



**RP - Sanjiv Goenka
Group**

Growing Legacies



SEC:SB:30487

5 July, 2017

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

The Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata – 700 001

Luxembourg Stock Exchange
BP 165
L-2011 Luxembourg

Dear Sir,

Annual Report for the F.Y. 2016-17

Please find enclosed a copy of Annual Report for the Financial Year 2016-17. The same is also available on the website of the Company www.cesc.co.in.

This is for your information and record.

Yours faithfully,

General Manager (Secretarial & Estates)

Encl:

CESC Limited

CIN : L31901WB1978PLC031411 e-mail : cesclimited@rp-sg.in

Regd. Office : CESC House, Chowringhee Square, Kolkata – 700 001, India

Tel. : +91 33 2225 6040 Fax : +91 33 2225 3495 Web : www.cesc.co.in

ANNUAL REPORT 2016 - 2017

DISTRIBUTION

GENERATION

RETAIL

OTHER VENTURES

ENERGIZING LIVES

Board of Directors

Sanjiv Goenka, Chairman
 Pradip Kumar Khaitan
 Brij Mohan Khaitan
 Chandra Kumar Dhanuka
 Rekha Sethi
 Kalaikuruchi Jairaj
 Pratip Chaudhuri
 Aniruddha Basu, *Managing Director*

Company Secretary

Subhasis Mitra

Auditors

Lovelock & Lewes

Solicitors

Khaitan & Co.
 Sandersons & Morgans

Registered Office

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

Bankers

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

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Chairman's Letter

Dear Shareholder,

Any successful listed company must work to consistently create long term value for its shareholders. Sometimes, that full value often does not come into play — remaining obscured because of the unlisted subsidiaries. In other words, the aggregate value of all the unlisted firms, howsoever growing or profitable, does not reflect in that of the listed entity. This happens often enough throughout the corporate world, especially for conglomerates that have just a few listed entities along with many other unlisted companies.

In such situations, fiduciaries often play an active role in unlocking the 'hidden' value. More often than not, it is done by demerger and subsequent listing of the major subsidiaries.

It was with this objective in mind that the Directors of your Company decided in the Board meeting held on 18 May 2017 to approve a restructuring plan to demerge all the large businesses into four separate entities :

- 1) Power generation, which will include all thermal, wind, solar and renewable.
- 2) Power distribution, which will include the Kolkata license, Noida Power and the distribution franchisee business.
- 3) Retail, which will largely comprise Spencer.
- 4) Other businesses, which will include the business process outsourcing entity under Firstsource Solutions, as well as Quest.

The rationale is to unlock hidden corporate value, create greater currency for the shareholders, provide more flexibility to each company in accessing capital and allow each of these to prepare and execute its focused strategy for sustained growth.

This is not a dilution. It is a demerger. As per the proposal, for every ten CESC shares held, a shareholder will get five shares of the power generation arm, five of the distribution company, three of the retail firm and two of the entity which will hold the other businesses. All four will be listed entities. The appointed date of demerger is 1 October 2017 subject to approval of the National Company Law Tribunal.

With this, I expect that each of the demerged and listed entities will be able to grow unfettered and that the sum of shareholder values of each of these will be greater than what it is for CESC today.

Now for a brief synopsis of how your Company fared in 2016-17, it was exactly as I had written in my letter to you last year. The business hummed along, without any upheavals, downturns nor negative surprises.

Here are the key financial results of CESC as a standalone entity, prepared under the new accounting standards (Ind-AS) :

- During 2016-17, your Company's revenue from operations increased by over 6% versus the previous year to reach ₹ 7,220 crore. Total income (including other income) also grew by over 6% to ₹ 7,366 crore.
- After considering regulatory income, profit before taxes (PBT) increased by over 5% to ₹ 1,101 crore.
- Profit after taxes (PAT) was ₹ 863 crore, i.e., an increase of 2.1% over the previous year.
- Total comprehensive income increased marginally to ₹ 824 crore.

There have been operational successes that have driven this performance. Let me share a few.

- Thermal power generation : Budge Budge had excellent plant load factor (PLF) of 82.4% with a plant availability factor (PAF) of 85.2%. Even as the Company reduced generation from the older Titagarh and Southern stations, the overall combined availability of the three stations was 89.4%. The 2x300 MW plant at Haldia achieved a PLF of 76.7% and with a plant availability factor exceeding 95%. These are significantly above the national norms. In addition, your Company has two other operational thermal power projects with a combined capacity of 640 MW — the 2x300 MW thermal power facility at Chandrapur (Maharashtra) and a 40 MW power plant using shale and washery rejects at Asansol (West Bengal).
- Power distribution in the Kolkata and Howrah licensed area : Your Company met the needs of over 3.1 million customers, and added some 96,000 new customers in 2016-17. The average time taken to provide a new connection ranges between one and two days. Adoption of various e-services and digital solutions, which had begun two years ago, increased significantly in the course of the year.
- Wind and solar : There are four wind projects. These are at Dangri (Rajasthan), Surendranagar (Gujarat), Nipaniya (Madhya Pradesh) and Rojmal (Gujarat). The first two have been profitable since inception; the third is expected to be profitable in 2017-18; and the fourth is still being commissioned in phases. Your Company's solar power venture located in Ramnathapuram (Tamil Nadu) was profitable in its first full year of operation in 2016-17.
- Distribution franchisees : CESC won three such tenders. All three are in Rajasthan at Kota, Bharatpur and Bikaner. The first two franchisees became operational in 2016-17 and Bikaner in May 2017. These currently have a combined customer base of 4 lakh and an annual energy consumption of around 1,900 million units (MUs). This translates to a revenue of approximately ₹ 1,250 crore a year.
- Retail : Spencer's Retail Limited (SRL) is the flagship company of CESC in retail with 124 stores, including 39 hypermarkets across India under the Spencer's brand name. In 2016-17, it registered a same store sales growth of almost 9%, with an average revenue per square foot of ₹1,576 per month. SRL has started its online sales channel www.spencers.in. Au Bon Pain Café India Limited is a subsidiary of SRL, and caters to the 'fast casual restaurants' segment. In 2016-17, it opened eight new cafés and expanded its operations in Delhi. The number of cafés in operation at the end of the year was 29, with presence in Bengaluru, Kolkata and Delhi. Omnipresent Retail India Private Limited is a 100% subsidiary of SRL, and has developed and owns the e-commerce platform which is deployed by SRL for its customers to order online and get their food and grocery products delivered at their doorstep.
- Business process management (BPM) services : Through a subsidiary, your Company bought a majority stake in Firstsource Solutions Limited (FSL) in 2012-13. FSL provides BPM services in customer management, transaction processing and collections

Chairman's Letter

for Fortune 500 and FTSE 100 companies in the US and the UK as well as corporations in India. It operates in the spaces of healthcare, telecom and media, banking, financial services and insurance and the mortgage sectors. With an employee strength of 25,871 and 48 service facilities in the USA, the UK, Philippines, India and Sri Lanka, FSL has a marquee client base that any such company would be proud of having.

- Real estate : In November 2013, Quest Properties India Limited (QPIL), a wholly owned subsidiary of your Company, launched Kolkata's first upscale shopping mall, the Quest. The mall has completed its third full year of operation and has been a major success with annual footfall of about 12 million and gross sale of around ₹580 crore by all retailers. At present, QPIL is implementing a residential project in Haldia to cater to the housing requirement of some large corporate houses and individual residents.

So, as you can see, this is a rich menu of businesses across different verticals. Not surprisingly, therefore, your Directors unanimously opted for the demerger proposal on 18 May 2017 to unlock substantial value — not only for the companies but also, far more important for you, the shareholders.

Let us hope that the demergers occur as expected and according to the management's time line.

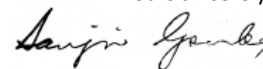
I am optimistic about India's growth. Yes, it has taken a percentage point hit for 2016-17 versus the previous year, perhaps on account of demonetisation. That negative effect has clearly worn off and unless some terrible unforeseen events hit us, I expect India to grow at anywhere between 7.5% and 7.7% in 2017-18. That will continue to make us the fastest growing nation among all developed countries and major emerging markets.

Faster GDP growth, good governance, continuation of policy reforms and benefits of the Goods and Services Tax (GST), coupled with the positive effects of your Company's demerger, ought to result in even better results in 2017-18. I certainly believe that to be the case.

Thank you for your support.

With best wishes,

Yours sincerely,



Sanjiv Goenka
Chairman

18 May, 2017

CESC Limited

Registered Office :

CESC House, Chowringhee Square, Kolkata - 700 001

Tel : 033-2225 6040, Fax : 033-2225 5155

E-mail : secretarial@rp-sg.in; Website : www.cesc.co.in

Corporate Identity Number : L31901WB1978PLC031411

NOTICE TO THE MEMBERS

Notice is hereby given that the Thirty-ninth Annual General Meeting of the Members of CESC Limited will be held at **CITY CENTRE**, Royal Bengal Room, DC Block, Sector- I, Salt Lake, Kolkata - 700 064 on **Friday, 28 July 2017 at 10.30 AM** for the following purposes :

1. To receive, consider and adopt the audited financial statements for the year ended 31 March 2017 and the audited consolidated financial statements for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To confirm Interim Dividend @ 100% (i.e., ₹ 10/- per share) already paid for the year ended 31 March 2017.
3. To appoint a Director in place of Mr. Aniruddha Basu (DIN : 06593527) who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration and for the purpose to consider and, if thought fit, to pass, the following Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration Number 301003E/E300005), be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Forty-fourth AGM of the Company at such remuneration as may be decided by the Audit Committee of the Board of Directors of the Company and the said appointment be placed every year for ratification by the members from the Fortieth to the Forty-third AGM of the Company."

SPECIAL BUSINESS

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

5. AS A SPECIAL RESOLUTION

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

- (a) ICICI Bank Limited (ICICI) for two term loans aggregating ₹ 300 crore and a Performance and Financial Bank Guarantee of ₹ 170 crores;

- (b) HDFC Bank Limited (HDFC Bank) for two term loans aggregating of ₹ 250 crores;
- (c) Karnataka Bank (KB) for two term loans aggregating ₹ 200 crores;
- (d) Central Bank of India (CB) for a term loan of ₹ 125 crores;
- (e) State Bank of India (SBI) for a term loan of ₹ 400 crores;
- (f) Citibank NA (CITI) for two term loans aggregating ₹ 416.63 crores; and

- (g) DBS Bank Limited (DBS) for a term loan of ₹ 150 crores

to secure the said term loans and bank guarantee together with interest, charges, expenses, front-end fees and all other monies payable by the Company to ICICI, HDFC Bank, KB, CB, SBI, CITI and DBS (collectively referred to as "the Lenders") in terms of their respective letters of sanction, loan agreements, facility agreements, hypothecation agreements or any other agreement or any amendment thereto entered into / to be entered into by the Company with all or any of the Lenders so that the aforesaid charge and / or mortgage and/or other encumbrance may be created by the Company over and in respect of its properties in their favour, either singly or collectively, in such form and subject to such prior charge or with such pari passu or subservient ranking of charges as may be decided by the Board in consultation with one or more of the Lenders.

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

6. AS AN ORDINARY RESOLUTION

"RESOLVED THAT the remuneration of ₹ 6,00,000/- (plus applicable service tax and out of pocket expenses) for M/s. Shome & Banerjee, Cost Accountants, as Cost Auditors of the Company for the financial year ending 31 March 2018, as recommended by the Audit Committee of the Board of Directors ("the Board") and approved by the Board, be and is hereby ratified.

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

By Order of the Board

Subhasis Mitra

Company Secretary

Kolkata, 18 May 2017

NOTES :

1. The Register of Members of the Company will remain closed from 21 July, 2017 to 28 July, 2017 both days inclusive.
2. In terms of the provisions of the Companies Act, 2013 the Company proposes to appoint Messrs. S. R. Batliboi & Co. LLP, Chartered Accountants, as new Auditors of the Company for a period of five years from the conclusion of the forthcoming Annual General Meeting, in place of Messrs. Lovelock & Lewes, Chartered Accountants, who have been the Auditors of the Company since its incorporation in 1978.
3. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote in his stead. A Proxy need not be a Member of the Company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the time for holding the Meeting.

A person can act as Proxy on behalf of not exceeding fifty members and holding in aggregate not more than ten percent of the total paid-up share capital of the Company. A member holding more than ten percent of the paid-up share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

4. Corporate Members intending to depute their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of the relevant Board Resolution together with respective specimen signature(s) of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.
5. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business under items 5 and 6 of the Notice is annexed hereto.
6. The Company proposes to send to the Members notices, annual report and accounts and other communication through electronic mode. Members are, therefore, requested to update their e-mail address with the Depository Participant if the holding is in electronic mode, or, intimate to the Company by sending an e-mail at secretarial@rp-sg.in. Copies of all such communication can also be obtained in physical form from the Company free of cost, upon request. All such documents shall also be available at the Company's website www.cesc.co.in
7. Dividend not claimed or paid within 7 years will be transferred to the Investor Education & Protection Fund (IEPF). All unpaid/unclaimed dividend for the year ended 31 March 2010 will be transferred to IEPF on or before 26 August 2017. All equity shares of the Company in respect of which dividend has not been paid or claimed for seven consecutive years or more are also required to be transferred by the Company to IEPF. **Claims for payment of such dividend should, therefore, be lodged with the Company immediately.**

8. Voting through electronic means :

- I. (A) The Company will provide to its members the facility to vote on the resolutions proposed to be considered at the Thirty-ninth Annual General Meeting (AGM) by electronic means and the business may be transacted through such voting with services provided by National Securities Depository Limited (NSDL).
- (B) The facility for voting, either through TAB based voting system or ballot or polling paper shall also be made available at the AGM. The members attending the Meeting, who have not already cast their vote from a place other than the venue of the AGM by using the said electronic voting system (such voting hereinafter referred to as "remote e-voting"), shall be able to exercise their voting right at the Meeting.
- (C) The members who would have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.
- II. The process and manner for remote e-voting are as under:
 - A. In case a member receives an e-mail from NSDL [for members whose e-mail IDs are registered with the Company / Depository Participant(s)] :
 - i) Open e-mail and open PDF file viz., "CESC e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your User ID and password / PIN for e-voting. Please note that the password is an initial password. **Shareholders, already registered with NSDL for e-voting will not receive the PDF file "CESC e-voting.pdf".**
 - ii) Launch Internet Browser by typing the following URL: <https://www.evoting.nsdl.com>
 - iii) Click on Shareholder - Login
 - iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - v) Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - vi) Home page of e-voting opens. Click on e-voting: Active Voting Cycles.
 - vii) Select "EVEN" (E Voting Event Number) of CESC Limited.
 - viii) Now you are ready for remote e-voting as Cast Vote page opens.

- ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to evotingam@gmail.com with a copy marked to evoting@nsdl.co.in.

B. In case a Member receives physical copy of the Notice of AGM [for members whose e-mail IDs are not registered with the Company / Depository Participants(s) or those requesting for physical copy]:

- i) Initial password as below is provided at the bottom of the Attendance Slip for the AGM :

EVEN	USER ID	PASSWORD / PIN

- ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the 'Downloads' section of www.evoting.nsdl.com

In case of any grievance related to voting by electronic means, you may please contact Mr. Amit Vishal, Senior Manager, NSDL / Mr. Rajiv Ranjan, Asst. Manager, NSDL at 022-2499 4360 / 022-2499 4738 and send an e-mail to evoting@nsdl.co.in and amitv@nsdl.co.in/rajivr@nsdl.co.in

- IV. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
- V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending the future communication(s).
- VI. The voting rights of shareholders shall be in proportion to their shares on the paid up equity share capital of the Company as on the **cut-off date**, i.e., **21 July 2017**.
- VII. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and is holding shares as on the cut-off date may obtain the log in ID and password by sending a request at evoting@nsdl.co.in and secretarial@rp-sg.in. However if

you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details / Password" option available on www.evoting.nsdl.com.

VIII. The remote e-voting period commences on 25 July 2017 (at 9.00 AM IST) and ends on 27 July 2017 (at 5.00 PM IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21 July 2017, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the shareholder shall not be allowed to change it subsequently or cast his vote again.

IX. Mr. Anil Murarka, Practising Company Secretary (Membership no. FCS 3150) has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner.

X. The Scrutinizer shall, immediately after conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days of conclusion of the Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

XI. The Results shall be declared forthwith upon receipt of the Scrutinizer's Report. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cesc.co.in and on the website of NSDL immediately after their declaration by the Chairman and communicated to the Stock Exchanges where the shares of the Company are listed.

PARTICULARS OF DIRECTOR WHO IS PROPOSED TO BE REAPPOINTED AT THE MEETING ARE GIVEN BELOW :

Mr. Aniruddha Basu, 57 years of age is the Managing Director of CESC Limited for close to four years. An Electrical Engineer from Jadavpur University, Kolkata, he has been with CESC from the beginning of his professional career in 1984. He has held several critical positions in the Distribution wing of the Company and was Executive Director (Distribution) before being appointed Managing Director of the Company with effect from 1 August 2013. He is known for his people orientation and domain expertise. He has been spearheading the Company's efforts in achieving further excellence in all areas of its operation and such efforts have already won recognition in the form of awards and prizes from a number of national and international bodies of repute. He is a member of the Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Mr. Basu is also on the Boards of Directors of four subsidiaries of the Company - Kota Electricity Distribution Limited, Bharatpur Electricity Services Limited, Bikaner Electricity Supply Limited and CESC Green Power Limited.

He holds 110 equity shares in the Company and he is not related to any other Director or Key Managerial Personnel of the Company or their relatives.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 IN RESPECT OF ITEMS OF SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE THIRTY-NINTH ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 28 JULY, 2017

Item No. 5

In order to finance a part of its capital expenditure / working capital requirements as well as to refinance certain costlier loans, the Company has availed of term loan assistance aggregating to ₹ 1841.63 crore from seven banks namely ICICI Bank Limited (ICICI), HDFC Bank Limited (HDFC Bank), Karnataka Bank (KB), Central Bank of India (CB), State Bank of India (SBI), Citibank NA (CITI), and DBS Bank Limited (DBS) (ICICI, HDFC Bank, KB, CB, SBI, CITI, and DBS are hereinafter collectively referred to as 'the said Lenders').

The above financial assistance and a Guarantee facility of Rs. 170 crore availed of from ICICI are required to be secured, inter alia, by creation of charge and / or equitable mortgage on the Company's movable / immovable properties with such ranking of charge as are contained in the respective terms of sanction of the said Lenders.

The Special Resolution set out under Item No.5 of the Notice is for obtaining the approval of the Members in terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create the aforesaid mortgage and / or charge.

None of the Directors, key managerial personnel or their relatives is concerned or interested in the Resolution.

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

Item No. 6

The Board of Directors of the Company, on the recommendation of its Audit Committee, has approved the appointment and remuneration of M/s Shome & Banerjee, Cost Accountants, as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31 March 2018.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out under Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 March 2018.

None of the Directors, key managerial personnel or their relatives is concerned or interested in the resolution.

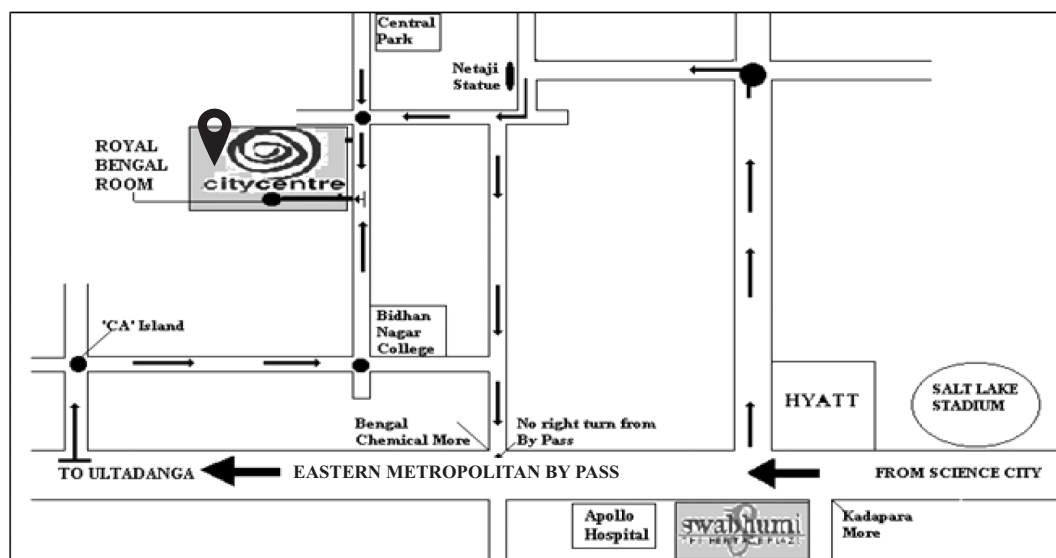
The Board of Directors of the Company recommends that the Resolution be passed.

Registered Office :
 CESC House
 Chowringhee Square
 Kolkata - 700 001
 18 May 2017

By Order of the Board

Subhasis Mitra
 Company Secretary

ROUTE MAP TO CESC AGM VENUE



CITY CENTRE
 Royal Bengal Room
 DC Block, Sector- I
 Salt Lake
 Kolkata - 700 064

Directors' Report

The Directors have pleasure in presenting the Annual Report and Audited Accounts of CESC Limited for the year ended 31 March 2017.

Financial Results

	(₹ crores)	
Particulars	2016-17	2015-16
Revenue from operations	7220.07	6796.14
Other Income	146.56	127.65
Total Income	7366.63	6923.79
Profit before regulatory income / (expenses) and Tax	911.00	1234.21
Regulatory income / (expenses)	190.23	(188.16)
Profit before tax	1101.23	1046.05
Taxation	(238.37)	(200.92)
Profit after tax	862.86	845.13
Other comprehensive income	(39.11)	(32.87)
Total comprehensive income	823.75	812.26
Retained Earnings - Opening Balance	10897.59	10719.62
Add :		
Profit for the year	862.86	845.13
Less :		
Other comprehensive income	39.11	32.87
Fund for unforeseen exigencies	16.16	16.63
Dividend & Tax thereon	159.55	303.13
Adjustment on withdrawal additional depreciation & other adjustment	341.50	314.53
Retained Earnings - Closing Balance	11204.13	10897.59

The financial statements for the year ended 31 March, 2017 have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The financial statements for the year ended 31 March, 2016 have been restated in accordance with Ind AS for comparative information.

Performance Overview

During the year under review, the Company's revenue from operations increased by 6.24 % over last year to reach ₹ 7220.07 crore. Total income (including other income) grew by 6.4% from ₹ 6923.79 crore in 2015-16 to ₹ 7366.63 crore in 2016-17. Profit before taxation grew by 5.27% to ₹ 1101.23 crore during the year, while profit after taxes (PAT) for 2016-17 stands at ₹ 862.86 crore, which reflects an increase of 2.1% over ₹ 845.13 crore during 2015-16. Total comprehensive income increased by 1.41%.

A detailed review of the operations for the year ended 31 March 2017 is given in the Management Discussion & Analysis, which forms a part of this Report.

Dividend

The Board of Directors of the Company at its meeting held on 15 February, 2017 declared an interim dividend of 100%, i.e., ₹ 10 per equity share. The said interim dividend has been paid during the financial year 2016-17.

Subsidiaries

As on 31 March 2017, CESC had thirty-nine subsidiaries. Guiltfree Industries Limited, ISGN Solutions Inc., ISGN Fulfilment Services Inc. and ISGN Fulfilment Agency LLC, became subsidiaries of the Company during the year. Broad details of operations of the subsidiaries are given in the section 'Power Business' and the section 'Other Businesses' in the Management Discussion & Analysis, which forms a part of this report.

In accordance with the Companies Act, 2013 ('the Act'), consolidated financial statements of the Company and of all its subsidiaries have been prepared in the form and manner as that of its own and duly audited by M/s. Lovelock & Lewes, Chartered Accountants, the auditors, in compliance with the applicable accounting standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Regulations'). The consolidated financial statements for the year 2016-17 form part of the annual report and accounts and shall be laid before the Annual General Meeting of the Company while laying its financial statements as required under the Act. A separate statement containing the salient features of the financial statements of its subsidiaries is attached.

Distribution Franchisee

Last year, CESC emerged as the winner in two separate bids floated by Jaipur Vidyut Vitran Nigam Limited and was appointed as Distribution Franchisee (DF) for the cities of Kota and Bharatpur, in the state of Rajasthan.

During the year, CESC has emerged as the winner of another bid floated by Jodhpur Vidyut Vitran Nigam Limited for appointment of DF for the city of Bikaner in Rajasthan.

All these DFs' operations have commenced satisfactorily.

Projects

Details of the projects undertaken in the recent past have been provided in the relevant sections of the Management Discussion and Analysis, which is annexed as a part of this report.

Restructuring Scheme

CESC, the flagship company of the RP-Sanjiv Goenka Group and incorporated in 1978, supplies electricity to the cities of Kolkata and Howrah. The core operation of the Company is its electricity distribution business. It also has electricity generation business, inter alia, supplying electricity for the licensed distribution business.

However, over the course of time, the Company has grown into a diversified conglomerate having interests in various businesses including retail, business process outsourcing, information technology, real estate, entertainment etc.

Given its diversified business, it has become imperative for the Company to reorient and reorganize itself in a manner that allows imparting greater focus on each of its businesses. With this repositioning, the Company is desirous of enhancing the operational efficiency. It will continue with its distribution business, with the generating stations continuing to supply power, as earlier, to the licensed distribution business.

Subject to necessary statutory approvals, the Board of Directors of the Company has approved a Composite Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Scheme") involving the Company and some of its subsidiaries.

In terms of the aforesaid Scheme, against their holding of every 10 CESC equity shares on the record date to be fixed in due course, shareholders of the Company will be allotted, on a pro-rata basis and without any consideration, 5 equity shares each in distribution and generation business, 6 equity shares (of ₹ 5 each) in retail business and 2 equity shares in the entity holding other businesses such as information technology/business process outsourcing etc. The retail company will also allot fully paid preference shares of ₹ 5 crore to CESC without any consideration. All the above four companies will be listed entities.

CESC will continue with its power distribution business. Its issued, subscribed and paid up share capital shall stand reduced from the present amount of ₹ 132,55,70,430 divided into 13,25,57,043 equity shares of ₹ 10/- each fully paid to ₹ 66,27,85,215 divided into 13,25,57,043 equity shares to ₹ 5/- each fully paid. Simultaneously, two such equity shares of ₹ 5/- each shall be consolidated into one fully paid up equity share of ₹ 10/- each.

The Scheme, when implemented, is expected to offer a simple business structure by segregation/unbundling of the businesses as well as further expansion thereof by enhancing the competitive strength, unlocking shareholders' value and providing better flexibility in accessing capital market.

Directors

In terms of the provisions of Section 152 of the Act and Article 102 of the Articles of Association of the Company, Mr. Aniruddha Basu, Managing Director, retires as a Director at the forthcoming Annual General Meeting and, being eligible, offers himself for re-appointment.

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

and the SEBI Regulations.

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

Six meetings of the Board of Directors were held during the year.

Key Managerial Personnel

During the year, there was no change in the Key Managerial Personnel of the Company.

Listing

The equity shares of the Company continue to be listed at BSE Limited (BSE), National Stock Exchange of India Ltd (NSE) and the Calcutta Stock Exchange Ltd (CSE). The Company has paid the requisite listing fee to the Stock Exchanges up to the financial year 2017-18.

Directors' Responsibility Statement

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

- i) in the preparation of the accounts for the financial year ended 31 March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that

such systems are adequate and operating effectively.

Corporate Governance

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

Corporate Social Responsibility

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

Business Responsibility Report

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

Whistle Blower Policy

Pursuant to Section 177 of the Act, the rules made thereunder and the SEBI Regulations, the Company has a Whistle Blower Policy ('Vigil Mechanism') in place for reporting genuine concerns over happening of instances of any irregularity, unethical practice and/or misconduct involving the directors, employees and stakeholders. The details of the said policy have been disclosed in the Company's website www.cesc.co.in. There was no instance of such reporting received during the year.

Related Party Transactions

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

Particulars of Loans, Guarantees or Investments

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

Fixed Deposits

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

Auditors

As per the provisions of the Act, the Company is required to appoint a new auditor and Messrs. S R Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No.301003E/E300005) are proposed to be appointed as auditors of the Company for a period of five years commencing from the conclusion of Thirty-ninth Annual General Meeting till the conclusion of Forty-fourth Annual General Meeting, subject to ratification of such appointment by the shareholders every year from the Fortieth to the Forty-third Annual General Meeting of the Company.

Messrs. S R Batliboi & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors recommend the appointment of Messrs. S R Batliboi & Co. LLP, Chartered Accountants, as statutory auditors of the Company for the aforesaid period.

The proposed appointment of Messrs. S R Batliboi & Co. LLP as the new auditors is in place of Messrs. Lovelock & Lewes, who have been the auditors of the Company since incorporation of the Company in 1978. The Board places on record its appreciation to Messrs. Lovelock & Lewes for discharging their duties as the Company's auditors for a long period.

