**Inventory Turnover Ratio** = Cost of Fuel / Average Fuel Inventory

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

**Trade Payables Turnover Ratio** = Cost of Fuel & Power Purchase / Average Trade payable for cost of energy purchased & cost of fuel

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

**Net Profit Ratio** = Profit after Tax / Total Income

**Return on Capital Employed (ROCE)** = Earning before interest and taxes / Capital Employed

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

**Return on investment** = Income generated from investments/ Average invested funds in treasury investment



# Notes forming part of Financial Statements

## NOTE- 55 Other Statutory Information (For the financial years 2021-22 and 2020-21):

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

Name of the Electricity Consumers	Nature of transactions with struck off company	Balance Outstanding as on 31 Mar 2022	Balance Outstanding as on 31 Mar 2021	Relationship with Struck off Company
Fort Oasis Maintenance Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	
Vishwa Marketing Services Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	
Audio Visual Arts Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	
Sunrise Tower Maintenance & Services Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	

\* Amount is lesser than the rounding off norms followed by the Company

The Company being in the business of distribution of electricity, such connection was given earlier in the ordinary course of business.

- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.



# Notes forming part of Financial Statements

## NOTE - 56 Quantitative information :

(Million kWh)

	2021-22	2020-21
(a) Total number of units generated during the year	5726	5513
(b) Total number of units consumed in Generating Stations	445	428
(c) Total number of units sent out	5281	5085
(d) Total number of units purchased during the year	5202	4877
(e) Total number of units through Unscheduled Interchange (Net)	-10	16
(f) Energy received for wheeling	4	1
(g) Total number of units delivered	10477	9979
(h) Total number of units sold as per meter readings	9403	8930
(i) Total number of units sold to persons other than own consumers and WBSSEDCL	198	178
(j) Total number of units consumed in Company's premises	33	35
(k) Units conveyed including additional units allowed by Commission for wheeling	4	1
(l) Total number of units sold to WBSSEDCL	14	13

The installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2022 was 1125000 kW (31st March, 2021 : 1125000 kW).

**NOTE- 57** The Company has reclassified previous year's figures to conform to this year's classification along with other regrouping / rearrangement wherever necessary.

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

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 **Jagdish Patra**

Executive Director & CFO **Rajarshi Banerjee**





# Consolidated Financial Statements



# Independent Auditor's Report

To  
The Members of **CESC Limited**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated 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") and its joint venture comprising of the consolidated Balance Sheet as at March 31 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated 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 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 and its joint venture as at March 31, 2022, 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 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 Financial Statements' section of our report. We are independent of the Group and joint venture 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 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 financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated 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 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 financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. [Accrual of regulatory income / expense and corresponding asset / liability](#) (as described in note 40 of the consolidated financial statements)

#### **Key Audit Matter:**

The Group recognizes regulatory income / expense / assets / liability basis its understanding and interpretation of Tariff orders and regulations notified by the applicable State Electricity Regulatory Commission, 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. Such regulatory deferral balances are discounted over an estimated period of recovery using a discounting rate.

In consideration of the significance of the amount of the 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, including the procedures performed by auditors of a subsidiary company in respect of this matter reported by them, included the following:

- We considered the Group’s accounting policies with respect to accrual for regulatory deferrals and assessed compliance with Ind AS 114 “Regulatory Deferral Accounts”.
- We have understood and carried out testing of the design and implementation of key financial controls related to accrual of such regulatory balances and its disclosure in the consolidated financial statements of the Group.
- We discussed with the management on the key assumptions and estimates used for recognition of these regulatory balances and corroborated them with the applicable regulatory provisions, APR orders, Tariff orders and underlying records of the Group.
- We discussed with the management on the consistency of its key 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 also assessed the discounting rate and the estimated period of recovery considered by the management with reference to the APR process and the tariff regulations.
- We have assessed the adequacy of disclosures in accordance with the requirements of Ind AS 114 “Regulatory Deferral Accounts”.

**2. Valuation of non-current investment** (as described in note 8 of the consolidated financial statements)

**Key Audit Matter:**

As reported by the auditor of a subsidiary company, the subsidiary company has investments in the equity and preference shares of an entity, which are carried at fair value through Other Comprehensive Income (OCI). The said investments were valued as at 31 March 2022 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 auditor 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.
- Tested the reasonableness of the key assumptions used in the cash flow projections and fair valuation, such as growth rates, targeted savings, discount rate, etc considering our understanding of the business, industry and relevant key factors.
- Performed sensitivity analysis on aforesaid key assumptions to determine impact of estimation uncertainty on the fair valuation.
- Tested the mathematical accuracy of the cash flow projections and fair valuation computation.
- Evaluated the adequacy 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 Corporate Social Responsibility Activities, Business Responsibility and Sustainability Report and Statement of Financial Position. The consolidated financial statements of Subsidiaries/ Joint Venture, but does not include the consolidated financial statements and our auditor’s report thereon.



Our opinion on the consolidated 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 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 Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated 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 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 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 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 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 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 joint venture are responsible for assessing the ability of the Group and of its 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 joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 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 ability of the Group and its 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 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 joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the



disclosures, and whether the consolidated 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 joint venture of which we are the independent auditors, to express an opinion on the consolidated 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 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 financial statements for the financial year ended March 31, 2022 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

We did not audit the financial statements and other financial information, in respect of 19 subsidiaries, whose financial statements include total assets of ₹ 16,953.26 crores as at March 31, 2022, and total revenues of ₹ 8,078.67 crores and net cash inflows of ₹ 1,016.56 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's

share of net loss of ₹ 0.00 crore for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 1 joint venture, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated 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 reports of such other auditors.

Our opinion above on the consolidated 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.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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 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 financial statements;



- (d) In our opinion, the aforesaid consolidated 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, 2022 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 its joint venture, incorporated in India, is disqualified as on March 31, 2022 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and its joint venture incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company, its subsidiaries and its 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 its joint venture, as noted in the 'Other Matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, and its joint venture in its consolidated financial statements – Refer Note 32, 58 and 59 to the consolidated financial statements;
  - ii. The Group and its joint venture did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;
  - 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 its joint venture, incorporated in India during the year ended March 31, 2022.
  - iv. a) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries and joint venture to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries and joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiaries and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries and joint venture from any person or entity, including foreign entities



("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries, and joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The interim dividend has been declared and paid during the year by the Holding Company and until the date of the audit report of such Holding Company.

The final dividend has been paid by one of the subsidiaries incorporated in India, during the year in respect of the same declared for the previous year.

The Board of Directors of one of the subsidiary companies, incorporated in India have proposed final dividend for the year which is subject to the approval of the members of the company at the ensuing Annual General Meeting.

The dividend declared/paid is in accordance with section 123 of the Act to the extent it applies to declaration of dividend or payment of dividend.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place of Signature: Kolkata

Date: May 13, 2022

Membership Number: 058652

UDIN: 22058652AIXHJG4309



# Annexure '1'

referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: CESC Limited ("the Company")

**Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint venture, incorporated in India, we state that:**

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Holding Company.

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

per **Kamal Agarwal**  
Partner

Membership Number: 058652  
UDIN: 22058652AIXHJG4309

Place of Signature: Kolkata  
Date: May 13, 2022





# Annexure 2

## To the Independent Auditor's Report of Even Date on the Consolidated 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 financial statements of CESC Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") 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 companies included in the Group 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to these consolidated 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these consolidated 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

with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to these consolidated financial statements included obtaining an understanding of internal financial controls with reference to these consolidated 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 with reference to these consolidated financial statements.

### Meaning of Internal Financial Controls with Reference to these Consolidated Financial Statements

A company's internal financial control with reference to these consolidated 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 with reference to these consolidated 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 with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to these consolidated 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 with reference to



to these consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to these consolidated 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 Group and its joint venture, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to these consolidated financial statements and such internal financial controls with reference to these consolidated financial statements were operating effectively as at March 31, 2022, 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 Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these consolidated financial statements of the Holding Company, in so far as it relates to these 18 subsidiaries and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and joint venture incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**

Partner

Place of Signature: Kolkata

Membership Number: 058652

Date: May 13, 2022

UDIN: 22058652AIXHJG4309



# Consolidated Balance Sheet

as at 31st March, 2022

₹ in crore

Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant and Equipment	5	23,018.74	23,970.96
Capital work-in-progress	5A	102.48	133.56
Investment Property	6	62.87	62.87
Intangible Assets	7	134.02	163.64
<b>Financial Assets</b>			
Investments	8	114.48	139.41
Loans	9	6.21	6.43
Others	10	218.41	101.09
Other non-current assets	11	294.47	194.13
	(A)	<b>23,951.68</b>	<b>24,772.09</b>
<b>Current Assets</b>			
Inventories	12	659.42	597.67
<b>Financial Assets</b>			
Investments	13	345.16	168.96
Trade receivables	14	2,095.49	2,314.98
Cash and cash equivalents	15	2,152.70	839.60
Bank balances other than cash and cash equivalents	16	1,096.76	1,018.33
Loans	17	16.09	1.23
Others	18	237.49	236.09
Current tax assets (net)		16.03	3.39
Other current assets	19	532.21	417.15
	(B)	<b>7,151.35</b>	<b>5,597.40</b>
Regulatory deferral account balances	(C)	<b>6,390.44</b>	<b>5,492.04</b>
	(A+B+C)	<b>37,493.47</b>	<b>35,861.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share capital	20	133.22	133.22
Other Equity	21	10,263.21	9,739.56
Non-controlling interest	41	434.16	396.31
<b>Total Equity</b>	(D)	<b>10,830.59</b>	<b>10,269.09</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	22	10,576.98	10,898.78
Lease Liabilities	23	188.83	203.76
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises		63.98	64.14
Consumers' Security Deposits	56	1,860.56	1,997.65
Others		66.58	66.95
Provisions	24	498.00	475.95
Deferred tax liabilities (net)	43	4,287.52	4,158.34
Other non-current liabilities	25	285.97	191.32
	(E)	<b>17,828.42</b>	<b>18,056.89</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	26	4,161.91	3,142.71
Lease Liabilities		33.08	31.83
Trade Payables			
(a) Total outstanding dues of micro enterprises & small enterprises	27	44.83	39.92
(b) Total outstanding dues of creditors other than micro enterprises & small enterprises	27	996.75	892.35
Others	28	855.17	819.03
Other current liabilities	29	583.88	575.07
Provisions	30	62.24	91.88
Current tax liabilities (net)		62.23	69.84
	(F)	<b>6,800.09</b>	<b>5,662.63</b>
Regulatory deferral account balances	(G)	<b>2,034.37</b>	<b>1,872.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	(D+E+F+G)	<b>37,493.47</b>	<b>35,861.53</b>
Notes forming part of Consolidated Financial Statements	1-60		

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number - 301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

For and on behalf of Board of Directors

Chairman **Sanjiv Goenka**

DIN: 00074796

Managing Director - Generation **Rabi Chowdhury**

DIN: 06601588

Managing Director - Distribution **Debashish Banerjee**

DIN: 06448204

Company Secretary **Jagdish Patra**

Executive Director & CFO **Rajarshi Banerjee**



# Consolidated Statement of Profit and Loss

for the year ended 31st March, 2022

₹ in crore

Particulars	Note No.	2021-22	2020-21
Revenue from operations	33	12,543.88	11,631.51
Other income	34	275.69	241.77
<b>Total Income</b>		<b>12,819.57</b>	<b>11,873.28</b>
<b>Expenses</b>			
Cost of electrical energy purchased		3,535.24	2,778.14
Cost of fuel	35	3,259.52	3,130.16
Purchases of stock-in-trade		15.24	17.31
Employee benefits expense	36	1,080.89	1,074.21
Finance costs	37	1,129.30	1,213.31
Depreciation and amortisation expense	38	884.66	866.65
Other expenses	39	1,736.19	1,465.87
<b>Total expenses</b>		<b>11,641.04</b>	<b>10,545.65</b>
<b>Profit before regulatory income/(expense) and tax</b>		<b>1,178.53</b>	<b>1,327.63</b>
Regulatory Income / (expense) (net)	40	736.95	423.91
<b>Profit before tax</b>		<b>1,915.48</b>	<b>1,751.54</b>
<b>Tax expense</b>			
Current tax	44	382.27	272.29
Deferred tax	43	129.13	116.44
<b>Total Tax expenses</b>		<b>511.40</b>	<b>388.73</b>
<b>Profit for the year</b>		<b>1,404.08</b>	<b>1,362.81</b>
<b>Other comprehensive Income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(20.34)	(40.11)
Income tax on above		4.87	6.86
Gain / (loss) on fair valuation of Investments		4.95	4.54
Deferred Tax (charge) / credit on above		(0.05)	0.38
Regulatory Income/(expense) - deferred tax		0.01	(0.08)
		<b>(10.56)</b>	<b>(28.41)</b>
<i>Items that will be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		0.01	(0.02)
		<b>0.01</b>	<b>(0.02)</b>
<b>Other Comprehensive income for the year (net of tax)</b>		<b>(10.55)</b>	<b>(28.43)</b>
<b>Total comprehensive income for the year</b>		<b>1,393.53</b>	<b>1,334.38</b>
<b>Profit attributable to</b>			
Owners of the equity		1,358.07	1,330.93
Non-controlling interest		46.01	31.88
		<b>1,404.08</b>	<b>1,362.81</b>
<b>Other Comprehensive loss attributable to</b>			
Owners of the equity		(10.58)	(28.33)
Non-controlling interest		0.03	(0.10)
		<b>(10.55)</b>	<b>(28.43)</b>
<b>Total Comprehensive Income attributable to</b>			
Owners of the equity		1,347.49	1,302.60
Non-controlling interest		46.04	31.78
		<b>1,393.53</b>	<b>1,334.38</b>
Basic & Diluted Earnings per equity share (Face value of Re 1/- per share)	45	<b>10.25</b>	<b>10.04</b>
Notes forming part of Consolidated Financial Statements	1-60		

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

For and on behalf of Board of Directors

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

Chairman **Sanjiv Goenka**Managing Director -Generation **Rabi Chowdhury**Managing Director- Distribution **Debasish Banerjee**Company Secretary **Jagdish Patra**Executive Director & CFO **Rajarshi Banerjee**

DIN: 00074796

DIN: 06601588

DIN: 06443204

DIN: 06443204

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DIN: 06443204

DIN: 06443204

DIN: 06443204



# Consolidated Statement of Cash flow

for the year ended 31st March, 2022

₹ in crore

Particulars	2021-22	2020-21
<b>A. Cash flow from Operating Activities</b>		
Profit before tax	1,915.48	1,751.54
Adjustments for :		
Depreciation and amortisation expense	884.66	866.65
Loss on sale / disposal of property, plant and equipment (net)	6.36	0.22
Gain on sale/fair valuation of current investments (net)	(12.78)	(17.53)
Dividend Income	(8.90)	(11.30)
Allowances for doubtful debts / Advances made / Security deposits	11.26	6.00
Bad debts, advances (net), written off	33.25	56.73
Finance Costs	1,129.30	1,213.31
Interest Income	(72.96)	(56.35)
Share Issue Expenses	-	0.24
Effect of Foreign Currency Transactions / Translation (net)	0.01	(0.02)
Other Non Operating Income	(54.21)	(59.10)
<b>Operating Profit before Working Capital changes</b>	<b>3,831.47</b>	<b>3,750.39</b>
Adjustments for change in :		
Trade and other receivables	(31.49)	(793.92)
Net change in regulatory deferral account balances	(736.95)	(423.91)
Inventories	(61.75)	122.50
Trade and other payables	(110.47)	471.32
<b>Cash Generated from Operations</b>	<b>2,890.81</b>	<b>3,126.38</b>
Income Tax paid (net of refund)	(391.74)	(320.46)
<b>Net cash flow from Operating Activities</b>	<b>2,499.07</b>	<b>2,805.92</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase of Property, Plant & Equipment / Capital Work-in-Progress	(778.07)	(682.81)
Proceeds from sale of Property, Plant & Equipment	7.77	8.39
Sale of Subsidiary company	304.74	-
Purchase of Non-Current investments	-	(452.05)
Sale/(purchase) of Current Investments (net)	(160.16)	(135.95)
Sale of Non-Current Investments	30.00	30.00
Dividend received	8.90	11.30
Interest received	90.22	34.02
Net movement in Bank Balances (other than cash and cash equivalents)	(78.43)	(302.14)
<b>Net cash used in Investing Activities</b>	<b>(575.03)</b>	<b>(1,489.24)</b>
<b>C. Cash flow from Financing Activities</b>		
Share Issue Expenses	-	(0.24)
Proceeds from Non-Current Borrowings *	1,830.00	2,514.88
Repayment of Non-Current Borrowings *	(1,383.40)	(1,598.49)
Payment of Lease Liabilities	(47.09)	(41.07)
Net movement in Cash Credit facilities and other current Borrowings	700.70	(855.03)
Finance Costs paid	(1,108.52)	(1,165.51)
Dividends paid	(602.63)	(594.03)
<b>Net Cash used in Financing Activities</b>	<b>(610.94)</b>	<b>(1,739.49)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,313.10</b>	<b>(422.81)</b>
<b>Cash and Cash equivalents - Opening Balance [Refer Note 15]</b>	<b>839.60</b>	<b>1,262.41</b>
<b>Cash and Cash equivalents - Closing Balance [Refer Note 15]</b>	<b>2,152.70</b>	<b>839.60</b>

\* Net of ₹ 484.36 crore (previous year : ₹ 542.62 crore) utilized for refinancing of borrowings.



# Consolidated Statement of Cash flow

for the year ended 31st March, 2022

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-21	Cash Flows	Others	31-Mar-22
Current borrowings	1,566.46	700.70	(24.02)	2,243.14
Non-Current borrowings (including Current Maturities)	12,529.34	446.60	(432.32)	12,543.62
Lease Liabilities	235.59	(47.09)	33.41	221.91
<b>Total liabilities from financing activities</b>	<b>14,331.39</b>	<b>1,100.21</b>	<b>(422.93)</b>	<b>15,008.67</b>

₹ in crore

Changes in liabilities arising from financing activities	01-Apr-20	Cash Flows	Others	31-Mar-21
Current borrowings	2,421.49	(855.03)	-	1,566.46
Non-Current borrowings (including Current Maturities)	11,628.61	916.39	(15.66)	12,529.34
Lease Liabilities	310.53	(41.07)	(33.87)	235.59
<b>Total liabilities from financing activities</b>	<b>14,360.63</b>	<b>20.29</b>	<b>(49.53)</b>	<b>14,331.39</b>

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number -301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

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 **Jagdish Patra**

Executive Director & CFO **Rajarshi Banerjee**



# Consolidated Statement of Changes in Equity

for the year ended 31st March, 2022

## 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
<b>Equity Shares of Re. 1/- each issued, subscribed and fully paid up</b>			
As at 31st March, 2021	133.22	-	133.22
As at 31st March, 2022	133.22	-	133.22

## B Other Equity

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Total	Non Controlling Interest	Total Other Equity
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies					
<b>Balance as at 1st April, 2021</b>	<b>10,665.42</b>	<b>(1,250.24)</b>	<b>300.93</b>	<b>10.64</b>	<b>12.81</b>	<b>9,739.56</b>	<b>396.31</b>	<b>10,135.87</b>
Profit for the year	1,358.07	-	-	-	-	1,358.07	46.01	1,404.08
Other Comprehensive Income / (expense) for the year (net of tax)	(15.50)	-	-	4.91	0.01	(10.58)	0.03	(10.55)
<b>Total</b>	<b>12,007.99</b>	<b>(1,250.24)</b>	<b>300.93</b>	<b>15.55</b>	<b>12.82</b>	<b>11,087.05</b>	<b>442.35</b>	<b>11,529.40</b>
Dividends paid (Note 20(f))	(596.51)	-	-	-	-	(596.51)	(8.19)	(604.70)
Transfer to/from retained earnings	(18.07)	-	18.07	-	-	-	-	-
Withdrawal of additional depreciation during the year (Refer Note 47)	(225.30)	-	-	-	-	(225.30)	-	(225.30)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (Refer Note 47)	(2.03)	-	-	-	-	(2.03)	-	(2.03)
<b>Balance as at 31st March, 2022</b>	<b>11,166.08</b>	<b>(1,250.24)</b>	<b>319.00</b>	<b>15.55</b>	<b>12.82</b>	<b>10,263.21</b>	<b>434.16</b>	<b>10,697.37</b>

₹ in crore

Particulars	Reserves and Surplus *			Equity Instruments through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	Total	Non Controlling Interest	Total Other Equity
	Retained Earnings	Capital Reserve	Fund for unforeseen exigencies					
<b>Balance as at 1st April, 2020</b>	<b>10,228.60</b>	<b>(1,250.24)</b>	<b>281.43</b>	<b>5.80</b>	<b>12.83</b>	<b>9,278.42</b>	<b>364.53</b>	<b>9,642.95</b>
Profit for the year	1,330.93	-	-	-	-	1,330.93	31.88	1,362.81
Other Comprehensive Income / (expense) for the year (net of tax)	(33.15)	-	-	4.84	(0.02)	(28.33)	(0.10)	(28.43)
<b>Total</b>	<b>11,526.38</b>	<b>(1,250.24)</b>	<b>281.43</b>	<b>10.64</b>	<b>12.81</b>	<b>10,581.02</b>	<b>396.31</b>	<b>10,977.33</b>
Dividends paid (Note 20(f))	(596.51)	-	-	-	-	(596.51)	-	(596.51)
Transfer to/from retained earnings	(19.50)	-	19.50	-	-	-	-	-
Withdrawal of additional depreciation during the year (Refer Note 47)	(243.57)	-	-	-	-	(243.57)	-	(243.57)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets (Refer Note 47)	(1.38)	-	-	-	-	(1.38)	-	(1.38)
<b>Balance as at 31st March, 2021</b>	<b>10,665.42</b>	<b>(1,250.24)</b>	<b>300.93</b>	<b>10.64</b>	<b>12.81</b>	<b>9,739.56</b>	<b>396.31</b>	<b>10,135.87</b>

\* refer note 21

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

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number - 301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

For and on behalf of Board of Directors

Chairman **Sanjiv Goenka**

Managing Director - Generation **Rabi Chowdhury**

Managing Director - Distribution **Debashish Banerjee**

Company Secretary **Jagdish Patra**

Executive Director & CFO **Rajarshi Banerjee**

DIN: 00074286

DIN: 06601588

DIN: 06445204



# Notes forming part of Consolidated Financial Statements

## 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 Consolidated financial statements have been prepared on a historical cost convention, except for the following:

- a) Investments in equity and preference instruments are carried at fair value, other than investments in 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 Parent Company has control. The Parent Company 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) 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 (iii) below), after initially being recognized at cost in the consolidated balance sheet.