Cost Audit

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

Secretarial Audit

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

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

The information relating to conservation of energy, research & development, technology absorption and foreign exchange earnings and outgo, as required under Section 134 of Act read with the

Companies (Accounts) Rules, 2014 is given in Annexure, forming a part of this Report (Annexure 'G').

Extract of Annual Return

An extract of the Annual Return as required to be attached in terms of the Act is annexed and forms a part of this report (Annexure 'H').

Particulars of Employees

The information as required in terms of Section 197(12) of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is set out in an annexure to this Report. However, the Report and the Accounts are being sent to all the Shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such information may write to the Company Secretary at the Registered Office of the Company. The said information is also available for inspection at the Registered Office during working hours up to the date of the Annual General Meeting.

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

Details pertaining to remuneration as 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 annexed forming a part of this Report (Annexure – 'I')

Industrial Relations

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

Acknowledgement

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

Your Directors are also grateful for your continued encouragement and support

On behalf of the Board of Directors

Kolkata, 18 May, 2017

Sanjiv Goenka
Chairman

Management Discussion and Analysis (Annexure 'A' to Directors' Report)

CESC Limited ('CESC' or 'the Company'), is the flagship company of the RP-Sanjiv Goenka Group (the 'Group'). The Company, originally registered in London in 1897 as a sterling company, was incorporated in 1978 under the erstwhile Companies Act, 1956. It is a fully integrated power utility engaged in the business of generation and distribution of electricity across 567 square kilometres of its licensed area in Kolkata and Howrah, West Bengal. It supplies quality power to over 3.1 million customers — both consumer households and commercial establishments.

Apart from spearheading the Group's interest in the power sector, the Company and its subsidiaries have been active so far in renewable and thermal power generation, organised retail, business process management and infrastructure sectors.

At its Board meeting held on 18 May 2017 to discuss the results for the fourth quarter and the financial year 2016-17, the Company announced a restructuring plan to demerge the large businesses into four separate listed entities: viz, power generation, power distribution, retail and other businesses, the last mainly to include its business process outsourcing unit under Firstsource Solutions, a subsidiary. The object behind the move is to unlock shareholder value, provide greater flexibility in accessing capital and to prepare a focused strategy for sustained growth across different entities. More on this is discussed in Directors Report.

This chapter presents an overview of the energy sector as well as details of 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.

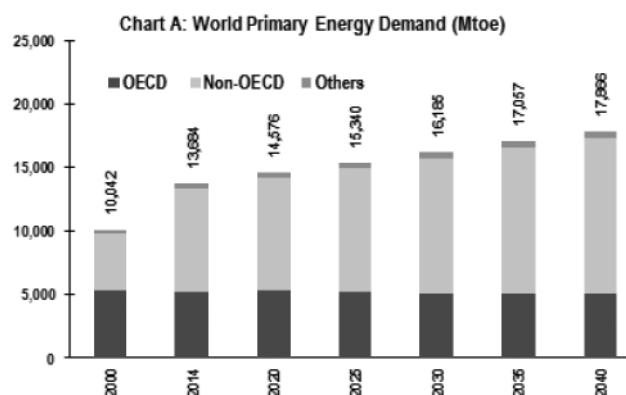
ECONOMIC OVERVIEW

Global Energy Outlook

The Paris Agreement in November 2016 was a milestone in the international effort to tackle climate change. However, its real impact on energy demand and fuel mix will depend upon how the goals outlined in the framework are translated into real government policy actions. The electricity sector is the focus of many Paris pledges, with sizeable proportion of new generation capacity expected to come from renewables.

On the supply side, low oil prices continue to persist, which have led to lowest levels of approvals of new conventional crude oil projects in 2015-16 since 1950. Although US tight oil provides a potential lifeline, it is unlikely to cover for a reduction in supply without substantial pick-up in investment. As far as demand for energy is concerned, billions remain without basic energy services, and even with structural shift to a less energy intensive growth phase of China, emerging economies are expected to drive the global markets.

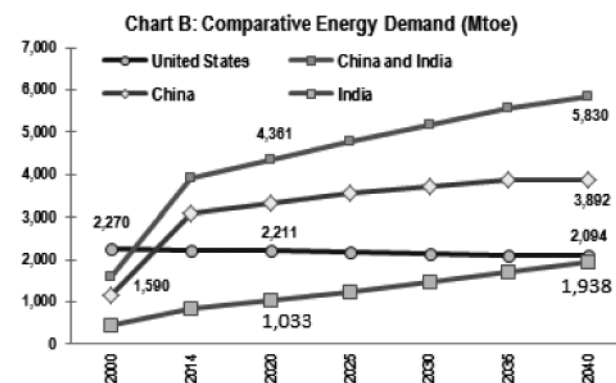
¹ The 'New Policies Scenario' estimates take into account broad policy commitments and plans that have been announced by countries around the world to cut down on emissions, even if they are yet to be formally adopted and implemented.



Source: New Policies Scenario, World Energy Outlook 2016, IEA

According to the World Energy Outlook 2016, world primary energy demand under the 'New Policies Scenario'¹ will grow by around 4,182 million tonnes of oil equivalent (Mtoe) between 2014 and 2040 — a CAGR of 1.0% (Chart A). Demand from OECD countries is expected to remain flat and the entire increase in energy demand will come from non-OECD countries.

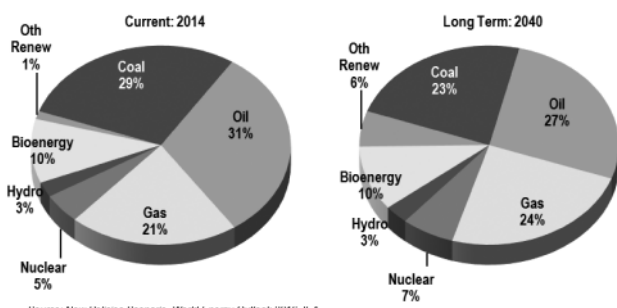
More important, 46.3% of this increase will come from China and India, with their combined energy demand growing from 3,894 Mtoe in 2014 to 5,830 Mtoe in 2040 (Chart B). As a result, these two countries will account for 32.6% of global energy demand in 2040, up from 13.6% in 1990 and 28.5% in 2014. This will make China, US and India the top three consumers of energy in the world by 2040, with a share of 21.8%, 11.7% and 10.8% respectively.



Source: New Policies Scenario, World Energy Outlook 2016, IEA

Fossil fuels — coal, oil and gas — are the dominant source of energy, meeting around 81% of energy demand (Chart C). However, low-carbon fuels and technologies, mostly renewables, supply nearly half of the increase in energy demand to 2040. As shown in Chart C, share of renewable sources is expected to increase — from 14.2% in 2014 to 19.3% in 2040. During the same period, even as the dominance of fossil fuels continues, its share is estimated to come down to around 74%. More important, this decline is only due to the drop in share of coal and oil in the energy mix, as the share of gas is expected to increase between 2014 and 2040.

Chart C: Global Energy Mix — Fuel Source

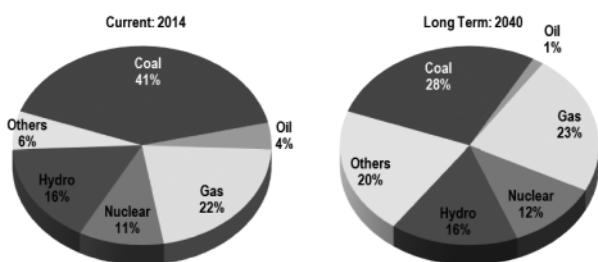


Source: New Policies Scenario, World Energy Outlook 2016, IEA

The power sector accounts for 37.6% of the global energy demand in 2014; and over 50% of the increase in energy demand between 2014 and 2040 is expected to come from this sector. Accordingly, capacity addition of 5,051 GW is estimated between 2014 and 2040. The move to renewable sources will also gather steam, especially with availability efficient and cost effective technologies. As a result, renewable sources are expected to account for 66% of all capacity additions between 2014 and 2040.

This will mean significant change in the fuel mix for the power sector, more so than the overall global energy mix. As shown in Chart D, dominance of fossil fuels is expected come down significantly—from 66.7% in 2014 to 51.8% by 2040. Renewable sources will be the biggest beneficiary in the medium to longer term. Stronger policies on solar PV and wind help renewables account for 36.6% of the total power generation by 2040. In the wake of the Paris Agreement, it is now more apparent that building technology capabilities in the use of renewables will continue to dominate the global energy agenda in the future.

Chart D: Global Electricity Generation Outlook



Source: New Policies Scenario, World Energy Outlook 2016, IEA

India's Power Scenario

During 2016-17, the Indian power sector added 28.8 GW in power generation capacity, a growth of 9.7% over previous year. Hydro and other renewable sources accounted 20 GW or around 70% of the increase in power capacities in the country. With these additions, generation capacity in India stood at 327 GW at the end of the year. Table 1 gives the details.

Table 1 : Power Generation Capacity in India: 2016-17, By Fuel Source

Fuel	MW	% Share	Growth (%)
Coal	1,92,163	58.8%	3.8%
Gas	25,329	7.7%	3.3%
Diesel	838	0.3%	-15.7%
Thermal	2,18,330	66.8%	3.6%
Nuclear	6,780	2.1%	17.3%
Hydro	44,478	13.6%	4.0%
Others	57,260	17.5%	47.5%
Total	3,26,849	100.0%	9.7%

Source: Central Electricity Authority

The addition of transmission and distribution infrastructure was also in line with targets. With the step-up in the last few years, the shortfall in generation and transmission capacities has come down considerably. During 2016-17, the all-India peak demand for power was 159.5 GW of power, whereas the actual power met was 156.9 GW.

Table 2 : Power Demand and Deficit: 2016-17

Region	Peak Demand (MW)	Peak Met (MW)	Deficit (MW)	Deficit %
Northern	53,372	52,612	-760	-1.4%
Western	48,531	48,313	-218	-0.4%
Southern	42,232	42,232	0	0
Eastern	18,908	18,788	-120	-0.6%
North-Eastern	2,487	2,475	-12	-0.5%
All India	1,59,542	1,56,934	-2,608	-1.6%

Source: Central Electricity Authority

With a peak demand-supply shortfall of 1.6% (see Table 2), the deficit in generation has been nearly eliminated. The current deficits reflected at the regional level are due to poor situation in some states, such as J&K and UP in the northern region which had peak deficits of 20% and 6.2% respectively; and Arunachal Pradesh in the north-east had a peak deficit of 5.4%. Other than these states and Andaman & Nicobar Islands, none of the states/UTs had a peak power deficit of over 5%.

In spite of crowding out of demand by higher energy efficiency and increase in captive power generation due to easing of coal supply situation, the demand for power in India has been growing at a stable rate of 6% to 7%. This is expected to continue with ongoing efforts to electrify all villages and provide uninterrupted electricity for all by 2019. Equally, the government's focus on the manufacturing sector and electrification of railways is expected to provide further boost to demand. Besides, the Ujjwal DISCOM Assurance Yojana (UDAY) is

likely to improve the sustainability of DISCOMs, thus strengthen the market for power and bring down sector-level risks in the process.

POWER BUSINESS

CESC's operations in the power sector comprise :

- **Kolkata Operations** : Generation and distribution of electricity to over 3.1 million customers across its licensed areas in Kolkata and Howrah, West Bengal. Other than power sourced from the 600 MW Haldia plant, which is operated by CESC's 100% step-down subsidiary Haldia Energy Limited, the Kolkata operations are directly under CESC Limited.
- **Independent Power Generation Projects** : Operational thermal and renewables projects with a cumulative capacity of around 800 MW. These projects are operated by the various subsidiaries of CESC. Several other projects are in various stages of planning and implementation.
- **Distribution Franchisees** : This represents the Company's recent foray into the distribution franchisee space. This includes three franchisees in Kota, Bharatpur and Bikaner in Rajasthan. The first two became operational in 2016-17 and Bikaner in 2017-18.

KOLKATA OPERATIONS

CESC's operations in Kolkata include generation and distribution of electricity to over 3.1 million customers across its licensed areas in Kolkata and Howrah, West Bengal. Its key achievement as an integrated power utility has been to provide its customers with reliable and uninterrupted power supply at competitive rates. It has continued to move further in this direction by ramping-up utilisation from its new 600 MW Haldia plant in 2016-17. This plant is operated by CESC's subsidiary, Haldia Energy Limited (HEL). Simultaneously, its existing generating stations at Southern and Titagarh continue to have high availability, which is especially useful in meeting peak load demand or in emergencies.

Generation

CESC operates three generating stations at Budge Budge, Southern and Titagarh, with a cumulative capacity of 1,125 MW. All generating stations are ISO 9001:2008 certified in respect of Quality Management Systems. During the year, combined generation for the three stations was 6,053 million units (MU). Even as the Company reduced generation from the older Titagarh and Southern stations, the overall combined availability of the three stations was 89.4%, which has been useful in meeting peak load demand or emergencies.

Budge Budge generating station (BBGS) comprises three units of 250 MW each, Southern generating station (SGS) comprises two units of 67.5 MW each and Titagarh generating station (TGS) comprises four units of 60 MW each. During 2016-17, BBGS generated 5,411 MU (million units) of power with a PLF of 82.4% and plant availability

factor (PAF) of 85.2%, SGS generated 410 MU of power with a PAF of 96.95% and TGS generated 233 MU of power with a PAF of 98.42%. During the year, BBGS received 2nd prize at National Energy Conservation Award from Ministry of Power, Government of India. BBGS was also adjudged 2nd runner-up for "Best Thermal Power Station" by the Independent Power Producers Association of India (IPPAI).

CESC's generating stations have excelled in energy conservation by achieving low figures for auxiliary consumption and heat rate. In recognition of its efforts in energy conservation and innovation, BBGS was recognised in the Energy Efficiency, Conservation and DSM category at the 9th India Power Award 2016 by Council of Power Utilities and received the 2nd prize at the National Energy Conservation Award from the Ministry of Power, Government of India. BBGS was also adjudged as the second runner-up for the 'Best Thermal Power Station' by IPPAI.

All the three generating stations operated by CESC are ISO 14001:2004 certified in respect to Environmental Management Systems. Apart from compliance with applicable legal and regulatory requirements, CESC has set stringent environmental standards and devised processes to perform better than the norms. Since 2000, it has continuously achieved 100% utilisation of ash in an environment friendly manner. During the year, BBGS received the following awards in Environment Management: (i) Silver Award for Excellence in Environment Protection 2016 by Foundation for Accelerated Mass Empowerment (FAME); (ii) Gold Winner at the Global Environment Award 2016 for outstanding achievement in reducing pollution and environment management by Energy and Environment Foundation; (iii) Winner at the ICC Environment Excellence Award 2016; and, (iv) Gold Winner at the Rashtra Vibhushan Award 2016-17 by FAME.

HEL operates a 2x300 MW coal fired thermal power plant at Haldia in West Bengal. It has successfully implemented Integrated Management System [ISO 9001, ISO 14001 and OHSAS 18001]. Both units were commissioned and started commercial operation towards the end of 2014-15. HEL has a long term PPA with CESC Limited, its ultimate holding company, for selling the entire power generated. It also has a Fuel Supply Agreement with Mahanadi Coalfields Limited (MCL), a subsidiary of Coal India Limited (CIL), for sourcing coal. The power evacuation arrangement is through a 400 KV transmission line to the Power Grid Corporation of India Limited substation at Subhasgram. This 400 kV line has 236-metres high towers — the highest in India — for crossing a three kilometres stretch over the river Hooghly.

During 2016-17, HEL achieved the remarkable feat of over 95% PAF. With the ramping-up of the plant's utilisation, the PLF during the year was 76.7%. It successfully commissioned the environmentally friendly High Concentration Slurry Disposal (HCSD) system for fly ash emergency disposal during the year. In recognition of its performance, HEL received several awards during the year: (i) FICCI's 5th Quality System Award 2017; (ii) Global Environment

Award 2016 in the Platinum category by the 7th World Renewable Energy Technology Congress; (iii) Green Tech Environment Award in the Gold Category for Outstanding Achievement in Environment Management; and, (iv) the Gold Award for CSR from the Green Tech Foundation.

Distribution

CESC undertakes continuous upgradation of its distribution infrastructure to maintain and enhance the quality and reliability of supply as well as to reduce downtime and overloads. During 2016-17, about 4.4 lakh meters were installed on account of new supplies and replacements. The peak power demand was 2,059 MW.

Investments are being made regularly to strengthen the distribution network to cope with growing system demand, as well as for replacement of older plant and equipment. CESC is also in the process of carrying out special projects to upgrade its distribution network and enhance its capacity as well as reliability for efficient handling of demand growth.

Energy conservation and maintaining an efficient distribution network are key areas of focus for all power utilities. During 2016-17, several measures were taken for improving energy conservation and maintaining an efficient network. These included: standardisation to higher rated underground cables, regular energy audits, energy efficient distribution transformers and inclusion of energy efficiency metrics in the bid evaluation criteria for awarding contracts to equipment suppliers.

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

- To increase the Company's capabilities in servicing the growing energy demand in a space-starved city such as Kolkata, CESC deployed state-of-the-art technologies to convert existing Extra High Voltage (EHV) outdoor substations to indoor GIS substations, with space consolidation for future capacity augmentation and up-gradation to 220 kV. This allows for higher capacity substations in limited space as well as forming an EHV ring network for higher EHV system reliability.
- Over the years, the Company has been carrying out technology trials in both AMI (Automated Metering Infrastructure) for Smart Meter deployment, and DA (Distribution Automation) for the ring main units (RMU). This year too, trials were conducted using RF Mesh technology at different frequency bands and power line carrier to build a common communication canopy for both Smart Meters and RMU Automation. A larger pilot project is planned in 2017-18.
- To reduce occurrences of faults at consumer service points, the Company has taken up a program to redesign the Service Cut Out and install Moulded Case Circuit Breaker (MCCB) and

Miniature Circuit Breaker (MCB) in meter boards. In 2016-17, around 50,000 such installations were carried out.

- CESC has installed about 550 Automatic Power Factor Controllers (APFC) at the secondary (400V) side of distribution transformers (DTs) for improving supply voltages.
- Pending the availability of Smart Meters with BIS 16444 certification, CESC continued to install AMR meters for selected customer segments. By the end of 2016-17, around 34,186 AMR meters were installed, including 14,220 for street lighting and 8,200 for DTs.

In recognition of its efforts in the area of distribution, CESC received several recognitions and awards during 2016-17, such as :

- Winner of the Engineering Manufacturing & Processing category at the IEI Industry Excellence Award 2016 organised by Institution of Engineers.
- Winner of the Outstanding Performance in the Power Sector by The Economic Times.
- Appreciation Award of SMART Technology of the Year 2016 by the Indian Smart Grid Forum.
- Winner of the Utilities and T&D Award (Urban and Overall) at the 10th ENERTIA Awards 2016 by the ENERTIA Foundation.
- Winner of the Cost Leadership - Project Evaluation and Recognition Program 2016 by Frost and Sullivan.
- Silver Award for the Smart Grid Project of the Year, and Bronze Award for the IT Project of the Year at the Asian Power Awards 2016 by Asian Power.

Customer Service

Widespread use of internet-enabled devices like smart phones and tablets along with new communication platforms such as social media is redefining customer expectations. Guided by its overarching philosophy of customer centricity, CESC strives to offer its 3.1 million customers the highest level of customer services — with instant access to the most up-to-date information on the platforms of their choice. During 2016-17, CESC implemented several measures to strengthen customer service, aimed at both consumer households and businesses. Some of the key developments are discussed below:

- **New Connections:** CESC added around 96,000 customers during 2016-17. The average time taken to provide a new connection is 1-2 days. Moreover, where premises have an existing connection, supply is being effected within a day of payment and compliance. Online applications for connections were further simplified during the year. As a result, 58% of total applications were received online in 2016-17 — which is a considerable improvement as compared to 38% in 2015-16 and 17% in 2014-15.

- **Billing and Payment :** As a part of the mass-movement for a 'Digital India', CESC has easy and user-friendly avenues for online payments: mobile wallets, debit/credit cards, net banking and ECS. By the end of 2016-17, 28.5% of LT Consumers were making online payments accounting for 33.7% of the revenues—again a step-up from 17.2% and 22.2% respectively during the previous year. Cash collection offices were revamped during the year. Sixteen of them have the provision to accept payments by debit/credit cards. Payment kiosks were set up at 13 locations where cash offices are not nearby.
- **Customer Contact :** The Company's centralised 24x7 call centre acts as the primary touch point for all complaints and queries. This year, the Centralised Complaint Management Centre (CCMC) was certified with ISO 10002:2014 – Customer Satisfaction Management System, by British Standards — making CESC the first utility service company in India to receive this certification. Weekly chat sessions with the Managing Director and senior leadership team continued to see an overwhelming response, with participation of more than 1,300 consumers in 48 chat sessions. During 2016-17, engagement levels remained high on CESC's social media assets. The Company's Facebook page garnered over 1 Lakh 'likes'.
- **Supply Interruptions :** The integration of the call centre with the Company's distribution system allows for immediate routing of complaints to the nearest service team – enabling prompt and effective attention. CESC has a 24x7 LT control room and radio linked service vans at strategic locations to ensure faster restoration. Utilisation of GIS and field force automation has resulted in optimisation of manpower and further reduction in restoration time. All planned outages are proactively informed by the call-centre to the HT Consumers and critical installations for LT Consumers. During the year, a free diagnostic testing service of installations at the Consumer's end was launched for HT Consumers.
- **E-services :** CESC is continuously expanding the coverage of its web and mobile based services. CESC's website, which serves as a 24x7 virtual office, was upgraded during 2016-17 to improve the ease of navigation and reduction of clicks for a desired consumer action. New online services launched during the year include viewing of electricity bill statement, checking outstanding dues position on the website or by sending an SMS to 56070. Adoption of e-services increased substantially during the year. For instance, 71.9% of the total name change requests were received online as compared to 50.5% a year ago and 44.3% of the total AC applications were received online as compared to 34.7% in 2015-16.

Box 1 : Special Initiatives Introduced by CESC during 2016-17

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

- **Proactive Complaint Management:** Using Business Intelligence & Analytics tools, CESC tracks the probability of customer complaints based on events and customer behaviour. Based on this, communication is sent to customers proactively to keep them informed, thus bringing down consumer complaints and footfall at offices and enhancing satisfaction.
- **Oracle (Opower) Utilities:** CESC has partnered with Oracle (Opower) Utilities to transform the customer experience and redefining CESC's role from being an Energy Provider to an Energy Advisor. As a part of this initiative, a new online portal has been made available to consumers that provides personalised energy insights to manage energy use. Using proven behavioural science techniques, big data and advanced analytics, this initiative will significantly improve the digital experience of CESC's customers digital experience.

In recognition of its efforts in customer service, CESC won the following awards during 2016-17: (i) the ICC 4th Innovation with Impact Award for Discoms 2016 in the Quality of Service category; and (ii) the IUKAN Award 2016 in Distribution Sector for its CRM System for Complaint Management. It was also named a finalist for Edison Electric Institute's International Edison Award 2016 for Creating a Virtual Office for 3 Million Customers". Efforts to improve the adoption of new technology-based customer-centric solutions are already bearing fruits. It will be the Company's endeavour to continue to move further along the same path, deploy latest technology and processes to improve efficiencies and reduce transaction time. In the future, the focus will be on enhancing consumer satisfaction to become a benchmark utility.

Safety and Health

CESC is committed to maintaining high standards of industrial safety across its operations. Over the years, it has brought about wide-ranging changes in daily work management to create a culture of safety. This process has been complemented with necessary changes in policies, processes and technology.

The Company has a safety vision and policy, including on the use of personal protective equipment (PPE). Based on past learnings and best practices, CESC introduced a PPE Quality Policy to improve the PPE standards in 2016-17. The central Safety Cell with domain expertise has been instrumental in implementation of safe work procedures as well as in monitoring and control of unsafe situations. During the year, a comprehensive Safety Dashboard was

implemented to aid the process. Developing safe work procedures for critical activities was another focus area.

The Safety Cell has been instrumental in providing in-house training for all employees. Officers in operations and key support functions have gone through safety-related trainings conducted by international experts. Safety and occupational health audits of the safe work practices, communication meetings, safety workshops, class room trainings, mock drills and company-wide observation of the Safety Day were other activities carried out by the Cell. These activities have resulted in increased awareness and identification of near-miss incidents as well as improvement in first aid and lost work cases.

The Safety Cell has a structured communication system for coverage of its initiatives. This includes publishing safety manuals, audio visual aids and the safety magazine called 'Surakshabarta', which is available in Bengali and Hindi. Separate newsletters and bulletins are published for the generation and distribution divisions. All thermal power stations are OSHAS 18001:2007 certified for occupational health, and safety management systems. During the year, Budge Budge Generating Station, Southern Generating Station and Titagarh Generating Station were crowned with the Gold Award at 15th Annual Greentech Safety Award (2016).

CESC has a strong focus on health and well-being of its employees. It operates around thirty well-equipped dispensaries across the organisation with doctors and pharmacists. Best-in-class medical facilities including major super speciality hospitals, nursing homes and diagnostic clinics are available to the employees through tie-ups. It also conducts regular health check-up for all the employees as a part of the occupational health initiative. A medical bulletin, called 'Mediflash', is circulated every quarter to all employees. During the year, the Company used a team of doctors to carry out several drives to sensitise employees on prevention of lifestyle diseases and to focus on wellness. In addition, a Mega Health Awareness Programme was organised in March 2017 to encourage employees and their families to adopt a healthier lifestyle.

INDEPENDENT POWER GENERATION PROJECTS

Apart from its generation capacities catering to the Kolkata operations, CESC has built an array of generation capacities to benefit from the opportunities presented by the growing market in India. This includes two operational thermal power projects, with a combined capacity of 640 MW. Besides, the Company has taken several initiatives to build its capabilities and presence in the renewable energy sector. Currently, it has five operational wind and solar power projects with a combined capacity of over 160 MW. In addition, it is planning another 32 MW wind power project in Karnataka and two hydro-power projects with a combined capacity of 135 MW. These are in various stages of planning and implementation.

Thermal

Chandrapur, Maharashtra : This is a 2x300 MW coal fired thermal power plant at Chandrapur in Maharashtra, implemented by Dhariwal Infrastructure Limited (DIL), a 100% subsidiary of CESC Infrastructure Limited. Unit I was commissioned in 2013-14 and went into commercial operation in February 2014. Unit II was commissioned in 2014-15 and went into commercial operation in August 2014. 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.

In March 2016, DIL signed a Fuel Supply Agreement (FSA) with the South Eastern Coal Fields Limited for its coal requirements. For its Unit II, it had entered into a Power Purchase Agreement (PPA) for supplying 100 MW of power to TANGEDCO, and supplies started in December 2015. During 2016-17, the remaining 170 MW was tied up with the Noida Power Company Limited, with the supply starting from November 2016. It is in the process of tying up buyers for the capacity of its Unit I. In recognition of its innovative and environment friendly practices, DIL won the Srishthi Green Cube Award 2016.

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 of CESC in Sarisatolli. The unit is operational since July 2009. The power plant is owned by Crescent Power Limited, a subsidiary of the Company, which operates in the merchant market. During the year, the plant achieved 97.75% PLF in generation.

Wind

Dangri, Rajasthan : This was the Company's first venture into the wind power business. The 24 MW project was implemented by Surya Vidyut Limited (SVL), a wholly owned subsidiary of CESC. The project, commissioned in 2012-13, has two long-term power purchase agreements with Jaipur Vidyut Vitran Nigam Limited and Ajmer Vidyut Vitran Nigam Limited, subsidiaries of Rajasthan Urja Vikas Nigam Limited. The plant is running successfully and has been profitable since commissioning.

Surendranagar, Gujarat : This is CESC's second wind power project. The 26 MW project, undertaken through SVL, was commissioned in December 2014. Power from this project is being sold to Gujarat Urja Vikas Nigam Limited under a long term power purchase agreement. The plant is running successfully and is profitable since its first full year of operation.

Nipaniya, Madhya Pradesh : This is the third wind power project. The 36 MW project, also through SVL, was commissioned in March 2016. The power is being sold to the Madhya Pradesh Power Management Company Limited under a long term power purchase agreement. The plant is running successfully and is expected to be profitable from 2017-18 — its first full year of post-stabilisation operations.

Rojmal, Gujarat : This is the Company's fourth wind power project. The 70 MW project, undertaken through SVL, is being commissioned in phases since December 2016. Power will be sold to the Gujarat Urja Vikas Nigam Limited under long term power purchase agreement executed for the entire capacity. 60 MW has been commissioned as on 31 March 2017.

Solar

Ramnathapuram, Tamil Nadu: This is the Company's first venture into solar power. The 18 MW_{DC} project undertaken through Crescent Power Limited, a subsidiary of CESC, was commissioned in January 2016. The power is being sold to the Tamil Nadu Generation and Distribution Corporation Limited under a long term energy purchase agreement. The plant is operating as per target parameters and was profitable in its first full year of operation in 2016-17.

DISTRIBUTION FRANCHISEE

Rajasthan awarded four franchises in the last couple of years, three of which were won by CESC. This includes two franchises in Kota and Bharatpur that became operational in 2016-17. The other one in Bikaner has become operational since the close of the year in May 2017. These currently have a combined customer base of 4 lakh and an annual energy consumption of around 1,900 million units (MUs), which translates to a revenue of approximately ₹ 1,250 crore per annum. Other than these, CESC had also won another bid for a distribution franchisee in Ranchi, Jharkhand, in 2012. However, this agreement was subsequently terminated and the matter is currently sub judice.

Kota, Rajasthan : CESC was the winner in the bid floated by Jaipur Vidyut Vitran Nigam Limited (JVVNL) for appointment of a distribution franchisee in Kota, Rajasthan. The distribution area had over 1.76 lakh consumers and annual sales of 765 MUs in 2014-15. After signing of Distribution Franchisee Agreement with JVVNL CESC, through its wholly owned subsidiary Kota Electricity Distribution Limited (KEDL), has taken over operations in Kota on 1 September 2016. The operations stabilised in record time after the takeover, and could well be considered the quickest takeover of any franchisee operation in the country. KEDL has successfully implemented customer centric processes, leading to significant improvements in the time taken to provide new connections and fault restoration, which are now well within the regulatory norms. KEDL also introduced a new format for bills and extended operating time of its collection centres. Efforts are being made to reduce losses and make the distribution network safe and robust. KEDL will continue to expand its consumer service options in the coming year. Deployment of advance technologies such as AMI are planned to be rolled out in 2017-18.

Bharatpur, Rajasthan : CESC emerged as the winner in another bid floated by JVVNL for appointment of distribution franchisee

in Bharatpur, Rajasthan. The distribution area has around 50,000 consumers and annual sales of 230 MUs in 2014-15. After the signing of agreement with JVVNL, Bharatpur Electricity Services Limited (BESL), a wholly owned subsidiary of CESC, took over the operations on 1 December 2016.

Operations have stabilised since then. All systems and processes followed in Kota have been replicated at Bharatpur. BESL inherited a distribution network with considerable shortcomings and efforts are being made to make it safe and reliable. Indian Railways, one of the major consumers at Bharatpur, has opted for open access, resulting in an adverse impact on volume of offtake as well as revenue.

Bikaner, Rajasthan : Towards the end of 2016-17, CESC won yet another bid floated by Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) for a 20-year appointment as the distribution franchisee for the city of Bikaner in Rajasthan. The distribution area had around 1.5 lakh consumers and annual sales of over 500 MUs in 2015-16. The agreement was signed in March 2017 between JdVVNL and CESC's wholly owned subsidiary, Bikaner Electricity Supply Limited (BiESL). BiESL has just taken over operations in May 2017.

OTHER BUSINESSES

Retail

CESC operates in the organised retail sector through its subsidiaries.

- Spencer's Retail Limited (SRL) is the flagship company of CESC in retail with 124 stores, including 39 hypermarkets, across India under the Spencer's brand name. These stores cater to all family needs: groceries, home and personal care products, apparel and accessories, consumer durables and lifestyle products. During 2016-17, it registered a same store sales growth of around 8.8%, on the back of similar growth in the previous year, with an average revenue per square feet of ₹ 1,576 per month versus ₹ 1,452 per month in the previous year. During the year, the company improved its performance significantly — achieving a positive EBITDA for seven consecutive months. As a result, the company's EBITDA loss for the year was contained to ₹ 17.10 crore against ₹ 52.80 crore in the previous year. In the last quarter of 2016-17, it launched a new range of apparel under the brand name "2Bme" to be initially sold exclusively through its stores. For addressing the convenience and need of the customers, SRL started its online sales channel www.spencers.in. The focus continues to be on growing the top-line, keeping costs under control and revamping / exiting from non-performing stores. In 2017-18, SRL plans to roll out about 10 new stores (including five hypermarkets). This will help in fully leveraging both back-end capabilities and optimise marketing costs. Apart from this, the focus will be on improving the non-food business and in-store experience as well as building team capability to support

the SRL's growth plans.

- **Au Bon Pain Café India Limited (ABPCIL)** is a subsidiary of SRL, catering to the 'fast casual restaurants' segment as the Indian master franchisee of ABP Corporation, USA. During 2016-17, ABPCIL opened eight new cafés (including one each at the Kolkata and New Delhi International Airports) across its existing four trade channels — namely, high street/shopping malls, business and industry locations, hospital premises and universities. It also expanded its operations in Delhi. The number of cafés that were in operation at the end of the year was 29, with presence in Bengaluru, Kolkata and Delhi.
- **Omnipresent Retail India Private Limited (ORIPL)** is a 100% subsidiary of SRL. ORIPL has developed and owns the e-commerce platform which is deployed by SRL for its customers to order online and get their food and grocery products delivered at their doorstep. The online services are currently available in Kolkata, Delhi, Gurgaon, Noida and Ghaziabad. The platform has over 22,000 articles listed and is available to customers through web and mobile app platforms. ORIPL handles execution of the orders from SRL stores through its own fulfilment team. In 2017-18, ORIPL's services will be expanded to Andhra Pradesh, Telangana, Tamil Nadu and Uttar Pradesh.
- **Guiltfree Industries Limited (GIL)** was incorporated, on 6 January 2017 as a 100% subsidiary of SRL. It will be focusing on FMCG / healthy food products business in the coming years.

Business Process Management (BPM)

Spenn Liq Private Limited, a wholly owned subsidiary of CESC, purchased a majority stake in Firstsource Solutions Limited (FSL) in 2012-13. FSL is in the business of providing Business Process Management (BPM) services in customer management, transaction processing and collections to Fortune 500 and FTSE 100 companies in the USA and the UK as well as to companies in India in the healthcare, telecom and media, banking, financial services and insurance and the mortgage sectors. FSL has a total employee strength of 25,871 and supports clients from 48 service facilities spread over the USA, the UK, Philippines, India and Sri Lanka. The company's client base includes :

- **Telecom and Media** : One of the top 10 US telecom companies, a leading mobile virtual network operator in the UK, the largest pay TV operator in the UK, a global provider of telecom equipment and networks, one of the top five mobile companies in India, one of the world's largest media and entertainment conglomerates, and the UK's largest news and broadcasting company.
- **Banking, Financial Services and Insurance** : The clients include

six of the top 10 US credit card issuers, a leading Irish bank, the largest credit card issuer in the UK, the largest retail bank and mortgage lender in the UK, one of the top three motor insurance companies in the UK, a leading auto insurer in the US, India's leading private life insurer, a full-service direct lender founded in 1990, one of the largest independent loan servicers in the US, the sixth largest bank in North America, one of the largest global banks, and others.

- **Healthcare** : Services the needs of five of the top 10 health insurance/managed care companies as well as over 650 hospitals in the US.

FSL provides a comprehensive range of services to clients across the customer lifecycle. It delivers innovative and value added business process management services through a combination of deep domain knowledge, strategic alliances and internal competence building, backed by the right technology. During 2016-17, FSL reported a growth of 10.29% in its revenues to ₹ 3558.81 crore. Net profits after tax stood at ₹ 279.24 crore

Real Estate

Quest Properties India Limited (QPIL), a wholly owned subsidiary of CESC, launched Kolkata's first upscale shopping mall, the Quest in November 2013. During 2016-17, Quest completed the third full year of operation. It has been a huge success deriving annual footfall of about 12 million and a combined gross sale of around ₹ 580 crore by all retailers.

During the year, Quest won six awards from Franchise India across categories including 'Best Retail Property' and 'Best Food Court' in the eastern region. It also received the Platinum Rating from Indian Green Building Council (IGBC), making it the first mall in India to receive such an accreditation.

QPIL is implementing a residential project in Haldia to cater to the housing requirement of some large corporate houses and individual residents in the port township. The project will be spread across 3.5 acres of land and will be carried out in phases. Contracts for Phase I which includes a saleable area of 0.2 million square feet have already been executed. Construction is in progress as per the schedule, and the handover is expected to take place in 2018-19.

HUMAN RESOURCES (HR)

CESC has always considered its employees invaluable assets and continually strives to create an environment that ensures their growth, development and well-being. All HR strategies are formulated keeping employees at the core, and in supporting them to contribute to the organisation. Processes are in place by way of engagement surveys and perception studies to receive regular feedback from employees to align the Company with the changing business needs.

The shift in focus from '*engineering brilliance*' to '*service*

excellence with cost leadership' has been the trigger to upgrade the Company's human capital, and become an employer of choice at premier education institutes. **'Unmesh'**, the paid summer internship programme for students of premier engineering colleges and business schools, has played a major role in this direction. **'Anneswan'**, the annual induction process, has established itself as a popular initiative for integrating the newly recruited executives within the organisation. Talent acquisition activities progressed well during the year.

Learning and development is another key focus area. CESC has a robust set up for conducting training and other learning intervention programs in line with an annual training plan drawn at the start of each year. Curriculum based programmes and special courses in collaboration with premier institutes also play a major role in this regard. The employees are motivated to take up innovative projects at the respective workplaces and on completion these are published in the in house journal. During 2016-17, the Company carried out over 1,006 training programmes totalling around 20,014 man days of training.

Knowledge and innovation management play a pivotal role in building organisational capability. To achieve this, CESC organises an annual **'Knowledge Carnival'**, a platform to bring out innovative ideas to the fore. The Company has an in-house knowledge and innovation portals to support the process. **During 2016-17, five innovative projects were implemented. These are also published in the in-house bi-annual technical journal.**

Asia Institute of Power Management (AIPM), the training and consulting wing of CESC, has established itself in training power professionals across the country and abroad. During 2016-17, AIPM carried out 36 programs covering 2,814 man-days. These were in the areas of energy efficiency, infrastructure development, network planning and development, reliability improvement, loss reduction, safety and renewable energy. In addition, AIPM initiated consultancy services in assessing distribution losses in Odisha, safety management in Maharashtra and DTR management in Manipur. This ability to support diverse range of issues in power utilities bears testimony to AIPM's capabilities.

Many employee centric initiatives such as the **'Employee Suggestion Scheme'**, the **'Reward and Recognition Programme'** and the 'Small Group Interactive Meetings' are in place to enhance employee engagement. In 2016-17, CESC introduced facilities such as online library, swimming, gymnasium and celebration of birthdays to further improve employee commitment. It also communicates with employees and their family members through events such as the Annual Sports Day, the Mega Health Awareness Programme and **'Ankur Samman'** — a programme to felicitate meritorious children of employees.

To strengthen and make HR processes and practises best-in-class,

the company regularly benchmarks itself against best in class companies of India across different sectors. In 2016-17, HR process audit has also been carried out by M/s. Aon Hewitt for analysing and evaluating the HR orocesses and practices and developing a contextual, comprehensive and integrated Human Resource Management System aligned with CESC's strategic business needs.

During 2016-17, CESC won several awards and recognitions which underscore its employee friendly HR practices, such as the 'Significant Achievement in HR Excellence' from the Confederation of Indian Industry (CII).

As on 31st March 2017, CESC had 9,150 employees on its payroll. Unions representing the employees continued to play a positive role in partnering with the management to drive and maintain excellence in operations. During the year, the Company successfully concluded the election of the registered union. CESC enjoys industrial harmony. No major incident of service interruption due to industrial relations issues was reported during the year.

Business Excellence & Quality (BEQ)

Institutionalising CESC's activities in this area started with formation of the BEQ cell in 2015-16. It is, however, a fact that the Company has a long history of excellence in customer centricity, as well as operational and service level excellence.

CESC has adopted the principles of EFQM (European Foundation for Quality Management) Model of Excellence as a tool for its journey in excellence. In 2016-17, CESC was assessed and appreciated with a 'Commendation for Significant Achievement' in the CII-EXIM Bank Award for Business Excellence 2016 organised by CII's Institute of Quality. This is a step forward from last year's 'Commendation for Strong Commitment to Excel'.

During 2016-17, the Company created four cross-functional teams to work on various projects in the areas of customer centricity, organisational capability, supply chain, society and environment. It also moved ahead in its journey to institutionalise broader employee involvement in its BEQ journey through kaizens and 5S. In the year, departmental participation and number of kaizens increased over the previous year. Implementation of 5S has also resulted in identification of gaps and improving the workplace organisation.

Going forward, focus will be on increasing the scope and coverage of the deployment of these tools and principles. Simultaneously, efforts will be made to build capabilities, integrate a structured framework for daily work management and handhold teams for driving business excellence across the Company.

INFORMATION TECHNOLOGY (IT)

At CESC, IT is not just an enabler of business processes, but forms an integral part of the organisation's capability to deliver on its

strategic and performance objectives. It has been a central pillar of the organisation's ability to innovate, develop a competitive edge and provide its growing customer base best-in-class services as a power utility.

Over the years, the Company has developed a strong IT backbone. CESC's IT infrastructure includes CESCNET, its captive optical fibre data network, which connects the Company's service establishments across the license area, a state-of-the-art data centre (DC) and a disaster recovery (DR) site for its IT applications. During the year CESCNET was expanded to distribution stations, enabling integration of IT with operational technology (IT-OT). This has brought about significant increase in efficiencies and customer satisfaction by allowing proactive communication to customers on outages and bringing down the restoration time.

In our previous year's report, we had discussed CESC's efforts to build on the 'SMAC Framework' (Social Media, Mobility, Analytics and Cloud Computing). Considerable progress was made during the year, leading to the establishment of two Centres of Excellence (CoEs) for ongoing development in the following areas:

- **Business Intelligence and Analytics (BI&A)** : This CoE develops and improves applications using BI&A in diverse areas such as reducing pilferage by identifying thefts, reducing capex by optimising distribution network, and proactively identifying and handling customer issues to reduce footfalls and repeat calls of our consumers.
- **Enterprise mobility applications** : This CoE is responsible for development and innovations in both consumer and employee facing mobile applications. The CESC consumer app has redefined convenience, and has been successful in improving operational efficiencies in the areas such as meter reading, fault identification and reporting.

Another key area of focus during 2016-17 was deployment of IT systems and best practices in the Company's new distribution franchises in Kota and Bharatpur — thus enabling automation in the areas of new applications, billings, payments, communication and complaint management. Considerable progress has been made on these fronts, and more will follow in 2017-18.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

CESC is committed to invest in the holistic and sustainable development of the communities where it operates. Through its CSR initiatives in education, health, environment and community development, the Company seeks to empower communities, particularly the underprivileged sections, to help them attain their potential and thereby contribute to the national and state development goals.

In 2016-17, CESC received the CSR Leadership Award 2016, the India

Power Award for Social and Community Impact 2016 and the ABP News CSR Leadership Award 2017 for its CSR activities.

Education Initiatives

Under its '**Nirmal Abhiyan**' programme, carried out in partnership with the City Level Programme of Action for Street and Working Children (CLPOA), the Company seeks to improve health of vulnerable and poor students by providing safe drinking water and appropriate sanitation facilities in government and government aided schools. In 2016-17, infrastructural support was provided to three schools. Since its launch, the project has been implemented in 15 schools and has benefited approximately 2,000 students.

'**Muktangan**' is a remedial education programme for underprivileged students implemented in partnership with Hope Kolkata Foundation (HKF). It provides academic support to underprivileged students from classes VII to X, to prevent drop outs and ensure appropriate learning achievements. Under the project, there are 15 remedial education centres in three municipalities, which benefited more than 1,000 students directly and 900 students indirectly.

The '**School Build Programme**' has been focusing on infrastructure development in government and municipal schools through the repair and renovation of school buildings, provision of facilities such as safe drinking water facility and benches. In 2016-17, the Company implemented the programme in eight schools benefiting approximately 10,000 students.

The Company expanded the '**CESC Learning Labs**' programme to 12 schools in 2016-17 by including two schools in the Tiljala area. The programme, carried out in partnership with NIIT Limited, is a learning solution that integrates science and math labs with classrooms. So far, the project has benefited approximately 8,000 students.

'**Roshni**' is an integrated programme on child health, nutrition, education and protection for underprivileged children, implemented in partnership with Child in Need Institute (CINI). It covers a population of 20,000 in Tiljala and Topsia areas. Around 300 vulnerable children have been provided with academic support through Child Assistance Centres and more than 100 children in formal schools have been reached out through reading and writing camps.

Health Initiatives

The '**Suswasthya**' project, implemented in partnership with CLPOA, aims at improving the health of women, adolescents and children in three municipal areas in Hooghly and North 24 Parganas, namely, Bhadreswar, Champdani and Kamarhati, covering a population of 36,000. Specific focus is on prevention of severe malnutrition among children and appropriate ante-natal and post-natal care for women.

CESC has been working extensively on developing the Titagarh

Municipal Hospital located near its Titagarh power generating station. The Company has provided continued support to the hospital over the last few years. In 2016-17, CESC supported the setting up of a dialysis unit. Approximately 10,000 people will directly benefit from upgrading of the hospital.

Environment Initiatives

The '*Urja Chetana*' project, being implemented in 30 schools in partnership with Centre for Environment Education (CEE) is a sustainable education project. It seeks to generate awareness and action on energy conservation. In 2016-17, approximately 11,000 students have been directly and indirectly involved with the project. Approximately 40 kg of waste paper and 220 kg of organic waste have been recycled, over 75 kg of compost has been produced and around 2,30,000 litres of rainwater has been harvested in ten schools under the project. Other activities include energy and waste audits and rainwater harvesting. The Company also continued its partnership with the Kolkata Municipal Corporation for maintaining the green verges from Park Street flyover to Hazra crossing in Kolkata.

Community Development Initiatives

'*Nirmal Sankalp*' is a comprehensive water and sanitation project in the Titagarh municipality, which is being implemented in partnership with the Water Sanitation and Hygiene (WASH) Institute. It seeks to improve availability, usage, quality and sustainability of water and sanitation facilities by involving community members as change agents. Approximately 17,000 community members have benefited from this project.

In 2016-17, CESC launched a skill development and employment generation programme for women called '*Jagriti*' in partnership with NSHM Udaan Skills Private Limited, under which some 60 women have been trained in tailoring and beautician courses in Titagarh. The Company has also launched a skill development and employment generation programme for youth in the Tiljala-Topsia area called '*Saksham*' with the same NGO. Under this project, a comprehensive IT based course training has been arranged for approximately 100 youth, who will also be helped with finding suitable jobs.

FINANCIAL RESULTS

**Table 3 : Abridged Financial Performance of CESC
(Standalone)**

	2016-17	2015-16	% Change
Revenue from operations	7220	6796	6%
Other Income	147	127	16%
Total Income	7367	6923	6%
Cost of Electrical Energy Purchased	2614	2039	28%

	2016-17	2015-16	% Change
Fuel Costs	1359	1347	1%
Employee benefit expenses	780	707	10%
Other expenses	846	770	10%
Total Expenses	5,599	4,863	15%
Depreciation	409	370	11%
Finance Costs	448	456	(2%)
Profit before regulatory income/(expense)	911	1,234	(26%)
Regulatory Income / (Expense)	190	(188)	201%
PBT	1,101	1,046	5%
Taxation	238	201	18%
PAT	863	845	2%
Other comprehensive income	(39)	(33)	(18%)
Total comprehensive income	823	812	1%

Table 3 summarises the financial performance of CESC Limited as a standalone entity. Total income (including other income) of CESC increased by 6%, from ₹ 6923 crore in 2015-16 to ₹ 7367 crore in 2016-17.

Overall operating expenses grew by 15% to ₹ 5599 crore in 2016-17 primarily driven by increase in cost of power purchased. This coupled with a slight increase in fuel costs reflect the change in energy mix due to lower utilisation of the Company's generation assets at Titagarh and Southern subsequent to the ramping-up of generation at the new plant in Haldia.

The Company's profit after taxes (PAT) for 2016-17 stood at ₹ 863 crore and the earnings per share (EPS) during the year stood at ₹ 62.14 compared to ₹ 61.27 in 2015-16. Total comprehensive income increased by 1%.

INTERNAL CONTROLS

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

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

before the Board of Directors, where necessary. The Internal Audit Department also assesses the effectiveness of risk management and governance process.

RISKS AND CONCERNS

CESC's Risk Management Committee operates on a comprehensive risk management framework that the Company has put in place over time. The Committee is headed by the Managing Director and comprises the entire senior management team. In addition, the Company has a Risk and Disaster Management cell to focus on risks emanating from fire hazards and natural disasters.

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

Macroeconomic and Market Risks

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

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

Operational Risks

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

The medium to long term risks associated with generation sites, availability and quality of power have been mitigated with the new generation plant at Haldia. To mitigate disaster risks, the Company has a comprehensive disaster management plan which classifies operational risks into three categories: fire safety management, disaster management, and risk management, with each having detailed SOPs to handle such events. Periodic mock drill on fire

fighting and evacuation during emergency are part of the training calendar and vital installations are under 24x7 CCTV surveillance to protect against external attack, security breach or similar activities. Apart from this, the organisation has also focused on refurbishment/revamping of its electrical assets in hospitals, nursing homes, markets, schools and colleges to reduce risks related to fire and electrical safety.

Regulatory Risks

Power is a highly regulated sector. This exposes the Company to risks with respect to changes in policies and regulations. Besides, given the nature of the industry, there is a risk of more stringent policies and norms aimed at addressing environmental concerns. This can make it more difficult to execute new projects as well as increase the cost of operations. Efficient managing and recycling of fly ash and controlling flue gas emissions are examples of such areas.

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

DEMERGER

As mentioned at the beginning of this chapter, the Board of Directors of CESC at its meeting held on 18 May 2017 approved a restructuring plan to demerge its large businesses into four separate entities: power generation, power distribution, retail, and other businesses, the last to include its business process outsourcing unit under Firstsource Solutions. The rationale of this move is to unlock shareholder value, provide greater flexibility in accessing capital and to prepare a focused strategy for sustained growth across the different entities.

This is not a dilution. It is a demerger. As per the proposal, for every ten CESC equity shares held, a shareholder will get five equity shares of the power generation arm, five of the distribution company, six of the retail company (of ₹ 5/- each) and two of the entity which will hold the residual business. All four will be listed entities. The proposed appointed date of demerger is 1 October 2017, subject to necessary approvals.

OUTLOOK

The global macroeconomic outlook has improved consistently over the last two to three quarters. According to the IMF, global growth is projected to increase from 3.1% in 2016 to 3.5% in 2017, with a cyclical recovery in manufacturing and trade.

In the advanced economies like the USA, the situation has improved and to a lesser extent, it has in Europe and Japan. Activity is also expected to pick-up in the developing economies. Growth is also

projected to remain strong in large emerging market economies such as China and India.

According to the Reserve Bank of India, economic growth in India is expected to strengthen to 7.4% in 2017-18. The positive factors contributing to this are: increase in discretionary spend after remonetisation; cyclical upturn in economic activity; structural reforms brought in by the GST; and, proposals in the Union Budget aimed at stimulating capital expenditure and rural demand.

The power sector is expected to benefit directly from programmes for electrification of railways and rural areas, '24x7 Power for All' and UDAY — to improve financial health of state DISCOMs. The demand for power in India is on an increasing trajectory, even though efficiency gains from use of more power efficient technologies such as LEDs is crowding out some of the growth.

After the Paris Agreement, it is also clear that renewable sources will account for a very significant part of the growth in power capacities in the future. Besides, the distribution franchisee route taken by state DISCOMs to improve their financial health is likely to

open-up further opportunities in states such as Madhya Pradesh, Uttarakhand, Odisha and Jharkhand.

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

Cautionary Statement

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

On behalf of the Board of Directors

Kolkata, 18 May, 2017

Sanjiv Goenka
Chairman

Report on Corporate Governance (Annexure 'B' to Directors' Report)



The Company's philosophy on Corporate Governance

CESC Limited ('CESC' or 'the Company') has always remained committed to good corporate governance practices and is driven by a strong Board oversight, timely disclosures, transparent accounting policies and high levels of integrity in its decision-making process. The Company believes in articulating corporate responsibilities to ensure strategic guidance, effective monitoring and accountability to accomplish targeted performance, enhance satisfaction of consumers and other stakeholders and establish fairness in dealings.

For listed companies in India, standards of corporate governance are regulated by the Securities and Exchange Board of India (SEBI) through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholder Information, reports the status of CESC's compliance of corporate governance norms of the Listing Regulations for the year ended 31 March 2017.

BOARD OF DIRECTORS

COMPOSITION AND ATTENDANCE

On 31 March 2017, CESC's Board of Directors ('the Board') consisted of eight Directors, of whom six were Independent Directors, including a woman Director. The Managing Director is the only executive director of the Company. The composition of the Board satisfies the requirements of Section 149 of the Companies Act, 2013 ("the Act") and the Listing Regulations.

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

Table 1 : Composition of the Board of Directors as on 31 March 2017

Name of the Directors	Category	No. of other Directorships and Committee membership / Chairmanships in other Indian public companies			Attendance Particulars		
		Director ¹	Member ²	Chairman ²	No. of Board Meetings Held	No. of Board Meetings Attended	Attendance at last AGM
Mr. S. Goenka	Promoter, Non-Executive	6	–	1	6	6	Yes
Mr. P. K. Khaitan	Independent	9	4	1	6	5	Yes
Mr. B. M. Khaitan	Independent	5	–	–	6	4	No
Mr. C. K. Dhanuka	Independent	10	6	1	6	5	Yes
Ms. R. Sethi	Independent	3	–	1	6	6	Yes
Mr. K. Jairaj	Independent	3	3	–	6	4	No
Mr. P. Chaudhuri	Independent	9	2	4	6	6	Yes
Mr. A. Basu	Executive	4	–	–	6	5	Yes

Notes :

- Directorships held by Directors as mentioned in Table 1 do not include alternate directorships, directorships of foreign companies, Section 8 companies, one person companies and private limited companies.
- Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees of public limited companies have been considered.
- None of the Directors is related to any other Director.
- 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_ID_CESC_LIMITED.pdf
- The independent Directors have confirmed that they meet the criteria of independence u/s 149(6) of the Act and the Listing Regulations.

BOARD MEETINGS

In 2016-17, the Board met six times on 19 May 2016, 22 July 2016, 14 September 2016, 12 December 2016, 10 February 2017 and 15 February 2017. The maximum gap between any two Board meetings was less than one hundred and twenty days.

MEETINGS OF INDEPENDENT DIRECTORS

During 2016-17, the Independent Directors met on 12 December 2016 in order to, inter alia, review the performance of non-independent directors including that of the Chairman, assess the effectiveness of flow of information between the company management and the Board and other related matters.

All the six Independent Directors attended the meeting.

INFORMATION PLACED BEFORE THE BOARD

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

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

CODE OF CONDUCT

The Code of Business Conduct and Ethics ('the Code') relating to matters concerning Board members and Senior Management Personnel and their duties and responsibilities have been meticulously followed. All Directors and Senior Management Personnel have affirmed compliance of the provisions of the Code during 2016-17 and a declaration from the Managing Director to that effect is given at the end of this report. The Code is posted on the Company's website www.cesc.co.in.

COMMITTEES OF THE BOARD

The Board currently has 5 committees namely :

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

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

1. AUDIT COMMITTEE

(i) Composition :

As on 31 March 2017, Audit Committee consisted of Mr. S. Goenka, Mr. B.M. Khaitan and Mr. C.K. Dhanuka, being the Chairman of the Committee. All members of the Audit Committee have accounting and financial management expertise.

(ii) Meetings :

The Committee met four times during the year on 19 May 2016, 14 September 2016, 12 December 2016 and 10 February 2017. The attendance record of the Members at the Meeting is given below :

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Member	Non-Executive	4	4
Mr. B. M. Khaitan	Member	Independent	4	4
Mr. C. K. Dhanuka	Chairman	Independent	4	4

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

The Chairman of the Audit Committee attended the Annual General Meeting held on 22 July 2016.

(iii) Terms of reference

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

- A. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- B. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- C. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- D. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Section 134 of the Act.
 - b) Changes, if any, in accounting policies and practices and reasons for the same.
 - c) Major accounting entries involving estimates based on the exercise of judgement by management.
 - d) Significant adjustments made in the financial statements arising out of audit findings.
 - e) Compliance with listing and other legal requirements relating to financial statements.
 - f) Disclosure of any related party transactions.
 - g) Qualifications in the draft audit report, if any.
- E. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
- F. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- G. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- H. Discussion with internal auditors for any significant findings and follow up thereon.
- I. Investigating into any matter in relation to the items specified in the terms of reference and reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- J. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- K. Reviewing the Company's risk management policies.
- L. To 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. To carry out any other function as is mentioned in the terms of reference of the Audit Committee.
- N. To investigate any activity within its terms of reference and to seek any information it requires from any employee.
- O. To 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. To discuss any related issues with the internal and statutory auditors and the management of the Company.
- Q. To review and monitor the auditor's independence and performance, and effectiveness of audit process.
- R. To approve subsequent modification of transactions of the Company with related parties.
- S. To scrutinize the inter-corporate loans and investments and evaluate internal financial controls and risk management systems.
- T. To oversee the vigil mechanism/whistle blower policy of the Company.

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

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

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

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

(i) Composition :

As on 31 March 2017, the Stakeholders Relationship Committee consisted of Mr. S. Goenka, the Chairman of the Committee, and Mr. A. Basu.