#### (iii) 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 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 joint ventures is 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.





# Notes forming part of Consolidated Financial Statements

## (iv) 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 a 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 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 thereof, 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 two of its subsidiary companies 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 based on the useful life specified therein, as considered by the respective applicable Regulatory Commission (Commission) in determining the tariff for the year. 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



# Notes forming part of Consolidated Financial Statements

## (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, Licenses 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 or based on such useful life as considered by the applicable Commission. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets.

### Useful Life of Intangible Assets

Particulars	Useful Life of Assets
Licences	25 Years
Computer Software	3 Years
Mining Rights	20 Years

## (f) Lease

### Group as lessee

The Group's lease asset classes primarily consist of leases for land, plant & equipment, buildings and offices. The Group assesses whether a contract contains a lease, at the inception of a contract.

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

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

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

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

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

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

### Group as lessor

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

## (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



# Notes forming part of Consolidated Financial Statements

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 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 measured at fair value through other comprehensive income (FVTOCI)

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 (OCI) subsequent changes in the fair value. If the Group decides to classify an equity instrument as at fair value through other comprehensive income (FVTOCI), then all fair value changes on the instrument, excluding dividends, are recognized in the OCI.

## Impairment of financial assets

The Group 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. In respect of the rate regulated entities 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 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 Group and its Indian subsidiaries whereas the functional currency of foreign subsidiary is the currency of its country of domicile.



# Notes forming part of Consolidated Financial Statements

## (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.

The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. In case of rate regulated entities, 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 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 deposits with original maturity of three months or less.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents 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.



# Notes forming part of Consolidated Financial Statements

## (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 Group, 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 Parent and its subsidiaries 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.

The Group reviews the MAT credit entitlement at each reporting date and recognises the credit against the tax payable to the extent that it is probable that it will be able to utilise the same against normal tax during the specified period.

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 two subsidiary companies, tax on profits forms part of chargeable expenditure under the applicable regulations, current tax liability and deferred tax liability or asset is recoverable or payable, as applicable through future tariff. Hence, recognition of current tax liability and deferred tax asset or liability is done with corresponding recognition of regulatory liability or asset, to the extent 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.



# Notes forming part of Consolidated Financial Statements

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries 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 are accounted for using the pooling of interest method as per the requirement of Ind AS 103, Business Combination for common control transaction whereby the assets and liabilities of the combining entities / business are reflected at their carrying value and necessary adjustments, if any, are accounted for including the effect of scheme approved by National Company Law Tribunal, where applicable.

## (t) Regulatory deferral accounts balances

The Parent and two of the subsidiary companies engaged in power business are rate regulated entities and applies Ind AS 114, Regulatory Deferral Accounts. Expenses/ income recognized as Regulatory Income/Expenses in the Statement of Profit and Loss to the extent recoverable or payable in subsequent periods based on the Group's understanding of the provision of the applicable regulations framed under the Electricity Act, 2003 and/or their pronouncements/orders by the applicable Commission, with corresponding balances shown in the Balance-sheet as Regulatory Deferral Account balances, at their present value duly considering discounting methodology using such rates in consonance with the applicable regulations and prudence. Regulatory Deferral Accounts balances are adjusted from the year in which these crystallise.

## NOTE - 2 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)



# Notes forming part of Consolidated Financial Statements

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 - Note 31 and 40

Impairment assessment of Investment - Refer Note 1(g)

Estimates used in Lease liabilities -Note 48

## NOTE - 3A Amendments to existing Ind AS

Amendments and interpretations as outlined below apply for the year ending 31st March 2022, but do not have an impact on the financial statements.

- a. Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116
- b. Ind AS 116: COVID-19 related rent concessions
- c. Ind AS 103: Business combinations
- d. Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

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

**NOTE - 3B** The Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are effective from 1 April, 2021. These amendments require certain regroupings in the Schedule III format of Balance Sheet. The Group has given effect of such regroupings in these consolidated financial statements including figures for the corresponding previous year wherein:

- a) Current maturities of long term debts has been regrouped from "Other financial liabilities" in the Consolidated Financial Statements for FY 2020-2021 to "Current Borrowings" in these Consolidated Financial Statements.
- b) Lease Liabilities are presented separately as "Lease Liabilities" in these Consolidated Financial Statements and not grouped under "Other financial liabilities" as presented in the Consolidated Financial Statements for FY 2020-2021.
- c) Security Deposits has been regrouped from "Loans" in the Consolidated Financial Statements for FY 2020 – 2021 to "Other financial assets" in these Consolidated Financial Statements.



# Notes forming part of Consolidated Financial Statements

**NOTE - 4** The subsidiaries and joint venture considered in the preparation of the Consolidated Financial Statements are:

Sl. No.	Name of Subsidiaries and Joint Venture	Country of Incorporation	Percentage of ownership interest as at 31st March, 2022	Percentage of ownership interest as at 31st March, 2021
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
4	Malegaon Power Supply 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	Eminent Electricity Distribution Limited	India	100.00	100.00
16	Noida Power Company Limited (NPCL)	India	72.73	72.73
17	Jharkhand Electric Company Limited *	India	100.00	100.00
18	Jarong Hydro-Electric Power Company Limited *	India	100.00	100.00
19	Au Bon Pain Café India Limited	India	93.10	93.10
20	Mahuagarhi Coal Company Private Limited (joint venture)	India	50.00	50.00

\* Yet to commence their commercial operations

# Subsidiary till 11.03.2022





# Notes forming Part of Consolidated Financial Statements

## NOTE - 5 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST / DEEMED COST		DEPRECIATION / AMORTISATION		NET BLOCK	
	As at 1st April, 2021	As at 31st March, 2022	As at 1st April, 2021	As at 31st March, 2022	As at 31st March, 2022	As at 31st March, 2021
Land #	3,378.58	3,375.04	136.19	158.32	3,216.72	3,242.39
Buildings and Structures *	2,209.81	2,240.19	465.53	556.16	1,684.03	1,744.28
Plant and Equipment	14,132.78	13,401.94	3,481.90	3,781.25	9,620.69	10,650.88
Distribution System	9,389.88	9,901.56	1,866.83	2,199.28	7,702.28	7,523.05
Meters and Other						
Apparatus on Consumers' Premises	569.72	613.09	182.02	221.11	391.98	387.70
River Tunnel	2.78	2.78	2.76	2.76	0.02	0.02
Furniture and Fixtures	81.81	83.78	29.25	33.63	50.15	52.56
Office Equipment	183.76	193.30	81.16	95.75	97.55	102.60
Vehicles	24.28	26.60	9.73	11.00	15.60	14.55
Railway Sidings	321.29	321.29	68.36	81.57	239.72	252.93
<b>Previous Year</b>	<b>30,294.69</b>	<b>30,159.57</b>	<b>6,323.73</b>	<b>7,140.83</b>	<b>23,018.74</b>	<b>23,970.96</b>
# includes leasehold land	29,755.53	30,294.69	5,250.90	6,323.73	23,970.96	

# includes leasehold land

\* includes leasehold improvements

@ includes assets of a subsidiary company disposed off during the year as explained in Note 57

### Note:

- Property, Plant & Equipment includes right of use assets recognised upon adoption of IndAS 116 (Refer Note 48)
- The Parent is in the process of renewing the lease agreement in respect of certain leasehold land having Gross Block ₹ 373.18 crore (31.03.2021 : ₹ 200.75 crore) & Net Block ₹ 266.55 crore (31.03.2021 : ₹ 188.66 crore)

## NOTE - 5A CAPITAL WORK-IN-PROGRESS

Ageing for capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Work-in-progress as at 31 March 2022	80.79	2.72	7.04	11.93	102.48
Capital work-in-progress as at 31 March 2021	94.24	18.87	7.83	12.62	133.56

Work-in-progress as at 31 March 2022

Capital work-in-progress as at 31 March 2021



# Notes forming Part of Consolidated Financial Statements

## NOTE - 6 INVESTMENT PROPERTY

₹ in crore

PARTICULARS	COST/DEEMED COST			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 1st April, 2021	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 1st April, 2021	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2022	As at 31st March, 2021
Land - Freehold	62.87	-	-	-	-	-	62.87	62.87
	<b>62.87</b>	-	-	-	-	-	<b>62.87</b>	<b>62.87</b>
Previous Year	62.63	0.24	-	-	-	-	62.87	-

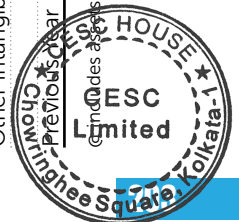
- a) Income earned recognised in Statement of profit and loss ₹ 7.80 crore (31.03.2021 : ₹ 8.71 crore).
- b) Fair valuation of the above land as per rent capitalisation method (income approach) amounts to ₹ 286 crore (as on 31.03.2021 : ₹ 283 crore) as per registered independent valuer and categorised 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 Lessor. 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 by the said company. Incentive given by the Lessor 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 to five years ₹ 11.70 crore (as on 31.03.2021 : ₹ 12 crore) in each of the years and later than five years ₹ 66.32 crore (as on 31.03.2021 : ₹ 79.98 crore).

## NOTE - 7 INTANGIBLE ASSETS

₹ in crore

PARTICULARS	COST/DEEMED COST			AMORTISATION			NET BLOCK	
	As at 1st April, 2021	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 1st April, 2021	Add: Additions/ Adjustments	Less: Withdrawals/ Adjustments	As at 31st March, 2022	As at 31st March, 2021
Licences	33.87	-	33.87	6.90	1.28	8.18	-	26.97
Computer Software	75.76	10.93	0.62	47.46	5.77	0.55	33.39	28.30
Mining Rights	151.88	-	-	43.61	7.74	-	100.53	108.27
Other Intangibles	0.46	-	-	0.36	-	-	0.10	0.10
	<b>261.97</b>	<b>10.93</b>	<b>34.49</b>	<b>98.33</b>	<b>14.79</b>	<b>8.73</b>	<b>134.02</b>	<b>163.64</b>
Previous Year	253.55	8.42	-	81.68	16.65	-	163.64	-

Investment property of a subsidiary company disposed off during the year as explained in Note 57



# Notes forming part of Consolidated Financial Statements

## NOTE - 8 NON CURRENT - INVESTMENTS

₹ in crore

	As at March 31, 2022	As at March 31, 2021
<b>a Investments carried at fair value through other comprehensive income (FVTOCI)</b>		
<b>(i) Investments in Equity Instruments - Quoted, fully paid up</b>		
1,21,95,122 (31.03.2021 : 1,21,95,122) Equity Shares of Resource Generation Limited #	-	4.41
3,84,608 (31.03.2021 : 3,84,608) Equity Shares of ₹ 5 each of ICICI Securities Limited	23.89	14.72
<b>(ii) Investments in Equity Instruments - Unquoted, fully paid up</b>		
13,030 (31.03.2021 : 13,030) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	20.87	20.70
<b>(iii) Investments in Preference Shares - Unquoted, fully paid up</b>		
6,68,80,000 (31.03.2021 : 9,68,80,000) Preference Shares of Integrated Coal Mining Limited of ₹ 10 each	66.88	96.88
<b>b Investments in Government Securities - Unquoted, (held till Maturity) carried at Amortised Cost</b>		
1,35,000 (31.03.2021 : 1,35,000) 8.33% Government of India Treasury Bonds *	1.35	1.35
<b>c Investments carried at fair value through profit and loss (FVTPL)</b>		
<b>(i) Investments in Mutual Funds - Quoted</b>		
1,06,866 (31.03.2021 : 1,06,866) units of UTI Balance Fund Dividend Plan *	0.35	0.31
<b>(ii) Investments in Preference Shares - Unquoted, fully paid up</b>		
5,00,000 (31.03.2021 : 5,00,000) Preference shares of face value ₹ 100 each issued by Spencer's Retail Limited	1.14	1.04
	<b>114.48</b>	<b>139.41</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	24.24	19.44
Aggregate Market value	24.24	19.44
<b>Investment in unquoted investments:</b>		
Aggregate Book value	90.24	119.97

# Fully Impaired

\* Appropriated towards fund for unforeseen exigencies

## NOTE - 9 NON CURRENT - LOANS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Considered Good - Unsecured		
a. Loans to employees	6.21	6.43
	<b>6.21</b>	<b>6.43</b>

## NOTE - 10 NON CURRENT - OTHER FINANCIAL ASSETS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Lease Receivables	55.17	45.92
b. Security Deposit	163.24	109.97
	<b>218.41</b>	<b>155.89</b>



# Notes forming part of Consolidated Financial Statements

## NOTE - 11 OTHER NON-CURRENT ASSETS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Capital advances	95.32	112.16
b. Others advances (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. )	199.15	81.97
	<b>294.47</b>	<b>194.13</b>

## NOTE - 12 INVENTORIES

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Fuel (includes goods in transit 31.03.2022 : ₹ 82.64 crore; 31.03.2021 : ₹ 77.55 crore)	330.15	310.47
b. Stores and Spares	326.06	284.42
c. Stock-in-trade	3.21	2.78
	<b>659.42</b>	<b>597.67</b>

## NOTE - 13 CURRENT INVESTMENTS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Quoted</b>		
Investment in Mutual funds carried at fair value through profit and loss	345.16	168.96
<b>Unquoted</b>		
Investments in Commercial Paper carried at amortised cost *	-	-
	<b>345.16</b>	<b>168.96</b>
<b>Investment in quoted investments:</b>		
Aggregate Book value	345.16	168.96
Aggregate Market value	345.16	168.96
<b>Investment in unquoted investments:</b>		
Aggregate Book value	-	-
<b>Aggregate provision for impairment in value of investments</b>	<b>30.00</b>	<b>30.00</b>

\* Fully impaired

## NOTE - 14 TRADE RECEIVABLES

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Considered good - Secured	762.16	919.32
b. Considered good - Unsecured	1,333.36	1,395.69
c. Credit Impaired	144.40	106.25
	<b>2,239.92</b>	<b>2,421.26</b>
Less : Allowances for bad and doubtful debts	144.43	106.28
	<b>2,095.49</b>	<b>2,314.98</b>

Trade Receivables includes a sum of unbilled revenue of ₹ 74.96 crore (31.03.2021: ₹ 90.66 crores)



# Notes forming part of Consolidated Financial Statements

## NOTE - 14 TRADE RECEIVABLES (Contd..)

Ageing for Trade Receivables as at 31 March, 2022 is as follows:

₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade Receivable- billed</b>							
(i) Undisputed Trade Receivables – considered good	890.11	512.16	159.80	240.10	136.55	78.47	2,017.19
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired							120.61
(iv) Disputed Trade Receivables–considered good	0.13	0.17	0.01	1.22	0.64	1.20	3.37
(v) Disputed Trade Receivables – which have significant increase in credit risk							-
(vi) Disputed Trade Receivables – credit impaired							23.79
	<b>890.24</b>	<b>512.33</b>	<b>159.81</b>	<b>241.32</b>	<b>137.19</b>	<b>79.67</b>	<b>2,164.96</b>
Less: Provision for Doubtful Debts							(144.43)
<b>Total Billed Trade Receivable</b>							<b>2,020.53</b>
Add: Unbilled							74.96
<b>Total Trade Receivable</b>							<b>2,095.49</b>

Ageing for Trade Receivables as at 31 March, 2021 is as follows:

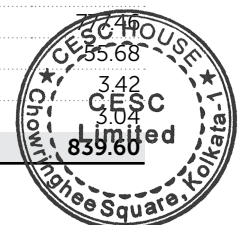
₹ in crore

Particulars	Not Due	Outstanding for following periods from due date of payment					Gross Total
		Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
<b>Trade Receivable - billed</b>							
(i) Undisputed Trade Receivables – considered good	1,296.36	471.64	171.56	161.18	79.27	40.61	2,220.62
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							-
(iii) Undisputed Trade Receivables – credit impaired							105.98
(iv) Disputed Trade Receivables–considered good	0.12	0.01	1.56	0.74	-	1.30	3.73
(v) Disputed Trade Receivables – which have significant increase in credit risk							-
(vi) Disputed Trade Receivables – credit impaired							0.27
	<b>1,296.48</b>	<b>471.65</b>	<b>173.12</b>	<b>161.92</b>	<b>79.27</b>	<b>41.91</b>	<b>2,330.60</b>
Less: Provision for Doubtful Debts							(106.28)
<b>Total Billed Trade Receivable</b>							<b>2,224.32</b>
Add: Unbilled							90.66
<b>Total Trade Receivable</b>							<b>2,314.98</b>

## NOTE - 15 CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Balances with banks		
- In current accounts	1,047.02	724.46
- Bank Deposits with original maturity upto 3 months	1,099.95	55.68
b. Cheques, drafts on hand	3.59	3.42
c. Cash on hand	2.14	3.04
	<b>2,152.70</b>	<b>839.60</b>



# Notes forming part of Consolidated Financial Statements

## NOTE - 16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid Dividend Account	11.06	9.01
Escrow accounts*	111.55	111.87
Bank Deposits with original maturity more than 3 months	974.15	897.45
	<b>1,096.76</b>	<b>1,018.33</b>

\* As security for payment of the secured obligation in accordance with Distribution Franchisee Agreement in respect of certain subsidiaries.

- Amount lying in deposit accounts with banks as at 31st March, 2022 includes ₹ 299.29 crore (31.03.2021 : ₹ 279.85 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 ₹ 336.75 crore (31.03.2021 : ₹ 303.56 crore) having original maturity more than 12 months as on the reporting date.

## NOTE - 17 LOANS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Considered Good - Unsecured</b>		
a. Loans to employees	1.59	1.23
b. Loans to others	14.50	-
	<b>16.09</b>	<b>1.23</b>

## NOTE - 18 OTHER FINANCIAL ASSETS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, Considered Good</b>		
Receivable from Related Party	40.19	29.43
Interest accrued on Bank Deposits	25.40	43.16
Derivative financial instruments	-	6.87
Receivable towards claims and services rendered	68.65	89.45
Miscellaneous advances to Bodies Corporate	46.38	42.05
Others	56.87	25.13
	<b>237.49</b>	<b>236.09</b>

## NOTE - 19 OTHER CURRENT ASSETS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advances for goods and services	155.89	84.90
Prepaid Expenses	11.22	21.51
Others (includes deferred rent, advance to employees etc. and also refer note 32(d))	365.10	310.74
	<b>532.21</b>	<b>417.15</b>



# Notes forming part of Consolidated Financial Statements

## NOTE - 20 EQUITY

₹ in crore

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>a. Authorised Share Capital</b>		
3156,00,00,000 Equity Shares of Re 1/- each fully paid up (31.03.2021 :	3,156.00	3,156.00
315,60,00,000 Equity Shares of ₹ 10/- each fully paid up)		
<b>b. Issued Capital</b>		
138,85,70,150 Equity Shares of Re 1/- each fully paid up	138.86	138.86
(31.03.2021 : 13,88,57,015 Equity Shares of ₹ 10/- each fully paid up)		
<b>c. Subscribed and paid up capital</b>		
132,55,70,430 Equity Shares of Re 1/- each fully paid up (31.03.2021 :	132.56	132.56
13,25,57,043 Equity Shares of ₹ 10 each fully paid up)		
<b>d. Forfeited Shares (amount originally paid up)</b>	0.66	0.66
	<b>133.22</b>	<b>133.22</b>

### e. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	No. of shares	Amount (₹ in crore)	No. of shares	Amount (₹ in crore)
At the beginning of the year	13,25,57,043	132.56	13,25,57,043	132.56
Add : Change during the year (Refer Note 1 below)	1,19,30,13,387	-	-	-
At the end of the year	1,32,55,70,430	132.56	13,25,57,043	132.56

#### Note :-

- Pursuant to the approval of the shareholders at the Forty-third Annual General Meeting 1 (one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) fully paid-up was sub-divided into 10 (Ten) Equity Shares of Re 1/- (Rupee One Only) each fully paid-up effective 21st September, 2021.
- For the period of five years immediately preceding 31st March, 2022, 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 :

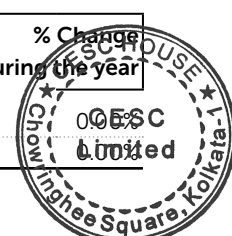
The Company has only one class of equity shares having a par value of Re. 1/- each per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 4.50/- per equity share (31.03.21 : ₹ 45/- per equity share) has been paid during the year. In the event of 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, 2022		As at 31st March, 2021	
	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [ refer note 54 (a) ]	58,79,66,320	44.36	5,87,96,632	44.36
HDFC Trustee Company Limited	9,58,85,809	7.23	1,19,54,406	9.00

### h. Shares held by Promoters at the end of the year

Name of shareholder	As at 31st March, 2022		As at 31st March, 2021		% Change During the year
	No. of shares	% of holding	No. of shares	% of holding	
Rainbow Investments Limited	58,79,66,320	44.36	5,87,96,632	44.36	
Dr. Sanjiv Goenka	13,47,940	0.10	1,34,794	0.10	



# Notes forming part of Consolidated Financial Statements

## NOTE - 21 OTHER EQUITY

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A Retained Earnings (Refer note B (i))</b>	11,166.08	10,665.42
Foreign Currency Translation Reserve (Refer note B (i))	12.82	12.81
Equity Instruments through Other Comprehensive Income (Refer note B (i))	15.55	10.64
Capital Reserve (Refer note B (ii))	(1,250.24)	(1,250.24)
Fund for unforeseen exigencies (Refer note B (i))	319.00	300.93
	<b>10,263.21</b>	<b>9,739.56</b>

### B Nature and purpose of other reserves

- i) 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.
- ii) Capital reserve had arisen consequent to a scheme of arrangement in financial year ended 31st March, 2018 and was adjusted with retained earnings.