(ii) Meetings :

During the financial year, the Committee met four times on 17 June 2016, 2 September 2016, 22 December 2016 and 15 February 2017. Table 3 below gives the attendance record of the Members at the Meeting.

Table 3 : Attendance Record of Stakeholders Relationship Committee

Name of Members	Status	Category	No. of Meetings	
			Held	Attended
Mr. S. Goenka	Chairman	Non-Executive	4	4
Mr. A. Basu	Member	Executive	4	4

Details of the number and nature of complaints received and redressed during the financial year 2016-17 are given in Additional Shareholder Information.

(iii) Terms of reference :

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

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

3. NOMINATION & REMUNERATION COMMITTEE

(i) Composition :

The Nomination & Remuneration Committee comprises of three Independent Directors namely Mr. P. K. Khaitan, Chairman, Mr. C. K. Dhanuka and Mr. B. M. Khaitan, as members of the Committee. The Committee met on 18 May 2017 to discuss the overall performance of the Directors. All the members of the committee attended the meeting.

(ii) Remuneration Policy :

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

(iii) Terms of Reference :

The role of the Nomination & Remuneration Committee includes :

- A. To identify persons qualified to become directors or hold senior management positions and advise the Board for such appointments/removals, where necessary;
- B. To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of directors, key managerial personnel and other employees;
- C. To evaluate the performance of every director;
- D. To devise a policy on Board diversity.

(iv) Performance Evaluation Criteria :

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

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

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition :

As on 31 March 2017, the Corporate Social Responsibility Committee consisted of Mr. S. Goenka, Chairman of the Committee, Mr. B. M. Khaitan and Mr A. Basu.

(ii) Meetings :

During the financial year, the Committee met on 12 December 2016. All the Committee members attended the meeting.

(iii) Terms of reference :

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

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

5. RISK MANAGEMENT COMMITTEE

(i) Composition :

As on 31 March 2017, the Risk Management Committee consisted of Mr. P. K. Khaitan (Chairman), Mr. A. Basu, Mr. B. M. Khaitan and Mr. P. Chaudhuri. Besides, the Committee also comprised of two senior executives viz. Executive Director (HR & Admin.) and Executive Director & CFO as its members.

(ii) Meetings :

During the financial year, the Committee met on 19 May 2016. All the Committee members attended the meeting.

(iii) Terms of reference :

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

REMUNERATION OF DIRECTORS

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

Remuneration paid or payable to Non-Executive Directors for the year ended 31 March 2017 :

Details of Sitting Fees paid to Non-Executive Directors during the Financial Year 2016-17 are as follows : Mr. S. Goenka, Chairman- ₹ 16,00,000, Mr. P. K. Khaitan - ₹ 8,00,000, Mr. B. M. Khaitan - ₹ 10,00,000, Mr. C. K. Dhanuka- ₹ 10,00,000, Ms. R. Sethi - ₹ 7,00,000, Mr. K. Jairaj - ₹ 5,00,000, Mr. P. Chaudhuri - ₹ 8,00,000

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 2016-17 at the rate of 3% of net profits for the financial year 2015-16, calculated under the applicable provisions of the Companies Act, 2013. A sum of ₹ 2391 lakh (net of service tax) has been paid to the Non-Executive Directors of the Company for the said year, out of which a total sum of ₹ 60 lakh was paid to the Non-Executive Directors other than the Chairman who was paid the balance amount, as per the decision of the Board. Amount of the proposed commission for the Non-Executive Directors for the year 2016-17 is ₹ 3273 lakh.

Remuneration of the Managing Director :

The remuneration of Mr. A. Basu, Managing Director, for the year in accordance with the Resolution passed by the shareholders at the Thirty-Seventh Annual General Meeting held on 31 July 2015 was: Salary – ₹ 69.00 lakh, Contribution to Pension and Provident Fund and Gratuity – ₹ 43.94 lakh, Estimated value of other benefits – ₹ 151.05 lakh, Variable pay for 2016-17 – ₹ 70.50 lakh. Total : ₹ 334.49 lakh. Mr. Basu was the only executive on the Company's Board as on 31 March 2017. The Company's contract with Mr. Basu, valid till 27 May, 2018, is terminable by either party upon six months' notice or salary in lieu thereof.

Shares held by Non-Executive Directors :

As on 31 March 2017, Mr. S. Goenka, Chairman and Non-Executive Director held 2,58,498 equity shares of the Company. No other Non-Executive Director holds any equity shares in CESC. As on 31 March 2017, no convertible instruments of the Company were outstanding.

SUBSIDIARY COMPANIES

As on 31 March 2017, CESC had thirty-nine subsidiaries. CESC Infrastructure Limited (CIL) and Haldia Energy Limited (HEL) are material subsidiaries of the Company during the year. Mr. P. Chaudhuri and Ms. Rekha Sethi, Independent Directors of the Company, are also Directors of CIL and HEL respectively. Mr. P. Chaudhuri was also appointed as an Independent director on the Board of Kota Electricity Distribution Limited.

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

https://www.cesc.co.in/wp-content/uploads/policies/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS

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

DISCLOSURES BY MANAGEMENT TO THE BOARD

All disclosures relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board, and the interested Directors do not participate in the discussion nor do they vote on such matters.

DISCLOSURE OF ACCOUNTING CONVENTION IN PREPARATION OF FINANCIAL STATEMENTS

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

CODE FOR PREVENTION OF INSIDER TRADING PRACTICES

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

Apart from the above, the Company also has in place a “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” in terms of the aforesaid regulations. Company Secretary is the Compliance Officer who also acts as the Chief Investor Relations Officer. The above two codes are posted on the Company’s website www.cesc.co.in.

RELATED PARTY TRANSACTIONS

Details of transactions of a material nature with any of the related parties as specified in Indian Accounting Standard (IND AS) 24 issued by the Institute of Chartered Accountants of India are disclosed in Note 43 to the financial statements for the year 2016-17. 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 Non-Executive Directors during the year. The Company’s policy on dealing with Related Party Transactions is posted at:

https://www.cesc.co.in/wp-content/uploads/policies/RELATED_PARTIES_POLICY.pdf

WHISTLE BLOWER POLICY

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

ANTI SEXUAL HARASSMENT POLICY

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 covering all employees of the Company. Internal Complaints Committee set up for the purpose did not receive any complaints during the year.

CEO/CFO CERTIFICATION

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

SHAREHOLDERS

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS

Mr. A. Basu retires as a Director at the conclusion of the forthcoming Thirty-Ninth Annual General Meeting, and being eligible, offers himself for re-appointment.

Mr. A. Basu, 57 years of age, is an Electrical Engineer from Jadavpur University, Kolkata. He has been with CESC from the beginning of his professional career in 1984. He was Executive Director (Distribution) before being appointed Managing Director of the Company with effect from 1 August 2013. He is known for his people orientation and domain expertise. Mr. Basu has vast experience in overseeing several critical areas of functioning of the Company. He has been spearheading the Company’s efforts in achieving further excellence in all areas of its operation and such efforts have already won recognition in the form of awards and prizes from a number of national and international bodies of repute. He is a member of the Stakeholders’ Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee of the Company.

Other Directorship	Mr. Basu is also on the Board of Kota Electricity Distribution Limited, Bikaner Electricity Supply Limited, Bharatpur Electricity Services Limited and CESC Green Power Limited.
Number of shares held in the Company	110

COMMUNICATION TO SHAREHOLDERS

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

During the year, the Company’s quarterly/half-yearly/yearly results have been published in leading English and Bengali newspapers and also posted on its website. Hence, they are not separately sent to the Shareholders. However, the Company furnishes the quarterly results on receipt of a request from any Shareholder.

Details of foreign exchange risk and hedging activities are disclosed in Note 47 to the financial statements for the year 2016-17.

GENERAL BODY MEETINGS

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

Financial year	Date	Time	Venue	Special Resolutions Passed
2013-14	30 July 2014	10:30 A.M.	CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064	Two
2014-15	31 July 2015	10:30 A.M.	CITY CENTRE Royal Bengal Room, DC Block Sector I, Salt Lake, Kolkata - 700064	One
2015-16	22 July 2016	10.30 AM	Rangmanch, Swabhumi, 89C, Moulana Abul Kalam Azad Sarani, Kolkata - 700054	One

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

COMPLIANCE

MANDATORY REQUIREMENTS

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

NON-MANDATORY REQUIREMENTS

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

SHAREHOLDER RIGHTS — FURNISHING OF QUARTERLY RESULTS

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

AUDIT QUALIFICATIONS

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

DETAILS OF NON-COMPLIANCE BY THE COMPANY

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.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

The Statutory Auditors have issued a certificate regarding compliance of conditions of corporate governance, as mandated in Regulation 27 of the Listing Regulations. The certificate is annexed to this report.

On behalf of the Board of Directors

Kolkata, 18th May 2017

Sanjiv Goenka
Chairman

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of CESC Limited

We have examined the compliance of conditions of Corporate Governance by CESC Limited, for the year ended March 31, 2017 as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) 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 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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 the affairs of the Company.

Place: Kolkata
Date : 18 May, 2017

For and on behalf of
Lovelock & Lewes
Firm Registration Number-301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No : 057084

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

ANNUAL GENERAL MEETING

Date	: 28 July, 2017
Time	: 10-30 AM
Venue	: City Centre Royal Bengal Room DC Block, Sector-I Salt lake, Kolkata- 700 064

FINANCIAL CALENDAR	: 1 April to 31 March.
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For the year ended 31 March 2017, results were announced on :

First quarter	14 September, 2016
Second quarter	12 December, 2016
Third quarter	10 February, 2017
Fourth quarter and annual	18 May, 2017

For the year ended 31 March 2018, results are expected to be announced :

First quarter	Within 14 August 2017
Second quarter	Within 14 November 2017
Third quarter	Within 14 February 2018
Fourth quarter and annual	Within 30 May 2018

DIVIDEND

The Board in its meeting held on 15 February, 2017 declared an interim dividend of 100% i.e. ₹ 10 per equity share. The said interim dividend was paid on and from 6 March 2017.

LISTING

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

STOCK CODES

CSE	: PHYSICAL: 34; DEMAT: 10000034
BSE	: PHYSICAL: 84; DEMAT: 500084
NSE	: CESC
ISIN No.	: INE486A01013

All listing and custodial fees to the stock exchanges and depositories have been duly paid.

STOCK DATA AND PERFORMANCE

Table 1 below gives the monthly high and low prices of CESC's equity shares at BSE and NSE for the year 2016-17.

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

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High	Low	High	Low
April, 2016	556.00	466.75	557.00	466.35
May, 2016	577.25	520.00	577.00	519.50
June, 2016	599.00	531.35	600.00	530.80
July, 2016	634.65	580.50	634.50	583.00
August, 2016	669.00	595.00	669.95	594.00
September, 2016	683.45	599.70	683.00	600.00
October, 2016	643.20	592.10	641.75	590.30
November, 2016	633.95	539.10	634.30	533.00
December, 2016	645.00	570.00	646.45	569.10
January, 2017	750.30	637.00	750.80	636.30
February, 2017	886.30	729.50	886.00	728.70
March, 2017	862.00	793.00	863.60	790.75

Note : There is no trading in the shares of the Company at CSE during the year.

Table 2 provides the closing price of CESC's equity shares on NSE with leading market and sector indices at the last trading day for each month during the year 2016-17.

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, 2016	538.50	7849.80	25606.62	10406.12	1846.34
May, 2016	544.50	8160.10	26667.96	10761.49	1871.71
June, 2016	596.85	8287.75	26999.72	11029.45	1996.05
July, 2016	614.60	8638.50	28051.86	11585.96	2076.58
August, 2016	666.60	8786.20	28452.17	11834.89	2098.41
September, 2016	610.75	8611.15	27865.96	11700.65	1989.59
October, 2016	626.80	8625.70	27930.21	11878.89	2006.11
November, 2016	586.30	8224.50	26652.81	11195.09	2028.73
December, 2016	638.50	8185.80	26626.46	11036.44	1987.58
January, 2017	738.15	8561.30	27655.96	11659.94	2167.72
February, 2017	840.40	8879.60	28743.32	12176.95	2195.78
March, 2017	841.20	9173.75	29620.50	12631.90	2274.42

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

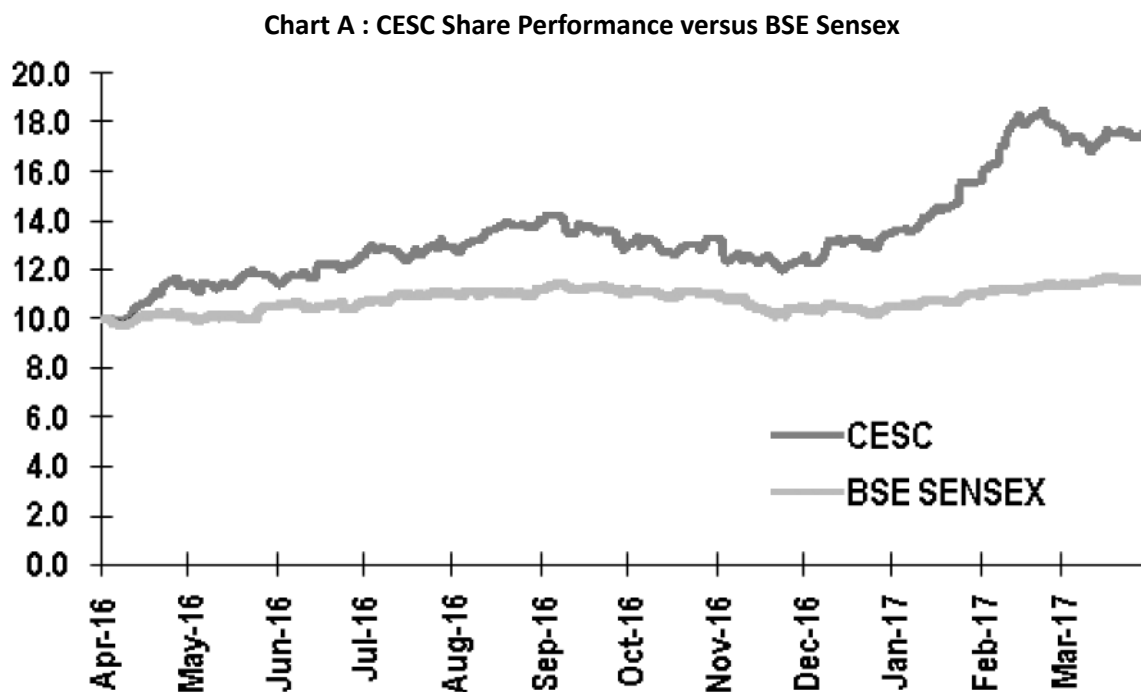


Chart B plots the movement of CESC's equity shares' adjusted closing prices compared to the NSE NIFTY.

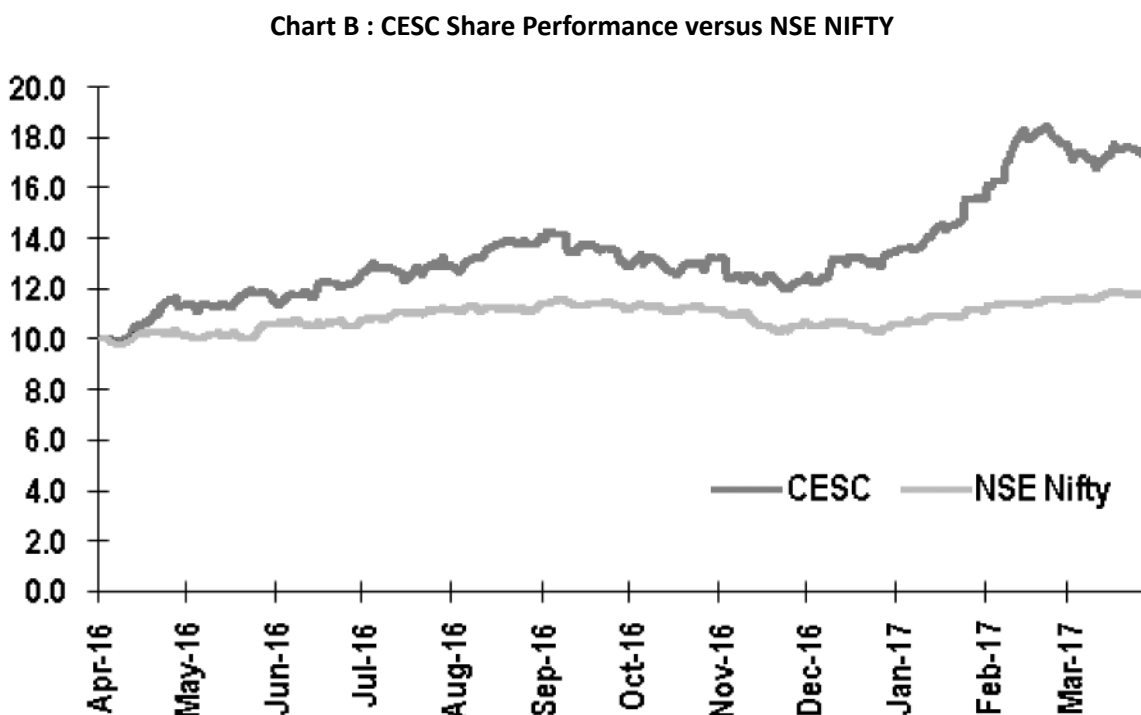
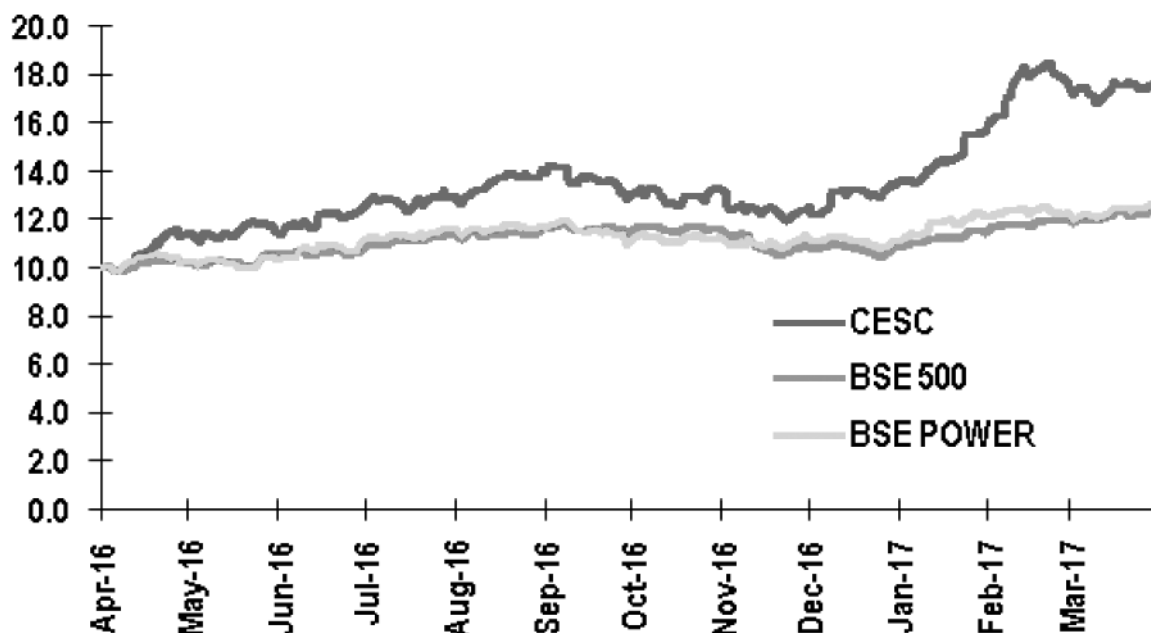


Chart C plots the movement of CESC's equity shares' adjusted closing prices compared to the BSE 500 and BSE Power.

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



Note : Share price of CESC and NSE NIFTY have been indexed to 100 on 1 April 2016

SHARE TRANSFER ARRANGEMENT, INVESTOR GRIEVANCES & SHAREHOLDER REDRESSAL

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

LINK INTIME INDIA PRIVATE LIMITED

59C Chowringhee Road,
3rd Floor

Kolkata – 700 020

Tel No. : 2289 0540

Fax No. : 2289 0539

E-mail : kolkata@linkintime.co.in

Website : www.linkintime.co.in

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

Secretarial Department

CESC Limited

CESC House

Chowringhee Square

Kolkata – 700 001

Tel No. : 6634 0814

Fax No. : 2236 3868

E-mail : secretarial@rp-sg.in

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

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

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

As on 31 March 2017, dematerialised shares accounted for 96.63% of total equity. Outstanding global depository receipts as on the said date was 10732. 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 2016-17.

Table 3 : Complaints from Shareholders during 2016-17

Particulars	Complaints				
	Non receipts of certificates	Non-Receipt of Dividend	Non Receipt of Annual Reports / Non Receipt of Demat Credit	Others	Total
Received during the year	46	3	3	3	55
Attended during the year	46	3	3	3	55
Pending as on 31 March 2017	Nil	Nil	Nil	Nil	Nil

SHAREHOLDING PATTERN

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

Table 4 : Pattern of Shareholding by Ownership as on 31 March 2017

Category	As on 31 March 2017	
	Total No. of Shares	Percentage
1. Management Group / Families	6,61,72,209	49.92%
2. Institutional Investors		
a. Mutual Funds	2,33,89,492	17.64%
b. Banks, Financial Institutions, Insurance Companies	34,93,630	2.64%
c. FIs	2,79,43,971	21.08%
Total	5,48,27,093	41.36%
3. Others		
a. Bodies Corporate	59,81,314	4.51%
b. Indian Public	42,96,843	3.24%
c. NRIs	6,32,360	0.48%
d. Others	6,47,224	0.49%
Total	1,15,57,741	8.72%
Grand Total	13,25,57,043	100.00

Table 5 : Pattern of Shareholding by Share Class as on 31 March 2017

Shareholding Class	No of shareholders	No of shares held	Shareholding %
1 to 500	32576	2324201	1.75
501 to 1,000	1071	771330	0.58
1,001 to 2,000	411	581509	0.44
2,001 to 3,000	116	288181	0.21
3,001 to 4,000	68	236308	0.17
4,001 to 5,000	43	200084	0.15
5,001 to 10,000	104	767363	0.57
10,001 and above	249	127317431	96.10
Total	34598	132557043	100.00

PLANT LOCATIONS

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

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)
A. Details of due dates :

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

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

Year	Date of Payment	Due Date for Credit to IEPF	Amount Lying Unpaid /Unclaimed as on 31 March 2017 (₹)
2009-10	1 August 2010	26 August 2017	2691579
2010-11	1 August 2011	30 August 2018	1778776
2011-12	1 August 2012	30 August 2019	3166541
2012-13	29 July, 2013	28 August, 2020	3393843
2013-14	1 August, 2014	30 August, 2021	3753120
2014-15	4 August, 2015	3 September, 2022	5176300
2015-16	22 March, 2016	21 April, 2023	8229714

B. Transfer to IEPF :

During the year following transfers were made to IEPF :

Particulars	Amount (₹)	Date of Transfer
Unclaimed Equity dividend for 2007-08.	22,12,441	25 August, 2016
Unclaimed redemption amount of 7 ½ % Cumulative Preference Shares.	19,90,260	17 February, 2017

UNCLAIMED SHARES

In terms of Listing Regulations, the Company had transferred 1,69,777 equity shares which were lying unclaimed, into “CESC Unclaimed Suspense Account”, after issuing four reminders to the concerned shareholders. These shares may be claimed back by the concerned shareholders on compliance of necessary formalities.

It may also be noted that all the corporate benefits accruing to these 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.

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 during the year	332	1, 69,777
2	No of shareholders who approached the Company for transfer of shares from the suspense account	–	–
3.	No of shareholders to whom shares were transferred from the suspense account	–	–
4.	Aggregate number of shareholders and the outstanding shares lying in the suspense account at the end of the year	332	1 ,69,777

For and on behalf of the Board of Directors

Kolkata, 18 May, 2017

Sanjiv Goenka
Chairman

DECLARATION

As required under the relevant provisions of the 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 2016-17.

Kolkata, 18 May 2017

Aniruddha Basu
Managing Director

Annual Report on Corporate Social Responsibility Activities

undertaken during the year ended 31 March 2017 (Annexure 'D' to the Directors' Report)



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

The Company is dedicated to the cause of providing access to basic services, empowering people, educating them and to improving their quality of life. The Company undertakes programmes based on the identified needs of the community healthcare, education, art and community like the following :

- a) Provision of access to basic healthcare services/facilities, safe drinking water & sanitation and conducting health awareness camps
- b) Empowerment of the disadvantaged sections of society through promoting inclusive education for all, as well as through livelihood generation and skill development
- c) Supporting environmental and ecological balance through energy conservation, adoption of initiatives resulting into Greenhouse Gas Emissions (GHG) reduction and transformation into low carbon business practices
- d) Undertaking livelihood generation/promotion and women empowerment projects
- e) Undertaking/supporting sports activities and programmes of art & culture in various forms and
- f) Any other programme that falls under the Company's CSR Policy and is aimed at the empowerment of disadvantaged sections of the society

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

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

2. **Composition of CSR Committee :** The CSR Committee consists of Mr. Sanjiv Goenka, Chairman, Mr. B.M. Khaitan, Independent Director and Mr. A. Basu, Managing Director
3. Average net profit for the last three financial years : ₹ 870 crore
4. Prescribed CSR Expenditure (two percent of the above amount as in item 3 above) is ₹ 17.40 crore
5. (a) Total amount spent for the financial year 2016-17 is ₹ 17.41 crore
(b) Unspent amount for financial year 2016-17 is Nil
(c) Manner in which the amount was spent during the financial year is detailed below:

1.	2.	3.	4.	5.	6.	7.	8.
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads; 1) Direct expenditure on projects or programs 2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
1.	Urja Chetana (Environment and Energy Education Programme)	Environment	Kolkata, Hooghly, North and South 24 Parganas, West Bengal	25,28,100	(1) 31,24,397 (Direct)	31,24,397	Through Implementing Agency (Centre for Environment Education)
2.	City Greening Project (Maintenance of plants on certain roads of Kolkata)	Environment	Kolkata, West Bengal	28,70,000	(1) 28,67,000 (Direct)	28,67,000	Through Implementing Agency (The Kolkata Municipal Corporation)
3.	Plantation and Beautification Work in Medical College & Hospitals	Environment	Kolkata, West Bengal	7,75,000	(1) 7,68,500 (Direct)	7,68,500	Direct
4.	Plantation and Beautification Work on BT Road	Environment	Titagarh, North 24 Parganas, West Bengal	4,00,000	(1) 3,88,500 (Direct)	3,88,500	Direct
5.	Beautification of Fountain and Park on VIP Road	Environment	Kolkata, West Bengal	1,00,000	(1) 100,000 (Direct)	1,00,000	Through Implementing Agency (Sumangal)

1.	2.	3.	4.	5.	6.	7.	8.
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads; 1) Direct expenditure on projects or programs 2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
6.	Muktangan (Remedial Education Programme)	Education	Titagarh (North 24 Parganas) and Budge Budge (South 24 Parganas), West Bengal	25,50,200	(1) 31,67,405 (Direct)	31,67,405	Through Implementing Agency (Hope Kolkata Foundation)
7.	Nirmal Abhiyan (WASH in Schools Programme)	Education	Kolkata, West Bengal	19,63,750	(1) 31,22,328 (Direct)	31,22,328	Through Implementing Agency (City Level Programme of Action on Street and Working Children)
8.	Library Programme (Pujali Sadharan Pathagar)	Education	South 24 Parganas, West Bengal	40000	(1) 39,982 (Direct)	39,982	Direct
9.	Roshni	Education	Kolkata, West Bengal	17,68,215	(1) 16,64,407 (Direct)	16,64,407	Through Implementing Agency (Child In Need Institute)
10.	School Build Programme						
	i. Infrastructure Development Work at Manuel Girls High School	Education	Budge Budge, South 24 Parganas, West Bengal	3,50,000	(1) 3,24,249 (Direct)	3,24,249	Direct
	ii. Benches for Pujali Rajarampur Free Primary School	Education	Budge Budge, South 24 Parganas, West Bengal	55,000	(1) 53,528 (Direct)	53,528	Direct
	iii. Construction of Pathway and Cycle Stand Shed in Kalipur Girls' High School	Education	Budge Budge, South 24 Parganas, West Bengal	2,50,000	(1) 2,60,540 (Direct)	2,60,540	Direct
	iv. Playground Development in Kalipur Boys' High School	Education	Budge Budge, South 24 Parganas, West Bengal	5,00,000	(1) 4,78,180 (Direct)	4,78,180	Direct
	v. Playground Development in Kalipur Uttar Abaitanik Prathamik Vidyalaya	Education	Budge Budge, South 24 Parganas, West Bengal	80,000	(1) 77,832 (Direct)	77,832	Direct
	vi. Installation of Water Coolers in Pujali Raghunathpur Junior High School and Pujali Free Primary School	Education	Budge Budge, South 24 Parganas, West Bengal	45,000	(1) 42,400 (Direct)	42,400	Direct
	vii. Electrical Work in Pujali Raghunathpur Junior High School and Pujali Free Primary School	Education	Budge Budge, South 24 Parganas, West Bengal	60,000	(1) 58,705 (Direct)	58,705	Direct
	viii. Infrastructure Development of Titagarh Anglo Vernacular High School	Education	North 24 Parganas, West Bengal	3,30,000	(1) 3,26,550 (Direct)	3,26,550	Direct

1.	2.	3.	4.	5.	6.	7.	8.
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs 1) Local area or other 2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads; 1) Direct expenditure on projects or programs 2) Overheads (₹)	Cumulative Expenditure upto the reporting period (₹)	Amount spent: Direct or through implementing agency
11.	Suswasthya (Community Health Project)	Health	Kamarhati (North 24 Parganas), Bhadreswar and Champdani (Hooghly), West Bengal	15,79,200	(1) 10,96,812 (Direct)	10,96,812	Through Implementing Agency (City Level Programme of Action on Street and Working Children)
12.	Upgradation of Titagarh Municipal Hospital	Health	Titagarh, North 24 Parganas, West Bengal	65,000	(1) 64,179.15 (Direct)	64,179.15	Direct
13.	Nirmal Sankalp (Community Water and Sanitation Programme)	Community Development	Titagarh, North 24 Parganas, West Bengal	55,52,600	(1) 40,97,627 (Direct)	40,97,627	Through Implementing Agency (Water for People India Trust & WASH Institute)
14.	Jagriti (Skill Development Programme for Women)	Community Development	Titagarh, North 24 Parganas, West Bengal	5,69,400	(1) 4,78,887 (Direct)	4,78,887	Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)
15.	Saksham (Skill Development Programme for Youth)	Community Development	Topsia-Tiljala, Kolkata, West Bengal	4,26,650	(1) 2,13,325 (Direct)	2,13,325	Through Implementing Agency (NSHM Udaan Skills Pvt. Ltd.)
16.	Hamari Awaaz (Sensitisation programme on child protection)	Community Development	Tiljala, Kolkata, West Bengal	13,73,400	(1) 6,86,700 (Direct)	6,86,700	Through Implementing Agency (Child In Need Institute)
17.	Setting up of an Institution of excellence	Sector Permitted by Schedule-VII to the Companies Act, 2013	Kolkata, West Bengal	15,00,00,000	15,00,00,000	41,67,10,000	RP-Sanjiv Goenka Group CSR Trust
18.	Construction of Pavement in Pujali	Community Development	Pujali, South 24 Parganas, West Bengal	3,50,000	(1) 3,49,962.5 (Direct)	3,49,962.5	Direct
19.	Construction of Bus Stands in Titagarh	Community Development	Titagarh, North 24 Parganas, West Bengal	2,25,000	(1) 2,14,029 (Direct)	2,14,029	Direct
20.	Perception Study	Documentation	All Project areas	3,00,000	(1) 75,618 (Direct)	75,618	Through CINI Chetana Resource Centre & Innovative Financial Advisors Pvt. Ltd.
			Total		17,41,41,643		

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

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

Kolkata, 18 May 2017

Aniruddha Basu
 Managing Director and Member, CSR Committee

Sanjiv Goenka
 Chairman, CSR Committee

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

Section A : General Information about Company

1	Corporate Identity Number	L31901WB1978PLC031411
2	Name of the Company	CESC Limited
3	Registered address	CESC House, Chowringhee Square, Kolkata- 700 001
4	Website	www.cesc.co.in
5	Email	secretarial@rp-sg.in
6	Financial Year Reported	2016-17
7	Sectors engaged in	Code 40102 - Power Generation
8	Key products / services company manufacturers	Electricity generation & distribution.
9	Locations where business activities are undertaken by the Company.	Across 567 sq km of licensed area in Kolkata and Howrah in the State of West Bengal.
10	Markets served by the company	Kolkata and its neighbourhood in the State of West Bengal.

Section B : Financial Details of the Company

1	Paid-up Capital (INR cr)	133.22
2	Total Income (INR cr)	7366.63
3	Total profit after taxes (INR cr)	862.86
4	Total Spending on CSR as % profit after tax	2% of average net profit for last three years.
5	List of activities in which CSR expenses incurred	Please refer 'Annexure-D' to the Directors' Report.

Section C : Other Details

1	Details on subsidiary companies	The Company has thirty-nine subsidiary companies (Both direct and step-down) as on March 31, 2017.
2	Participation of subsidiary companies in the BR initiatives of the parent company	Apart from participating in various BR/CSR initiatives, the Company and its subsidiaries have been parties in setting up a CSR Trust on 17 February 2015, with the name of RP- Sanjiv Goenka Group CSR Trust ("the Trust"). All these parties make regular contributions to the Trust for utilization in a worthwhile manner for pursuing one or more such projects as may be decided by the Trust from time to time.
3	Participation of other entities (suppliers, contractors etc) in the BR initiatives of the Company	Not Applicable.

Section D : BR Information

1	Details of Director / Directors responsible for BR		BR functions are inter alia, monitored by the CSR Committee of the Board of Directors of the Company formed in terms of Section 135 of the Companies Act, 2013.
	a.	Details of director responsible for implementation of BR policies.	The CSR Committee of the Board functions under the Chairmanship of Mr. S. Goenka. The Committee also includes Mr. B. M. Khaitan and Mr. A. Basu as Members.
	b.	Details of BR Head	Mr. A. Basu, Managing Director and a member of the CSR Committee of the Board has the overall responsibility for BR activities and his details are as follows : a) DIN : 06593527 b) Designation : Managing Director c) Telephone No. : 033-2225 6040 d) Email id : secretarial@rp-sg.in

2. Principle wise BR Policy – as per National Voluntary Guidelines

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

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The BR performance is reviewed by CSR Committee of the Board and the senior management of the Company.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The BR Reporting has become applicable to the Company with effect from April 2016. Such Report will be available on the website of the Company www.cesc.co.in .

Section E : Principle-Wise Performance

Disclosure of Performance in Annual Report

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

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

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

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

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

The Stakeholder Relationship Committee constituted by the Board of Directors of CESC Limited, looks into the investor grievances. The Company did receive from time to time complaints from its Shareholders and satisfactorily resolved the same. The details as to the number and nature of Shareholders' complaints received and resolved during the financial year have been separately shown in ‘Annexure-C’ to the Directors’ Report under Additional Shareholder Information as a part of this Annual Report.

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

CESC is into the business of generation and distribution of electricity. Safety issues are given high importance and priority in the organization. There are Committees headed by senior officers with participants from supervisors and experienced workers who effectively contribute to deliberations. An Apex Level Safety Committee has also been formed with senior management team to oversee the safety aspects in totality.

Regular safety audits are undertaken with the focus on improved practices, tools and tackles. CESC has installed about 4700 state-of-the-art technology SF6 Gas insulated RMUs (Ring Main Unit) for protection and operation of its primary distribution network (6 kV/11 kV). This has improved safety aspects to a great extent.

CESC has always been involved in socially relevant projects. During festivals, CESC participates in social awareness initiatives, focusing on safety, social responsibility and civic consciousness including energy conservation. Mailers on electrical safety and energy conservation aspects are sent to the consumers on a regular basis to increase awareness amongst the consumers. Regular visits to various schools are also made to instil awareness particularly amongst the young.

Domestic Efficient Lighting Program (DELP) has been launched for residential consumers. Being implemented by M/s. EESL, a Union Govt. undertaking, the DELP Program promotes the penetration of the LED Bulbs in the residential sector.

CESC is in the business of generation and distribution of electricity. CESC is committed to provide cheap, efficient and reliable power in line with its vision. Vision, Mission and core values act as the guiding force propelling the organization to global standards. Safety and occupational health of the employees is the top most priority. All its thermal power stations are accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certification.

Various innovative projects have also been carried out to reduce the carbon footprint and to conserve energy. The Company has achieved 100% utilization of ash since 2000 and its dry fly ash as a commodity for value added utilization is nearly 100%. Specific water consumption is a benchmark figure after implementation of zero liquid discharge.

Further, ash generated from all the thermal power stations is utilized in cement plants and in various value added categories. Hazardous wastes like used oil, used resins and bio-medical waste are disposed off through authorized recyclers.

The Company also lays emphasis on sustainable sourcing of resources and sensitize and assess its suppliers/vendors and contractors continuously on various aspects viz, ethics, compliances, safety, environment etc. In line with the Company's strategy, around 70% of the total vendor base falls under local Micro, Small and Medium Entrepreneurs (MSME Units). Preferential sourcing from such local units is done and opportunities are provided to competent Vendors under this segment for re-engineering/developing critical items. Such business prospects create growth opportunities for these local business associates, helping them for their expansion and engagement of more local manpower with prospects of their further business growth.

Principle 3 : Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Total Number of permanent employees : 9150

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

Total number of employees hired on	Temporary Basis	NIL
	Casual Basis	293
	Contractual Basis*	4532

* Includes 4387 nos of indirect employment

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

Total Number of permanent women employees : 489

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

Total Number of employees with permanent disabilities : 57

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

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

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

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

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

% Safety training in the last year for undermentioned employees	No of persons	% of Total Strength in respective category
Permanent Employees	3701	41%
Permanent Women Employees	2	< 1%
Casual/ Temporary/ Contractual Employees	3786	86%

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

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

1. **Has the company mapped its internal and external stakeholders?**

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

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

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

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

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

Principle 5 : Businesses should respect and promote human rights

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

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

Existing Values / Policy / Guidelines	Aspect on Human Rights	Applicability
Core values of CESC	Humaneness	All employees
Management Staff Regulations	- Ethics & Code of Conduct - Prevents acts of sexual harassment	All Management Staff

Existing Values / Policy / Guidelines	Aspect on Human Rights	Applicability
Standing Orders	- Right to a fair trial - Ensuring compliance compensation	All workmen under company payroll
MOS on Wages for Contracted workmen		All Contracted employees
Recruitment Policy	No discrimination on the basis of caste, sex, creed & religion	Management staff & own employees
Whistle Blower Policy	Right to freedom of expression	All employees
Web Tendering	Promote equal opportunity	All Suppliers
Recognizing Trade Unions	Right to freedom of expression & collective bargaining	All employees
CSR Policy	- Promote employability - Promote education, health, hygiene & environment	Community beneficiaries
Remuneration Policy	Harmonizing the aspirations of human resources consistent with the goals of the Company	All employees
Anti Sexual Harassment Policy	Prevention of sexual harassment at work place.	All employees

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

No complaints were received from stakeholders as mentioned in the above table.

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

CESC is aware of the importance of environmental sustainability.

Regular energy audits are undertaken at various establishments and measures are implemented to improve energy efficiency. CESC House, the registered office of the Company, has got LEED Gold rating from U.S. Green Building Council.

CESC procures power from co-generation sources and its consumers are allowed to install Roof Top Solar PV Sources as per guidelines of the West Bengal Electricity Regulatory Commission. Total capacity of grid connected Roof Top Solar PV Sources by the consumers is about 7 MW. CESC on its own has also installed such sources at its premises.

CESC is striving for reduction of distribution losses, primarily theft of electricity. By way of curtailing theft, misuse of electricity is controlled. Unauthorized connections also invoke safety hazards.

The Company has two Clean Development Mechanism (CDM) projects registered with United Nations Framework Convention on Climate Change (UNFCCC). Budge Budge Generating Station is the first coal based thermal power station in the world to have registered a CDM project.

Detail of the projects are as below :

1. Energy Efficiency through change of Power Cycle Chemistry & Modification in Furnace Draft Control at Budge Budge Generating Station.
2. Energy Efficiency through Alteration of Fuel Oil Atomizing Media at Titagarh Generating Station.

Further, all the thermal power stations of CESC Limited are running well within the permissible norms of CPCB and WBPCB for emissions, effluent, hazardous and solid wastes All compliance reports and statements are submitted regularly to CEA, WBPCB as well as Ministry of Environment, Forest & Climate Change (MoEFCC).

No showcause / legal notices are pending as on the end of the financial year.

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

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

- (a) Indian Chamber of Commerce (ICC)
- (b) Bengal Chamber of Commerce and Industry (BCC&I)
- (c) Federation of Indian Chambers of Commerce&Industry – (FICCI)
- (d) Confederation of Indian Industries (CII)

- (e) The Associated Chambers of Commerce & Industry of India (**Assocham**)
 - (f) India Smart Grid Forum (**ISGF**)
 - (g) National Productivity Council (**NPC**)
 - (h) National Safety Council (**NSC**)
 - (i) Central Board of Irrigation & Power (**CBIP**)
 - (j) All India Management Association (**AIMA**)
 - (k) Edison Electric, US (**EEI**)
 - (l) National HRD Network (**NHRDN**)
 - (m) Employers' Federation of India (**EFI**)
 - (n) Society of Human Resource Management (**SHRM**)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes, CESC is in engagement with the above bodies for placing the views for the advancement or improvement of the society at large, in many different ways.

Principle 8 : Businesses should support inclusive growth and equitable development

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

The CSR policy of CESC Limited focuses on leveraging the full range of Company resources to broaden access to basic facilities for the underserved population. In line with the CSR policy, CESC is committed to promote sustainable and inclusive development of the communities among which it operates. The Corporate Social Responsibility Committee formed by the Board of Directors, is responsible to formulate the CSR Policy and reporting of CSR initiatives. CESC has been implementing several CSR projects in the areas of education, health and community development to support and facilitate development of the underprivileged and disadvantaged sections of the society. The CSR projects are undertaken after assessments of area-specific needs and in consultation with the stakeholders to ensure that they are relevant and respond to the needs of the community for whom they are implemented.

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

Majority of the projects are undertaken through external NGOs/implementing agencies. Few are implemented directly. In last two years, CESC has involved its own employees as volunteers engaged with various projects.

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

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

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Education Projects

- 1. **Muktangan** – Remedial education programme for underprivileged children
- 2. **Nirmal Abhiyan** – Water and sanitation project in government schools
- 3. **Urja Chetana** – Environment and energy education project in schools
- 4. **CESC Learning Labs** – Setting up of digital Science and Maths Labs in government schools
- 5. **Roshni** – Integrated programme on child education, health, nutrition and protection
- 6. **School Build Programme** – Infrastructure development of government/government-aided schools.

Health Projects :

- 1. **Suswasthya** – Project on maternal, child and adolescent health
- 2. **Upgradation of government/municipal hospitals**

Community Development Projects :

1. **Jagriti** – Skill Development and employment generation programme for women
2. **Saksham** - Skill Development and employment generation programme for youth
3. **Nirmal Sankalp** – Water and sanitation programme for urban slums
4. **Hamari Awaaz** – Community sensitization programme on child protection

Details of amount spent for the respective projects have been furnished separately in Annexure 'D' to the Directors' Report.

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

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

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

The Company is in the business of generation and distribution of electricity and accordingly displaying product information on product label does not apply in our case. Further there is no pending case filed against the Company for unfair trade practices, irresponsible advertisement and anti-competitive behaviour during the last five years. As on 31 March 2017 five cases of customer grievances were pending.

Customer Satisfaction Surveys are key indicating parameters followed by the Company for measuring customer satisfaction levels. These surveys are conducted on a regular basis across all segments i.e. commercial, industrial and residential consumers. The Company has in place a feedback mechanism which enables it to analyse what its customers want and whether further measures are required for enhancing customer satisfaction levels. Based on the feedback from the customers, the management identifies the key improvement areas for necessary action on the key findings.

Further, based on the feedbacks from the customers, CESC has launched a few special offerings like Proactive Complaint Management System, Oracle (Opower) Utilities Platform, Commercial Helpline & Centralised Complaint Management Centre etc.

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman

Kolkata, 18 May, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED – 31.03.2017

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

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

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on compliance of conditions of Corporate Governance and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on 31.03.2017 generally complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

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

Company" for the financial year ended on 31.03.2017 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable to the Company:- **As reported to us, there were no FDI and ODI transactions in the Company during the year under review.**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act) to the extent applicable to the Company:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - 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:- **No Securities were issued during the Year.**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014; **Not Applicable during the year.**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **No instances were reported during the year.**

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

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

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

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

1. The Company had formed along with other companies of its group, a Trust known as RP-Sanjiv Goenka Group CSR Trust which was registered on 17th February, 2015 with the Additional Registrar of Assurance, Kolkata. A sum of ₹ 15.00 crores was contributed to the Trust towards CSR activities during the year.

Total amount required to be spent by the Company on CSR was ₹ 17.40 crores and the amount spent during the year under report was ₹ 17.41 crores.
2. Section 186 is not applicable to the Company as it is a Company engaged in the business of providing infrastructural facilities as provided in Section 186(11)(a) of the Companies Act, 2013.

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

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes, if any, in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

1. As regards update on the matter of Coal Block, the Company has reported that - additional levy amounting to ₹ 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarisatoli Coal Block for meeting part of the Company's coal requirement since inception to 31 March, 2015, has been considered as recoverable (accounted for in the year ended 31st March 2015 partly as receivable of ₹ 897 crore and balance as fuel cost) by way of tariff in terms of the applicable laws/regulations, for which appropriate reference was made to West Bengal Electricity Regulatory Commission, and being pursued by the management. Based on such reference/persuasion, the management expects a favorable outcome in the matter.

Consequent to accounting under IND – AS framework, effective 1-4-2015, the aforesaid receivable, discounted to its present value of ₹ 116 crore, based on an expected period of recovery as at the date of transition, has been adjusted with retained earnings in accordance with the transitional provisions of the said framework.

2. The following Companies/Bodies Corporate have become step down subsidiaries of the Company through its subsidiary Companies :-

Subsidiary Company

Spencer's Retail Limited
 Firstsource Solutions Limited

Step-Down Subsidiary

- a. Guiltfree Industries Limited.
- a. ISGN Solutions Inc.
- b. ISGN Fulfillment Services, Inc.
- c. ISGN Fulfillment Agency, LLC.

3. Distribution Franchisee Agreements have been executed by three wholly owned subsidiaries during the year for undertaking distribution and supply of electricity at three different cities in the State of Rajasthan. Operation in respect of two of which have commenced during the year.

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.

Place: Kolkata

Date : 18.05.2017

(S. M. Gupta)

Partner

S. M. Gupta & Co.,

Company Secretaries

Firm Registration No. : P1993WB046600

Membership No.- FCS No:896

C P No:2053

Encl : Annexure 'A' forming an integral part of this Report.

Secretarial Auditors' Report (Annexure 'A' to Secretarial Audit Report)

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

Our Report of even date is to be read alongwith 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.

Place: Kolkata
Date : 18.05.2017

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

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

Particulars relating to Conservation of Energy, Technology Absorption etc. for the year ended 31 March 2017.

A. Conservation of Energy

Following measures taken over the year have contributed to Energy Conservation and Containment of Losses in Distribution Network.

1. Reactive power compensation by way of installing shunts capacitor banks at various voltage levels of Distribution Network. The focus this year was on distributed capacitors in the LT network – 55 MVAR was added.
2. Standardization to higher rated UG cables, 1000 mm² at 33 kV & 300 mm² 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. Replacement of over 2.75 lakh old electromechanical meters.
6. Installing 3800 Modified Pillar Boxes with HRC fuses.

B. Additional investment/proposals

1. During the year, several major plant & equipment and lines were commissioned. These include :
 - a. 150 MVA Park Circus Substation with 2x75 MVA, 132/33 kV Transformers.
 - b. The 220 kV underground circuit connecting Princep Street Substation and New Cossipore Substation is nearing completion and expected to be commissioned soon.
 - c. Augmentation of 50 MVA, 132/33 kV Transformer No. 2 at Prinsep Street Receiving Station by a 100 MVA Unit – Cooled Transformer. The 75 MVA, 132/ 33 kV defective Transformer No. 3 at East Kolkata Substation was replaced by a new 75 MVA Transformer. The installed capacity of 220/132/33 kV Substations stands at 1120 MVA and that of 132/33 kV Substations at 2957 MVA at end of FY 16-17.
 - d. At the 33/11-6 kV Distribution Station level, 57.5 MVA of capacity was added taking the total installed base to 3700 MVA across 114 Stations.
 - e. Containerized 33kV Power Distribution Centre with 33kV GIS was commissioned at Nagerbazar Distribution Station, first such installation in the system.
 - f. 108 Nos Distribution Transformers (DTs) aggregating 35.6 MVA were added during the year taking the installed base to 8147 DTs and 2740 MVA.
 - g. Commissioning of 11 panels 132 kV and 41 panels 33 kV Gas Insulated Switchgear.
 - h. Lengths of lines added at different voltage levels were: 2.7 ckm at 220 kV, 10.1 ckm at 132 kV, 35 ckm at 33 kV, 110 ckm at 11 & 6 kV and 157 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 the 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. Contain component of Distribution loss, enhance safety and network operational simplicity, reduce downtime, reduce frequency of breakdown and improve customer service and system efficiency

C. Technology Absorption

- Induction of GIS switchgears at 33 kV and higher voltage level in the system for improving reliability of operation, optimizing space utilization and enhancing voltage grade & station capacity of substations in the same space as a continuing process.
- Induction of 100 MVA, 132 /33 kV power transformer in distribution substation with unit cooler heat exchanger type cooling arrangement in place of conventional radiator cooler bank for optimizing of space utilization with saving of space by 40-50% for a transformer.

- Induction of fully bio-degradable Ester Oil in place of conventional mineral oil based transformer oil in DTRs and 20 MVA , 33/11-6 KV Power Transformer for enhancing fire safety threshold and environment friendly transformer cooling medium.
- Induction of a Portable Outdoor Power Distribution Centre (PDC) i.e. a containerized E-House at a Distribution Station for optimizing space utilization, cost and reduction of execution time. PDC commissioned 21st February, 2017 this month contains 6 Nos. 33 kV Bay GIS switchboard. Similar 2 nos. PDC / E-House also planned in next FY.
- IEC 61850 based IEDs in protection system in EHV substations with OF networking for centralized analyzing of system disturbance and is an on-going drive.
- Feeder automation, OF based Remote controlled operation of RMUs and Consumer Modules for restoration of supply. Installation of AMR in DTRs for energy auditing and is an on-going process.
- AMI based smart metering as a pilot project.
- Demand response control as a pilot project for shaving system peak.
- Installation of APFC controllers on DTRs taken up as pilot project for effective capacity utilization and monitor loss containment (550 APFC installed till date).
- Installation centralized Video surveillance system in the power cable tunnel (constructed in 1931) under the river Hooghly and at different EHV substations.
- Installation of SCADA through wireless at fringe area Distribution substations.
- Facilitating customers with net metering for solar rooftop installations.
- Smart whole current meters with Net Metering facility are being installed at the LT consumers' premises with RE sources.
- Online Partial Discharge monitoring using the new UHF technique for detecting incipient faults in EHV / HV power transformers and switchgears
- Field-trials for the emerging online PD measurement technology using HFCT technique for monitoring live cables
- Self-healing Distribution Station Pilot has been completed at 1 Station for faster restoration, without any manual intervention, in case of 33kV cable fault.
- 1.5 MW pilot for Auto Demand Response Solution is under deployment involving 5 HT consumers. The solution involves both Advanced Distribution Management System (ADSM) and Distributed Energy Resources (DER). Demand Response is an identified method for reducing peak demand and in a larger scale can defer Capex spends.
- Special initiatives in LT Automation for better customer service and improvement in operational efficiency have been initiated on trial basis.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

There has been no foreign exchange earning (previous year - ₹ Nil) during the year. The total foreign exchange outgo was ₹ 16.86 crore (previous year – ₹ 82.59 crore).

For and on behalf of the Board of Directors

Sanjiv Goenka
Chairman

Kolkata, 18 May, 2017

EXTRACT OF ANNUAL RETURN (Annexure 'H' to the Directors' Report)

Form No. MGT-9

EXTRACT OF ANNUAL RETURN AS OF THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

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

I. REGISTRATION AND OTHER DETAILS		
i)	CIN	L31901WB1978PLC031411
ii)	Registration Date	28 March, 1978
iii)	Name of the Company	CESC Limited
iv)	Category / Sub-Category of the Company	A Public Company limited by shares
v)	Address of the Registered office and contact details	CESC House, Chowringhee Square, Kolkata - 700 001 Tel : +91 2225 6040, Fax : +91 2225 3495 E-mail : secretarial@rp-sg.in Website : www.cesc.co.in
vi)	Whether listed company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent	Link Intime India Private Limited 59C, Chowringhee Road, 3rd Floor, Kolkata - 700 001 Tel : + 91 2289 0540, Fax : +91 2289 0539

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
All the business activities contributing 10% or more of the total turnover of the company are given below : -			
Sl. No	Name and Description of main products/services	NIC Code of the product/service	% to total turnover of the company
1	Generation and Distribution of Electricity	40102	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES						
Sr No	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Spencer's Retail Limited (SRL)	Duncan House, 31 Netaji Subhas Road, Kolkata -700 001	U51229WB2000PLC154278	Subsidiary	100.00	2(87)
2	Music World Retail Limited (100% subsidiary of SRL)	Duncan House, 31 Netaji Subhas Road, Kolkata -700 001	U15411WB2008PLC124063	Subsidiary	100.00	2(87)
3	Au Bon Pain Café India Limited(93'10 % subsidiary of SRL)	Duncan House, 31 Netaji Subhas Road, Kolkata -700 001	U15411WB2008PLC124062	Subsidiary	93.10	2(87)
4	Omnipresent Retail India Private Limited(100% subsidiary of SRL)	A-27/A, 1 st Floor, Hauz Khas New Delhi - 110 016	U51909DL2011PTC218350	Subsidiary	100.00	2(87)
5	Guilfree Industries Limited (100% Subsidiary of SRL)	31, Netaji Subhas Road Kolkata - 700 001	U15549WB2017PLC218864	Subsidiary	100.00	2(87)
6	Quest Properties India Ltd. (QPL) (Formerly known as CESC Properties Limited)	CESC House, Chowringhee Square Kolkata - 700 001	U70101WB2006PLC108175	Subsidiary	100.00	2(87)
7	Metromark Green Commodities Private Limited(100% subsidiary of QPL)	Jala Dhulagori, Sankrail Station Road, J L no 2 Howrah - 711 302	U51221WB2004PTC098581	Subsidiary	100.00	2(87)
8	CESC Infrastructure Limited (CIL)	CESC House, Chowringhee Square Kolkata 700 001	U70101WB2011PLC159584	Subsidiary	100.00	2(87)

III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr No	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
9	Haldia Energy Limited (HEL) (100 % subsidiary of CIL)	Barick Bhawan, 8 C R Avenue, Kolkata 700072	U74210WB1994PLC066154	Subsidiary	100.00	2(87)
10	Dhariwal Infrastructure Limited (DIL)	CESC House, Chowringhee Square Kolkata 700 001	U70109WB2006PLC111457	Subsidiary	100.00	2(87)
11	Surya Vidyut Limited (SVL)	CESC House, Chowringhee Square Kolkata 700 001	U40108WB2010PLC150712	Subsidiary	100.00	2(87)
12	Nalanda Power Company Limited	6 Church Lane, Kolkata 700001	U40104WB2008PLC125228	Subsidiary	100.00	2(87)
13	CESC Projects Limited	CESC House, Chowringhee Square Kolkata 700 001	U74999WB2011PLC163658	Subsidiary	100.00	2(87)
14	Bantal Singapore Pte Ltd	38 Beach Road # 29-11 South Beach Tower Singapore-189767	Foreign Company	Subsidiary	100.00	2(87)
15	Pachi Hydropower Projects Limited	605-606 Bhikaji Cama Bhawan, 11 Bhikaji Cama place, 6 Floor, New Delhi 110066	U40109DL2007PLC171032	Subsidiary	100.00	2(87)
16	Papu Hydropower Projects Limited	605-606 Bhikaji Cama Bhawan, 11 Bhikaji Cama place, 6 Floor, New Delhi 110066	U40109DL2007PLC171035	Subsidiary	100.00	2(87)
17	Ranchi Power Distribution Company Limited	Barick Bhawan, 8 C R Avenue, Kolkata 700072	U40102WB2012PLC188244	Subsidiary	100.00	2(87)
18	Spen Liq Private Limited (SLPL)	31 Netaji Subhas Road, P.S. : Hare Street, Kolkata -700001	U72900WB1995PTC075089	Subsidiary	100.00	2(87)
19	Firstsource Solutions Limited (FSL)	5 th Floor Paradigm B'wing, MindSpace Link Road Malad(West) Mumbai 400064	L64202MH2001PLC134147	Subsidiary	54.89	2(87)
20	Firstsource Group USA, Inc.	160 Greentree Drive, Dover, Delaware 19904, USA	Foreign Company	Subsidiary	54.89	2(87)
21	Firstsource BPO Ireland Ltd.	Stokes Place, Saint Stephen's Green, Dublin 2, Ireland	Foreign Company	Subsidiary	54.89	2(87)
22	Firstsource Solutions UK Ltd.	Space One, 1 Beadon Road, London W6 0EA, UK	Foreign Company	Subsidiary	54.89	2(87)
23	Firstsource Process Management Services Limited (Formerly known as Anunta Tech Infrastructure Services Limited)	3rd Floor, Block 5A & 5B, Pritech Park - SEZ, Marathalli, Sarjapur Outer Ring Road, Bellandur, Bangalore Bellandur, Bangalore- 560103 Karnataka	U72200KA2010PLC055713	Subsidiary	54.89	2(87)
24	Firstsource-Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL)	No. 234, Vauxhall Street, Colombo-2, Sri Lanka	Foreign Company	Subsidiary	54.89	2(87)
25	Firstsource Business Process Services, LLC	160 Greentree Drive, Dover, Delaware 19904, USA	Foreign Company	Subsidiary	54.89	2(87)
26	Firstsource Solutions USA, LLC	160 Greentree Drive, Suit 101, Dover, County of Kent, Delaware 19904, USA	Foreign Company	Subsidiary	54.89	2(87)