## NOTE - 22 NON-CURRENT BORROWINGS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A Secured</b>		
Non Convertible Debentures	1,360.00	920.00
<b>Term Loans</b>		
(i) Rupee loans from banks	10,508.62	10,793.46
(ii) Rupee loans from financial institutions	675.00	697.50
(iii) Foreign Currency loans from banks	-	18.38
	<b>12,543.62</b>	<b>12,429.34</b>
<b>B Unsecured</b>		
<b>Term Loans</b>		
(i) Rupee loans from banks	-	100.00
<b>Total</b>	<b>12,543.62</b>	<b>12,529.34</b>
Less: Current maturities of long term debt transferred to Current Borrowings (refer note 26)	1,918.77	1,576.25
Less: Unamortised front end fees	47.87	54.31
	<b>10,576.98</b>	<b>10,898.78</b>

### C Nature of Security :

- 1 (i) Out of the Term Loans in (A) above in respect of the Parent:
  - a) ₹ 3422.98 crore (31.03.2021: ₹ 2855.78 crore) are secured, ranking pari passu inter se, by equitable mortgage/ hypothecation of the property, plant and equipment 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), book debts, monies receivable (refer note 14) and bank balances (refer note 15). However, creation of the said mortgage security in respect of three Rupee Loans (31.03.2021: three Rupee Loans) aggregating ₹ 900 crore (31.03.2021: ₹ 248.12 crore) is in process.





# Notes forming part of Consolidated Financial Statements

## NOTE - 22 NON-CURRENT BORROWINGS (Contd..)

- b) ₹ 455.40 crore (31.03.2021 : ₹ 333.56 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the property, plant and equipment of the parent as a first charge.
- c) ₹ 550 crore (31.03.2021 : ₹ 600 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment and current assets of the Parent as a first charge.
- d) ₹ 166 crore (31.03.2021 : ₹ 462.50 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Parent as a first charge and by hypothecation of the current assets of the Parent as a second charge.
- e) ₹ 601.66 crore (31.03.2021 : ₹ 713.57 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Parent as a first charge.
- f) ₹ 500 crore (31.03.2021 : ₹ 500 crore) are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets as a first charge and by equitable mortgage/hypothecation of the property, plant and equipment of the Parent as a second charge.
- (ii) Out of the Debentures in (A) above in respect of the Parent:
- a) ₹ 660.00 crore (31.03.2021 – ₹ 620 crore) are secured, ranking pari passu inter se, by hypothecation of the movable property, plant and equipment of the Parent as a first charge; and
- b) ₹ 700.00 crore (31.03.2021 : ₹ 300 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the property, plant and equipment of the Parent as a first charge.
- 2 Out of the Term Loan in (A) above, ₹ 2978.76 crore (31.03.2021 : ₹ 2882.72 crore) in respect of another subsidiary are secured with first charge by way of mortgage / hypothecation of the property, plant and equipment and current assets of the subsidiary including its land, buildings, the constructions thereon where exists, plant and machinery etc (refer note 5).
- 3 Out of the Term Loan in (A) above, ₹ 2155.94 crore (31.03.2021 : ₹ 2259.25 crore) in respect of another subsidiary are secured, with first charge by way of mortgage / hypothecation of the property, plant and equipment and current assets of the subsidiary including its land, buildings and the construction thereon where exists, plant and machinery etc (refer note 5), loans amounting to ₹ 76.88 crore (31.03.2021 : ₹ 151.87 crore) are secured with second charge on all assets of the subsidiary and loan of ₹ 95.67 crore (31.03.2021 : ₹ 133.33 crore) are secured with subservient charge on all current and movable property, plant and equipment of the subsidiary.
- 4 Out of the Term Loan in (A) above, ₹ nil (31.03.2021 : ₹ 474.65 crore) in respect of another subsidiary above are secured / to be secured by an exclusive charge by way of mortgage/hypothecation of the property, plant and equipment 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.
- 5 Out of the Term Loan in (A) above, ₹ 49.08 crore (31.03.2021 : ₹ 55.86 crore) in respect of another subsidiary, are secured by an exclusive charge by way of mortgage/hypothecation of the property, plant and equipment of the subsidiary including its land, building, constructions thereon where exist, plant and machinery etc.(refer note 5) and by way of hypothecation of current assets of the subsidiary 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 Ramanathpuram, Tamilnadu.
- 6 Out of the Term Loan in (A) above, ₹ 91.25 crore (31.03.2021 : ₹ 71.25 crore) in respect of another subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over property, plant and equipment of the subsidiary, both present and future (excluding those charged to JVVNL).
- 7 Out of the Term Loan in (A) above, ₹ 10.00 crore (31.03.2021 : ₹ 15 crore) in respect of another subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over property, plant and equipment of the subsidiary, both present and future (excluding those charged to JdVVNL).
- 8 Out of the Term Loan in (A) above, ₹ 30.00 crore (31.03.2021 : nil) in respect of another subsidiary are secured by first charge by way of mortgage/hypothecation on pari passu basis over property, plant and equipment of the subsidiary, both present and future (excluding those charged to MSEDCL).



# Notes forming part of Consolidated Financial Statements

## NOTE - 22 NON-CURRENT BORROWINGS (Contd..)

D In respect of the Parent, Term loans of ₹ 300 crores were raised towards the end of the year (March 2022) out of which ₹ 125 crores have not been utilized by the end of the year and is lying in cash and cash equivalents as on March 31, 2022.

### E Major terms of repayment of Non Current Borrowings :

₹ in crore

Maturity profile of Non Current Borrowings outstanding as at 31st March, 2022	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Non Convertible Debentures	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto one year	303.57	-	-	-	303.57	303.57
Borrowings with maturity between 1 and 3 years	1,443.82	-	660.00	-	2,103.82	697.99
Borrowings with maturity between 3 and 5 years	1,943.35	-	700.00	-	2,643.35	347.81
Borrowings with maturity between 5 and 10 years	4,836.94	-	-	-	4,836.94	464.60
Borrowings with maturity beyond 10 years	1,980.94	675.00	-	-	2,655.94	104.80
<b>Total</b>	<b>10,508.62</b>	<b>675.00</b>	<b>1,360.00</b>	<b>-</b>	<b>12,543.62</b>	<b>1,918.77</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective lenders' benchmark rate. Interest rate on Debentures are fixed or based on spread over T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to ₹ 1360 crore are due for maturity on 30-Sep-26 - ₹ 50 crore; 30-Jun-26 - ₹ 50 crore; 30-Mar-26 - ₹ 50 crore; 30-Dec-25 - ₹ 50 crore; 30-Sep-25 - ₹ 50 crore; 30-Jun-25 - ₹ 50 crore; 21-May-25 - ₹ 37.50 crore; 30-Mar-25 - ₹ 50 crore; 21-Feb-25 - ₹ 37.50 crore; 30-Dec-24 - ₹ 50 crore; 24-Dec-24 - ₹ 100 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore; 21-Aug-23 - ₹ 37.50 crore; 10-Feb-23 - ₹ 55.00 crore and 13-Oct-22 - ₹ 50.00 crore

₹ in crore

Maturity profile of Non Current Borrowings outstanding as at 31st March, 2021	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Non Convertible Debentures	Foreign Currency Loans	Total	Current Maturities
Borrowings with maturity of upto one year	152.86	-	-	18.38	171.24	171.23
Borrowings with maturity between 1 and 3 years	1,480.36	-	370.00	-	1,850.36	593.67
Borrowings with maturity between 3 and 5 years	2,070.78	-	550.00	-	2,620.78	216.71
Borrowings with maturity between 5 and 10 years	2,948.33	-	-	-	2,948.33	386.65
Borrowings with maturity beyond 10 years	4,241.13	697.50	-	-	4,938.63	207.99
<b>Total</b>	<b>10,893.46</b>	<b>697.50</b>	<b>920.00</b>	<b>18.38</b>	<b>12,529.34</b>	<b>1,576.25</b>

Interest rates on Rupee Term Loans from Banks and Financial Institutions are based on spread over respective lenders' benchmark rate and that of on Foreign Currency Loan is based on spread over LIBOR. Interest rate on Debentures are fixed or based on spread over T-Bill rate.

All of the above are repayable in periodic instalments over the maturity period of the respective loans. Debentures aggregating to ₹ 920 crore are due for maturity on 21-May-25 - ₹ 37.50 crore; 21-Feb-25 - ₹ 37.50 crore; 21-Nov-24 - ₹ 37.50 crore; 13-Oct-24 - ₹ 100.00 crore; 21-Aug-24 - ₹ 37.50 crore; 21-May-24 - ₹ 37.50 crore; 21-Feb-24 - ₹ 37.50 crore; 02-Feb-24 - ₹ 55.00 crore; 07-Dec-23 - ₹ 200.00 crore; 21-Nov-23 - ₹ 37.50 crore; 13-Oct-23 - ₹ 100.00 crore; 21-Aug-23 - ₹ 37.50 crore; 10-Feb-23 - ₹ 55.00 crore; 13-Oct-22 - ₹ 50.00 crore and 18-Feb-22 - ₹ 60.00 crore.



# Notes forming part of Consolidated Financial Statements

## NOTE - 23 NON CURRENT- LEASE LIABILITIES

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer Note 48 for details)	188.83	203.76
	<b>188.83</b>	<b>203.76</b>

## NOTE - 24 NON CURRENT- PROVISIONS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Provision for employee benefits	456.82	437.48
b. Restoration liabilities	41.18	38.47
	<b>498.00</b>	<b>475.95</b>
<b>Reconciliation of movement in Restoration liabilities</b>		
Opening balance	38.47	35.76
Add : Accrual for the year	2.71	2.71
<b>Closing balance</b>	<b>41.18</b>	<b>38.47</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

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advance received from consumers	147.14	69.35
Others	138.83	121.97
	<b>285.97</b>	<b>191.32</b>

## NOTE - 26 CURRENT- BORROWINGS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A Secured</b>		
Loans repayable on demand from banks	1,328.14	1,201.46
Current Maturities of Long term Borrowing (refer note 22)	1,918.77	1,576.25
<b>B Unsecured</b>		
Loans repayable on demand		
(i) Short term loan from banks	215.00	215.00
(ii) Commercial Paper	700.00	150.00
	<b>4,161.91</b>	<b>3,142.71</b>

### C Nature of Security

- The loans repayable on demand from banks in respect of the Parent amounting to ₹ 614.36 crore (31.03.2021: ₹ 763.89 crore) in (A) above are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets comprising stock of stores, coal (refer note 12), 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 property, plant and equipment of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc (refer note 5).



# Notes forming part of Consolidated Financial Statements

## NOTE - 26 CURRENT- BORROWINGS (Contd..)

- 2 The loans repayable on demand from banks in respect of one of the subsidiary amounting to ₹ 248.34 crore (31.03.2021 : ₹ 20.00 crore) in (A) above, is secured with first charge by way of mortgage/hypothecation of the property, plant and equipment and current assets including its land and buildings, the construction thereon where exists, plant and machinery etc (refer note 5) of the subsidiary.
- 3 The loans repayable on demand from banks in respect of one of the subsidiary amounting to Nil (31.03.2021 : ₹ 17.41 crore) in (A) above, was secured by pari passu charge on movable and immovable property, plant and equipment (refer note 5) current assets and escrow account pertaining of 40 MW AFBC Thermal Power project of the subsidiary.
- 4 The loans repayable on demand from banks in respect of one of the subsidiary amounting to ₹ 235.00 crore (31.03.2021 : ₹ 235.00 crore) in (A) above, is secured with first charge by way of mortgage / hypothecation of property, plant and equipment and current assets including its land, building, the construction thereon where exists, plant and machinery etc (refer note 5) of the subsidiary.
- 5 The loans repayable on demand from banks in respect of certain subsidiaries amounting to ₹ 208.28 crore (31.03.2021: ₹ 157.18 crore) in (A) above, is secured ranking pari passu inter se, by hypothecation of respective subsidiary's current assets as a second charge.
- 6 The loans repayable on demand from banks in respect of one of the subsidiary amounting to Nil (31.03.2021: ₹ 7.98 crore) in (A) above, is secured by a second ranking charge by way of hypothecation of the movable property, plant and equipment, receivables and current assets of the 26MW and 20MW wind power projects of the subsidiary.
- 7 The loans repayable on demand from banks in respect of one of the subsidiary amounting to ₹ 22.16 crore (31.03.2021 : ₹ Nil) in (A) above, is secured raking pari passu inter se, by hypothecation of the subsidiary's current assets, as a second charge

## NOTE - 27 TRADE PAYABLES - CURRENT

₹ in crore

Particulars	As at	As at
	March 31, 2022	March 31, 2021
a. Total outstanding dues of micro enterprises & small enterprises	44.83	39.92
b. Total outstanding dues of creditors other than micro enterprises & small enterprises	996.75	892.35
	<b>1,041.58</b>	<b>932.27</b>

Ageing for trade payables (current) outstanding as at 31 March 2022 is as follows:

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	44.83	-	-	-	44.83
Others	594.41	200.18	28.86	173.30	996.75
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total trade payable</b>	<b>639.24</b>	<b>200.18</b>	<b>28.86</b>	<b>173.30</b>	<b>1,041.58</b>



# Notes forming part of Consolidated Financial Statements

## NOTE - 27 TRADE PAYABLES - CURRENT (Contd..)

Ageing for trade payables (current) outstanding as at 31 March 2021 is as follows:

₹ in crore

Particulars	Outstanding for following periods from due date of payment				Gross Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	39.90	-	0.02	-	39.92
Others	599.77	144.85	29.01	118.72	892.35
Disputed dues – MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
<b>Total trade payable</b>	<b>639.67</b>	<b>144.85</b>	<b>29.03</b>	<b>118.72</b>	<b>932.27</b>

## NOTE - 28 OTHER FINANCIAL LIABILITIES

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Interest accrued but not due	57.84	44.60
b. Unclaimed dividends	11.06	9.01
c. Others (refer note d)	786.27	765.42
	<b>855.17</b>	<b>819.03</b>

d. Others include current portion of consumer security deposit (including accrued interest thereon) ₹ 217.29 crore (31.03.2021: ₹ 218.86 crore), employee related liabilities ₹ 118.26 crores (31.03.2021: ₹ 120.59 crore), etc.

## NOTE - 29 OTHER CURRENT LIABILITIES

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Liabilities towards statutory taxes, duties, etc.	305.42	294.42
b. Advances received from consumers	41.90	25.79
c. Receipt from consumers for jobs	212.15	232.50
d. Others	24.41	22.36
	<b>583.88</b>	<b>575.07</b>

## NOTE - 30 CURRENT PROVISIONS

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Provision for employee benefits	62.02	91.66
b. Others	0.22	0.22
	<b>62.24</b>	<b>91.88</b>

## NOTE - 31 REGULATORY DEFERRAL ACCOUNT BALANCES

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
REGULATORY DEFERRAL ACCOUNT BALANCES -CREDIT BALANCES	2,034.37	5,492.92
REGULATORY DEFERRAL ACCOUNT BALANCES -DEBIT BALANCES	6,390.44	492.04

(Refer Note 40 for details)



# Notes forming part of Consolidated Financial Statements

## NOTE - 32 CONTINGENT LIABILITIES AND COMMITMENTS

a. The appeals filed under the Electricity Act, 2003 in the Hon'ble Appellate Tribunal for Electricity (APTEL) in respect of power purchase arrangement in respect of one of its subsidiaries and the related tariff determined by the applicable regulatory commission are pending before the APTEL and the impact thereof on the consolidated financial statements is not ascertainable at this stage.

**b. Other matters for which the Group is contingently liable:**

₹ in crore

Particulars	As at March 31, 2022	As at March 31, 2021
- Pending Court Cases	0.05	0.05
- Bank Guarantees	513.87	449.76
- Standby Letters of credit	412.16	380.00

c. Commitments of the Group on account of estimated amount of contracts remaining to be executed on capital account not provided for amount to ₹ 113.82 crore (31.03.2021: ₹ 103.93 crore).

d. 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 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.

e. Commitments relating to leasing arrangement, refer note 48.

f. (i) The Parent had received a Show Cause cum demand notice for Service Tax on Additional Premium together with other charges being paid for coal mining to Government of India as per the terms of allocation of the Sarisatoli Coal mine. The case is pending before The Commissioner Central Tax & Central Excise, Kolkata North Commissionerate. The amount of disputed Service Tax demand is ₹ 14.71 crores. Based on legal opinion obtained, the Parent expects a favourable outcome in the matter, and no provision has been considered necessary in the books of accounts.

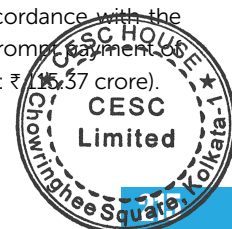
(ii) The Parent had received an order u/s 143(3) of Income Tax Act, 1961, for Assessment Year 2018-19 during the year involving certain disallowances leading to an outstanding demand of ₹ 12.74 crore which has been disputed by the Parent at appropriate forum. Based on legal opinion obtained, the Parent expects a favourable outcome in the matter, and no provision has been considered necessary in the books of accounts.

## NOTE - 33 REVENUE FROM OPERATIONS

₹ in crore

Particulars	2021-22	2020-21
a Earnings from sale of electricity	12,215.10	11,351.77
b Other Operating Revenue		
Meter Rent	53.34	53.50
Contribution from Consumers	206.98	144.47
Earnings from sale of traded goods	18.05	20.63
Others	50.41	61.14
	<b>12,543.88</b>	<b>11,631.51</b>

c. Earnings from sale of electricity in respect of the parent and applicable subsidiaries 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 ₹ 125.65 crore (previous year : ₹ 115.37 crore).



# Notes forming part of Consolidated Financial Statements

## NOTE - 34 OTHER INCOME

₹ in crore

Particulars	2021-22	2020-21
a Interest Income	72.96	56.35
b Dividend Income	8.90	11.30
c Gain on sale/fair valuation of current investments (net)	12.78	17.53
d Liabilities Written Back	57.22	52.00
e Other Non-operating Income *	123.83	104.59
	<b>275.69</b>	<b>241.77</b>

\* includes Delayed payment surcharge, Usance fee, etc

## NOTE - 35 COST OF FUEL

a) Cost of Fuel includes freight ₹ 969.05 crore (previous year : ₹ 901.11 crore)

b) Consumption of fuel:

₹ in crore

Particulars	2021-22	2020-21
(a) Consumption of coal (Includes Biomass ₹0.06 crore; previous year Nil)	3246.02	3120.35
(b) Consumption of oil	13.50	9.81
(c) Total (a+b)	<b>3,259.52</b>	<b>3130.16</b>

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE

₹ in crore

Particulars	2021-22	2020-21
a. Salaries, wages and bonus	1,050.87	1,048.87
b. Contribution to provident and other funds	100.68	130.42
c. Employees' welfare expenses	64.58	54.61
	<b>1,216.13</b>	<b>1,233.90</b>
Less : Transfer to PPE/ CWIP etc.	114.90	119.58
	<b>1,101.23</b>	<b>1,114.32</b>
Less Transfer to Other Comprehensive Income *	20.34	40.11
	<b>1,080.89</b>	<b>1,074.21</b>

\*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 Plans

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. In case of Parent Company, the fund is maintained with an exempted trust fund and is governed by the Board of Trustees, whereas in case of subsidiary companies the provident fund contributions are made to the Employees' Provident Fund Organisation, Government of India, where applicable. The Parent also contributes for family pension schemes (including for superannuation) and shortfall in earning of the trust compared to the statutory rate, if any, is duly met. During the year, based on applicable rates, the group has contributed and charged ₹ 73.35 crore (previous year: ₹ 71.24 crore) on this count 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 parent and two of its subsidiary companies make 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.