III.	PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
Sr No	Name of the Company	Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
27	Firstsource Advantage, LLC	C T Corporation System 111 Eighth Avenue, New York 10011, USA	Foreign Company	Subsidiary	54.89	2(87)
28	Firstsource Transaction Services, LLC	1661 Lyndon Farm Court, Louisville, Kentucky 40223, USA	Foreign Company	Subsidiary	54.89	2(87)
29	Firstsource Solutions S.A.	San Martin 344, 4th Floor, Buenos Aires, Argentina	Foreign Company	Subsidiary	54.89	2(87)
30	Medassit Holdings, LLC	9 East Lookerman, Suite 1B Dover, Delaware, County of Kent 19901, USA	Foreign Company	Subsidiary	54.89	2(87)
31	One Advantage, LLC	C T Corporation System 208 SO Lasalle St, Suite 814 Chicago, IL 60604, USA	Foreign Company	Subsidiary	54.89	2(87)
32	ISGN Solutions Inc.	National Registered Agents, Inc., 160 Greentree DR STE 101, Dover, DE, 19904.	Foreign Company	Subsidiary	54.89	2(87)
33	ISGN Fulfillment Services, Inc.	National Registered Agents, Inc., 116 Pine Street - Suite 320, Dauphin County, Harrisburg, Pennsylvania 17101	Foreign Company	Subsidiary	54.89	2(87)
34	ISGN Fulfillment Agency, LLC	National Registered Agents, Inc., 160 Greentree DR STE 101, Dover, DE, 19904	Foreign Company	Subsidiary	54.89	2(87)
35	Crescent Power Ltd	6 Church Lane, Kolkata 700001	U70101WB2004PLC099945	Subsidiary	67.83	2(87)
36	New Rising Promoters Private Limited	31, Netaji Subhas Road Kolkata- 700001	U70109WB2010PTC156101	Subsidiary	67.83	2(87)
37	Kota Electricity Distribution Limited	CESC House, Chowringhee Square Kolkata 700 001	U52190WB2012PTC181283	Subsidiary	100.00	2(87)
38	Bikaner Electricity Supply Limited	CESC House, Chowringhee Square Kolkata 700 001	U52190WB2012PTC181372	Subsidiary	100.00	2(87)
39	Bharatpur Electricity Services Limited	CESC House, Chowringhee Square Kolkata 700 001	U52190WB2012PTC181314	Subsidiary	100.00	2(87)
40	Noida Power Company Limited	Commercial Complex Block-H, Alpha-II Greater Noida City Dist : Gautam Budh Nagar, UP 201306	U31200UP1992PLC014506	Associate	49.55	2(6)
41	Mahuagarhi Coal Company Pvt. Ltd	Vidyakamal Niketan (Ground Floor) B/324 Road no 4 Ashok Nagar Ranchi Jharkhand - 834002	U10100JH2008PTC013086	Joint Venture	50.00	2(6)

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

(i) Category-wise Share Holding

Sr. No.	Category of Shareholders		No of Shares held at the beginning beginning of the year (As on 01.04.2016)				No of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Promoters										
[1]	Indian										
	(a)	Individuals / Hindu Undivided Family	284222	–	284222	0.21	284222	–	284222	0.21	–
	(b)	Central Government	–	–	–	–	–	–	–	–	–
	(c)	State Government(s)	–	–	–	–	–	–	–	–	–
	(d)	Bodies Corporate	65888087	–	65888087	49.71	65887987	–	65887987	49.71	–
	(e)	Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
	(f)	Any Other (Specify)	–	–	–	–	–	–	–	–	–
	Sub Total (A)(1)		66172309	–	66172309	49.92	66172209	–	66172209	49.92	–
[2]	Foreign										–
	(a)	NRIs Individuals	–	–	–	–	–	–	–	–	–
	(b)	Other -Individuals	–	–	–	–	–	–	–	–	–
	(c)	Bodies Corporate	–	–	–	–	–	–	–	–	–
	(d)	Banks / Financial Institutions	–	–	–	–	–	–	–	–	–
	(e)	Any Other (Specify)	–	–	–	–	–	–	–	–	–
	Sub Total (A)(2)		–	–	–	–	–	–	–	–	–
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)		66172309	–	66172309	49.92	66172209	–	66172209	49.92	–
(B)	Public Shareholding										
[1]	Institutions										
	(a)	Mutual Funds / UTI	22760677	5690	22766367	17.17	23384107	5385	23389492	17.64	0.47
	(b)	Financial Institutions / Banks	396169	17648	413817	0.31	3469315	24315	3493630	2.64	2.33
	(c)	Central Government	–	–	–	–	–	–	–	–	–
	(d)	State Government(s)	–	2152	2152	–	200	2152	2352	–	–
	(e)	Venture Capital Funds	–	–	–	–	–	–	–	–	–
	(f)	Insurance Companies	2151354	1100	2152454	1.62	–	–	–	–	-1.62
	(g)	FIs	29836984	8702	29845686	22.52	27935519	8452	27943971	21.08	-1.43
	(h)	Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
	(i)	Any Other (Specify)	–	–	–	–	–	–	–	–	–
	Sub Total (B)(1)		55139494	35292	55174786	41.62	54789141	40304	54829445	41.36	
[2]	Non-Institutions										
	(a)	Bodies Corporate -									
	(i)	Indian	2524109	2853289	5377398	4.06	2958690	2706444	5665134	4.27	0.22
	(ii)	Overseas	–	–	–	–	203200	112980	316180	0.24	0.24
	(b)	Individuals									
	(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	3674286	1383076	5057362	3.82	2826969	932918	3759887	2.84	-0.98

Sr. No.	Category of Shareholders		No of Shares held at the beginning beginning of the year (As on 01.04.2016)				No of Shares held at the end of the year (As on 31.03.2017)				% Change during the year
			Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	453145	268632	721777	0.54	504599	32357	536956	0.41	-0.14
	(c)	Any Other (Specify)									
	(i)	NRIs / OCBs	–	–	–	–	160185	472175	632360	0.48	0.48
	(ii)	Clearing Members	–	–	–	–	337872	–	337872	0.25	0.25
	(iii)	Trusts	–	–	–	–	7140	–	7140	0.01	0.01
	(iv)	Foreign Nationals	–	–	–	–	17629	–	17629	0.01	0.01
	(v)	Hindu Undivided Family	–	–	–	–	101722	–	101722	0.08	0.08
	(vi)	Unclaimed Shares	–	–	–	–	–	169777	169777	0.13	0.13
	Sub Total (B)(2)		6651540	4504997	11156537	8.42	7118006	4426651	11544657	8.71	0.29
	Total Public Shareholding (B)=(B)(1)+(B)(2)		61791034	4540289	66331323	50.04	61907147	4466955	66374102	50.07	0.03
	Total (A)+(B)		127963343	4540289	132503632	99.96	128079356	4466955	132546311	99.99	0.03
(C)	Shares held by Custodian for GDRs and ADRs		37260	16151	53411	0.04	10732	–	10732	0.01	-0.03
	Total (A)+(B)+(C)		128000603	4556440	132557043	100.00	128090088	4466955	132557043	100.00	

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2016)			Shareholding at the end of the year (As on 31.03.2017)			% change in shareholding during the year
		No. of Shares Held	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rainbow Investments Limited	58796632	44.35	–	58796632	44.35	–	–
2	Stel Holdings Limited	2493470	1.88	–	2493470	1.88	–	–
3	Goodluck Dealcom Private Limited	1686198	1.27	–	1686198	1.27	–	–
4	Saregama India Limited	1259988	0.95	–	1259988	0.95	–	–
5	Integrated Coal Mining Limited	1075364	0.81	–	1075364	0.81	–	–
6	Kolkata Metro Networks Limited	285000	0.22	–	285000	0.22	–	–
7	Sanjiv Goenka	258498	0.20	–	258498	0.20	–	–
8	Dotex Merchandise Private Limited	41335	0.03	–	41335	0.03	–	–
9	Spencer And Co. Ltd	250000	0.19	–	–	–	–	-0.19
10	Preeti Goenka	25223	0.02	–	25223	0.02	–	–
11	Avarna Goenka	501	–	–	501	0.00	–	–
12	Zensar Technologies Limited	100	–	–	–	–	–	–
13	Castor Investments Limited	–	–	–	250000	0.19	–	0.19
	Total	66172309	49.92	–	66172209	49.92	–	

(iii) Change in Promoters' Shareholding

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2016)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2017)	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
1	RAINBOW INVESTMENTS LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	58796632	44.36	-	-	- 58796632	- 44.36
2	STEL HOLDINGS LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	2493470	1.88	-	-	- 2493470	- 1.88
3	GOODLUCK DEALCOM PRIVATE LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	1686198	1.27	-	-	- 1686198	- 1.27
4	SAREGAMA INDIA LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	1259988	0.95	-	-	- 1259988	- 0.95
5	INTEGRATED COAL MINING LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	1075364	0.81	-	-	- 1075364	- 0.81
6	KOLKATA METRO NETWORKS LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	285000	0.22	-	-	- 285000	- 0.22
7	SPENCER AND CO. LTD At the beginning of the year Increase / Decrease in Shareholding during the year Sale Sale At the end of the year	250000	0.19	- 24 Mar 2017 31 Mar 2017	- -125000 -125000	- - -	- - -
8	CASTOR INVESTMENTS LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year Purchase Purchase At the end of the year	-	-	24 Mar 2017 31 Mar 2017	125000 125000	250000	0.19

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2016)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2017)	
		No. of Shares Held	% of total shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of total shares of the Company
9	DOTEX MERCHANDISE PRIVATE LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	41335	0.03	-	-	41335	0.03
10	SANJIV GOENKA At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	258498	0.20	-	-	258498	0.20
11	PREETI GOENKA At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	25223	0.02	-	-	25223	0.02
12	AVARNA GOENKA At the beginning of the year Increase / Decrease in Shareholding during the year At the end of the year	501	-	-	-	501	-
13	ZENSAR TECHNOLOGIES LIMITED At the beginning of the year Increase / Decrease in Shareholding during the year Sale At the end of the year	100	-	7 Oct 2016	-100	-	-

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

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2016)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2017)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	11909021	8.98			1,19,09,021	0.09
	Sale			08 Apr 2016	(52,000)	1,18,57,021	8.94
	Sale			29 Apr 2016	(2,000)	1,18,55,021	8.94
	Sale			30 Jun 2016	(3,000)	1,18,52,021	8.94
	Sale			01 Jul 2016	(7,000)	1,18,45,021	8.94
	Purchase			18 Nov 2016	85,000	1,19,30,021	9.00
	AT THE END OF THE YEAR					1,19,30,021	9.00
2	NATIONAL WESTMINSTER BANK PLC AS DEPOSITARY OF M AND G GLOBAL EMERGING MARKETS FUND A SUB FUND OF M AND G INVESTMENT FUNDS	5324540	4.02			53,24,540	4.02
	Sale			24 Jun 2016	(1,09,636)	52,14,904	3.93
	Sale			30 Jun 2016	(2,34,964)	49,79,940	3.76
	Sale			08 Jul 2016	(81,507)	48,98,433	3.70
	Sale			15 Jul 2016	(1,85,519)	47,12,914	3.56
	Sale			22 Jul 2016	(86,249)	46,26,665	3.49
	Sale			29 Jul 2016	(37,783)	45,88,882	3.46
	Sale			09 Sep 2016	(2,07,706)	43,81,176	3.31
	Sale			16 Sep 2016	(19,449)	43,61,727	3.29
	Purchase			30 Sep 2016	71,687	44,33,414	3.34
	Purchase			11 Nov 2016	40,457	44,73,871	3.38
	Sale			25 Nov 2016	(1,61,166)	43,12,705	3.25
	Sale			27 Jan 2017	(1,08,893)	42,03,812	3.17
	Sale			10 Feb 2017	(2,00,529)	40,03,283	3.02
	Sale			17 Feb 2017	(1,89,170)	38,14,113	2.88
	Sale			03 Mar 2017	(93,101)	37,21,012	2.81
	Sale			24 Mar 2017	(31,602)	36,89,410	2.78
	Sale			31 Mar 2017	(66,471)	36,22,939	2.73
	AT THE END OF THE YEAR					36,22,939	2.73
3	ICICI PRUDENTIAL BALANCED FUND	4980125	3.76			49,80,125	3.76
	Purchase			08 Apr 2016	1,05,494	50,85,619	3.84
	Sale			22 Apr 2016	(18,000)	50,67,619	3.82
	Sale			29 Apr 2016	(50,000)	50,17,619	3.79
	Sale			27 May 2016	(2,70,551)	47,47,068	3.58
	Purchase			03 Jun 2016	14,578	47,61,646	3.59
	Sale			10 Jun 2016	(4,43,236)	43,18,410	3.26
	Sale			01 Jul 2016	(1,100)	43,17,310	3.26
	Sale			29 Jul 2016	(13,200)	43,04,110	3.25
	Sale			05 Aug 2016	13,200	43,17,310	3.26
	Sale			02 Sep 2016	(14,501)	43,02,809	3.25
	Purchase			21 Oct 2016	2,54,757	45,57,566	3.44
	Purchase			28 Oct 2016	25,122	45,82,688	3.46

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2016)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2017)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
	Purchase			04 Nov 2016	44,622	46,27,310	3.49
	Purchase			11 Nov 2016	5,71,695	51,99,005	3.92
	Sale			25 Nov 2016	(44,136)	51,54,869	3.89
	Sale			02 Dec 2016	(5,37,318)	46,17,551	3.48
	Sale			09 Dec 2016	(5,166)	46,12,385	3.48
	Sale			16 Dec 2016	(1,31,598)	44,80,787	3.38
	Sale			23 Dec 2016	(1,92,794)	42,87,993	3.23
	Sale			30 Dec 2016	(1,18,973)	41,69,020	3.15
	Sale			06 Jan 2017	(14,357)	41,54,663	3.13
	Sale			13 Jan 2017	(8,281)	41,46,382	3.13
	Sale			20 Jan 2017	(10,59,441)	30,86,941	2.33
	Sale			27 Jan 2017	(4,25,068)	26,61,873	2.01
	Sale			17 Feb 2017	(78,249)	25,83,624	1.95
	Purchase			03 Mar 2017	99,000	26,82,624	2.02
	Sale			24 Mar 2017	(82,530)	26,00,094	1.96
	AT THE END OF THE YEAR					26,00,094	1.96
4	BNK CAPITAL MARKETS LTD	2500000	1.89			25,00,000	1.89
	AT THE END OF THE YEAR					25,00,000	1.89
5	LIFE INSURANCE CORPORATION OF INDIA	911282	0.69			9,11,282	0.69
	Purchase			28 Oct 2016	33,792	9,45,074	0.71
	Purchase			04 Nov 2016	3,08,377	12,53,451	0.95
	Purchase			11 Nov 2016	3,23,555	15,77,006	1.19
	Purchase			18 Nov 2016	3,91,147	19,68,153	1.48
	Purchase			25 Nov 2016	2,43,129	22,11,282	1.67
	AT THE END OF THE YEAR					22,11,282	1.67
6	SBI MAGNUM TAXGAIN SCHEME	2000000	1.51			20,00,000	1.51
	Transfer			24 Mar 2017	(14,390)	19,85,610	1.50
	AT THE END OF THE YEAR					19,85,610	1.50
7	MFS INTERNATIONAL NEW DISCOVERY FUND	2530578	1.91			25,30,578	1.91
	Sale			03 Jun 2016	(93,220)	24,37,358	1.84
	Sale			10 Jun 2016	(44,934)	23,92,424	1.80
	Sale			24 Feb 2017	(6,865)	23,85,559	1.80
	Sale			03 Mar 2017	(2,19,252)	21,66,307	1.63
	Sale			10 Mar 2017	(2,22,024)	19,44,283	1.47
	Sale			17 Mar 2017	(2,38,685)	17,05,598	1.29
	Sale			24 Mar 2017	(85,419)	16,20,179	1.22
	AT THE END OF THE YEAR					16,20,179	1.22
8	ROCHDALE EMERGING MARKETS-MAURITIUS	1182688	0.89			11,82,688	0.89
	Purchase			03 Jun 2016	1,22,000	13,04,688	0.98
	Purchase			21 Oct 2016	1,12,000	14,16,688	1.07
	Purchase			16 Dec 2016	1,10,000	15,26,688	1.15
	Sale			17 Feb 2017	(78,000)	14,48,688	1.09
	Sale			24 Feb 2017	(77,000)	13,71,688	1.03

Sl No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2016)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2017)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
	Sale AT THE END OF THE YEAR			17 Mar 2017	1,60,000	15,31,688 15,31,688	1.16 1.16
9	MIRAE ASSET EMERGING BLUECHIP FUND	379311	0.29			379311	0.29
	Sale			22 Apr 2016	(80,000)	2,99,311	0.23
	Sale			06 May 2016	(25,000)	2,74,311	0.21
	Sale			24 Jun 2016	(47,287)	2,27,024	0.17
	Purchase			08 Jul 2016	89,000	3,16,024	0.24
	Purchase			22 Jul 2016	25,000	3,41,024	0.26
	Purchase			09 Sep 2016	20,000	3,61,024	0.27
	Purchase			11 Nov 2016	3,00,000	6,61,024	0.50
	Purchase			09 Dec 2016	40,000	7,01,024	0.53
	Purchase			06 Jan 2017	40,000	7,41,024	0.56
	Purchase			20 Jan 2017	60,000	8,01,024	0.60
	Purchase			27 Jan 2017	40,000	8,41,024	0.63
	Purchase			17 Feb 2017	5,08,423	13,49,447	1.02
	Purchase			24 Feb 2017	10,000	13,59,447	1.03
	Purchase			03 Mar 2017	40,000	13,99,447	1.06
	Purchase			24 Mar 2017	75,000	14,74,447	1.11
	AT THE END OF THE YEAR					14,74,447	1.11
10	ABU DHABI INVESTMENT AUTHORITY - LGLINV	171718	0.13			1,71,718	0.13
	Purchase			08 Apr 2016	3,21,605	4,93,323	0.37
	Purchase			15 Apr 2016	1,33,000	6,26,323	0.47
	Purchase			22 Apr 2016	12,000	6,38,323	0.48
	Purchase			29 Apr 2016	1,00,000	7,38,323	0.56
	Purchase			27 May 2016	1,15,000	8,53,323	0.64
	Purchase			17 Jun 2016	1,28,000	9,81,323	0.74
	Purchase			11 Nov 2016	2,00,000	11,81,323	0.89
	Purchase			18 Nov 2016	1,87,000	13,68,323	1.03
	AT THE END OF THE YEAR					13,68,323	1.03
11	FLORIDA RETIREMENT SYSTEM - M&G INVESTMENT MANAGEMENT LIMITED	1320823	1.00			13,20,823	1.00
	Purchase			08 Apr 2016	2,67,602	15,88,425	1.20
	Purchase			15 Apr 2016	34,248	16,22,673	1.22
	Purchase			22 Apr 2016	19,247	16,41,920	1.24
	Purchase			15 Jul 2016	5,908	16,47,828	1.24
	Purchase			19 Aug 2016	17,956	16,65,784	1.26
	Purchase			14 Oct 2016	4,093	16,69,877	1.26
	Sale			16 Dec 2016	(7,838)	16,62,039	1.25
	Sale			13 Jan 2017	(11,633)	16,50,406	1.25
	Sale			27 Jan 2017	(2,062)	16,48,344	1.24
	Sale			10 Feb 2017	(1,23,139)	15,25,205	1.15
	Sale			17 Feb 2017	(75,186)	14,50,019	1.09
	Sale			03 Mar 2017	(26,576)	14,23,443	1.07

SI No.	Name & Type of Transaction	Shareholding at the beginning of the year (As on 01.04.2016)		Transactions during the year		Cumulative Shareholding at the end of the year (As on 31.03.2017)	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of shares	No. of shares held	% of total shares of the Company
	Sale			24 Mar 2017	(26,189)	13,97,254	1.05
	Sale			31 Mar 2017	(55,151)	13,42,103	1.01
	AT THE END OF THE YEAR					13,42,103	1.01
12	M&G ASIAN FUND	2178968	1.64			21,78,968	1.64
	Sale			27 May 2016	(1,31,947)	20,47,021	1.54
	Sale			03 Jun 2016	(89,180)	19,57,841	1.48
	Sale			24 Jun 2016	(65,344)	18,92,497	1.43
	Sale			30 Jun 2016	(1,20,850)	17,71,647	1.34
	Sale			08 Jul 2016	(21,435)	17,50,212	1.32
	Sale			15 Jul 2016	(53,272)	16,96,940	1.28
	Sale			22 Jul 2016	(44,442)	16,52,498	1.25
	Sale			29 Jul 2016	(31,052)	16,21,446	1.22
	Sale			09 Sep 2016	(69,016)	15,52,430	1.17
	Sale			16 Sep 2016	(81,618)	14,70,812	1.11
	Sale			21 Oct 2016	(25,255)	14,45,557	1.09
	Sale			28 Oct 2016	(10,662)	14,34,895	1.08
	Sale			04 Nov 2016	(11,182)	14,23,713	1.07
	Sale			25 Nov 2016	(31,694)	13,92,019	1.05
	Sale			10 Feb 2017	(32,950)	13,59,069	1.03
	Sale			17 Feb 2017	(60,758)	12,98,311	0.98
	Sale			03 Mar 2017	(30,454)	12,67,857	0.96
	Sale			10 Mar 2017	(91,759)	11,76,098	0.89
	Sale			24 Mar 2017	(9,878)	11,66,220	0.88
	Sale			31 Mar 2017	(20,809)	11,45,411	0.86
	AT THE END OF THE YEAR					11,45,411	0.86
13	SUNDARAM MUTUAL FUND A/C	1197923	0.90			11,97,923	0.90
	SUNDARAM SELECT MIDCAP						
	Purchase			22 Apr 2016	1,000	11,98,923	0.90
	Sale			08 Jul 2016	(40,000)	11,58,923	0.87
	Sale			16 Sep 2016	(4,730)	11,54,193	0.87
	Sale			23 Sep 2016	(36,572)	11,17,621	0.84
	Sale			30 Dec 2016	(4,214)	11,13,407	0.84
	Sale			06 Jan 2017	(26,538)	10,86,869	0.82
	Sale			10 Mar 2017	(28,619)	10,58,250	0.80
	AT THE END OF THE YEAR					10,58,250	0.80

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Directors and KMPs	Shareholding at the beginning of the year (As on 01.04.2016)		Date	Increase / Decrease during the year	Shareholding at the beginning of the year (As on 31.03.2017)	
		No. of shares	% of total shares of the company			No. of shares	% of total shares of the company
A)	Name of the Director						
1.	Mr. Sanjiv Goenka	258498	0.20	—	—	258498	0.20
2.	Mr. Aniruddha Basu	110	—	—	—	110	—
B)	Key managerial personnel (KMP's)						
3.	Mr.Subhasis Mitra	103	—	—	—	103	—
4.	Mr. Rajarshi Banerjee	114	—	—	—	114	—
At the End of the year		258825	0.20	—	—	258825	0.20

V. INDEBTEDNESS

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

₹ (crore)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,631.86	699.50	—	5,331.36
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	24.87	0.12	—	24.99
Total (i+ii+iii)	4,656.73	699.62	—	5,356.35
Change in Indebtedness during the financial year				
• Addition	1,616.63	0.50	—	1,617.13
• Reduction	—963.07	—	—	—963.07
Net Change	653.56	0.50	—	654.06
Indebtedness at the end of the financial year				
i) Principal Amount	5,285.42	700.00	—	5,985.42
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	11.88	0.14	—	12.02
Total (i+ii+iii)	5,297.30	700.14	—	5,997.44

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director :
₹ (crore)

		Mr Aniruddha Basu
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.14
2.	Stock Option	NIL
3.	Sweat equity	NIL
4.	Commission	NIL
	- as % of profit	
	- others.	
5.	Others – Contribution to Provident, Superannuation Fund and Gratuity Fund	0.37
	Total	3.34
	Ceiling as per the Companies Act, 2013	52.73

B. Remuneration to other directors :
₹ (crore)

Sl. No.	Particulars of Remuneration	Name of the Director						Total Amount
		P.K. Khaitan	B.M. Khaitan	C.K. Dhanuka	Rekha Sethi	P. Chaudhuri	K. Jairaj	
1.	Independent Directors							
	(a) Fee for attending board / committee meetings	0.08	0.10	0.10	0.07	0.08	0.05	0.48
	(b) Commission	0.10	0.10	0.10	0.10	0.10	0.10	0.60
	(c) Others	–	–	–	–	–	–	–
	Total(1)	0.18	0.20	0.20	0.17	0.18	0.15	1.08
2.	Other Non Executive Directors	S. Goenka						
	(a) Fee for attending board and committee meetings	0.16						0.16
	(b) Commission	23.31						23.31
	(c) Others	–						–
	Total(2)	23.47						23.47
	Total(B)=(1+2)							24.55
	Total Managerial Remuneration	–	–	–	–	–	–	27.89
	Overall ceiling as per the Companies Act, 2013	–	–	–	–	–	–	130.42

C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTD

₹ (crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1.48	1.45	2.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.07	0.05	0.12
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	– as % of profit	–	–	–
	– others	–	–	–
5.	Others – Contribution to Provident Fund, Superannuation Fund and Gratuity Fund	0.41	0.36	0.77
	Total	1.96	1.86	3.82

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Kolkata, 18 May, 2017

 Sanjiv Goenka
 Chairman

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



(1) The ratio of the remuneration (including sitting fees) of the Directors- Mr. A. Basu, Mr. P. Chaudhuri, Mr. C. K. Dhanuka, Mr. S. Goenka, Mr. K. Jairaj, Mr. P. K. Khaitan, Mr. B. M. Khaitan and Ms. R. Sethi to the median remuneration of the employees of the Company for the financial year 2016-17 and increase in their remuneration during the said financial year (Percentage) is 48.05 : 1 (26.59%), 2.58 : 1 (33.33%), 2.87 : 1 (2.56%), 337.17 : 1 (0.47%), and 2.15 : 1 (20%), 2.58 : 1 (9.09%), 2.87 : 1 (14.29%) and 2.44 : 1 (25.93%) respectively. The increase in remuneration of the Executive Director & CFO and the Company Secretary during the said financial year was 28.87% and 18.73% respectively. During the said financial year, there was an increase of 8.22 % in the median remuneration of employees on the rolls as at 31 March, 2017. There were 9150 permanent employees on the rolls of Company as on the said date. (2) During the financial year 2016-17 the average increase in remuneration was 9%. (3) The average percentage increase in the salaries of employees on roll as at 31.3.2017 other than the managerial personnel was 8.70 % in 2016-17 whereas the increase in the managerial remuneration for the same financial year was 10.17%. (4) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Kolkata, 18 May, 2017

Sanjiv Goenka
Chairman

Major Statistics : 2016 - 2017

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	1120	MVA
132/33 KV Substations	Installed Capacity	2957	MVA
Distribution Stations	Number of Stations	114	
	Transformer Capacity	3700	MVA
LT Substations	No. of AC Substations	8145	
	Transformer Capacity	2741	MVA
	No. of DC Substations	—	
	DC Substations Capacity	—	
Distribution Network (Circuit KM.)			
	220 KV UG	43	Ckt. Km.
	220 KV OH	221	Ckt. Km.
	132 KV UG	294	Ckt. Km.
	132 KV OH	81	Ckt. Km.
	33 KV UG	1471	Ckt. Km.
	33 KV OH	92	Ckt. Km.
	20 KV UG	50	Ckt. Km.
HT Distribution	11 & 6 KV UG	6521	Ckt. Km.
	11 & 6 KV OH	87.0	Ckt. Km.
	3.3 KV UG	21.0	Ckt. Km.
LT Distribution	UG	7647	Ckt. Km.
	OH	5338	Ckt. Km.
HT Capacitor	132 & 33 KV	627	MVAR
	6 & 11 KV	268	MVAR
Additions During the Year			
220/132/33 KV Substations	NIL	LT UG Mains	100.60 Ckt. Km.
132/33 KV Substations	200.0 MVA	LT OH Mains	58.13 Ckt. Km.
Distribution Stations	57.5 MVA	220 KV UG	2.70 Ckt. Km.
LTAC Substations	36.6 MVA	220 KV OH	NIL
No. of LT Services	13164 Nos	132 KV UG	10.38 Ckt. Km.
No. of HT Services	26 Nos	33 KV UG	36.44 Ckt. Km.
		6 & 11 KV UG	126.81 Ckt. Km.