# Notes forming part of Consolidated Financial Statements

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE(Contd..)

(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)	2021-22			2020-21		
	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>494.95</b>	<b>(436.93)</b>	<b>58.02</b>	<b>464.03</b>	<b>(425.97)</b>	<b>38.06</b>
Current service cost	22.79	-	22.79	24.02	-	24.02
Interest expense/(income)	30.40	(28.27)	2.13	27.62	(26.53)	1.09
Past service cost	0.37	-	0.37	5.77	-	5.77
<b>Total amount recognised in profit and loss</b>	<b>53.56</b>	<b>(28.27)</b>	<b>25.29</b>	<b>57.41</b>	<b>(26.53)</b>	<b>30.88</b>
Remeasurements						
Return on plan assets, excluding amounts included in interest expense/(income)	-	(2.51)	(2.51)	-	(9.80)	(9.80)
(Gain)/loss from change in demographic assumptions	-	-	-	-	-	-
(Gain)/loss from change in financial assumptions	(10.14)	-	(10.14)	(1.77)	-	(1.77)
Experience (gains)/losses	17.02	0.00	17.02	45.17	0.01	45.18
<b>Total amount recognised in other comprehensive income</b>	<b>6.88</b>	<b>(2.51)</b>	<b>4.37</b>	<b>43.40</b>	<b>(9.79)</b>	<b>33.61</b>
Employer contributions	-	(57.34)	(57.34)	-	(34.04)	(34.04)
Benefit payments	(52.94)	51.18	(1.76)	(69.89)	67.87	(2.02)
<b>Closing Balance</b>	<b>502.45</b>	<b>(473.88)</b>	<b>28.58</b>	<b>494.95</b>	<b>(428.46)</b>	<b>66.49</b>

\* Gratuity liability of HEL has become funded in this year. Hence opening value of plan assets has been recasted

₹ in crore

Leave Obligation (Unfunded)	2021-22	2020-21
	Present value of obligation	Present value of obligation
<b>Opening Balance</b>	204.09	191.32
Current service cost	11.98	12.87
Interest expense/(income)	12.85	12.45
Past service cost	0.27	0.04
Remeasurements		
Return on plan assets, excluding amounts included in interest expense/(income)	-	-
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(4.98)	(0.79)
Experience (gains)/losses	(13.55)	10.72
<b>Total amount recognised in profit and loss</b>	<b>6.57</b>	<b>35.29</b>
Employer contributions	-	-
Benefit payments	(16.13)	(22.52)
<b>Closing Balance</b>	<b>194.53</b>	<b>204.09</b>





# Notes forming part of Consolidated Financial Statements

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE(Contd..)

₹ in crore

Particulars	Post retirement medical benefit (PRMB)		Pension	
	2021-22	2020-21	2021-22	2020-21
<b>Opening Balance</b>	<b>140.21</b>	<b>132.09</b>	<b>118.35</b>	<b>96.16</b>
Current service cost	4.12	3.50	0.83	0.64
Interest expense/(income)	8.96	8.39	7.75	6.25
Past Service Cost	5.48	-	8.86	17.98
<b>Total amount recognised in profit or loss</b>	<b>18.56</b>	<b>11.89</b>	<b>17.44</b>	<b>24.87</b>
Remeasurements				
(Gain)/loss from change in demographic assumptions	-	-	-	-
(Gain)/loss from change in financial assumptions	(6.86)	(0.87)	(6.68)	(0.49)
Experience (gains)/losses	22.00	3.26	7.51	4.60
<b>Total amount recognised in other comprehensive income</b>	<b>15.14</b>	<b>2.39</b>	<b>0.83</b>	<b>4.11</b>
Employer contributions	-	-	-	-
Benefit payments	(7.58)	(6.16)	(7.21)	(6.79)
<b>Closing Balance</b>	<b>166.33</b>	<b>140.21</b>	<b>129.41</b>	<b>118.35</b>

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

₹ in crore

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
<b>31-Mar-22</b>					
Gratuity	74.49	216.89	213.84	294.24	799.46
Leave obligation	22.31	75.38	80.84	193.96	372.49
Post-employment medical benefits	9.80	54.56	93.70	427.91	585.97
Pension	8.06	39.97	63.68	145.18	256.89
<b>Total</b>	<b>114.66</b>	<b>386.80</b>	<b>452.06</b>	<b>1,061.29</b>	<b>2,014.81</b>
<b>31-Mar-21</b>					
Gratuity	68.05	217.10	218.53	297.93	801.61
Leave obligation	21.68	75.12	87.52	204.77	389.09
Post-employment medical benefits	8.51	46.89	81.86	315.29	452.55
Pension	8.01	39.96	58.09	123.68	229.74
<b>Total</b>	<b>106.25</b>	<b>379.07</b>	<b>446.00</b>	<b>941.67</b>	<b>1,872.99</b>

# Notes forming part of Consolidated Financial Statements

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE(Contd..)

### (iv) Sensitivity Analysis

₹ in crore

Particulars	Gratuity		Leave Obligation		Post-employment medical benefits (PRMB)		Pension	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
DBO at 31st March with discount rate +1%	462.12	454.64	180.89	189.74	148.37	124.87	108.24	109.24
Corresponding service cost	19.82	20.11	19.75	10.81	5.34	2.57	0.60	0.56
DBO at 31st March with discount rate -1%	520.36	515.40	210.24	222.29	188.63	159.70	127.53	128.84
Corresponding service cost	23.10	23.58	24.04	13.34	9.13	4.12	0.79	0.73
DBO at 31st March with +1% salary/benefit escalation	515.63	511.46	213.58	226.12	176.36	149.27		
Corresponding service cost	22.89	23.38	24.61	13.68	7.98	3.66		
DBO at 31st March with -1% salary/benefit escalation	462.95	454.23	178.22	186.69	157.19	132.34		
Corresponding service cost	19.83	20.07	19.33	10.53	6.48	3.00		
DBO at 31st March with +50% withdrawal rate	489.93	483.52	194.66	204.92	165.41	139.58		
Corresponding service cost	21.37	21.74	21.73	11.97	7.01	3.23		
DBO at 31st March with -50% withdrawal rate	489.23	482.97	194.43	204.77	167.24	141.23		
Corresponding service cost	21.31	21.70	21.69	11.95	7.30	3.36		
DBO at 31st March with +10% mortality rate	489.62	483.24	194.58	204.87	163.27	137.92	113.45	114.44
Corresponding service cost	21.35	21.73	21.72	11.96	6.98	3.21	0.67	0.62
DBO at 31st March with -10% mortality rate	489.57	483.28	194.50	204.83	169.60	143.04	121.35	122.65
Corresponding service cost	21.33	21.71	21.71	11.96	7.34	3.38	0.70	0.65

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

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

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

₹ in crore

Gratuity	31-Mar-2022	31-Mar-2021
Cash and cash equivalent	451.42	426.05
Unquoted market price	451.42	426.05



# Notes forming part of Consolidated Financial Statements

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE(Contd..)

### (vi) Actuarial assumptions

Particulars	31-Mar-22			
	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	4.5-7.35%	6.45-7.35%	6.45-7.25%	6.90%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

Particulars	31-Mar-21			
	Gratuity	Leave obligation	Medical	Pension
Discount rate current year (%)	4.5-6.95%	4.5-6.95%	6.55%	6.55%
Mortality rate	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)	Indian Assured Lives Mortality (2012-14) Ult. (IALM 2012-14)

Expected Remaining Life	2021-22	2020-21
Employees Gratuity Fund	6.61	6.77
Executive Gratuity Fund	5.92-26.25	2.07-20.52
Leave Encashment	8.45-22.76	2.51-20.52
PRMB - Non Cov	16.66	14.63
PRMB - Cov	14.01	14.28
Pension	18.23	18.18

Expected contributions to be paid in next year for gratuity fund ₹ 44.10 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.

	2021-22	2020-21
Actual return on plan assets (₹ crore)	30.77	36.33



# Notes forming part of Consolidated Financial Statements

## NOTE - 36 EMPLOYEE BENEFITS EXPENSE(Contd..)

### (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 very sensitive to the assumed future salary escalation rates for all final salary defined benefit Schemes. If actual future salary escalations are higher than that assumed in the valuation actual Scheme cost and hence the value of the liability will be higher than that estimated. 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 Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the scheme cost.

**Regulatory Risk:** 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 - 37 FINANCE COSTS

₹ in crore

Particulars	2021-22	2020-21
a Interest expense	1,059.78	1,154.33
b Other Borrowing Costs	69.52	58.98
	<b>1,129.30</b>	<b>1,213.31</b>

## NOTE - 38 DEPRECIATION AND AMORTISATION EXPENSE

₹ in crore

Particulars	2021-22	2020-21
Depreciation/ amortisation of property, plant & equipment	1,095.17	1,093.57
Amortisation of intangible assets	14.79	16.65
	1,109.96	1,110.22
Less : Recoupment from Retained Earnings (refer Note 47)	225.30	243.57
	<b>884.66</b>	<b>866.65</b>



# Notes forming part of Consolidated Financial Statements

## NOTE - 39 OTHER EXPENSES

Particulars	₹ in crore	
	2021-22	2020-21
a Power and Fuel	2.82	3.14
b Consumption of stores and spares	121.18	106.69
c Repairs		
Building	19.14	18.81
Plant and Machinery	219.72	207.25
Distribution System	176.98	161.86
Others	22.34	20.33
	<b>438.18</b>	<b>408.25</b>
d Insurance	43.02	40.69
e Rent	14.40	13.97
f Rates and taxes	10.88	11.67
g Bad debts / Advances made		
Bad debts / Advances written off during the year	41.48	56.73
Less: Adjustment for Provision for Bad Debts made in earlier years	(8.23)	(36.58)
	<b>33.25</b>	<b>20.15</b>
h Loss on sale / disposal of Property, Plant & Equipment (net)	6.36	0.58
i Provision for Bad Debts	11.26	42.58
j Interest on Consumers' Security Deposits	118.63	126.74
k Foreign Exchange Restatement loss / (gain)	(7.13)	(15.66)
l Corporate social responsibility activities	37.04	32.47
m Mark to Market loss / (gain) on derivatives	6.87	15.64
n Cost of IT Outsourced Services	119.42	95.82
o Miscellaneous expenses	780.01	563.14
	<b>1,736.19</b>	<b>1,465.87</b>

## NOTE - 40 REGULATORY INCOME

Regulatory Income / (Expenses) arise to the Parent and two subsidiaries pursuant to the regulatory provisions applicable to them under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by applicable Commissions on the 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 (c) Deferred Taxation estimate, as appropriate and (d) effect of exchange fluctuation including MTM gain, based on the understanding of the applicable regulatory provisions and applicable orders of the competent authorities, amounting to ₹ (38.83 crore) [Previous year ₹ (77.17 crore)], ₹ 650.51 crore (Previous year ₹ 384.89 crore), ₹ 125.53 crore (Previous year ₹ 116.21 crore) and ₹ (0.26 crore) [Previous year ₹ (0.02 crore)] respectively have been shown as Regulatory Income/(Expenses) with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balances (Refer 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 ₹ 4,243.22 crore (31.03.2021 : ₹ 4,117.68 crore), Nil (31.03.2021 : ₹ 7.13 crore) and ₹ 2,147.22 crore (31.03.2021 : ₹ 1,367.23 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) MTM Gain and (c) cost adjustments having bearing on revenue account amounting to ₹ 1,557.85 crore (31.03.2021 : ₹ 1,794.63 crore), Nil (31.03.2021 : ₹ 6.87 crore) and ₹ 476.52 crore (31.03.2021 : ₹ 71.42 crore) respectively. These balances have been now recognised with discounting methodology, assuming recovery over a period of time using such rate in consonance with the applicable regulations and application of prudence.

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



# Notes forming part of Consolidated Financial Statements

## 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	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Non Current assets	1,357.35	1,272.71	328.32	357.61	-	-
Current assets	1,105.48	800.13	126.58	74.92	0.15	0.74
Regulatory deferral account debit balances	73.80	50.29	-	-	-	-
<b>Total Assets</b>	<b>2,536.63</b>	<b>2,123.13</b>	<b>454.90</b>	<b>432.53</b>	<b>0.15</b>	<b>0.74</b>
<b>Non current liabilities</b>	<b>363.68</b>	<b>324.68</b>	<b>84.53</b>	<b>93.79</b>	<b>-</b>	<b>-</b>
Current liabilities	727.59	603.02	75.70	59.64	0.27	0.48
Regulatory deferral account credit balances	200.91	71.42	-	-	-	-
Total Liabilities	1,292.18	999.12	160.23	153.43	0.27	0.48
<b>Net Assets</b>	<b>1,244.45</b>	<b>1,124.01</b>	<b>294.67</b>	<b>279.10</b>	<b>(0.12)</b>	<b>0.25</b>
<b>Accumulated Non Controlling Interest</b>	<b>339.36</b>	<b>306.52</b>	<b>94.80</b>	<b>89.79</b>	<b>*</b>	<b>*</b>

\* Negative hence not disclosed

₹ in crore

Summarised Statement of Profit and Loss	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Revenue	2,055.35	1,720.14	125.37	135.64	0.22	0.17
Profit / (Loss) after tax	150.41	101.28	15.50	13.25	(0.56)	(0.06)
<b>Total Other Comprehensive Income for the year, net of tax</b>	<b>0.03</b>	<b>0.56</b>	<b>0.07</b>	<b>(0.78)</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the year</b>	<b>150.44</b>	<b>101.84</b>	<b>15.57</b>	<b>12.47</b>	<b>(0.56)</b>	<b>(0.06)</b>
<b>Profits allocated to NCI</b>	<b>41.03</b>	<b>27.77</b>	<b>5.01</b>	<b>4.01</b>	<b>*</b>	<b>*</b>

\* Negative hence not disclosed

₹ in crore

Summarised Cash Flows	Noida Power Company Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Cash flow from Operating Activities	441.81	538.31	33.13	76.51	(0.11)	(0.08)
Cash Flow from Investing Activities	(355.52)	(529.28)	35.31	38.52	0.04	0.08
Cash Flow from Financing Activities	(27.87)	0.52	(29.34)	(114.51)	0.18	0.00
<b>Net Increase/Decrease in Cash and cash Equivalents</b>	<b>58.42</b>	<b>9.55</b>	<b>39.10</b>	<b>0.52</b>	<b>0.11</b>	<b>(0.00)</b>

**NOTE - 42** Contract Liability at the beginning of the year in respect of Contribution from Consumers for certain jobs stood at ₹ 232.50 crore, on satisfaction of performance obligation it is dealt with in the revenue account, as applicable. The balance of the said contract liability as at the year-end stood at ₹ 212.15 crore pending satisfaction of the performance obligation.



# Notes forming part of Consolidated Financial Statements

**NOTE - 43** The major components of net Deferred Tax Assets / (Liabilities) based on the temporary difference are as under :

₹ in crore

Deferred Tax Liabilities	April 1, 2021	Recognised through P&L	Recognised through OCI	Others	March 31, 2022
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(4,510.69)	(20.95)	-	-	(4,531.64)
Financial Instruments at Fair Value through OCI	(5.72)	-	(0.05)	-	(5.77)
Other temporary difference	(19.68)	(4.48)	-	-	(24.16)
<b>Assets</b>					
Business loss and Unabsorbed depreciation	123.83	(122.52)	-	-	1.31
Other temporary differences	253.92	18.82	-	-	272.74
<b>Net Deferred Tax Liability</b>	<b>(4,158.34)</b>	<b>(129.13)</b>	<b>(0.05)</b>	-	<b>(4,287.52)</b>

₹ in crore

Deferred Tax Liabilities	April 1, 2020	Recognised through P&L	Recognised through OCI	Others	March 31, 2021
<b>Liabilities</b>					
Excess of tax depreciation over book depreciation	(4,521.10)	10.41	-	-	(4,510.69)
Financial Instruments at Fair Value through OCI	(6.10)	-	0.38	-	(5.72)
Other temporary difference	(33.42)	13.74	-	-	(19.68)
<b>Assets</b>					
Business loss and Unabsorbed depreciation	303.09	(179.26)	-	-	123.83
Other temporary differences	215.25	38.67	-	-	253.92
<b>Net Deferred Tax Liability</b>	<b>(4,042.28)</b>	<b>(116.44)</b>	<b>0.38</b>	-	<b>(4,158.34)</b>

## NOTE - 44 Tax expense

### a i) Tax recognised in Statement of profit and loss

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Current tax expense	382.27	272.29
Deferred tax		
Deferred tax - expense	129.13	116.44
<b>Total tax expense (A)</b>	<b>511.40</b>	<b>388.73</b>

### ii) Tax recognised in Other Comprehensive Income (OCI)

₹ in crore

Particulars	March 31, 2022	March 31, 2021
<b>Current tax expense</b>		
Remeasurement of defined benefit plan	(4.87)	(6.86)
<b>Deferred tax</b>		
Deferred Tax on Gain on fair value of Investment	0.05	0.38
<b>Total tax expense relating to OCI items (B)</b>	<b>(4.82)</b>	<b>(6.48)</b>
<b>Tax Expense (A + B)</b>	<b>506.58</b>	<b>382.25</b>



# Notes forming part of Consolidated Financial Statements

## b Reconciliation of tax expense and accounting profit

₹ in crore

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax after Other comprehensive income	1,900.10	1,715.95
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.944%)	663.97	599.62
Income/expenses not considered for tax purpose including difference in depreciation	(50.91)	(110.47)
Incentive & deduction allowed under Income Tax	(68.47)	(74.05)
Other adjustments	(38.01)	(32.85)
<b>Tax expense</b>	<b>506.58</b>	<b>382.25</b>

### NOTE - 45 Earnings per share:

#### (i) Computation of Earnings per share

Particulars	2021-22	2020-21
A. Profit after tax attributable to owners of the equity (₹ in crore)	1,358.07	1,330.93
B. Weighted Average no. of shares for Earnings per share	1,32,55,70,430	1,32,55,70,430
<b>Basic and Diluted Earnings per share of Re. 1/- = [(A) / (B)] (₹)</b>	<b>10.25</b>	<b>10.04</b>

#### (ii) Computation of Earnings per share - excluding regulatory (income)/ expense (net)

Particulars	2021-22	2020-21
A. Profit after tax attributable to owners of the equity (₹ in crore)	830.76	960.76
B. Weighted Average no. of shares for Earnings per share	1,32,55,70,430	1,32,55,70,430
<b>Basic and Diluted Earnings per share of Re. 1/- = [(A) / (B)] (₹)</b>	<b>6.27</b>	<b>7.25</b>

Pursuant to the approval of the shareholders at the Forty-third Annual General Meeting 1 (one) Equity Share of face value of ₹ 10/- (Rupees Ten Only) fully paid-up was sub-divided into 10 (Ten) Equity Shares of Re 1/- (Rupee One Only) each fully paid-up effective 21st September, 2021. This has been considered for calculating weighted average number of equity shares for the comparative period presented as per Ind AS 33 - "Earning Per Share". In line with the above, EPS (basic and diluted) have been adjusted for the comparative period presented.

### NOTE - 46 Financial risk management and Capital Management :

The regulated operations of generation and distribution of electricity of the Parent and subsidiaries are governed by the provisions of the Electricity Act 2003 and Regulations framed by appropriate regulatory commission to the extent applicable and accordingly the parent and subsidiaries, being licensees under the applicable statutes, are subject to regulatory provisions/guidelines and issues evolving therefrom, having a bearing on their 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.





# Notes forming part of Consolidated Financial Statements

**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 ₹ 225.30 crore (31.03.2021 : ₹ 243.57 crore) and corresponding withdrawal of ₹ 2.03 crore (31.03.2021 : ₹ 1.38 crore) consequent to sale / disposal of such assets and the same will be followed in subsequent years.

**NOTE - 48** Property, Plant and Equipment of the Group includes right-of-use assets in the opening balance as on 01.04.2021, additions, deletion, depreciation and closing balance for the year ended 31.03.2022 amounting to ₹ 1046.91 crore (01.04.2020 : ₹ 1159.79 crore), ₹ 14.41 crore (31.03.2021 : ₹ 47.63 crore), ₹ 0.13 crore (31.03.2021 : ₹ 96.15 crore), ₹ 66.14 crore (31.03.2021 : ₹ 64.36 crore) and ₹ 995.06 crore (31.03.2021 : ₹ 1046.91 crore) respectively. Carrying value of right of use assets as on 31.03.2022 in respect of land, building, plant & machinery and vehicles amounts to ₹ 675.54 crore (31.03.2021 : ₹ 694.09 crore), ₹ 306.43 crore (31.03.2021 : ₹ 332.81 crore), ₹ 13.08 crore (31.03.2021 : ₹ 19.98 crore) and ₹ 0.01 crore (31.03.2021 : ₹ 0.03 crore) respectively and its related depreciation / amortisation expense for the year ended 31.03.2022 in respect of land, building, plant & machinery and vehicles amount to ₹ 22.40 crore (31.03.2021 : ₹ 22.34 crore), ₹ 36.82 crore (31.03.2021 : ₹ 34.34 crore), ₹ 6.90 crore (31.03.2021 : ₹ 7.66 crore) and ₹ 0.02 crore (31.03.2021 : ₹ 0.02 crore) respectively.

The movement in lease liabilities for the year 2021-2022 is as below	₹ in crore
Lease liabilities as at April 1, 2021	235.59
Additions	13.66
Deletions (pertaining to modification/termination of lease agreements during the year)	(0.13)
Finance cost expense (refer note 37)	19.88
Payment during the year (including interest ₹ 19.88 crore)	(47.09)
<b>Balance as on 31st March 2022</b>	<b>221.91</b>

The movement in lease liabilities for the year 2020-21 is as below	₹ in crore
Lease liabilities as at April 1, 2020	310.53
Additions	43.78
Deletions (pertaining to modification/termination of lease agreements during the year)	(97.31)
Finance cost expense (refer note 37)	19.66
Payment during the year (including interest ₹ 19.66 crore)	(41.07)
<b>Balance as on 31st March 2021</b>	<b>235.59</b>

Future minimum lease payments during next one year ₹ 17.62 crore (31.03.2021 ₹ 17.78 crore) and ₹ 15.45 crore (31.03.2021 ₹ 13.47 crore), later than one year but not later than five years ₹ 53.14 crore (31.03.2021 ₹ 54.65 crore) and ₹ 55.64 crore (31.03.2021 ₹ 54.94 crore) and later than five years ₹ 48.91 crore (31.03.2021 ₹ 57.91 crore) and ₹ 31.14 crore (31.03.2021 ₹ 36.84 crore) applying 10% and 7% respectively as weighted average incremental borrowing rate.

Other Expenses include short term leases of ₹ 3.39 crore (31.3.2021 ₹ 2.59 crore) and low-value assets of ₹ 0.68 crore (31.3.2021 ₹ 0.69 crore), net of applicable taxes.

**NOTE - 49** India and other global markets experienced significant disruption in operations resulting from uncertainty caused by the worldwide outbreak of Coronavirus pandemic. The Group's business includes Generation and Distribution of power in India. Considering power supply being an essential service, management believes that there is not much of an impact likely due to this pandemic on the business of the Group except some lower demand and its, consequential impact on supply and collection from consumers, which are believed to be temporary in nature. The Group has duly ensured compliance with specific regulatory directives issued in the related matter.

The Group is taking all necessary steps and precautionary measures to ensure smooth functioning of its operations/business and to ensure the safety and well-being of all its employees.

The Group is closely monitoring developments, its operations, liquidity and capital resources and is actively working to minimize the impact of this unprecedented situation.

The Group is also monitoring the performance of its assets, basis which, no impairment is required to be recognised in respect of such assets.



# Notes forming Part of Consolidated Financial Statements

NOTE - 50 Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in Subsidiary companies / Joint Venture for the year ended 31 March 2022

₹ in crore

Sl No.	Name of the Entities	Country of Incorporation	31-Mar-22		2021-22		2021-22		2021-22	
			Net Assets	As % of Consolidated Net Assets	Share in Profit or Loss	As % of Consolidated Profit / (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Total Comprehensive Income
	<b>Parent</b>	India	9,954.82	95.75%	815.79	60.07%	(14.71)	138.99%	801.08	59.45%
	<b>Subsidiaries - Indian</b>									
1	Haldia Energy Limited (HEL)	India	3,294.42	31.69%	333.42	24.55%	8.47	(80.03%)	341.89	25.37%
2	Dhatriwal Infrastructure Limited	India	654.97	6.30%	136.71	10.07%	0.14	(1.32%)	136.85	10.16%
3	Surya Vidyut Limited (SVL) (54% CESC, 46% HEL) #	India	-	0.00%	5.84	0.43%	0.06	(0.57%)	5.90	0.44%
4	Malegaon Power Supply Limited	India	11.84	0.11%	(57.45)	(4.23%)	(0.00)	0.01%	(57.45)	(4.26%)
5	CESC Projects Limited	India	4.38	0.04%	(1.72)	(0.13%)	(0.01)	0.06%	(1.73)	(0.13%)
6	Pachi Hydropower Projects Limited	India	1.56	0.02%	(0.01)	(0.00%)	-	0.00%	(0.01)	(0.00%)
7	Papu Hydropower Projects Limited	India	0.76	0.01%	(0.01)	(0.00%)	-	0.00%	(0.01)	(0.00%)
8	Ranchi Power Distribution Company Limited	India	(3.69)	(0.04%)	(0.35)	(0.03%)	(0.01)	0.07%	(0.36)	(0.03%)
9	Kota Electricity Distribution Limited	India	85.50	0.82%	(40.98)	(3.02%)	(0.05)	0.47%	(41.03)	(3.04%)
10	Bharatpur Electricity Services Limited	India	26.87	0.26%	2.20	0.16%	(0.04)	0.38%	2.16	0.16%
11	Bikaner Electricity Supply Limited	India	129.09	1.24%	8.92	0.66%	(0.11)	1.04%	8.81	0.65%
12	Crescent Power Limited (CPL) (67.83% CESC)	India	294.67	2.83%	15.50	1.14%	0.06	(0.57%)	15.56	1.15%
13	CESC Green Power Limited	India	0.04	0.00%	(0.00)	(0.00%)	-	0.00%	(0.00)	(0.00%)
14	Jharkhand Electric Company Limited	India	30.42	0.29%	(0.19)	(0.01%)	0.00	(0.00%)	(0.19)	(0.01%)
15	Jarong Hydro Electric Power Company Limited	India	1.54	0.01%	(0.01)	(0.00%)	-	0.00%	(0.01)	(0.00%)
16	Eminent Electricity Distribution Limited (Eminent)	India	462.35	4.45%	4.67	0.34%	-	0.00%	4.67	0.35%
17	Au Bon Pain Café India Limited (93.1% CESC)	India	(0.12)	0.00%	(0.56)	(0.04%)	-	0.00%	(0.56)	(0.04%)
18	Noida Power Company Limited (49.55% CESC, 23.18% Eminent)	India	1,244.45	11.97%	150.40	11.07%	0.03	(0.28%)	150.43	11.16%
	<b>Subsidiaries - Foreign</b>									
19	Bantal Singapore Pte Limited	Singapore	0.22	0.00%	(0.19)	(0.01%)	(4.39)	41.48%	(4.58)	(0.34%)
	Non Controlling interest		(434.16)	(4.18%)	(46.01)	(3.39%)	(0.03)	0.28%	(46.04)	(3.42%)
	<b>Investment in Joint Venture (Equity Method)</b>									
	Chowghee Coal Company Private Limited	India	-	0.00%	-	0.00%	-	0.00%	-	0.00%
	Adjustment		(5,363.50)	(51.57%)	32.10	2.36%	-	0.00%	32.10	2.38%
			<b>10,396.43</b>	<b>100%</b>	<b>1,358.07</b>	<b>100%</b>	<b>(10.58)</b>	<b>100%</b>	<b>1,347.49</b>	<b>100%</b>



# Notes forming part of Consolidated Financial Statements

## NOTE - 51 Investment in Joint Venture

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, 2022 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.

## NOTE - 52 Fair value measurements

a) The carrying value and fair value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

₹ in crore

Particulars	31-Mar-22			31-Mar-21		
	Cost / Amortized cost	FVTOCI	FVTPL	Cost / Amortized cost	FVTOCI	FVTPL
<b>Financial assets</b>						
Investments						
- Equity	-	44.76	-	-	39.83	-
- Preference shares	-	66.88	1.14	-	96.88	1.04
- Mutual funds	-	-	345.51	-	-	169.27
- Others	1.35	-	-	1.35	-	-
Loans	22.30	-	-	7.66	-	-
Trade Receivables	2,095.49	-	-	2,314.98	-	-
Cash and cash equivalents	2,152.70	-	-	839.60	-	-
Bank balances other than cash and cash equivalents	1,096.76	-	-	1,018.33	-	-
Derivative Financial Instrument	-	-	-	-	-	6.87
Others financial assets	455.90	-	-	330.31	-	-
<b>Total financial assets</b>	<b>5,824.50</b>	<b>111.64</b>	<b>346.65</b>	<b>4,512.23</b>	<b>136.71</b>	<b>177.18</b>
<b>Financial liabilities</b>						
Borrowings	14,738.89	-	-	14,041.49	-	-
Lease Liabilities	221.91	-	-	235.59	-	-
Trade Payables	1,105.56	-	-	996.41	-	-
Consumers' Security Deposit	2,077.85	-	-	2,216.51	-	-
Others	704.46	-	-	667.12	-	-
<b>Total financial liabilities</b>	<b>18,848.67</b>	<b>-</b>	<b>-</b>	<b>18,157.12</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 2022</b>					
<b>Financial assets</b>					
Investment in equity shares	23.89	-	20.87	44.76	44.76
Investment in preference shares	-	-	68.02	68.02	68.02
Investment in liquid mutual fund units	345.51	-	-	345.51	345.51
Derivative financial instrument - cross currency swap	-	-	-	-	-
<b>Total financial assets</b>	<b>369.40</b>	<b>-</b>	<b>88.89</b>	<b>458.29</b>	<b>458.29</b>
<b>As at 31 March 2021</b>					
<b>Financial assets</b>					
Investment in equity shares	19.13	-	20.70	39.83	39.83
Investment in preference shares	-	-	97.92	97.92	97.92
Investment in liquid mutual fund units	169.27	-	-	169.27	169.27
Derivative financial instrument - cross currency swap	-	6.87	-	6.87	6.87
<b>Total financial assets</b>	<b>188.40</b>	<b>6.87</b>	<b>118.62</b>	<b>313.89</b>	<b>313.89</b>

# Notes forming part of Consolidated Financial Statements

## NOTE - 52 Fair value measurements(Contd..)

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.
  - 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 basis 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 ₹ 0.08 crore. The fair value of equity share is determined basis discounted cash flow (31.03.21 discounted cash flow). 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 ₹ 0.25 crore and ₹ 0.37 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

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 - 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
PCBL Limited (formerly known as Philips Carbon Black Limited)
Harrison Malayalam Limited
STEL Holdings Limited
Dotex Merchandise Private Limited
Castor Investments Limited



# Notes forming part of Consolidated Financial Statements

## NOTE - 54 Related Party and their relationship (Contd..)

### b) (i) Entities under common control (Contd..)

Name
Shaft Investments Private Limited
Spencer's Retail Limited
Woodlands Multispeciality Hospital Limited
Sarala Real Estate Limited
Saregama India Ltd
Open Media Network Ltd
Omnipresent Retail India Pvt Ltd
RPSG Resources Private Limited ( Formerly known as Accurate Commoddeal Private Limited)
Apricot Foods Private Limited
Guilfree Industries Limited
Nature's Basket Limited
Kolkata Games And Sports Private Limited (KGSPL)
Kolkata Metro Networks Limited
Bowlopedia Restaurants India Limited
RPSG Ventures Limited
Firstsource Solutions Limited
Quest Properties India Limited
Business Media Private Limited
Herbolab India Private Limited (w.e.f. 8th March, 2021)
Quest Capital Markets Limited (w.e.f. 27th August,2021)
Lebnitze Real Estates Private Limited (w.e.f. 26th August,2021)
ATK Mohun Bagan Private Limited (w.e.f. 17th June,2020)
RP-SG Ventures Advisory LLP

### (ii) Key Management Personnel

Name	Relationship
Dr. S. Goenka	Chairman
Mr. Shashwat Goenka	Vice-Chairman
Mr. P. Chaudhuri	Director
Mr. C .K Dhanuka	Director
Mr. K. Jairaj	Director (Upto 29th December, 2021)
Mr. P.K. Khaitan	Director
Ms. R.Sethi	Director
Mr. Sunil Mitra	Director
Mr. Debanjan Mandal	Director (w.e.f. 10th May,2021)
Mr. Debasish Banerjee	Managing Director-Distribution
Mr. Rabi Chowdhury	Managing Director-Generation
Mr. Subhasis Mitra	Company Secretary (Upto 10th May, 2021)
Mr. Jagdish Patra	Company Secretary (w.e.f. 10th May,2021)
Mr. Rajarshi Banerjee	Executive Director & Chief Financial Officer

### (iii) Other Related Parties

Name
Ms.Preeti Goenka ( Shareholder and Relative of KMP)
Khaitan & Co LLP
Khaitan & Co. (Mumbai)
Khaitan & Co. AOR
Khaitan & Co. (Kolkata)
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



# Notes forming Part of Consolidated Financial Statements

## 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-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
1	Investment/Acquisition of Shares	-	-	-	452.05	-	-	-	-	-	452.05
2	Redemption of Preference Share	-	-	30.00	30.00	-	-	-	-	30.00	30.00
3	Expense (Reimbursed) / Recovered (net)	-	-	9.82	(9.51)	-	-	-	-	9.82	(9.51)
4	Income from sale / services	-	-	110.41	115.06	-	-	-	-	110.41	115.06
5	Dividend Received	-	-	7.93	10.72	-	-	-	-	7.93	10.72
6	Expenses/Services Received	-	-	733.77	685.29	-	-	12.50	8.28	746.27	693.57
7	Provident Fund & Retirement funds	-	-	-	-	-	-	285.47	318.89	285.47	318.89
8	Dividend paid	264.58	264.58	44.99	31.92	1.11	1.11	0.17	0.17	310.85	297.78
9	Security Deposit Received/(Paid)	-	-	(252.20)	(17.96)	-	-	-	-	(252.20)	(17.96)
10	Remuneration of Key Managerial Personnel	-	-	-	-	-	-	-	-	-	-
	Short Term Employee Benefits	-	-	-	-	16.33	15.93	-	-	16.33	15.93
	Post Employment Benefits	-	-	-	-	2.59	3.76	-	-	2.59	3.76
11	(Purchase) / Sale of Asset	-	-	2.22	-	-	-	-	-	2.22	-
12	Remuneration of Directors	-	-	-	-	49.96	48.58	-	-	49.96	48.58
	Outstanding Balance :	-	-	-	-	-	-	-	-	-	-
1	Debit	-	-	390.58	135.68	-	-	-	-	390.58	135.68
2	Credit	-	-	-	-	49.06	47.85	30.69	18.72	79.75	66.57

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

## NOTE-55 Other Statutory Information (For the financial years 2021-22 and 2020-21):

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

Name of the Electricity Consumers	Nature of transactions with struck off company	Balance Outstanding as on 31 Mar 2022	Balance Outstanding as on 31 Mar 2021	Relationship with Struck off Company
		₹ In crore	₹ In crore	
Fort Oasis Maintenance Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	
Vishwa Marketing Services Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	
Audio Visual Arts Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	
Sunrise Tower Maintenance & Services Pvt. Ltd.	Sale of electricity	0.00*	0.00*	None
	Security Deposit	0.00*	0.00*	

\* Amount is lesser than the rounding off norms followed by the Group.

The Parent being in the business of distribution of electricity, such connection was given earlier in the ordinary course of business.

- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vii) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- (viii) The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**NOTE - 56** 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 - 57** The Group had executed a Share Purchase Agreement (SPA) during the year with Torrent Power Limited to sell and transfer the entire shareholding in Surya Vidyut limited, (a wholly owned subsidiary of the Company). On completion of the Conditions Precedents as per the SPA, the aforesaid transfer has been fully completed during the year and the Group has received a total consideration of ₹ 304.73 crore after necessary closing price adjustments.



## Notes forming part of Consolidated Financial Statements

**NOTE - 58** With regard to the Parent's power purchase from one of its subsidiaries (provider), West Bengal Electricity Regulatory Commission (WBERC) has issued the tariff order in respect of its generation assets for the years 2018-19 and 2019-20 vide its tariff order dated 8 September 2021, wherein certain underlying issues/items have been dealt with in deviation from past practices of tariff determination and kept for disposal through future truing up exercise. The provider not being in agreement with the same, has since preferred an appeal in respect of the above Tariff Order before the Hon'ble Appellate Tribunal for Electricity on the grounds inter alia, that the orders have been passed after substantial period of delay and in fact after the applicable periods are long over and certain directions that have been passed in the said are impossible to comply with because of the aforesaid delay in passing the said order and also not taking into consideration the final project cost for determination of tariff which was already filed with Hon'ble WBERC. Based on legal opinion obtained, the provider is continuing with the tariff earlier determined by WBERC for the year 2017-18 and is confident of the matter being adjudicated in its favour. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.

Further, Hon'ble WBERC has also issued the Tariff Order for 2017-18 in respect of transmission assets of the said provider vide its Order dated April 20, 2022 which have been passed after substantial period of delay and wherein certain issues/ items have been dealt with in deviation from its regulations and without having regard to the special nature of the Project. The said provider not being in agreement with the Order is in the process of filing necessary petition. Based on legal opinion obtained, the Company is continuing with the tariff earlier determined by Hon'ble WBERC for the year 2016-17 and is confident of the matter being adjudicated in its favour. Accordingly, necessary adjustment, if any, will be made on the matter reaching finality.

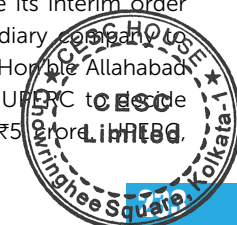
### NOTE - 59

(a) In respect of one of the subsidiary company, in the latest Tariff Order dated 26 August, 2021, the applicable Commission (UPERC) has approved the ARR for FY 2021-22 and has trued up regulatory deferral account credit balance up to 31 March, 2020 at ₹ 385.84 crore as against debit balance ₹ 173.69 crore as per books of accounts. UPERC has deviated on already several settled principles, practices/ methodologies as per UPERC MYT Regulations, 2014 and followed till previous orders/ true-up orders. The said subsidiary is not in agreement with the methodology followed in the aforesaid tariff order and has filed an appeal against the same before the APTEL on 20 October 2021. Based on the evaluation supported by legal opinion, the said subsidiary is of the view that it is more likely than not the matters will be decided in its favour. Accordingly, necessary adjustment, if any, will be made on final adjudication of the Appeal.

UPERC vide Tariff Order dated 26 August 2021 approved the same tariff as approved vide tariff order dated 3 September 2019. Accordingly, during FY 2021- 22, the billing has been done as per tariff rates approved by UPERC vide its order dated 3 September 2019.

(b) In respect of one of the subsidiary company, UPERC had vide its order dated 1 September 2008 determined the revenue requirement for Financial Year 2006-07. Based on the said order, final power purchase cost (including transmission charges) was determined at ₹ 2.41 per unit for Financial Year 2006-07. Uttar Pradesh Power Corporation Limited (UPPCL) filed an appeal against the order in APTEL which has since been dismissed vide order of APTEL dated 15 December 2010. UPPCL, subsequently, challenged the judgment of APTEL in Supreme Court which was admitted on 26 November 2013 and pending for hearing. During Financial Year 2006-07, payments to UPPCL were made at the rate of ₹ 2.9361 per unit, as per the provisional order of UPERC prevailing at that time. The excess payments made to UPPCL amounting to ₹ 20.77 crore have been included under Other current financial assets. UPERC in its order dated 1 September 2008 directed that pending final determination of rates for the additional 10 MVA power (refer note (b) below), the receivables due on this account from UPPCL to the subsidiary company shall not be settled till the final settlement of the dispute between UPPCL and the subsidiary company. Pending final adjudication of the matter, the impact, if any, cannot be ascertainable at this stage.

(c) One of the subsidiary company had requested UPPCL to provide "Open-access" to wheel additional power for meeting the growing demand of the area. However, instead of providing "Open-access", UPPCL vide its letters dated 08 November 2005 and 13 January 2006 agreed to enhance the load of the subsidiary company from 45 MVA to 60 MVA. Accordingly, an additional load of 10 MVA was granted with effect from 10 May 2006. Initially, UPPCL billed the units supplied against additional load @ ₹ 2.9361 per unit, i.e. the same rate at which existing 45 MVA power being supplied. Subsequently, UPPCL revised the bills for additional 10 MVA load at exorbitant rates ranging from ₹ 7.067 per unit to ₹ 9.435 per unit against which the subsidiary company filed a petition before UPERC for resolution of the dispute. UPERC vide its interim order dated 21 November 2006, directed UPPCL to restore the supply if disconnected and asked the subsidiary company to deposit an adhoc payment of ₹ 5 crore. Against the said order of UPERC, UPPCL filed a writ petition in Hon'ble Allahabad High Court. Hon'ble High Court directed UPPCL to restore the power supply within 24 hrs, directed UPERC to resolve the dispute within 4 weeks and also directed the subsidiary company to deposit another sum of ₹ 5 crore.





# Notes forming part of Consolidated Financial Statements

## NOTE - 59 (Contd..)

finally passed an order dated 8 February 2007. Both UPPCL and the subsidiary company have appealed against the said order in Appellate Tribunal for Electricity, New Delhi. Appellate Tribunal had given its final order on 12 May 2008 setting out the methodology to be used to determine the power purchase price for additional power of 10 MVA from UPPCL. The subsidiary company and the UPPCL both had preferred an appeal against the relevant Orders of the Appellate Tribunal for Electricity before the Supreme Court. The Supreme Court vide its order dated 3 April 2017 has dismissed the appeal of UPPCL. The appeal of the subsidiary company is pending adjudication. The final power purchase price for additional power of 10 MVA from UPPCL is yet to be determined based on the Order of the Appellate Tribunal and the same cannot be determined at this stage. The subsidiary company does not anticipate any additional liability arising on this account. The additional payments made to UPPCL per directions of UPERC and Hon'ble High Court amounting to ₹ 10 crore have been included under Other Current Financial Assets.