Abbreviations : MW - Megawatt, MVA - Megavoltampere, KV - Kilovolt, UG -Underground, OH - Overhead, Ckt. Km. - Circuit Kilometre.

Independent Auditors' Report

To the Members of CESC Limited



Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of CESC Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to 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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, 2017, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note No. 51 of the Standalone Ind AS Financial Statements relating to additional levy of ₹ 998 crore paid pursuant to Coal Mine Special Provision Act, 2015 read with Rules / Ordinance etc. and recognized as recoverable through tariff in earlier years (₹ 897 crore accounted for as receivable and the balance amount as fuel cost) and discounting such receivable to its present value of ₹ 116 crore with corresponding adjustment made for the difference to the retained earnings as at April 1, 2015, based on an expected period of recovery, pursuant to the accounting requirements under Ind-AS 109 Financial Instruments. Our opinion is not qualified in respect of these matters.

Other Matter

10. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March

Independent Auditors' Report

To the Members of CESC Limited



31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated May 19, 2016 and May 21, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements.

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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 other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its standalone Ind AS financial statements - Refer Note 32;
 - ii. The Company has long-term contracts including derivative contracts as at March 31, 2017 for which there were no 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 during the year ended March 31, 2017.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer Note 15.

Kolkata
May 18, 2017

For Lovelock & Lewes
Firm Registration Number : 301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of CESC Limited on the standalone financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of CESC Limited ("the Company") as of March 31, 2017 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

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

Auditors' Responsibility

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

opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Lovelock & Lewes
 Firm Registration Number : 301056E
 Chartered Accountants

Sougata Mukherjee
 Partner

Kolkata
 May 18, 2017

Membership No. : 057084

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of CESC Limited on the standalone financial statements as of and for the year ended March 31, 2017.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets, except those in the transmission and distribution system for which we have been informed that, physical verification is not practicable, have been physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 4 on fixed assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax,

service tax, duty of customs, duty of excise, value added tax, and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, sales tax, service tax, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of sales tax and duty of customs as at March 31, 2017 which have not been deposited on account of a dispute, are as follows :

Name of the Statute	Nature of of dues	Amount (₹ in crores)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Sales Tax Act, 1962	Sales Tax, Meter Rent	0.30	1992-93	Hon'ble High Court at Kolkata
The Customs Act, 1962	Customs Duty	8.42	2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	10.96	2011-12	Customs, Excise and Service Tax Appellate Tribunal

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

Annexure B to Independent Auditors' Report



xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly,

the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Lovelock & Lewes
Firm Registration Number : 301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084

Kolkata
May 18, 2017

Balance Sheet as at 31st March, 2017

		₹ in crore		
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
ASSETS				
Non-current Assets				
Property, Plant and Equipment	4	14,596.29	14,632.98	14,478.36
Capital work-in-progress		187.84	196.02	261.68
Investment Property	5	56.03	56.03	56.03
Other Intangible Assets	6	217.29	226.10	109.53
Financial Assets				
Non current investments	7	4,086.23	4,050.14	3,670.59
Trade Receivables	8	—	—	8.34
Loans	9	2.49	2.19	2.04
Others	10	2,436.30	1,397.80	1,369.74
Other Non current Assets	11	166.24	162.51	130.23
(A)		21,748.71	20,723.77	20,086.54
Current Assets				
Inventories	12	378.62	316.52	405.46
Financial Assets				
Investments	13	506.24	501.57	491.27
Trade receivables	14	968.53	966.41	1,381.74
Cash and cash equivalents	15	682.81	592.72	476.72
Bank balances other than cash and cash equivalents	16	241.57	243.91	261.02
Others	17	146.33	218.21	195.40
Current Tax Assets (Net)		—	9.72	6.70
Other current Assets	18	154.38	128.43	187.77
(B)		3,078.48	2,977.49	3,406.08
Regulatory deferral account balances	(C) 19	3,619.97	3,639.37	3,579.54
TOTAL ASSETS AND REGULATORY BALANCES	(A+B+C)	28,447.16	27,340.63	27,072.16
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	20	133.22	133.22	133.22
Other Equity	21	13,190.53	12,867.83	12,673.23
(D)		13,323.75	13,001.05	12,806.45
Liabilities				
Non-current Liabilities :				
Financial Liabilities				
Borrowings	22	3,788.20	2,966.19	3,182.93
Trade Payables		29.88	32.48	220.75
Others	23	147.58	167.35	261.33
Provisions	24	227.35	183.38	160.94
Deferred tax liabilities (Net)	25	3,554.76	3,506.01	3,433.98
Consumers' Security Deposits	46	1,677.64	1,554.46	1,377.63
Other non current liabilities	26	115.38	87.32	84.84
(E)		9,540.79	8,497.19	8,722.40
Current Liabilities				
Financial Liabilities				
Borrowings	27	1,435.13	1,458.95	1,141.08
Trade Payables	28	377.33	364.34	326.08
Others	29	1,166.57	1,330.54	1,312.06
Other current liabilities	30	329.86	180.15	437.83
Provisions	31	70.59	57.49	51.30
Current Tax Liabilities (net)		10.59	—	—
(F)		3,390.07	3,391.47	3,268.35
TOTAL EQUITY & LIABILITIES		26,254.61	24,889.71	24,797.20
Regulatory deferral account balances	(G) 19	2,192.55	2,450.92	2,274.96
TOTAL EQUITY, LIABILITIES AND REGULATORY BALANCES	(D+E+F+G)	28,447.16	27,340.63	27,072.16
Notes forming part of Financial Statements	1-57			

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

For Lovelock & Lewes
 Firm Registration Number-301056E
 Chartered Accountants

Sougata Mukherjee
 Partner
 Membership No. : 057084
 Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Statement of Profit and Loss for the year ended 31st March, 2017

			₹ in crore
Particulars	Note No.	2016-17	2015-16
Revenue from operations	33	7,220.07	6,796.14
Other income	34	146.56	127.65
Total Income		7,366.63	6,923.79
Expenses			
Cost of electrical energy purchased		2,614.37	2,039.31
Cost of fuel	35	1,358.74	1,347.29
Employee benefit expenses	36	779.80	707.35
Finance costs	37	447.80	456.20
Depreciation and amortisation expenses	38	408.83	369.51
Other expenses	39	846.09	769.92
Total expenses		6,455.63	5,689.58
Profit before regulatory income / (expense) and tax		911.00	1,234.21
Regulatory (Income) / expenses (net)	40	(190.23)	188.16
Profit before tax		1,101.23	1,046.05
Tax expense			
Current tax		(238.37)	(200.92)
Deferred tax-expense		(48.75)	(72.03)
Regulatory Income-deferred tax		48.75	72.03
Profit after tax (PAT)		862.86	845.13
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of defined benefit plan		(49.73)	(41.79)
Income tax on above		10.62	8.92
Other comprehensive income (net of tax)		(39.11)	(32.87)
Total comprehensive income for the year (TCI)		823.75	812.26
Earnings per equity share (refer note 49 for further details)			
Basic & Diluted (Face value of ₹ 10 per share) on PAT		65.09	63.75
Basic & Diluted (Face value of ₹ 10 per share) on TCI		62.14	61.27

Notes forming part of Financial Statements

1-57

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

For Lovelock & Lewes
 Firm Registration Number-301056E
 Chartered Accountants

Sougata Mukherjee
 Partner
 Membership No. : 057084
 Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Cash Flow Statement for the year ended 31st March, 2017

₹ in crore

Particulars	2016-17	2015-16
A. Cash flow from Operating Activities		
Profit before Taxation	1,101.23	1,046.05
Adjustments for :		
Depreciation and amortisation expenses	408.83	369.51
Loss/(Profit) on sale / disposal of assets (net)	3.27	(0.54)
Gain on sale of current investments (net)	(44.12)	(57.90)
Bad debts / Advances made	44.71	40.70
Finance costs	447.80	456.20
Interest Income	(29.73)	(29.65)
Advance against depreciation	73.38	150.11
Unwinding of discount on security deposit	(0.52)	(1.13)
Income from financial assets at amortised cost	(2.14)	(1.94)
Operating Profit before Working Capital changes	2,002.71	1,971.41
Adjustments for :		
Trade & other receivables	65.83	466.30
Inventories	(62.10)	88.94
Trade and other payables	(86.43)	(404.53)
Cash Generated from Operations	1,920.01	2,122.12
Income Tax paid	(218.03)	(195.01)
Net cash flow from Operating Activities	1,701.98	1,927.11
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(753.85)	(809.88)
Proceeds from Sale of Property, Plant and Equipment	12.07	11.46
Investment in Subsidiaries, Associates and Joint Ventures	(29.85)	(386.33)
Sale/(purchase) of Current/Non-Current Investments (net)	37.44	47.60
Redemption of Long Term Investments	0.01	—
Interest received	29.47	23.52
Advance to bodies Corporate for share subscription	(2.00)	(4.00)
Advance to subsidiaries, Joint Venture for share subscription	(1,017.58)	(23.63)
Net cash used in Investing Activities	(1,724.29)	(1,141.26)

Cash Flow Statement for the year ended 31st March, 2017



₹ in crore		
Particulars	2016-17	2015-16
C. Cash flow from Financing Activities		
Proceeds from Long Term Borrowings	1,616.63	650.00
Repayment of Long Term Borrowings	(870.59)	(858.69)
Net increase / (decrease) in Cash Credit facilities and other Short Term Borrowings	(23.82)	317.87
Advance received from Consumers	26.33	(0.52)
Finance Costs paid	(476.24)	(477.66)
Dividend paid	(132.92)	(249.58)
Dividend tax paid	(26.99)	(51.27)
Net Cash flow from Financing Activities	112.40	(669.85)
Net Increase / (decrease) in cash and cash equivalents	90.09	116.00
Cash and Cash equivalents - Opening Balance	592.72	476.72
Cash and Cash equivalents - Closing Balance	682.81	592.72
CASH AND CASH EQUIVALENTS COMPRISES OF		
	<u>As at</u> <u>31st March, 2017</u>	<u>As at</u> <u>31st March, 2016</u>
Balances with banks		
- In current accounts	671.49	74.93
- Bank Deposits with original maturity of upto 3 months	—	206.00
Cheques , drafts on hand	8.98	308.60
Cash on hand	2.34	3.19
	682.81	592.72

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

For Lovelock & Lewes
Firm Registration Number-301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084
Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
Managing Director Aniruddha Basu
Company Secretary Subhasis Mitra
Executive Director & CFO Rajarshi Banerjee

Notes forming Part of Financial Statements

Statement of changes in Equity

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
As at 01 Apr 2015	133.22	–	133.22
As at 31 Mar 2016	133.22	–	133.22
As at 31 Mar 2017	133.22	–	133.22

B Other Equity

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings (refer note 21)	Fund for unforeseen exigencies	
Balance as at 1 April, 2015	1,738.03	20.13	10,719.62	195.45	12,673.23
Profit for the year	–	–	845.13	–	845.13
Other Comprehensive Income/(expense) for the year	–	–	(32.87)	–	(32.87)
Total Comprehensive Income for the year	1,738.03	20.13	11,531.88	195.45	13,485.49
Dividends paid (incl tax there on)	–	–	(303.13)	–	(303.13)
Transfer to/from retained earnings	–	–	(16.63)	16.63	–
Withdrawal of additional depreciation during the year (Refer Note 52)	–	–	(309.62)	–	(309.62)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets	–	–	(4.91)	–	(4.91)
Balance as at 31 March, 2016	1,738.03	20.13	10,897.59	212.08	12,867.83

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings (refer note 21)	Fund for unforeseen exigencies	
Balance as at 1 April, 2016	1,738.03	20.13	10,897.59	212.08	12,867.83
Profit for the year	–	–	862.86	–	862.86
Other Comprehensive Income/(expense) for the year	–	–	(39.11)	–	(39.11)
Total Comprehensive Income for the year	1,738.03	20.13	11,721.34	212.08	13,691.58
Dividends paid (incl tax there on)	–	–	(159.55)	–	(159.55)
Transfer to/from retained earnings	–	–	(16.16)	16.16	–
Withdrawal of additional depreciation during the year (Refer Note 52)	–	–	(318.41)	–	(318.41)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets	–	–	(23.09)	–	(23.09)
Balance as at 31 March, 2017	1,738.03	20.13	11,204.13	228.24	13,190.53

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

For Lovelock & Lewes
 Firm Registration Number-301056E
 Chartered Accountants

Sougata Mukherjee
 Partner
 Membership No. : 057084
 Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Notes forming Part of Financial Statements (Contd.)

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

These financial statements have been prepared to comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified 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.

The financial statements upto the year ended 31st March 2016 were prepared in accordance with Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provision of the Act ["previous Generally Accepted Accounting Principles (GAAP)"].

These financial statements are the first financial statements of the Company under Ind AS. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is given in Note 3.

(a) Basis of Accounting

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

- (a) Tangible assets and investments in certain subsidiaries are carried at fair value and treated as deemed cost as on transition date.
- (b) certain financial assets and liabilities (including derivative instruments) is measured at fair value.
- (c) defined benefit plans - plan assets measured at fair value.

(b) Use of estimate

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

(c) Property, plant and equipment

Tangible Assets and Depreciation

Tangible Assets have been adjusted for the effect of valuation made by an approved external valuer at the fair value after necessary adjustment for depreciation / amortisation and treated as deemed cost. Subsequent acquisition of these assets, are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its market 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 prorata basis at the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Leasehold land is amortized over the unexpired period of the lease. Additional charge of depreciation for the year on increase in value arising from fair valuation is recouped from Surplus contained in Retained Earnings.

(d) Investment properties

Property that is held for long term rental yields and that is not occupied by the Company is classified as investment property. Carrying amount as per previous GAAP has been considered as deemed cost as at transition date.

(e) Intangible Asset and amortisation

Intangible assets comprising computer software, brands and mining rights, expected to provide future enduring economic benefits are stated at cost of acquisition / implementation / development less accumulated amortisation, which is as per previous GAAP and considered as deemed cost as on transition date. 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 market value or value in use, whichever is higher.

Notes forming Part of Financial Statements (Contd.)

Amortisation cost of intangible assets, comprising computer software related expenditure, are amortised in three years over its estimated useful life and those relating to brands in twenty years, based on useful life assessed by an independent valuer. Mining rights are also amortised over the estimated useful life of the assets of twenty years based on management's internal assessment.

(f) Lease

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

Finance lease

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

Operating lease

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

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

(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.

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

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Financial assets measured at amortised cost

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

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 42).

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

(h) Investments

Investment in subsidiaries, associates and joint venture are carried at deemed cost at transition date and are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. Investments in mutual funds are measured at fair value through profit and loss.

(i) Inventories

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

(j) Foreign Currency Transactions

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

Transactions in foreign currency are accounted for at the exchange rate prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rate prevailing at the end of the financial year. Exchange gain or loss arising on settlement / translation is recognized in the Statement of Profit and Loss. The outstanding loans repayable in foreign currency are restated at the year-end exchange rate. Exchange gain or loss arising in respect of such restatement is accounted for as a regulatory income or expense with recognition of the said amount as refundable or recoverable, which will be taken into consideration in determining the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the contracts entered into for managing risks thereunder.

(k) Cash and cash equivalents

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

(l) Financial liabilities

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

(m) Derivatives

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

(n) Commitment for Financial Obligations

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

(o) Revenue from Operations

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 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 connected to the distribution network during the financial year.

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

(p) Other Income

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable. Delayed Payment Surcharge as a general practice is determined and recognised on a receipt of overdue payment from consumer. Interest income arising from financial assets is accounted for using amortised cost method.

(q) Employee Benefits

Contributions to Provident Fund and Contributory Pension Fund are accounted for on 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, extend employee benefits current and/or post retirement,

Notes forming Part of Financial Statements (Contd.)

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, made 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 revenue.

(r) 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 revenue. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks thereof. Interest expense arising from financial liabilities is accounted for in effective interest rate method.

(s) 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. Since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding provision of liability or asset, as applicable.

(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 recognized as Regulatory Income/Expenses in the Statement of Profit and Loss to the extent recoverable or payable in subsequent periods based on the Company's understanding of the provision of the applicable regulations framed by the West Bengal Electricity Regulatory Commission (WBERC) and/or their pronouncements/orders, with corresponding balances shown in the Balance Sheet as Regulatory Deferral Account balances. Regulatory Deferral Account balances are adjusted from the year in which these crystallise.

NOTE - 2B Summary of significant judgements and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

The areas involving critical estimates or judgements are :

- Estimated Fair valuation of Property, Plant and Equipment - Note -52
- Estimated useful life of Intangible Assets -Note -2A(e)
- Estimated Fair Valuation of certain Investments in subsidiaries -Note-7
- Estimation of Regulatory Items - Note -19 & 40
- Estimation of Restoration Liability- Note- 2A(e)
- Impairment of Trade Receivables -Note -2A(g)
- Estimated fair Valuation of additional levy recoverable- Note -51
- Estimates used in Actuarial Valuation of Employee benefits -Note-36

NOTE - 2C New standards that are not yet effective

The standards issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Notes forming Part of Financial Statements (Contd.)

- Ind AS 102 - Share-based Payment
- Ind AS 7 - Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind AS's. The amendment will come into force from accounting period commencing on or after April 1, 2017. The Company, is in the process of assessing the possible impact of Ind AS 7: Statement of Cash Flows, will adopt the amendments on the required effective date whereas Ind AS 102 is not applicable to the Company.

NOTE - 3 First-time Adoption of Ind AS

The accounting policies set out in Note 2A have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening balance sheet at 1st April, 2015 under Ind AS. The adoption of Ind AS has been carried out in accordance with Ind AS 101, with April 1, 2015 as the transition date. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and cash flow statement is set out below.

Set out below are the applicable Ind AS 101 mandatory exemptions and optional exemptions applied in the transition from previous GAAP to Ind AS.

Exemptions availed on first-time adoption of Ind AS 101

- 1) The Company has elected to measure all items of property, plant and equipment at fair value and use that fair value as its deemed cost at the transition date.
- 2) Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease, the Company has used the exemption under Ind AS 101 and assessed all arrangements based on conditions in place at the date of transition.
- 3) The investments in subsidiaries, associates and joint venture are measured at fair value and use that fair value as its deemed cost at the transition date.

Exceptions availed on first-time adoption of Ind AS 101

- 1) Ind AS estimates as at 1st April, 2015 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company has made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under the previous GAAP.

Investments in Mutual Funds, and asset on account of MTM Gain are carried at Fair Value Through Profit and Loss.

Assessment of financial assets based on expected credit loss model.

- 2) Ind AS 101 requires the Company to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Notes forming Part of Financial Statements (Contd.)

a Reconciliation of total equity as at 31 March 2016 and 1 April 2015

₹ in Crore

Particulars	Refer note	31-Mar-16	1-Apr-15
Total Equity (shareholder's fund) as per previous GAAP		8,635.57	8,079.92
Adjustments :-			
1 Fair value exercise on transition - Property, Plant & Equipment, investments etc. (net of related adjustments) and adjustments for ECL relating to receivables	7,41,51,52	4,296.41	4,511.45
2 Straight lining of Lease rentals	5	57.09	56.93
3 Proposed Dividend	21	—	143.59
4 Others	23,37	11.98	14.56
Total Equity (shareholder's fund) as per Ind AS		13,001.05	12,806.45

b The reconciliation of total comprehensive income for the year ended 31 March 2016

₹ in Crore

Particulars	Refer Note	Year ended 31.03.2016
Profit after tax as per previous GAAP		707.01
Contribution from customers for distribution network	33	121.05
Remeasurement of defined benefit plans recognised in other comprehensive income (net of income tax)	36	32.87
Others	41	(15.80)
Profit after tax as per Ind AS		845.13
Add : Other comprehensive income (net of income tax)		(32.87)
Total Comprehensive Income for the year		812.26

c Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

₹ in Crore

Particulars	IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from Operating Activities	1788.95	138.16	1927.11
Net cash used in Investing Activities	(1,141.26)	—	(1,141.26)
Net Cash flow from Financing Activities	(548.80)	(121.05)	(669.85)
Net Increase / (decrease) in cash and cash equivalents	98.89	17.11	116.00
Cash and Cash equivalents - Opening Balance	737.74	(261.02)	476.72
Cash and Cash equivalents - Closing Balance (Ind AS -excluding Bank deposits etc., Contained in note 16)	836.63	(243.91)	592.72

NOTE - 4 PROPERTY PLANT AND EQUIPMENT

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 31st March, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 31st March, 2016
Land								
Freehold	2,466.96	5.25	—	—	—	—	2,472.21	2,466.96
Leasehold	573.96	3.43	—	18.99	19.09	—	539.31	554.97
Buildings and Structures	657.07	24.60	5.26	33.18	34.88	1.22	609.57	623.89
Plant and Equipment	5,095.18	235.20	37.45	308.70	315.51	17.14	4,685.86	4,786.48
Distribution System	5,978.82	371.52	33.67	233.75	282.67	29.23	5,829.48	5,745.07
Meters and Other Apparatus on								
Consumers' Premises	270.15	55.60	26.10	3.02	39.10	16.99	274.52	267.13
River Tunnel	2.78	—	—	0.55	0.55	—	1.68	2.23
Furniture and Fixtures	18.43	3.17	0.46	1.23	1.52	0.21	18.60	17.20
Office Equipment	79.05	8.33	0.40	6.61	8.68	0.26	71.95	72.44
Vehicles	5.43	0.77	0.59	0.69	1.12	0.44	4.24	4.74
Railway Sidings	94.55	—	—	2.68	3.00	—	88.87	91.87
	15,242.38	707.87	103.93	609.40	706.12	65.49	14,596.29	14,632.98

PARTICULARS	GROSS BLOCK AT COST OR VALUATION			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 31st March, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016
Land								
Freehold	2,463.09	3.87	—	—	—	—	—	2,466.96
Leasehold	560.46	13.50	—	—	18.99	—	18.99	554.97
Buildings and Structures	620.52	36.55	—	—	33.18	—	33.18	623.89
Plant and Equipment	4,824.19	279.39	8.40	—	312.58	3.88	308.70	4,786.48
Distribution System	5,585.58	434.24	41.00	—	270.71	36.96	233.75	5,745.07
Meters and Other Apparatus on								
Consumers' Premises	241.43	47.15	18.43	—	13.63	10.61	3.02	267.13
River Tunnel	2.78	—	—	—	0.55	—	0.55	2.23
Furniture and Fixtures	13.65	5.25	0.47	—	1.32	0.09	1.23	17.20
Office Equipment	67.80	11.25	—	—	6.61	—	6.61	72.44
Vehicles	4.31	1.74	0.62	—	1.10	0.41	0.69	4.74
Railway Sidings	94.55	—	—	—	2.68	—	2.68	91.87
	14,478.36	832.94	68.92	—	661.35	51.95	609.40	14,632.98

Notes forming Part of Financial Statements (Contd.)

NOTE - 4 PROPERTY PLANT AND EQUIPMENT (contd..)

₹ in Crore

Particulars	Gross Block	Depreciation	Net Block	Fair Valuation	Adjustments	Deemed Cost
	As at 1 April, 2015	As at 1 April, 2015	As at 1 April, 2015	As at 1 April, 2015	As at 1 April, 2015	As at 1 April, 2015
Land						
Freehold	840.95	—	840.95	1,678.17	(56.03)	2,463.09
Leasehold	395.26	31.05	364.21	193.34	2.91	560.46
Buildings and Structures	799.75	334.42	465.33	155.19	—	620.52
Plant and Equipment	6,480.11	3,204.87	3,275.24	1,548.95	—	4,824.19
Distribution System	5,807.26	1,999.21	3,808.05	1,777.53	—	5,585.58
Meters and Other Apparatus on Consumers' Premises	554.25	288.38	265.87	(24.44)	—	241.43
River Tunnel	4.88	3.29	1.59	1.19	—	2.78
Furniture and Fixtures	22.49	8.84	13.65	—	—	13.65
Office Equipment	114.51	46.71	67.80	—	—	67.80
Vehicles	17.77	13.46	4.31	—	—	4.31
Railway Sidings	39.74	22.44	17.30	77.25	—	94.55
	15,076.97	5,952.67	9,124.30	5,407.18	(53.12)	14,478.36

Rate of Depreciation/ Useful Life of Tangible Assets

Particulars	Rate of Depreciation / Useful Life of Assets
Buildings and Structures	25-50 Years
Plant and Equipment	15-25 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

The lease term in respect of land acquired under finance lease ranges from 30 - 99 years which is renewable at the option of the lessor. Future minimum lease obligation payable on leasehold land during next one year ₹ 0.83 crores (as on 31.03.16 : ₹ 0.83 crores) later than one year but not later than five years ₹ 2.64 crore (as on 31.03.16: ₹ 2.64 crores) and later than five years ₹ 3.66 crore (as on 31.03.16 : ₹ 3.84 crores).

Refer note 52 for fair valuation of Property Plant & Equipment

Notes forming Part of Financial Statements (Contd.)

NOTE - 5 INVESTMENT PROPERTY

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land - Freehold	56.03	–	–	56.03	–	–	–	–	56.03	56.03

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Land - Freehold	56.03	–	–	56.03	–	–	–	–	56.03	–

Income earned recognised in Statement of profit and loss ₹ 12.26 crore (previous year : ₹ 12.26 crore).

Fair valuation of the above land as per rent capitalisation method amounts to ₹ 272 crore as per approved independent valuer. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.

The lease term in respect of Investment property given under Operating Lease is 25 years which can be extended upon the sole discretion of CESC. This lease has been granted to Quest Properties India limited to construct, develop, operate and maintain the mall during the said lease term. Incentive given by the Company by way of rent free period for development of the Investment Property has been spread across the period of the contract. Future minimum lease rental receivables during next one year ₹ 12.26 crore (as on 31.03.16 : ₹ 12.26 crore; as on 01.04.15: ₹ 12.26 crores) later than one year but not later than five years ₹ 49.05 crore (as on 31.03.16 : ₹ 49.05 crores; as on 01.04.15 : ₹ 49.05 crores) and later than five years ₹ 130.81 crore (as on 31.03.16 : ₹ 143.07 crores; as on 01.04.15 : ₹ 155.33 crores).

NOTE - 6 OTHER INTANGIBLE ASSETS

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Brands	105.00	–	–	105.00	7.50	7.50	–	15.00	90.00	97.50
Computer Software	7.19	12.25	–	19.44	4.22	7.03	0.06	11.19	8.25	2.97
Mining Rights	131.69	–	–	131.69	6.06	6.59	–	12.65	119.04	125.63
	243.88	12.25	–	256.13	17.78	21.12	0.06	38.84	217.29	226.10

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2015	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 31st March, 2015
Brands	105.00	–	–	105.00	–	7.50	–	7.50	97.50	–
Computer Software	4.53	2.66	–	7.19	–	4.22	–	4.22	2.97	–
Mining Rights	–	131.69	–	131.69	–	6.06	–	6.06	125.63	–
	109.53	134.35	–	243.88	–	17.78	–	17.78	226.10	–

PARTICULARS	GROSS BLOCK	AMORTISATION	NET BLOCK	Deemed Cost
	As at 1st April, 2015	As at 1st April, 2015	As at 1st April, 2015	As at 1st April, 2015
Brands	150.00	45.00	105.00	105.00
Computer Software	38.62	34.09	4.53	4.53
Mining Rights	–	–	–	–
	188.62	79.09	109.53	109.53

Notes forming Part of Financial Statements (Contd.)