- (d) In respect of one of the subsidiary, UPERC vide its Tariff Order dated 18 June 2015 had approved the provisional ARR for Financial Year 2015-16 alongwith truing-up for Financial Year 2013-14 wherein it had deviated on some principles/ methodologies followed till previous orders/ provisional orders for the aforesaid period. The subsidiary company did not agree with the changed methodology followed in that order and filed an appeal before Appellate Tribunal for Electricity (APTEL) against the same. APTEL vide its judgement dated 02 June 2016 allowed the appeals on certain grounds. Accordingly, UPERC gave effect to the grounds of appeal upheld by APTEL in its tariff order dated 01 August 2016. Consequently, the subsidiary company has recognised the effect of the UPERC's above order in determination of regulatory deferral balance for financial year 2015-16. Meanwhile, UPERC has appealed against the judgement of APTEL before the Hon'ble Supreme Court, which is yet to be decided.
- (e) In respect of one of the subsidiary, in order to cater to the growing electricity demand of the area, Greater Noida Industrial Development Authority (GNIDA) constructed one 220/132/33 kV Substation viz. R C Green Substation through Uttar Pradesh Transmission Company Limited (UPPTCL) on the land owned by the subsidiary company. After taking approval from its Board of Directors, GNIDA transferred the ownership of the substation to the subsidiary company on payment of actual cost of the substation. However, UPPTCL disputed operation and maintenance of 220 kV substation by a Distribution Company despite specific provisions in the Electricity Act, 2003 and refused to give physical possession of the substation. Consequently, the subsidiary company filed a petition before the UPERC for issuing direction to UPPTCL for handing over physical possession of the R. C. Green Substation to the subsidiary company. The UPERC vide its order dated 31 October 2018, without going into the legal provisions for ownership, operation and maintenance of the Substation by a distribution licensee, rejected the petition of the subsidiary company. The subsidiary company has filed an appeal against the impugned order before APTEL on 12 November 2018 which has since been admitted on 18 January 2019. The appeal is pending for decision.
- (f) One of the subsidiary company, in earlier years, had applied for connectivity of its 220kV Gharbara Substation to UPPTCL (STU) which was constructed by GNIDA on the land owned by the subsidiary company. During construction, GNIDA, after taking approval from its Board of Directors, handed over this substation to the subsidiary company on payment of cost incurred. The subsidiary company subsequently completed the construction on its own. Meanwhile, STU did not grant connectivity as applied, hence, a petition was filed before UPERC on 11 May 2015 for seeking directions to STU for granting connectivity and to sign Bulk Power Transmission Agreement (BPTA) with the subsidiary company. UPERC, vide its interim order dated 30 June 2016, directed STU to grant connectivity to the subsidiary company, however, STU didn't comply with the same. UPERC finally disposed off the petition on 31 October 2018 stating that UPPTCL as STU and transmission licensee shall own, operate and maintain 220 kv substation at Gharbara and the Company shall claim refund of the amount deposited with GNIDA towards cost of substation. The subsidiary company has filed an appeal against the above order before APTEL on 11 December 2018 which has since been admitted on 12 February 2019. The appeal is pending for decision.
- (g) For one of the subsidiary, as per erstwhile agreement with UPPCL dated 15 December 1993, the subsidiary company has transferred refundable consumers' security deposits to UPPCL for the period 1 August 1998 to 31 March 2006 amounting to ₹ 11.29 crore as security against supply of 45 MVA power. UPPCL has since terminated the aforesaid agreement and withdrawn 45 MVA power supply with effect from 12 February 2014. Accordingly, the subsidiary company is seeking refund of the aforesaid security deposit from UPPCL.
- (h) For one of the subsidiary, On the application of Oppo for load augmentation, the subsidiary company asked UPPTCL (STU) to provide estimate for 2 nos. 132 kV Bays at its 440/220/132 kV Substation at Sector-148, Noida alongwith 132 kV line from the Substation to Oppo's premises. UPPTCL while providing estimate for the above stated that the said line shall be part of STU network to which the subsidiary company did not agree. After several correspondence, the subsidiary company filed a petition with UPERC for determination of ownership of the above 132 kV line from Sec-148 to Oppo's premises. Meanwhile, the subsidiary company after receiving payment of estimated cost of construction of 2 nos 132 kV bays and 132



# Notes forming part of Consolidated Financial Statements

## NOTE - 59 (Contd..)

kV Line from Oppo, paid the same to STU for completion of work in order to timely augment their load. Upon receiving the payment, STU constructed the line and energised the same in March 2022.

UPERC finally disposed off the petition on 1st April 2022 stating that UPPTCL as STU and transmission licensee shall own the 132 kV Line and the subsidiary company shall have the ownership of the delivery point i.e. metering system at the consumer premises. The subsidiary company is contemplating to file an appeal against the above order. Based on the evaluation, the subsidiary company is of view that it is more likely than not the matters will be decided in favour of the subsidiary company.

**NOTE - 60** The Group has reclassified previous year's figures to conform to this years classification alongwith other regrouping / rearrangement wherever necessary.

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

Firm Registration Number - 301003E/E300005

**Kamal Agarwal**

Partner

Membership No.: 058652

Kolkata, 13th May, 2022

For and on behalf of Board of Directors

Chairman	<b>Sanjiv Goenka</b>	DIN: 00074796
Managing Director -Generation	<b>Rabi Chowdhury</b>	DIN: 06601588
Managing Director- Distribution	<b>Debasish Banerjee</b>	DIN: 06443204
Company Secretary	<b>Jagdish Patra</b>	
Executive Director & CFO	<b>Rajarshi Banerjee</b>	



# Major Statistics : 2021 - 2022

## Generating Capacity

Budge Budge Generating Station	750 MW
Southern Generating Station	135 MW
Titagarh Generating Station	240 MW
220/132/33 KV Substations	Installed Capacity 2000 MVA
132/33 KV Substations	Installed Capacity 2977 MVA
Distribution Stations	No. of Stations 117
	Transformer Capacity 3922 MVA
Tie Transformer	No. of Transformer 6
	Transformer Capacity 22 MVA
LT Substations	No. of AC Substations 8719
	Transformer Capacity 2994 MVA
Package Substations (PSS)	No. of Substations 114
	Installed Capacity 108 MVA
<b>Distribution Network (Circuit Km.)</b>	
	220 KV UG 48 Ckt. Km.
	220 KV OH 221 Ckt. Km.
	132 KV UG 318 Ckt. Km.
	132 KV OH 81 Ckt. Km.
	33 KV UG 1577 Ckt. Km.
	33 KV OH 92 Ckt. Km.
	20 KV UG 50 Ckt. Km.
HT Distribution	11 & 6 KV UG 7017 Ckt. Km.
	11 & 6 KV OH 87 Ckt. Km.
	3.3 KV UG 21 Ckt. Km.
LT Distribution	UG 8208 Ckt. Km.
	OH 5748 Ckt. Km.
HT Capacitor	132 & 33 kV 640 MVAR
	6 & 11 kV 273 MVAR
LT Capacitor (APFC)	0.4 kV 204 MVAR

## Additions During the Year

220/132/33 KV Substations	560.0 MVA	LT UG Mains	104.36 Ckt. Km.
132/33 KV Substations	0.0 MVA	LT OH Mains	53.20 Ckt. Km.
Distribution Stations	24.0 MVA	220 KV UG	0.79 Ckt. Km.
LTAC Substations	40.2 MVA	220 KV OH	NIL
Package Substations (PSS)	1.0 MVA	132 KV UG	0.59 Ckt. Km.
No. of LT Services	11227 Nos	33 KV UG	18.28 Ckt. Km.
No. of HT Services	18 Nos	6 & 11 KV UG	63.37 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

Particulars	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	₹ crore
1 Surya Vidyut Limited*	April- March	251.91	57.12	759.08	759.08	-	109.90	7.05	(1.20)	5.84	-	-	100.00
2 Malegaon Power Supply Limited	April- March	113.35	(101.51)	212.42	212.42	-	478.61	(57.45)	-	(57.45)	-	-	100.00
3 CESC Projects Limited	April- March	41.65	(37.27)	6.25	6.25	-	-	(1.72)	-	(1.72)	-	-	100.00
4 Bantala Singapore Pte. Limited \$	April- March	56.68	(56.46)	0.33	0.33	-	-	(0.19)	-	(0.19)	-	-	100.00
5 Ranchi Power Distribution Company Limited	April- March	29.30	(32.99)	2.22	2.22	-	-	(0.35)	-	(0.35)	-	-	100.00
6 Pachi Hydropower Projects Limited	April- March	4.42	(2.86)	2.58	2.58	-	-	(0.01)	-	(0.01)	-	-	100.00
7 Papu Hydropower Projects Limited	April- March	2.82	(2.06)	0.76	0.76	-	-	(0.01)	-	(0.01)	-	-	100.00
8 Au Bon Pain Café India India	April- March	126.35	(126.47)	0.15	0.15	-	-	(0.56)	-	(0.56)	-	-	93.10
9 Haldia Energy Limited	April- March	1,203.44	2,090.97	8,192.56	8,192.56	23.89	2,203.18	563.08	(229.66)	333.42	-	-	100.00
10 Dhariwal Infrastructure Limited	April- March	2,242.77	(1,587.80)	4,069.05	4,069.05	-	1,564.79	136.71	-	136.71	-	-	100.00
11 Kota Electricity Distribution Limited	April- March	393.83	(308.33)	540.86	540.86	-	801.82	(40.98)	-	(40.98)	-	-	100.00
12 Bikaner Electricity Supply Limited	April- March	127.55	1.54	379.09	379.09	-	567.24	11.74	(2.82)	8.92	-	-	100.00
13 Bharatpur Electricity Services Limited	April- March	24.05	2.82	133.08	133.08	-	216.19	2.91	(0.71)	2.20	-	-	100.00
14 Crescent Power Limited	April- March	60.00	234.67	454.89	454.89	82.54	116.58	18.67	(3.17)	15.50	-	-	67.83
15 CESC Green Power Limited	April- March	0.05	(0.01)	0.05	0.05	-	-	(0.00)	-	(0.00)	-	-	100.00
16 Jharkhand Electric Company Limited	April- March	35.65	(5.23)	32.10	32.10	-	-	(0.19)	(0.00)	(0.19)	-	-	100.00
17 Jarong Hydro-Electric Power Company Limited	April- March	2.05	(0.51)	1.56	1.56	-	-	(0.01)	-	(0.01)	-	-	100.00
18 Eminent Electricity Distribution Limited	April- March	460.05	2.30	462.49	462.49	452.05	-	6.15	(1.48)	4.67	-	-	100.00
19 Noida Power Company Limited	April- March	60.00	1,184.45	2,462.83	2,462.83	323.13	2,020.35	194.26	(43.85)	150.41	-	-	72.73

\*Figures are as per Financial as on March 11, 2022

## Notes:

\$ Converted to Indian Rupees at the Exchange Rate, 1 USD=INR 76.47

For and on behalf of Board of Directors

Chairman	<b>Sanjiv Goenka</b>	DIN: 00074796
Managing Director-Generation	<b>Rabi Chowdhury</b>	DIN: 06601588
Managing Director- Distribution	<b>Debasish Banerjee</b>	DIN:06443204
Company Secretary	<b>Jagdish Patra</b>	
Executive Director & CFO	<b>Rajarshi Banerjee</b>	



**STATEMENT PURSUANT TO SECTION 129(3) OF THE COMPANIES ACT 2013 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014 RELATED TO ASSOCIATE COMPANIES AND JOINT VENTURES**

**Part B: Associates and Joint Ventures**

Name of the Associates/Joint Ventures	Mahuagarhi Coal Company Private Limited
Latest audited Balance Sheet Date	March 31, 2022
Shares of Associate/ Joint Venture held by the company on the year end	2429800
Amount of iNvestment in Associate/ Joint Venture (Rs Crore)	-
Extend of Holding %	50%
Description of how there is significance influence	By way of shareholding
Reason why the associate /joint venture is not consolidated	NA
Networth attributable to shareholding as per latest audited Balance Sheet (Rs Crore)	-
Profit/Loss for the year (Rs crore)	-
Considered in consolidation	-
Not Considered in consolidation	Nil

For and on behalf of Board of Directors

Chairman	<b>Sanjiv Goenka</b>	DIN: 00074796
Managing Director-Generation	<b>Rabi Chowdhury</b>	DIN: 06601588
Managing Director- Distribution	<b>Debasish Banerjee</b>	DIN:06443204
Company Secretary	<b>Jagdish Patra</b>	
Executive Director & CFO	<b>Rajarshi Banerjee</b>	

Place: Kolkata  
Date: May 13, 2012



# Office / Plant Locations

## GENERATING STATIONS

### Budge Budge

Vill. & P.O. - Pujali, P.S. Budge Budge  
24 Parganas (S), Pin : 700138  
Phone: 033-2482 1113, 033-2482 1709  
033-2482 2957, 033-2482 1708

### Southern

28 Garden Reach Road  
Kolkata 700 024  
Phone: 033-2469 7558, 033-2469 6886  
033-2469 3608, 033-2469 7557

## REGIONAL OFFICES

### Central

CESC House  
Chowringhee Square  
Kolkata 700 001  
Phone : 033-2225 6040 (10 lines)

### Howrah

433/1G. I Road (N)  
Howrah 711 101  
Phone: 033-2676 5700

### North

226 A & B APC Road  
Kolkata 700 004  
Phone: 033-2509 6100

### North Suburban

32 B. T. Road  
(Opp. Sagar Dutta Hospital)  
Kolkata 700 058  
Phone : 033-6645 4300

### South

6 Mandeville Gardens  
Kolkata 700 019  
Phone: 033-2485 6100

### South-West

P-18 Taratolla Road  
Kolkata 700 088  
Phone: 033-2420 5000

In case of supply breakdown billing  
and payment assistance please contact

1912  
033-4403 1912  
1860 500 1912  
033-3501 1912

## CUSTOMER RELATIONS DEPARTMENT

CESC House  
Chowringhee Square  
Kolkata 700 001  
Phone : 033-2225 6040 - 49

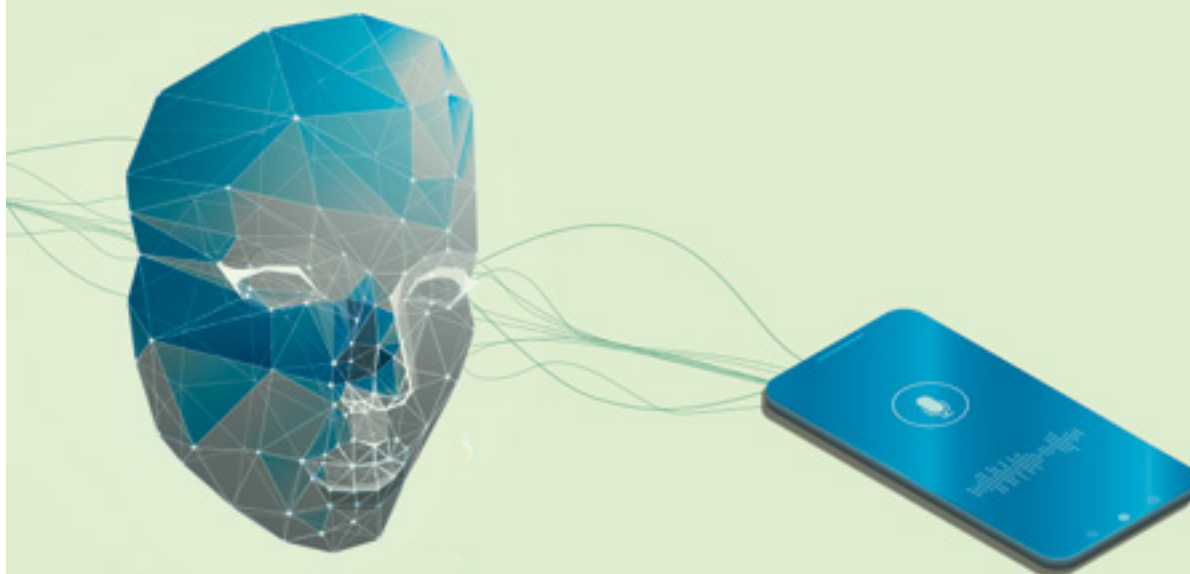
## Corporate Office Address

2/4 Judges Court Road,  
Alipore, Kolkata - 700 027,  
West Bengal  
Phone: 2487 0000

## Investor Service

Secretarial Department  
CESC House  
Chowringhee Square  
Kolkata 700 001  
Phones:  
For resident shareholders  
033-6634 0814  
For non-resident shareholders  
+91 033-6634 0814 / 0909  
Fax: 033-2236 3868  
E-mail: secretarial@rpsg.in





## Presenting "AASTHA" - Our Voice Assistant

### Our voice assistant at your service

- Interacts with you in colloquial Bengali, English and Hindi
- Answers queries and registers complaints
- Provides necessary information
- Available 24\*7

Dial **033 3501 1912, 033 4403 1912, 1860500 1912, 1912** to avail this service









**REGISTERED OFFICE**

CESC House

Chowringhee Square, Kolkata - 700 001

Phone: (033) 22256040 (10 lines), 2204 0300, 6634 0300

Fax: (033) 2225 5155

CIN: L31901WB1978PLC031411

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



**Independent Auditors' Report**

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

1. This Report is issued in accordance with the terms of our Service Scope letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter referred to as the "Company").
2. The accompanying Statement of details of earnings from Sale of Electricity to persons other than own consumers and West Bengal State Electricity Distribution Company Limited ("WBSEDCL") during the year ended March 31, 2022 (hereinafter referred to as the 'Statement'), which we have initialed for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2022 for submission of such statement along-with / Fuel and Power Purchase Cost Adjustment ("FPPCA") / Annual Performance Review ("APR") application for the year 2021-22 to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the West Bengal Electricity Regulatory Commission.

**Auditor's Responsibility**

5. Our responsibility is to provide a limited assurance as to whether electricity units sold to persons other than own consumers and WBSEDCL, particulars of which is contained in the Statement, together with explanatory notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.

*e*



7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Verified the monthly reconciliation, on test check basis, of earnings from electrical energy sold to bilateral sources and cost of other charges, if any, as detailed in point no. 1 of the Statement with dedicated bank account, as relevant;
  - b) Checked on a test check basis that earnings from electrical energy sold to banking sources as detailed in point no. 2 (i) and (ii) of the Statement has been accurately computed in accordance with the valuation method as stated in Note 1 to the aforesaid Statement;
  - c) Compared on test check basis cost of other charges on Earnings from Banking Sources, if any, as detailed in point no. 2 (iii) of the Statement with the statement of invoices of respective vendors;
  - d) Compared on test check basis Electricity units sold as detailed in the Statement with monthly "Generation and Import/Export Statistics" Reports prepared and approved by the management, compiled based on final schedule received by the management from West Bengal State Load Despatch Centre, West Bengal State Electricity Transmission Company Limited ("WBSETCL");
  - e) Checked whether the Average rates as detailed in the Statement has been accurately computed in accordance with the formulae stated in the Statement;
  - f) Tested arithmetical accuracy of the Statement; and
  - g) Obtained necessary representations from management

**Conclusion**

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with explanatory notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.

g



**Restriction on Use**

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA / APR application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The report has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report 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

*NA*

per Navin Agrawal  
Partner  
Membership Number: 056102  
UDIN: 22056102AVAEDW9806

Place of Signature: Bangalore  
Date: September 26, 2022



**CESC Limited**  
Statement showing Earnings from Sale of Electricity to  
persons other than own consumers and WBSEDCL for the year ended 31 March 2022

Particulars	Unit	Derivation	2021-22	2021-22
<b>Earnings from :</b>				
<b>1. Bilateral sources (net of other charges)</b>				
Indian Energy Exchange	Rs.Lakhs	a1		8,536.72
				<b>8,536.72</b>
<b>2. Banking sources (Note 1)</b>				
(i) Swap-in/ Swap-out fully settled during the year -Arunachal Pradesh Power Corporation Private Limited	Rs.Lakhs	a2	1,417.50	
(ii) Swap-in/ Swap-out carried forward to next year -Arunachal Pradesh Power Corporation Private Limited	Rs.Lakhs	a3	-	1,417.50
				<b>9,954.22</b>
(iii) Other charges relating to the above Swap-in/ Swap-out -Arunachal Pradesh Power Corporation Private Limited	Rs.Lakhs	a4	(6.02)	(6.02)
<b>Total Earnings</b>	<b>Rs. Lakhs</b>	<b>A</b>		<b>9,948.21</b>
<b>Overall Quantum</b>				
<b>Units at CESC Busbar</b>				
Indian Energy Exchange	MU	b1		168.73
Arunachal Pradesh Power Corporation Private Limited (Swap-in/ Swap-out)	MU	b2		29.02
<b>Total Units at CESC Busbar</b>	<b>MU</b>	<b>B</b>		<b>197.75</b>
<b>Average Rates (net of other charges)</b>				
Indian Energy Exchange	Paise/Unit	c1=a1/b1*10		505.95
Arunachal Pradesh Power Corporation Private Limited (Swap-in/ Swap-out)	Paise/Unit	c2=(a2+a3+a4)/b2*10		486.39

**Notes:**

1. The valuation is in terms of Regulation 5.15.2 (iv) of the West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 notified vide Notification No. 48/WBERC dated 25th April 2011 and as amended by Notification No. 54/WBERC dated 30th July 2013 issued by the West Bengal Electricity Regulatory Commission.

The above Statement is certified to be true and correct.

Kolkata

September 26, 2022

*Sanjit*

Executive Director & CFO



### Independent Auditors' Certificate

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

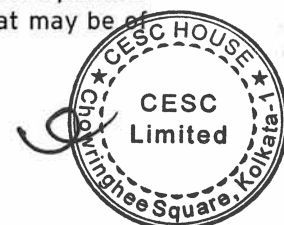
1. This Certificate is issued in accordance with the terms of our Service Scope letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of details of electrical units purchased/sold during the year ended March 31, 2022 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2022 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011, (hereinafter referred to as the 'Regulations').

#### Management's Responsibility

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

#### Auditor's Responsibility

5. Our responsibility is to provide a limited assurance as to whether (i) Electricity units purchased; (ii) Electricity units purchased/sold through Unscheduled Interchange (Net); (iii) Electricity units sold to own consumers; (iv) Electricity units sold to West Bengal State Electricity Distribution Company Limited ("WBSEDCL"); (v) Electricity units sold to persons other than own consumers and WBSEDCL; and (vi) Electricity units consumed in Company's premises, particulars of which are contained in the Statement, together with explanatory notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.



7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Traced the details set out in the Statement for the year ended March 31, 2022 from the audited standalone financial statements;
  - b) Compared Electricity units purchased (other than purchase of solar energy) with Yearly "Generation and Import/Export Statistics" Report prepared and approved by the management for financial year 2021-22 compiled based on Monthly "Generation and Import/Export Statistics" Reports;
  - c) Compared on test check basis Electricity units purchased from solar sources with "Solar Injection" Report prepared and approved by the management;
  - d) Compared on test check basis compilation of Monthly "Generation and Import/Export Statistics" Reports prepared and approved by the management with the final schedule received by the management from West Bengal State Load Despatch Centre, West Bengal State Electricity Transmission Company Limited ("WBSETCL");
  - e) Compared on test check basis Electricity units purchased/sold through Unscheduled Interchange ('UI') (Net) with "Statement on account of UI for each - 15 minutes time block" received by the management from West Bengal State Load Despatch Centre;
  - f) Compared on test check basis Electricity units sold to own consumers with monthly "Comparative Statement of revenue and units sold" prepared and approved by the management;
  - g) Compared on test check basis Electricity units sold to WBSEDCL with invoices;
  - h) Compared on test check basis Electricity units sold to persons other than own consumers and WBSEDCL with Monthly "Generation and Import/Export Statistics" Reports prepared and approved by the management, with invoices and with the final schedule received by the management from West Bengal State Load Despatch Centre, WBSETCL;
  - i) Compared Electricity units consumed in Company's premises in the Statement with the report generated from CESC LT Billing & Collection System;
  - j) Compared on test check basis Electricity units received for conveyance with the bills raised by the Company; and
  - k) Obtained necessary representations from management.

#### Conclusion

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with explanatory notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.



**Restriction on Use**

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
  
13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

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



per Navin Agrawal  
Partner  
Membership Number: 056102  
UDIN: 22056102AUZWVJ1341

Place of Signature: Bangalore  
Date: September 26, 2022





## CESC Limited

Statement showing Purchase of electricity units including through Unscheduled Interchange (UI) (Net), Sales of electricity units to own consumers, West Bengal State Electricity Distribution Company Limited (WBSEDCL), persons other than own consumers and WBSEDCL and Consumption of electricity units in Company's premises during the year ended 31<sup>st</sup> March, 2022

Particulars	Million KWh
Electricity Units Purchased *	5201.517
Electricity Units Purchased / (Sold) through Unscheduled Interchange (Net)	(10.466)
Electricity units received for conveyance/wheeling	3.806
Electricity Units sold to own consumers	9403.186
Electricity Units sold to WBSEDCL	14.201
Electricity Units sold to persons other than own consumers and WBSEDCL (at CESC Bus) #	197.746
Electricity Units consumed in Company's premises	32.914
Electricity units conveyed	3.806

\* includes purchase of renewable electricity and electricity purchased on power banking terms.

# includes electricity units sold on power banking terms.

Notes :

1. The aforesaid electricity units purchased represent units received by CESC Limited at CESC Bus.

The above statement is certified to be true and correct.

Kolkata  
September 26, 2022



  
Executive Director & CFO



# Annex C4

## CESC Limited

Statement showing category-wise details of number, consumption level and total connected load of consumers for the year ended 31st March, 2022

Category of Consumers	No. of Consumers	Connected Load KW	Units Sold MU	Revenue Rs. Crore
<b>Low and Medium Voltage</b>				
Domestic (Urban)	2935092	3978640.90	4460.86	3,112.33
Commercial (Urban)	418810	909078.74	1055.44	909.87
Industries (Urban)	64892	642874.02	770.26	619.68
Specified Institution (Municipal or Non-Municipal), Government School, Government aided School or Government Sponsored School	1534	18932.96	21.55	14.32
Public Water Works and Sewerage System	1120	20119.64	34.24	24.37
Private Educational Institutions and Hospitals	174	3862.24	3.61	2.80
Public Bodies (Municipal or Non-Municipal)	3136	34725.66	60.09	44.79
Street Lighting	23728	62134.57	236.63	165.24
Short-term Supply			5.12	3.94
<b>LT Total</b>	<b>3448486</b>	<b>5670368.73</b>	<b>6647.80</b>	<b>4,897.34</b>
<b>High and Extra High Voltage</b>				
Industries (below 33 KV)	516	221812.10	877.85	677.78
Industrial (33 KV)	9	62127.50	335.54	227.99
Commercial (below 33 KV)	599	173443.60	459.29	401.93
Commercial (33 KV)	7	21960.00	90.98	66.75
Domestic	351	104497.30	258.66	188.28
Public Water Works and Sewerage, Pumping Station under local Authority	212	159914.10	473.42	379.28
Cold Storage or Dairy with chilling plant	3	230.00	2.78	2.32
Traction / Metro Rail / Calcutta Tramways	15	42780.00	146.23	103.95
Public Utility	30	14592.80	54.20	44.35
Co-operative Group Housing Society for providing power to its members or person for providing power to its employees in a single premises	5	894.00	2.64	1.80
Construction Power Supply	13	3052.70	3.61	3.57
Private Educational Institutions	23	5521.60	6.39	6.69
Sports Complex and Auditorium run by Govt. / local bodies for cultural affairs	25	6058.50	3.71	3.07
Military Engineering Service (MES)	21	10513.80	39.98	28.14
Short-term Supply			0.11	0.10
<b>HT Total</b>	<b>1829</b>	<b>827398.00</b>	<b>2755.39</b>	<b>2,136.00</b>
<b>Overall</b>	<b>3450315</b>	<b>6497766.73</b>	<b>9403.19</b>	<b>7,033.34</b>
<b>Add : Sales to other licensees (WBSEDCL)</b>		<b>4223.60</b>	<b>14.20</b>	<b>9.29</b>

**Note :**

1. The above does not include impact of reversal of additional revenue of Rs. 29.14 crores for 2020-21 and the impact of excess revenue of Rs. 11.33 crore not considered in 2021-22.

The above Statement is certified to be true and correct.

Kolkata

September 20, 2022

For CESC Limited

Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

September 20, 2022

For Shome and Banerjee  
Cost Accountants



Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZB78UUVKQSP



Statement showing breakup of "Other Expenses" appearing in the Statement of Profit and Loss of the Company for the year ended 31 March, 2022, dealt with in the Cost Audit Report for the said year.

PARTICULARS	Expenses attributable to		TOTAL Rs. Lakh (1+2)
	Generation	Distribution, Consumer Services including Corporate	
	Rs. Lakh	Rs. Lakh	
	(1)	(2)	
Water Cess	-	-	-
Repair and Maintenance including cost of contracted personnel, Consumable Stores & Spares	10,948	16,543	27,490
Payment under Voluntary Separation Scheme	534	-	534
Coal & Ash Handling	1,044	-	1,044
Rent	79	2,781	2,860
Rates & Taxes	475	538	1,013
Advertisement	3	1,025	1,027
IT Systems and computer maintenance expenses	62	1,682	1,744
Stamps & Courier Charges	1	1,833	1,835
Legal Charges	-	941	941
Auditors' Fees	153	321	474
Insurance Premium	1,500	556	2,056
Travelling expenses and Vehicle hire charges	490	2,804	3,294
Vehicle Maintenance	176	965	1,141
Telephone and Communication expenses	34	778	812
Security charges	869	1,475	2,343
Mitigating Expenses for Pandemic	2	572	574
Other Management & Administrative Expenses (net of recovery)	783	16,944	17,726
Director's Sitting Fees and Expenses	-	95	95
Bank Charges and other financial costs	-	921	921
Lease Rent	-	994	994
Interest on Consumer's Security Deposits	-	10,640	10,640
Call Centre Charges	-	1,555	1,555
Bad Debt / Advances (non costs in costs accounts)	-	3,276	3,276
<b>Total</b>	<b>17,152</b>	<b>67,237</b>	<b>84,389</b>

1. The above Expenses as mentioned do not include a sum of Rs.225 lakh and Rs. 15185 lakhs attributable to certain specified revenue yielding consulting/advertising activities; and certain Ind-AS adjustments, corporate/one-off items respectively.

2. Rent and Lease Rent considered above is grossed up for actual expenses after adjustment of Ind AS computation considered in Audited Accounts

3. Certain expenses incurred at Corporate level have been duly allocated to Columns (1) and (2) above in appropriate cases

The above statement is certified to be true and correct.

Kolkata

22 December, 2022

For CESC Limited

Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZDZDV15P1C



Statement showing details of power transformers installed at EHV Substations and Distribution Stations & Distribution Transformers installed in 6/11 kV Network as on 31 March, 2022

Sl. No.	Voltage Class	DETAILS OF POWER & DISTRIBUTION TRANSFORMERS				TOTAL CAPACITY (kVA)			
		Different Voltage-ratio in use	Different Capacities in use (kVA)	No. in each capacity size	Total No. of Transformers				
1	220 kV	220/132/33 kV (EM South Substation)	200000	2	12	2000000			
		220/132/33 kV (EM South Substation)	160000	1					
		220/132/33 kV (EM Substation)	160000	4					
		220/132/33 kV (NC Integrated GIS S/S)	160000	3					
		220/132/33 kV (Prinsep Street S/S)	160000	2					
2	132kV; 110KV	132/34.5 kV	75000	14	27	1742000			
			69000	1					
			68000	1					
			55000	1					
			50000	10					
		132/33 kV	100000	3	16	1235000			
			75000	11					
			55000	2					
			SUBSTATION TOTAL :					55	4977000
			3	33 kV; 20 kV; 11KV; 6 kV; 3.3kV			36/33 kV	25000	2
16000	1								
20000	1								
16000	3								
33/11/6 kV	25000	2			148	2705000			
	20000	100							
	16000	37							
	7000	9							
	16000	38							
33/6 kV	15000	12			70	1018000			
	12500	16							
	7500	4							
	20/6 kV	7000					1	4	32000
6/20 kV	7500	2							
10000	1								
6/3.3 kV	10000	2			3	32500			
	12500	1							
	DISTRIBUTION STATION TOTAL :			232			3921500		
4	Tie Transformer	6/11 kV	5000	2	6	22000			
			3000	4					
TIE TRANSFORMER TOTAL :				6	22000				
5	11 & 6 kV		63/100/150/175		70	5164			
			200/250/270		237	47660			
			300/315		5625	1768510			
			400/450		2375	951550			
			500/563/570		285	143273			
			600/630/660		119	71460			
			750/800/850/1000		8	6550			
DISTRIBUTION TRANSFORMER TOTAL :				8719	2994167				
6	Package Substations (PSS)		400		8	3200			
			990		106	104940			
PACKAGE SUBSTATIONS TOTAL :				114	108140				

The above Statement is certified to be true and correct.

Kolkata

22 December, 2022

For CESC Limited

Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants



**CESC Limited**

Statement showing details of Voltage Level wise Network Line Length as on 31 March, 2022

Si. No	Normal Voltage		Total Line Length in Ckt km
1	220 KV	UG	48
		OH	221
2	132 KV	UG	318
		OH	81
3	33 KV	UG	1,577
		OH	92
4	20 KV	UG	50
5	11 & 6 KV	UG	7,017
		OH	87
6	3.3 KV	UG	21
7	440/230 V, 3-phase, single phase if available	UG	8,208
		OH	5,748

The above Statement is certified to be true and correct.

**Kolkata**

22 December, 2022

for CESC Limited

Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us found, the same to be in accordance therewith.

**Kolkata**

22 December, 2022



**For SHOME & BANERJEE  
Cost Accountants**

**Kunal Banerjee  
Partner**

**Membership No. 6573**

**UDIN: 2206573ZZG6T58EUCH**



Statement showing break-up of category wise Employee Cost (net of allocation/ transfer to capital account etc.) attributable to power business for the year ended 31 March, 2022

Category	Amount Rs. Lakhs	Strength as at 31.03.2022
Managerial / Supervisory	54,063	3,074
Others	34,556	3,846
<b>Total</b>	<b>88,619</b>	<b>6,920</b>

The above statement is true and correct.

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZWRO8JQY7Y



**Statement of (Generation & Distribution of Electricity) Employee Cost (own) allocation for the financial year ended 31 March, 2022**

Function/Area	Number of Employees (own) as at 31.03.2022	Gross Amount Rs. Lakhs	Capitalisation/transfer [Refer Note-1] Rs. Lakhs	Net Amount Rs. Lakhs
(1)	(2)	(3)	(4)	(5)=(3)-(4)
Budge Budge Generating Station	578	7,977		7,977
Titagarh Generating Station	3	46		46
Southern Generating Station	294	4,978		4,978
Generation	875	13,001		13,001
Distribution	4238	56,615	9,319	47,296
Selling	1441	14,959		14,959
Centrally Maintained	366	16,123	2,760	13,363
<b>Total</b>	<b>6920</b>	<b>1,00,698</b>	<b>12,079</b>	<b>88,619</b>

**Note:-**

1. Based on deployment of personnel on company's various capital projects and/or activities, not directly attributable to the company's distribution & generation activities, relatable employee cost is collated on tracking respective activities, which work out to Rs. 12079 lakh, including Rs. 1303 lakh representing the same on account of shared cost.

2. The above does not include Employee Cost of Rs 84 lakhs attributable to Consultancy Services and Covid related medical expenses of Rs 534 lakhs.

The above statement is certified to be true and correct.

Kolkata

22 December, 2022

For CESC Limited

*[Signature]*  
Vice President (Finance)

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**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

*[Signature]*  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZMTC4NZA5I



Statement showing Company's Contribution towards Provident Fund including Employees' Pension Scheme (EPS), Gratuity and Pension for the year ended 31 March, 2022

A) Contribution paid to Provident Fund

Sl. No.	MONTH & YEAR	Provident Fund Rs. Lakhs	Date of Payment	Employee's Pension Scheme (EPS) Rs. Lakhs	DATE OF PAYMENT
1	Apr-21	366	12.05.2021	78	13.05.2021
2	May-21	365	14.06.2021	77	15.06.2021
3	Jun-21	364	14.07.2021	77	15.07.2021
4	Jul-21	372	13.08.2021	76	12.08.2021
5	Aug-21	374	14.09.2021	75	14.09.2021
6	Sep-21	373	08.10.2021	75	08.10.2021
7	Oct-21	375	11.11.2021	75	11.11.2021
8	Nov-21	375	14.12.2021	75	13.12.2021
9	Dec-21	376	11.01.2022	75	13.01.2022
10	Jan-22	367	14.02.2022	73	14.02.2022
11	Feb-22	368	14.03.2022	73	14.03.2022
12	Mar-22	370	12.04.2022	73	12.04.2022
13	Miscellaneous for the financial year 2021-22			1	various dates within 31.03.2022
<b>TOTAL :</b>		<b>4,445</b>		<b>903</b>	

B) Contribution paid to Life Insurance Corporation of India (LIC) and ICICI Prudential Life Insurance Company Limited towards Gratuity and Pension


Date of Payment	Amount Rs. Lakhs
25.03.2022	1,105
21.10.2022	2,500
<b>Total</b>	<b>3,605</b>

The above statement is true and correct.

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZRIM3D8HD





## CESC Limited

Statement showing Contractor Employee Cost for the year ended 31 March, 2022

Sl. No	Particulars	Budge Budge	Southern
		Generating Station	Generating Station
		Rs. Lakhs	Rs. Lakhs
1	Salary and Wages		
	a. Basic Pay	1,249	328
	b. Other Allowances	2,383	229
2	Funds for retirement		
	a. Gratuity	62	16
	b. Company's contribution to PF, ESI and terminal benefits	203	53
3	Leave encashment	3	1
4	Welfare expenditure	323	85
5	Others-		
	a. Work Implements	108	28
	b. Service Charge including taxes	1,445	247
	<b>Total</b>	<b>5,776</b>	<b>987</b>
	<b>Number of Personnel as at 31 March 2022</b>	<b>737</b>	<b>280</b>

The above statement is true and correct

Kolkata

22 December, 2022

For CESC Limited

  
 Vice President (Finance)
**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022

For SHOME & BANERJEE  
Cost Accountants
  
 Kunal Banerjee  
Partner
Membership No. 6573  
UDIN: 2206573ZZTZT2L12M4

## CESC Limited

Statement of Other Finance Charges debited to Profit & Loss Account for the year ended 31 March, 2022

Si. No.	Particulars	Amount Rs. Lakhs
(i)	Front End Fees for Non Convertible Debentures	177
(ii)	Front End Fees / Arrangement Fees for loans and Bank facilities including charges for other services	1,206
(iii)	Bank Charges for Cash Management Services	152
(iv)	Miscellaneous	18
	<b>Total</b>	<b>1,553</b>

The above statement is certified to be true and correct.

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573

UDIN: 2206573ZZTY83O6LW5



CESC Limited

Statement showing payment of GST on Royalty/NMET/DMF and Additional Premium and payment of Compensation Cess on Coal Rejects for Sarisatolli Coal Mine

Year	GST Rs in Lakh	Compensation Cess Rs in Lakh
2020-21	1,502.74	943.67
2021-22	1,175.78	502.49

The above statement is true and correct.

Kolkata

October 17, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Chennai

October 17, 2022



For Shome and Banerjee  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZT735RNV2D



**Statement showing GST charged for mining and allied services on ROM Coal produced and despatched from Sarisatolli Coal Mine**

Year	Rs in Lakhs
2020-21	4,184.97
2021-22	3,550.52

The above statement is true and correct.

Kolkata

October 17, 2022

For CESC Limited

Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Chennai

October 17, 2022



For Shome and Banerjee  
Cost Accountants

Kunal Banerjee  
Partner

Membership No. 6573

UDIN: 2206573ZZD8ICEIUHO



**Statement of Government dues charged in respect of production and dispatch of ROM coal from Sarisatolli Coal Mine**

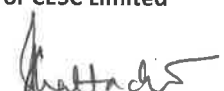
Nature of Government dues	Amount collected for F.Y. 2020-21 Rs in Lakh	Amount collected for F.Y. 2021-22 Rs in Lakh
Primary Education Cess under West Bengal Primary Education Act, 1973	843.39	618.80
Rural Employment Cess under West Bengal Rural Employment and Production Act, 1976	3,373.57	2,475.21
Royalty under Mines and Minerals (Development & Regulation) Act, 1957	42.03	35.92
National Mineral Exploration Trust contribution under Mines and Minerals (Development & Regulation) Act, 1957	0.84	0.72
District Mineral Foundation contribution under Mines and Minerals (Development & Regulation) Act, 1957	4.20	3.59
Public Works Cess under West Bengal Cess Act, 1880	8.41	7.18
Road Cess under West Bengal Cess Act, 1880	8.41	7.18
Asansol Mine Board Health Fee under West Bengal Mining Settlements (Health and Welfare) Act, 1964	17.66	13.81

The above statement is true and correct.

Kolkata

October 17, 2022

For CESC Limited

  
Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Chennai

October 17, 2022



For Shome and Banerjee  
Cost Accountants

  
Kunal Banerjee

Partner

Membership No. 6573

UDIN: 2206573ZZLZ38MHLJF



**Independent Auditors' Report**

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

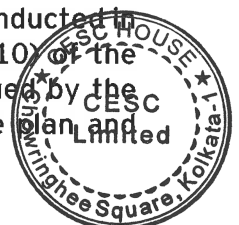
1. This Report is issued in accordance with the terms of our Service Scope Letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter referred to as the "Company").
2. The accompanying Statement of payment of Income Tax for the financial year ended March 31, 2021 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on Income Tax Return filed by the Company for the previous year ended March 31, 2021 (Assessment Year 2021-22) for submission of such statement along-with Annual Performance Review ("APR") application for the financial year 2021-22 to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 5.13.1 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the West Bengal Electricity Regulatory Commission.

**Auditor's Responsibility**

5. Our responsibility is to provide a limited assurance as to whether the details of income tax paid, as set out in the Statement is in agreement with the Income Tax Return filed by the Company for the previous year ended March 31, 2021 (Assessment Year 2021-22).
6. We have audited the standalone financial statements of the Company for the financial year ended March 31, 2022, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we



perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Traced details of income tax paid, disclosure of which is limited to tax liability, for the Assessment Year 2021-22 (Financial Year 2020-21), as set out in the Statement from the Return of Income filed by the Company with the Income Tax Authorities dated March 11, 2022.;

#### **Conclusion**

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with explanatory notes thereon, has not been accurately extracted from the Income Tax Return filed by the Company for the previous year ended March 31, 2021 (Assessment Year 2021-22).

#### **Restriction on Use**

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with APR application to WBERC in compliance with paragraph 5.13.1 of the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

13. The report has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report 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 Navin Agrawal

Partner

Membership Number: 056102

UDIN: 22056102BAIOAC8345



Place of Signature: Kolkata

Date: October 19, 2022





**CESC Limited**

**Statement of payment of Income Tax for the financial year ended March 31, 2021**

Previous Year	Particulars	Amount paid (Rs. lakh)	Remarks
2020-21	Tax under Income Tax Act, 1961	18,056.98	Disclosure of amount of tax paid is limited to the tax liability as per Return of Income for the Assessment Year 2021-22 filed with the Income Tax Authorities on 11.03.2022.

**Note:**

Income Tax assessment for the financial year 2020-21 is not yet completed.

The above Statement is certified to be true and correct.

Kolkata

19 October 2022



  
**Executive Director & CFO**



**Independent Auditors' Report**

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

1. This Report is issued in accordance with the terms of our Service Scope Letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter referred to as the "Company").
2. The accompanying Statement of Reserve for Unforeseen Exigencies for the year ended March 31, 2022 and investment made thereof (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2022 and unaudited books of accounts and other relevant records and documents of the Company for the period ended September 30, 2022 for submission of such statement along-with Annual Performance Review ("APR") application for the financial year 2021-22 to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 5.24.10 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

**Management's Responsibility**

3. The preparation of the Statement along with notes thereon is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

**Auditor's Responsibility**

5. Our responsibility is to provide a limited assurance as to whether:
  - (i) The details contained in the Statement regarding Reserve for Unforeseen Exigencies has been accurately extracted from the audited standalone financial statements for the year ended March 31, 2022; and
  - (ii) The amount of earmarked investments made by the management as on September 30, 2022 in relation to Reserve for Unforeseen Exigencies is in agreement with the books and records of the Company as at September 30, 2022.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those



Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Traced the details set out in the Statement from the audited standalone financial statements for the year ended March 31, 2022;
  - b) Checked from the bank statement, on a test check basis, that the amount appropriated towards Reserve for Unforeseen Exigencies during the financial year ended March 31, 2022 has been invested by way of deposits with scheduled banks within September 30, 2022;
  - c) Tested arithmetical accuracy of the Statement; and
  - d) Obtained necessary representations from management.

#### Conclusion

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details with respect to Reserve for Unforeseen Exigencies, together with explanatory notes thereon, has not been accurately extracted from the audited standalone financial statements for the year ended March 31, 2022; and that the details with respect to amount of earmarked investments made by the management as on September 30, 2022 in relation to Reserve for Unforeseen Exigencies is not in agreement with the books and records of the Company for the period ended September 30, 2022.

#### Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with APR application to WBERC in compliance with paragraph 5.24.10 of the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The report has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly,



# S.R. BATLIBOI & Co. LLP

Chartered Accountants

accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report 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 Navin Agrawal  
Partner

Membership Number: 056102  
UDIN: 22056102BAINAX3049



Place of Signature: Kolkata  
Date: October 19, 2022



**CESC Limited**

**Statement of Reserve for Unforeseen Exigencies for the year ended March 31, 2022  
and investment made thereof**

(Rs. In Lakhs)

<b>Opening Balance as at 1st April, 2021</b>	<b>Amount Appropriated for 2021-22 (excluding interest)</b>	<b>Amount Appropriated for 2021-22 towards interest</b>	<b>Closing Balance as at 31st March, 2022</b>
29860	0 (a)	1807	31667 (b)

Notes:

(a) No sum has been appropriated towards Reserve for Unforeseen Exigencies by the Company, in view of the fact that no amount has been considered under the head, in Multi Year Tariff (MYT) since the financial year 2014-15.

(b) The aforesaid sum has been invested by the Company by way of deposits with scheduled banks which are earmarked by the management towards funding for reserve for unforeseen exigencies and the same are in existence as on September 30, 2022.

The above Statement is certified to be true and correct.

Kolkata

19 October 2022

  
**Executive Director & CFO**



**Independent Auditors' Certificate**

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

1. This Certificate is issued in accordance with the terms of our Service Scope letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of details of units generated during the year ended March 31, 2022 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2022 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

**Auditor's Responsibility**

5. Our responsibility is to provide a limited assurance as to whether (i) Station-wise Installed Electricity Generating Capacity; (ii) Station-wise units generated; (iii) Station-wise Plant Load Factor (PLF); and (iv) Station-wise units sent out, particulars of which is contained in the Statement, together with explanatory notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.

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7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Verified Station-wise Installed Electricity Generating Capacity in the Statement from the Energy wise - Performance Status All India - Region wise Report for the month of March 2022 published by Central Electricity Authority;
  - b) Traced Station-wise electricity units generated and sent out from CESC Generating Stations from the Yearly Generation and Import/Export Statistics Report prepared and approved by the management for the financial year 2021-22;
  - c) Checked whether Plant Load Factor has been accurately computed in accordance with the formulae defined in clause 1.2.1 (Ixxix) of the Notification no. 48/ WBERC dated April 25, 2011 issued by WBERC;
  - d) Tested arithmetical accuracy of the Statement; and
  - e) Obtained necessary representations from management.

#### **Conclusion**

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with explanatory notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.

#### **Restriction on Use**

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.

9



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

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

  
per Navin Agrawal  
Partner  
Membership Number: 056102  
UDIN: 22056102AUZUVM4261

Place of Signature: Bangalore  
Date: September 26, 2022





## CESC Limited

Statement showing details of units generated during the year ended 31<sup>st</sup> March, 2022

Particulars	Unit	Budge Budge (BBGS)	Southern (SGS)
(a) Installed Electricity Generation Capacity	MW	750	135
(b) Units Generated	Million KWh	5562.030	164.031
(c) Plant Load Factor $c = b / ( a \times 365 \text{ days} \times 24 \text{ hrs.} / 1000)$	%	84.66	13.87
(d) Units sent out from CESC Generating Stations	Million KWh	5131.945	149.211

Notes:

1. Plant Load Factor has been computed as defined in Clause 1.2.1 (lxxix) of the Notification no 48/WBERC dated 25 April 2011 issued by the West Bengal Electricity Regulatory Commission.

The above statement is certified to be true and correct.

Kolkata  
September 26, 2022



Executive Director & CFO



**Independent Auditors' Certificate**

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

1. This Certificate is issued in accordance with the terms of our Service Scope letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter the "Company").
2. The accompanying Statement of Average Cost of Coal, Biomass and Light Diesel Oil (LDO) consumed during the year ended March 31, 2022 (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2022 for submission of such statement along-with Fuel and Power Purchase Cost Adjustment ("FPPCA") application to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

**Auditor's Responsibility**

5. Our responsibility is to provide a limited assurance as to whether (i) Station-wise Average cost per tonne, Average freight cost per tonne and Total cost per tonne of coal consumed; (ii) Station-wise Average cost per KL of LDO consumed; and (iii) Station-wise total quantity of coal and LDO consumed, particulars of which is contained in the Statement, together with explanatory notes thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.
6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI").



Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Obtained and traced the details set out in the Statement for the year ended March 31, 2022 from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements;
  - b) Compared station-wise quantity of coal and LDO consumed, cost of coal and LDO consumed, freight cost incurred with the statement of consumption as prepared and approved by the management;
  - c) Checked whether the Station-wise Average cost per tonne, Average freight per tonne and total cost per tonne of coal consumed and Average cost per KL of LDO consumed has been accurately computed in accordance with the formulae stated in the Statement;
  - d) Tested arithmetical accuracy of the Statement; and
  - e) Obtained necessary representations from management.

#### **Conclusion**

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with explanatory notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.

#### **Restriction on Use**

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with FPPCA application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

13. The certificate has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

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



per Navin Agrawal  
Partner  
Membership Number: 056102  
UDIN: 22056102AVAFGD1288

Place of Signature: Bangalore  
Date: September 26, 2022



## CESC Limited

**Statement showing Cost of Coal, Biomass and LDO consumed  
for the year ended 31<sup>st</sup> March, 2022**

Particulars	Unit	Budge Budge	Southern
<b>Coal Consumed</b>			
- Quantity	Tonne	32,63,108	1,33,398
Average Cost	Rs./Tonne	3,139.09	3,777.45
Average Freight [Refer Note 1]	Rs./Tonne	864.70	1,006.78
Overall Average	Rs./Tonne	4,003.79	4,784.23
<b>LDO Consumed</b>			
- Quantity	KL	712.54	707.50
Average Cost	Rs./KL	54,042.60	56,610.18
<b>Biomass</b>			
- Quantity	Tonne	50	-
Average Cost	Rs./Tonne	11,235.00	-

Notes :

1. Represents freight and other related costs towards transportation of coal through Rail to Generating Stations.
2. Consumption quantity and value for ascertaining the above average coal cost, freight thereof and LDO cost has been arrived at on the basis of quantity and value of coal/ LDO purchased, adjusted for opening and closing stock quantity and its value and includes other required adjustments.
3. Out of the above mentioned generating stations, the freight cost of Southern Generating Station includes payments made to Kolkata Port Trust.
4. The average cost of Coal Consumed and freight thereof per tonne and the average cost of LDO Consumed per KL has been arrived at by dividing the respective value of Coal consumed, LDO consumed and freight incurred during the year by quantity mentioned above.

The above statement is certified to be true and correct

Kolkata  
September 26, 2022

  
**Executive Director & CFO**



**Independent Auditors' Report**

The Board of Directors  
CESC Limited  
CESC House, Chowringhee Square,  
Kolkata 700 001

1. This Report is issued in accordance with the terms of our Service Scope letter dated September 8, 2022 and Master Engagement Agreement dated August 5, 2022 with CESC Limited (hereinafter referred to as the "Company").
2. The accompanying Statement of Interest on Security Deposits maintained by the consumers with the Company for the year ended March 31, 2022 and settlement thereof (hereinafter referred to as the 'Statement'), which we have initialled for identification purposes only, contains the details as prepared by the management of the Company based on audited books of accounts and other relevant records and documents of the Company for the year ended March 31, 2022 for submission of such statement along-with Annual Performance Review ("APR") application for the financial year 2021-22 to West Bengal Electricity Regulatory Commission ("WBERC") in compliance with paragraph 2.11.3 of West Bengal Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2011 (hereinafter referred to as the 'Regulations').

**Management's Responsibility**

3. The preparation of the Statement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Company's management is also responsible for ensuring the correctness of all the technical information included in the Statement and for ensuring that the Company complies with the requirements of all the relevant regulations and for providing all relevant information to the WBERC.

**Auditor's Responsibility**

5. Our responsibility is to provide a limited assurance as to whether:
  - (i) the amount of interest on security deposits debited to the Statement of Profit & Loss during the year ended March 31, 2022; and
  - (ii) the settlement thereof by the Company,

particulars of which is contained in the Statement, together with explanatory note thereon, has been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.

6. The audited standalone financial statements referred to in paragraph 5 above, have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 13, 2022. Our audit of these standalone financial statements was conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned



and performed in connection with any specific transactions to identify matters that may be of potential interest to third parties.

7. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. 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.
9. As per Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, a limited assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures performed vary in nature and timing from, and are less extent than for, a reasonable assurance. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.
10. We have performed the following procedures in relation to the Statement:
  - a) Traced the amount of Interest on Security Deposits set out in the Statement for the year ended March 31, 2022 from the audited standalone financial statements;
  - b) Checked tax deducted (TDS) on Interest on Security Deposits as specified in the Statement with the "Summary report of SD Interest" for LT and HT Consumers prepared and approved by the management and also the challan for deposit of such TDS with the Central Government;
  - c) Checked on test check basis settlement of interest on Security Deposit by way of additions to Security Deposits of existing consumers or by way of credit to consumer's accounts done subsequent to end of financial year 2021-22, from various monthly reports prepared and approved by the management;
  - d) Tested arithmetical accuracy of the Statement; and
  - e) Obtained necessary representations from management.

### Conclusion

11. Based on our examination, as above, including the specific procedures as set out in paragraph 10 above, nothing has come to our attention that causes us to believe that the details as contained in the Statement, together with explanatory notes thereon, has not been accurately extracted from the audited books of accounts and other relevant records and documents underlying the audited standalone financial statements as at and for the year ended March 31, 2022.

### Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities pursuant to your obligation to submit the Statement along-with APR application to WBERC in compliance with paragraph 2.11.3 of the Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability are in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

13. The report has been issued at the request of the Company to be submitted to WBERC and is not to be used for any other purpose or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report 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 Navin Agrawal  
Partner

Membership Number: 056102  
UDIN: 22056102BAIKKA6731



Place of Signature: Kolkata  
Date: October 19, 2022





**CESC Limited**

**Statement of Interest on Security Deposits maintained by  
the consumers with the Company for the year ended March 31, 2022 and settlement thereof**

<b>Particulars</b>	<b>Amount (Rs. Crores)</b>
Amount of Interest on Security Deposits debited to the Statement of Profit and Loss for the year ended March 31, 2022	106.40
Settlement of the above interest has been done as below :	
(a) Credit to consumers' accounts against sale of electricity	74.32
(b) Addition to Security Deposits of the existing consumers	27.02
(c) Payment of tax to the credit of Central Government Account towards tax deducted at source from the above interest, under the provisions of the Income Tax Act, 1961	5.06
<b>Total</b>	<b>106.40</b>

Note: The above has been settled after the end of the financial year 2021-22 in the ordinary course of business as per consistent practice.

The above Statement is certified to be true and correct.

Kolkata

19 October 2022

  
**Executive Director & CFO**



## CESC Limited

Statement showing generating station-wise, total demurrage hour and related net demurrage charges against total no. of rakes for the year ended 31 March, 2022

Budge Budge Generating Station				
Month	Total Demurrage Hrs	No. of BOX-N Rakes Nos	No. of BOB Rakes Nos	Net Demurrage Amount Rs. Lakhs
Apr	64	20	54	5.78
May	78	20	68	6.45
Jun	22	13	47	2.32
Jul	39	18	58	3.19
Aug	167	38	47	13.77
Sep	42	27	50	3.32
Oct	136	24	49	10.64
Nov	21	15	50	1.78
Dec	58	23	50	4.75
Jan	155	31	38	13.13
Feb	159	33	35	12.68
Mar	333	48	48	26.65
<b>Total</b>	<b>1,274</b>	<b>310</b>	<b>594</b>	<b>104.47</b>

Southern Generating Station			
Month	Total Demurrage Hrs	No. of BOXN Rakes Nos	Net Demurrage Amount Rs Lakhs
Apr	-	7	-
May	15	4	1.49
Jun	-	-	-
Jul	-	-	-
Aug	-	-	-
Sep	3	2	0.29
Oct	2	7	0.20
Nov	1	3	0.10
Dec	2	6	0.20
Jan	3	4	0.30
Feb	-	-	-
Mar	3	6	0.30
<b>Total</b>	<b>29</b>	<b>39</b>	<b>2.89</b>

The above statement is true and correct.

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZH0R42PDSI



**Statement showing breakup of "Legal Expenses" included in the Statement of Profit and Loss of the Company for the year ended 31 March, 2022**

Categories of Legal Expenses	Amount Rs. Lakhs
Relating to own employees and establishment	45.99
Relating to Land & Property	35.74
Relating non-compliance of Standard of Performance for new connection, line maintenance, etc	28.71
Regarding commercial activities e.g. metering, billing, realization of revenue from consumers, etc/allied strategy related matters	35.95
Relating to Consumers' accident, death, injury, etc	-
Relating to action against unfavourable orders/judgements of various statutory/judicial authorities	5.31
Revenue taxation matters	72.58
Security Creation Charges/ Loan Document	10.82
Strategic Initiatives for Policy matters	445.34
Miscellaneous	57.39
GST on legal Charges paid to the credit of Government Account	202.97
<b>Sub Total</b>	<b>940.81</b>
Sundry Corporate Matters	382.26
<b>Grand Total</b>	<b>1,323.07</b>

The above statement is true and correct.

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZWHPNO0J0J



Statement of fees, penalties or compensation due to non-compliance of any statute or statutory order for the year ended 31 March, 2022

This is to certify that the Profit & Loss Account for the year ended 31<sup>st</sup> March, 2022 does not as such include any statutory penalty/fine imposed under any Statute including the Electricity Act, 2003

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZDTE128HY1



Statement showing generating stationwise Company's employee cost (other than officers) for the year ended 31 March, 2022

Particulars		Budge Budge Generating Station
Employee cost for the year ended 31 <sup>st</sup> March, 2022 attributable to respective generating station		
Salaries and wages	(Rs. Lakh)	2,962.52
Contribution to provident & other funds	(Rs. Lakh)	288.06
Employees' Welfare Expenses	(Rs. Lakh)	212.46
<b>Total (A)</b>	<b>(Rs. Lakh)</b>	<b>3,463.04</b>
Number of employees (B)		399
<b>Average annual employee cost [(A)/(B)]</b>	<b>(Rs. Lakh)</b>	<b>8.68</b>

**Notes:**


1. The number of employees as per (B) above has been derived based on average deployment during the year.
2. The above cost has been shown for Budge Budge Generating Station as at 31st March 2022.

The above statement is true and correct.

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573

UDIN: 2206573ZZSI9QTGJFQ



Statement of Revenue and Cost in respect of Consultancy Services for the year ended 31 March, 2022

SI No.	Particulars	Amount Rs. Lakhs
(i)	Total Revenue earned from Consultancy Services	4.93
(ii)	Total Expenses incurred in respect of Consultancy Services	96.79
	<b>Net Income (Loss)</b>	<b>(91.86)</b>

The above expenditure in item (ii) above includes employee cost of Rs 84 lakhs.

The above statement is true and correct.

Kolkata

22 December, 2022

For CESC Limited



Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants



Kunal Banerjee  
Partner

Membership No. 6573

UDIN: 2206573Z253ZLLLY0M



Statement showing Subsidy adjusted against consumer bills for the year ended 31  
March, 2022

Sl. No	Month & Year	Subsidy under Hasir Alo Scheme	
			Rs. Lakhs
1	Apr-21		104
2	May-21		90
3	Jun-21		99
4	Jul-21		94
5	Aug-21		83
6	Sep-21		89
7	Oct-21		100
8	Nov-21		160
9	Dec-21		202
10	Jan-22		206
11	Feb-22		195
12	Mar-22		113
<b>Total</b>			<b>1,535</b>

The aforesaid amount has been since received in full by the company from the Government of West Bengal

The above statement is true and correct

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

**Auditors' Certificate**

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022

For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573  
UDIN: 2206573ZZ25WC8495P



Statement showing Mitigating Expenses related to Covid-19 Pandemic for the year ended 31 March, 2022

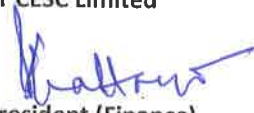
Station	Sanitisation, PPE and other Covid mitigating Expenses	Car / Ambulance Hire Expenses	Quarantine Expenses	Vaccination Expenses	Total
	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs	Rs. Lakhs
Budge Budge Generating Station	1	-	-	-	1
Southern Generating Station	2	-	-	-	2
Distribution	139	-	-	-	139
Centrally Maintained	349	83	240	129	801
<b>Total</b>	<b>491</b>	<b>83</b>	<b>240</b>	<b>129</b>	<b>943</b>

The above statement is true and correct

Kolkata

22 December, 2022

For CESC Limited

  
Vice President (Finance)

Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

22 December, 2022



For SHOME & BANERJEE  
Cost Accountants

  
Kunal Banerjee  
Partner

Membership No. 6573

UDIN: 2206573ZZZJ9XSAJHF





## Annex C28

### CESC Limited

Statement showing details of Stationwise Plant Availability Factor(PAF)  
during the year ended 31st March, 2022

Particulars	Unit	Budge Budge (BBGS)	Southern (SGS)
Plant Availability Factor (PAF)	%	96.72	97.16

Note:

1. Plant Availability Factor has been computed as defined in Clause 1.2.1 (xvi) (b), read with Clause 6.4.3 of the Notification no 48/WBERC dated 25 April 2011 issued by the West Bengal Electricity Regulatory Commission and Annexure I of the Notification no 69/WBERC dated 26 November 2021 issued by the West Bengal Electricity Regulatory Commission.

The above statement is true and correct

Kolkata

September 20, 2022

For CESC Limited

Vice President (Finance)

### Auditors' Certificate

We have examined the above statement with the books and records maintained by the Company and according to the information and explanations provided to us, found the same to be in accordance therewith.

Kolkata

September 20, 2022

For Shome and Banerjee  
Cost Accountants



Kunal Banerjee  
Partner

Membership No. 6573

UDIN: 2206573ZZWPXHSKOLY