NOTE - 7 NON CURRENT - INVESTMENTS

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
a	Investments -Unquoted			
	Investments in Equity Instruments			
	3,250 (31.03.2016 : 13,000; 01.04.2015 : 13,000) Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	—	0.01	0.01
b	Investment in Mutual Fund			
	20,00,000 (31.03.2016 : NIL ; 01.04.2015 : NIL) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹ 10 each	2.00	—	—
c	Investment in Subsidiary Companies			
	29,67,53,585 (31.03.2016 : 29,67,53,585; 01.04.2015 : 24,27,98,388) Equity Shares of Spencer's Retail Limited of ₹ 10 each	448.32	449.15	362.12
	25,93,10,000 (31.03.2016 : 25,93,10,000; 01.04.2015 : 24,95,10,000) Equity Shares of Quest Properties India Limited of ₹ 10 each	259.31	259.31	249.51
	13,50,000 (31.03.2016; 13,50,000; 01.04.2015; 13,50,000) Equity Shares of Nalanda Power Company Limited of ₹ 10 each	1.35	1.35	1.35
	2,68,80,50,000 (31.03.2016 : 2,68,80,50,000; 01.04.2015 : 2,44,30,50,000) Equity Shares of CESC Infrastructure Limited of ₹ 10 each	2,697.59	2,694.74	2,448.02
	2,35,00,000 (31.03.2016 : 2,35,00,000; 01.04.2015 : 1,90,00,000) Equity Shares of Ranchi Power Distribution Company Limited of ₹ 10 each -fully provided for (Refer Note below)	—	—	—
	47,10,28,050 (31.03.2016; 47,10,28,050; 01.04.2015; 47,10,28,050) Equity Shares of Spen Liq Private Limited of ₹ 10 each	471.45	471.60	471.60
	28,20,615 (31.03.2016 : 28,20,615; 01.04.2015 : 28,20,615) Equity Shares of Papu Hydropower Projects Limited of ₹ 10 each -fully provided for (Refer Note below)	—	—	—
	44,17,983 (31.03.2016 : 44,17,983; 01.04.2015 : 44,17,983) Equity Shares of Pachi Hydropower Projects Limited of ₹ 10 each -fully provided for (Refer Note below)	—	—	—
	9,42,35,800 (31.03.2016 : 9,42,35,800; 01.04.2015 : 8,92,35,800) Equity Shares of Surya Vidyut Limited of ₹ 10 each	94.24	94.24	89.24
	1,88,50,000 (31.03.2016 : 1,88,50,000; 01.04.2015 : 1,22,50,000) Equity Shares of CESC Projects Limited of ₹ 10 each -fully provided for (Refer Note below)	—	—	—
	1,10,00,000 (31.03.2016 : 1,10,00,000; 01.04.2015; 1,10,00,000) Equity Shares of Bantal Singapore Pte Limited of USD 1 each (Refer Note below)	6.94	6.94	6.94
	50,000 (31.03.2016 : 5,000; 01.04.2015 : 5,000) Equity Shares of Kota Electricity Distribution Limited (previously Sheesham Commercial Private Limited) of ₹ 10 each	1.39	0.01	0.01
	50,000 (31.03.2016 : 5,000; 01.04.2015 : 5,000) Equity Shares of Bikaner Electricity Supply Limited (previously Water Hyacinth Commosale Private Limited) of ₹ 10 each	0.63	0.01	0.01
	50,000 (31.03.2016 : 3,400; 01.04.2015 : 3,400) Equity Shares of Bharatpur Electricity Services Limited (previously Wigeon Commotrade Private Limited) of ₹ 10 each	0.53	—	—
	4,06,99,994 (31.03.2016 : 4,06,99,994; 01.04.2015 : 3,06,99,994) Equity Shares of Crescent Power Limited of ₹ 10 each	71.85	71.85	40.85
	Associate			
	2,97,28,500 (31.03.2016 : NIL; 01.04.2015 : NIL) Equity Shares of Noida Power Company Limited of ₹ 10 each	30.63	0.93	0.93
	Joint Venture			
	24,29,800 (31.03.2016 : 24,29,800; 01.04.2015 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each -fully provided	—	—	—
		4,086.23	4,050.14	3,670.59

Note :

The Company has fair valued its Investments in certain subsidiaries based on the valuation report by an independent approved valuer as at transition date, 01 April, 2015.

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
NOTE - 8	NON CURRENT - TRADE RECEIVABLES			
	Unsecured , considered good	–	–	8.34
		–	–	8.34
NOTE - 9	NON CURRENT - LOANS			
	Unsecured , considered good			
	Loan to employees	2.49	2.19	2.04
		2.49	2.19	2.04
NOTE - 10	NON CURRENT - OTHER FINANCIAL ASSETS			
a	Security Deposits	51.34	19.48	18.25
b	Advances to related parties			
	Share application money to subsidiaries	2,211.44	1,204.96	1,178.29
c	Others			
	Lease Receivables	57.09	56.93	56.77
	Others (refer Note 51)	116.43	116.43	116.43
		2,436.30	1,397.80	1,369.74
NOTE - 11	OTHER NON CURRENT ASSETS			
a	Capital Advance	73.19	58.93	116.53
b	Advances other than capital advances	93.05	103.58	13.70
	(Includes amount incurred by the company for setting up power projects to be transferred to the specific projects on completion of the same, etc)			
		166.24	162.51	130.23
NOTE - 12	INVENTORIES			
a	Fuel (includes goods in transit ₹ 54.33 crore; 31.03.16 : ₹ 31.12 crore, 01.04.2015 : ₹ 70.09 crore)	193.05	132.65	220.50
b	Stores and Spares (includes goods in transit Nil; 31.03.2016 : Nil 01.04.2015 : ₹ 1.35 crore)	185.57	183.87	184.96
		378.62	316.52	405.46

Notes forming Part of Financial Statements (Contd.)

NOTE - 13 CURRENT INVESTMENTS

	As at 31st March, 2017	As at 31st March, 2016	₹ in Crore As at 1st April 2015
Unquoted			
Investments in Mutual Funds			
48,43,348.158 units of ₹ 312.57 each (31.03.2016 : 52,82,923.283 units ₹ 285.8266 each) of ICICI Prudential Flexible Income - Direct Plan - Growth	151.39	151.62	—
12,34,243.646 units of ₹ 406.0303 each (31.03.2016 : 26,97, 142.216 units of ₹ 372.7762 each) of Birla Sun Life Cash Manager - Growth - Direct Plan	50.11	100.54	—
3,35,66,769.605 units of ₹ 28.3595 each (31.03.2016 : 2,88,40,385.769 of ₹ 26.1002 each) of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	95.19	75.27	—
24,98,272.445 (31.03.2016 : Nil) units of ₹ 200.6473 each of Birla Sun Life Floating Rate Fund - Long Term - Growth-Direct - Plan	50.13	—	—
1,44,56,716.591 (31.03.2016 : Nil) units of ₹ 34.6897 each of Reliance Medium Term Fund - Direct Growth Plan - Growth Option	50.15	—	—
1,00,960.078 (31.03.2016 : Nil) units of ₹ 2481.5445 each of Tata - Ultra - Short - Term Fund - Direct Plan - Growth	25.05	—	—
74,53,786.524 (31.03.2016 : Nil) units of ₹ 26.9023 each of L&T Ultra Short Term Fund - Direct - Plan - Growth	20.05	—	—
73,773.191 (31.03.2016 : Nil) units of ₹ 2718.0909 each of UTI - Floating Rate Fund - STP - Direct - Growth Plan	20.05	—	—
77,93,624.815 (31.03.2016 : Nil) units of ₹ 25.7509 each of LIC MF Saving Plus Fund-Direct-Growth -Plan	20.07	—	—
43,31,516.984 (31.03.2016 : Nil) units of ₹ 23.1528 each of IDFC - Ultra - Short - Term Fund - Growth - Direct Plan	10.03	—	—
75,74,227.429 (31.03.2016 : Nil) units of ₹ 11.9077 each of DSP Black Rock - Ultra Short Term Fund - Direct -Growth	9.02	—	—
19,41,679.708 (31.03.2016 : Nil) units of ₹ 25.7509 each of LIC MF Saving Plus Fund - Direct - Growth - Plan	5.00	—	—
Nil (31.03.2016 : 1,03,02,820.500 units of ₹ 24.3568 each) of Kotak Treasury Advantage Fund - Direct Plan - Growth	—	25.09	—
Nil (31.03.2016 : 1,02,370.634 units of ₹ 2445.55 each) of Reliance Liquid Fund Cash Plan - Direct Plan - Growth	—	25.04	—
Nil (31.03.2016 : 57,47,082.398 units of ₹ 26.1002) each of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	—	15.00	—
Nil (31.03.2016 : 37,849.370 units of ₹ 2380.9577, 01.04.2015 : 1,36,498.571 units of ₹ 2198.9187) each of SBI Premier Liquid Fund - Direct Plan - Growth	—	9.01	30.01
Nil (01.04.2015 : 72,94,604.939 units of ₹ 207.099 each) of ICICI Prudential Liquid - Direct Plan - Growth	—	—	151.07
Nil (01.04.2015 : 44,55,361.069 units of ₹ 224.5966 each) of Birla Sun Life Cash Plus - Direct Plan - Growth	—	—	100.07
Nil (01.04.2015 : 3,62,32,146.610 units of ₹ 27.6128 each) of HDFC Liquid Fund - Direct Plan - Growth	—	—	100.05
Nil (01.04.2015 : 1,76,213.429 units of ₹ 2,839.767 each) of Kotak Liquid Scheme Plan A - Direct Plan - Growth	—	—	50.04
Nil (01.04.2015 : 2,25,778.936 units of ₹ 1,551.0657 each) of Axis Liquid Fund - Direct Plan - Growth	—	—	35.02
Nil (01.04.2015 : 73,325.620 units of ₹ 3,411.2624 each) of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth	—	—	25.01
Investments in Commercial Paper	—	—	—
Nil (31.03.2016 : 2,000.00 units of ₹ 5,00,000.00 each of Axis Finance Ltd.)	—	100.00	—
	506.24	501.57	491.27

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
NOTE - 14	TRADE RECEIVABLES			
a.	Secured, considered good	698.95	702.97	775.87
b.	Unsecured, considered good	269.68	264.86	605.87
c.	Doubtful	6.15	6.15	4.10
		974.78	973.98	1,385.84
	Less : Allowances for bad and doubtful debts*	6.25	7.57	4.10
		968.53	966.41	1,381.74

*includes adjustment on account of Expected Credit Loss ₹ 0.10 crore (31.03.16 ₹ 1.42 crore and 01.04.15 ₹ Nil)

NOTE - 15 CASH AND CASH EQUIVALENTS

a.	Balances with banks			
	- In current accounts	671.49	74.93	163.58
	- Bank Deposits with original maturity of upto 3 months	—	206.00	200.00
b.	Cheques, drafts on hand	8.98	308.60	109.20
c.	Cash on hand	2.34	3.19	3.94
		682.81	592.72	476.72

- d. Disclosure on specified bank note (SBN) pursuant to notification no. G.S.R.308 (E) dated 30 March 2017 issued by The Ministry of Corporate Affairs :

		₹ in Crore
Particulars		SBNs
Closing cash in hand as on 08.11.2016		20.28
Add : Permitted receipts (net)		223.29
Less : Amount deposited in Banks		243.57
Closing cash in hand (SBN) as on 30.12.2016		—

		Other denomination notes
Closing cash in hand as on 08.11.2016		0.47
Add : Permitted receipts (net)		159.31
Less : Amount deposited in Banks		141.15
Closing cash in hand (other denomination notes) as on 30.12.2016		18.63

		Total
Closing cash in hand as on 08.11.2016		20.75
Add : Permitted receipts (net)		382.60
Less : Amount deposited in Banks		384.72
Closing cash in hand as on 30.12.2016		18.63

NOTE - 16 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Unpaid Dividend	3.85	4.21	1.93
– Bank Deposits with original maturity more than 3 months	237.72	239.70	259.09
	241.57	243.91	261.02

- a. Amount lying in deposit accounts with banks as at 31st March, 2017 includes ₹ 213.50 crore (31.03.2016 : ₹ 196.50 crore, 1.04.2015 : ₹ 185 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 ₹ 86.50 crore (31.03.2016 : ₹ 20 crore, 1.04.2015: ₹ 31 crore) having maturity more than 12 months as on the reporting date.

Notes forming Part of Financial Statements (Contd.)

		As at 31st March, 2017	As at 31st March, 2016	₹ in Crore As at 1st April 2015
NOTE - 17	OTHER FINANCIAL ASSETS			
	Miscellaneous advances to Subsidiaries	13.24	13.24	18.18
	Miscellaneous advances to joint venture company	0.01	0.01	—
	Miscellaneous advances to bodies corporate	1.84	—	—
	Lease Receivables	0.16	0.16	0.16
	Interest accrued on Bank Deposits	10.99	10.73	4.60
	MTM gain on derivative financial instruments	44.52	124.27	130.32
	Receivable towards claims and services rendered	75.57	69.80	42.14
		146.33	218.21	195.40
NOTE - 18	OTHER CURRENT ASSETS			
	Advances other than capital advances			
	Other advances			
	Advance for goods and services	104.23	36.80	47.59
	Others	50.15	91.63	140.18
		154.38	128.43	187.77
NOTE - 19	REGULATORY DEFERRAL ACCOUNT BALANCES			
	Regulatory deferral account - debit balances	3,619.97	3,639.37	3,579.54
	Regulatory deferral account - credit balances (Refer note no. 40 for details)	2,192.55	2,450.92	2,274.96
NOTE - 20	EQUITY			
a.	Authorised Share Capital			
	15,00,00,000 Equity Shares of ₹ 10 each	150.00	150.00	150.00
b.	Issued Capital			
	13,88,57,015 (31.03.2016 : 13,88,57,015 31.03.2015 : 13,88,57,015) Equity Shares of ₹ 10/- each	138.86	138.86	138.86
c.	Subscribed and paid up capital			
	13,25,57,043 (31.03.2016 : 13,25,57,043, 31.3.2015 : 13,25,57,043) Equity Shares of ₹ 10/- each	132.56	132.56	132.56
d.	Forfeited Shares (amount originally paid up)	0.66	0.66	0.66
		133.22	133.22	133.22
e.	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period			
		As at 31st March, 2017		As at 31st March, 2016
		No of Shares	Amount (₹ in Crore)	No of Shares Amount (₹ in Crore)
	At the beginning of the reporting period	132,557,043	132.56	132,557,043 132.56
	Add : Change during the year	—	—	—
	At the end of the reporting period	132,557,043	132.56	132,557,043 132.56

Notes forming Part of Financial Statements (Contd.)

For the period of five years immediately preceding 31 March, 2017, 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) brought back.

f. Terms /rights attached to equity shares :

The Company has only one class of equity shares having a par value of ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 10/- per equity share has been paid during the year ended 31st March 2017. 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, 2017		As at 31st March, 2016		As at 1st April, 2015#	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [refer note 43(a)]	58,796,632	44	58,796,632	44	58,553,331	44
ICICI Asset Management Company Limited	9,711,354	7	15,556,679	12	—	—
HDFC Trustee Company Limited	11,930,021	9	11,909,021	9	11,205,021	8

#As per closing balance as of 31 March, 2015

NOTE - 21 OTHER EQUITY		As at 31st March, 2017	As at 31st March, 2016	₹ in Crore As at 1st April, 2015
A.	a. Capital Redemption Reserve	20.13	20.13	20.13
	b. Others			
	Securities Premium Account	1,738.03	1,738.03	1,738.03
	Fund for unforeseen exigencies	228.24	212.08	195.45
	Retained Earnings	11,204.13	10,897.59	10,719.62
		13,190.53	12,867.83	12,673.23
B.	a. Capital Redemption Reserve			
	Capital Redemption Reserve as at beginning of the year	20.13	20.13	
	Addition during the year	—	—	
		20.13	20.13	
	b. Others			
	i) Securities Premium Account as at beginning of the year	1,738.03	1,738.03	
	Addition during the year	—	—	
		1,738.03	1,738.03	
	ii) Fund for unforeseen exigencies at the beginning of the year	212.08	195.45	
	Add : Transfer during the year from Surplus (Refer Note (c) below)	16.16	16.63	
		228.24	212.08	
	iii) Retained Earnings			
	Surplus at the beginning of the year	10,897.59	10,719.62	
	Add : Profit for the year	862.86	845.13	
	Less: Transfer to fund for unforeseen exigencies	16.16	16.63	
	Less : Withdrawal on account of depreciation / amortisation on amount added on fair valuation (refer note 52)	318.41	309.62	
	Less : Withdrawal of the residual amount added on fair valuation consequent to sale/disposal of assets	23.09	4.91	
	Less: Dividend	132.56	251.86	
	Less: Dividend distribution tax on above	26.99	51.27	
	Less: Items that will not be reclassified to profit or loss			
	Remeasurement of defined benefit plan (Net of tax)	39.11	32.87	
		11,204.13	10,897.59	
		13,190.53	12,867.83	

Notes forming Part of Financial Statements (Contd.)

C. Nature and purpose of other reserves

Capital Redemption Reserve has been created on redemption of Redeemable Preference shares in the earlier years. Securities Premium Account is used to record the premium on issue of shares. Fund for unforeseen exigencies has been created for dealing with unforeseen exigencies and the amount transferred during the year to fund for unforeseen exigencies to be invested as per the applicable regulations.

D. Retained Earnings as at 1.4.2015 has been credited with a sum of ₹ 6257.73 crore consequent to fair valuation of tangible assets as on that date with an impact of ₹ 5407.18 crore, with the remaining sum representing the balance of revaluation reserve standing in the books as on 31.03.2015.

E. Under the previous GAAP, proposed dividend were considered as adjusting events and recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
NOTE - 22	NON CURRENT - BORROWINGS			
a. Secured				
	Term Loans			
	1 Rupee Loans :			
	(i) Banks	3,410.07	3,349.63	3,270.16
	(ii) Financial Institutions	—	—	180.38
		3,410.07	3,349.63	3,450.54
	2. Foreign Currency Loans from banks	740.22	522.78	642.77
		4,150.29	3,872.41	4,093.31
b. Unsecured				
	Term Loans			
	Rupee Loans :			
	Banks	400.00	—	—
		4,550.29	3,872.41	4,093.31
	Less : Current maturities of non current borrowings transferred to Other Financial liabilities (refer note 29)	762.09	906.22	910.38
		3,788.20	2,966.19	3,182.93

c. Nature of Security :

Out of the Term Loans in (A) above, loans amounting to :

- (a) ₹ 3825.60 crore (31.03.2016- ₹ 3401.81 crore; 01.04.2015 - ₹ 3436.40 crore) are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Company including its land, buildings and any other constructions thereon, plant and machinery, etc. as a first charge and, as a second charge, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of five Rupee Loans (31.03.2016 - ten Rupee Loans ; 01.04.2015 - five Rupee Loans) aggregating ₹ 633.13 crore (31.03.2016 - ₹ 1593.51 crore; 01.04.2015 - ₹ 907.50 crore) is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore (31.03.2016 - ₹ 62.55 crore; 01.04.2015- ₹ 62.55 crore) have been offered as security for financial assistance availed of by a subsidiary company to its lenders; and
- (b) ₹ 324.69 crore (31.03.2016- ₹ 470.60 crore; 01.04.2015- ₹ 656.91 crore) are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Company by way of a charge subservient to the charge of the first and second charge holders on the said assets.

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

d. Major terms of repayment of Non Current Borrowings :

Maturity Profile of non current Borrowings outstanding as at 31st March 2017	Rupee Term Loan from Banks	Foreign Currency Loans	Total	Current Maturities
Loans with residual maturity of upto 1 year	9.69	22.86	32.55	32.55
Loans with residual maturity between 1 and 3 years	1,115.84	570.44	1,686.28	362.00
Loans with residual maturity between 3 and 5 years	591.25	146.92	738.17	113.65
Loans with residual maturity between 5 and 10 years	1,677.37	–	1,677.37	223.49
Loans with residual maturity beyond 10 years	415.92	–	415.92	30.40
Total	3,810.07	740.22	4,550.29	762.09

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 Loans are based on spread over LIBOR.
All of the above are repayable in periodic instalments over the maturity period of the respective loans.

- e. Term loans from a Financial Institution as at 01.4.2015 has been disclosed under Term Loans from Banks during the year pursuant to the conversion of the Financial Institution into a bank during the year.

NOTE - 23 NON CURRENT - OTHER FINANCIAL LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a Restoration liabilities	7.55	6.86	–
b Others (comprising of unadjusted balance of sums received from consumer and long term lease obligation and dues from other suppliers)	140.03	160.49	261.33
	147.58	167.35	261.33

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.

NOTE - 24 NON CURRENT - PROVISIONS

Provision for employee benefits	227.35	183.38	160.94
	227.35	183.38	160.94

NOTE - 25 DEFERRED TAX LIABILITY (NET)

Deferred Tax Liabilities	3,599.50	3,552.34	3,473.69
Deferred Tax Assets	(44.74)	(46.33)	(39.71)
Total Deferred Tax Liabilities (net) (refer note 45 for further details)	3,554.76	3,506.01	3,433.98

NOTE - 26 OTHER NON CURRENT LIABILITIES

Receipt from consumers for capital jobs	108.38	82.77	81.09
Financial guarantee obligations	7.00	4.55	3.75
	115.38	87.32	84.84

Notes forming Part of Financial Statements (Contd.)

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
NOTE - 27	CURRENT - BORROWINGS			
a.	Secured			
	Loans repayable on demand	735.13	759.45	216.58
	Overdraft from banks			
b.	Unsecured			
	Short term loan from banks	100.00	149.50	224.50
	Commercial Paper [including from bank 31.03.2017 : ₹ 100 crore , 31.03.2016 : ₹ 200 crore , 1.04.2015 : ₹ 200 crore]	600.00	550.00	700.00
		1,435.13	1,458.95	1,141.08
c.	Nature of Security			
	Overdraft facilities from bank in (a) above are secured, ranking pari passu inter se, by hypothecation of the Company's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances as a first charge and, as a second charge, by equitable mortgage / hypothecation of fixed assets of the Company including its land, buildings and any other construction thereon, where exists plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from banks aggregating ₹ 518 Crore (31.03.2016 : ₹ 518 crore , 1.04.2015 : ₹ 467 crore) is in process.			
NOTE - 28	CURRENT - TRADE PAYABLES			
a.	Total outstanding dues to micro enterprises and small enterprises	6.07	12.37	5.53
b.	Total outstanding dues of creditors other than micro enterprises and small enterprises	371.26	351.97	320.55
		377.33	364.34	326.08
c.	Nil (31.3.2016 - ₹ 0.02 crore, 1.4.2015 - ₹ Nil), ₹ 0.11 crore (31.3.2016 - ₹ 0.12 crore, 1.4.2015 - ₹ 0.08 crore) and ₹ 0.87 crore (31.3.2016 - ₹ 0.76 crore, 1.04.2015 - ₹ 0.64 crore) representing interest due on amount outstanding as at the year end, interest accrued and due for the period of delay in making payment during the year and interest accrued and remaining unpaid at the year end 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 - 29	OTHER FINANCIAL LIABILITIES			
a.	Current maturities of long-term debt	762.09	906.22	910.38
b.	Interest accrued	12.02	24.99	30.02
c.	Unclaimed dividends	3.85	4.21	1.93
d.	Others (refer note e)	388.61	395.12	369.73
		1,166.57	1,330.54	1,312.06
e.	Others include accrued interest on consumer security deposit, employee related liability, creditors towards contractual obligation etc.			
NOTE - 30	OTHER CURRENT LIABILITIES			
	Liability towards statutory taxes, duties etc.	329.86	180.15	437.83
		329.86	180.15	437.83
NOTE - 31	CURRENT PROVISIONS			
	Provision for employee benefits	70.59	57.49	51.30
		70.59	57.49	51.30

Notes forming Part of Financial Statements (Contd.)

NOTE -32 CONTINGENT LIABILITIES AND COMMITMENTS

- a. Claims against the Company not acknowledged as debts:
The West Bengal Taxation Tribunal had held meter rentals received by the Company from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹ 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹ 0.36 crore on account of interest. Against the above demand, the Company had deposited a sum of ₹ 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Company filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Company. The disposal of the case is still pending.
- b. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account and the same (letter of comfort) towards borrowing / financing obligations of subsidiaries and a body corporate from banks, not provided for amounting to ₹ 151.18 crore (31.03.2016 : ₹ 104.22, 1.04.2015 : ₹ 162.57 crore), ₹ 1550.05 crore (31.03.2016 : ₹ 1585.33 crore, 1.04.2015 : ₹ 1597.48 crore) and ₹ Nil (31.03.2016 : ₹ 77.07 crore, 1.04.2015 : ₹ 104.59 crore) respectively. (refer note 43 for details)
- c. Other money for which the company is contingently liable :
(i) Income tax matters : Nil (31.03.2016 : Nil, 1.04.2015 : ₹ 12.74 crore)
(ii) Other matters : Nil (31.03.2016 : Nil, 1.04.2015 : ₹ 20.50 crore)
- 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. For commitment relating to leasing arrangement, refer note 4 and 48

NOTE -33 REVENUE FROM OPERATIONS

	2016-17	2015-16
a. Earnings from sale of electricity	6,979.69	6,616.45
b. Other Operating Revenue		
Meter Rent	48.74	47.31
Contribution from Consumer	130.21	121.05
Others	61.43	11.33
	7,220.07	6,796.14

- 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 ₹ 82.86 crore (previous year : ₹ 76.95 crore). In accordance with Appendix C of Ind AS 18, contribution received from consumers for the acquisition or construction of property, plant and equipment has been recognised as revenue when the service is performed. Consequent to this change, contribution from consumers as on 1 April 2015 has been reclassified as Retained Earnings and income has been recognised under Other Operating Revenue in the Statement of profit and loss for the year ended 31 March 2016.

NOTE -34 OTHER INCOME

	2016-17	2015-16
a. Interest Income	29.73	29.65
b. Gain on sale of current investments (net)	44.12	57.90
c. Profit on sale of property, plant and equipment (net)	—	0.54
d. Unwinding of discount on security deposit	0.52	1.13
e. Income from financial assets at amortised cost	2.14	1.94
f. Other Non -operating Income	70.05	36.49
	146.56	127.65

Notes forming Part of Financial Statements (Contd.)

NOTE - 35 COST OF FUEL

- a The consumption of coal for the year 2016-17 works out to 36,46,133 tonnes (Previous Year 43,47,348 tonnes) having a value of ₹ 1346.32 crore (Previous Year ₹ 1501.14 crore).
- b Cost of fuel shown in the Profit and Loss account includes freight of ₹ 262.07 crore (Previous Year ₹ 274.08 crore) and gain of ₹ 0.59 crore (Previous year gain ₹ 0.11 crore) towards exchange fluctuation and is net off write back of Nil (Previous Year ₹ 170.46 crore) pursuant to settlement on this count.
- c The consumption of oil for the year 2016-17 works out to 2,687.09 Kilolitres (Previous year 3,245.33 kilolitres) having a value of ₹ 12.42 crore (Previous Year ₹ 16.61 crore)

		₹ in Crore	
		2016-17	2015-16
NOTE -36 REVENUE FROM OPERATIONS			
a	Salaries, wages and bonus	821.25	738.42
b	Contribution to provident and other funds	105.96	97.66
c	Employees' welfare expenses	45.28	38.69
		972.49	874.77
	Less : Allocated / transfer to capital account	142.96	125.63
		829.53	749.14
	Less : Transfer to Other Comprehensive Income*	49.73	41.79
		779.80	707.35

*As per Ind AS 19, remeasurement of defined benefit plans has been recognised in Other Comprehensive Income. The concept of Other Comprehensive Income did not exist under previous GAAP.

(i) Defined contribution plans

The Company makes contributions for provident fund and pension (including for superannuation) towards retirement benefit plans for eligible employees. Under the said plans, the Company is required to contribute a specified percentage of the employees' salaries to fund the benefits. During the year, based on applicable rates, the Company has recognised ₹ 57.00 crore (previous year : ₹ 54.44 crore) on this count in the Statement of Profit and Loss. The Company also makes annual contribution to independent trust, who in turn, invests in the Employees Group Gratuity Scheme of eligible agencies for qualifying employees. Liabilities at the year-end for gratuity, leave encashment and other retiral benefits including medical have been determined on the basis of actuarial valuation carried out by an independent actuary, based on the method prescribed in IND AS 19 - "Employee Benefits". of the The Companies (Indian Accounting Standards) Rules, 2015.

(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	Present value of obligation	Fair value of plan assets	Total amount
1-Apr-15	286.75	(246.19)	40.56
Current service cost	16.83	—	16.83
Interest expense/(income)	22.31	(19.15)	3.16
Total amount recognised in profit and loss	39.14	(19.15)	19.99
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	—	0.24	0.24
(Gain)/loss from change in demographic assumptions	—	—	—
(Gain)/loss from change in financial assumptions	0.56	—	0.56
Experience (gains)/losses	22.44	—	22.44
Total amount recognised in other comprehensive income	23.00	0.24	23.24
Employer contributions	—	(42.51)	(42.51)
Benefit payments	(27.13)	27.13	—
31-Mar-16	321.76	(280.48)	41.28

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Gratuity	Present value of obligation	Fair value of plan assets	Total amount
1-Apr-16	321.76	(280.48)	41.28
Current service cost	18.24	–	18.24
Interest expense/(income)	23.78	(20.72)	3.06
Total amount recognised in profit and loss	42.02	(20.72)	21.30
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	–	(6.40)	(6.40)
(Gain)/loss from change in demographic assumptions	–	–	–
(Gain)/loss from change in financial assumptions	19.17	–	19.17
Experience (gains)/losses	14.88	–	14.88
Total amount recognised in other comprehensive income	34.05	(6.40)	27.65
Employer contributions	–	(42.39)	(42.39)
Benefit payments	(26.95)	26.95	–
31-Mar-17	370.88	(323.04)	47.84

The net liability disclosed above relates to funded plan is as follows :

Gratuity	31-Mar-17	31-Mar-16	01-April-15
Present value of funded obligation (DBO)	370.88	321.76	286.75
Fair value of plan assets	323.04	280.48	246.19
Deficit of funded plan	47.84	41.28	40.56
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	47.84	41.28	40.56

Leave Obligation	Present value of obligation	Fair value of plan assets	Total amount
1-Apr-15	104.76	–	104.76
Current service cost	2.99	–	2.99
Interest expense/(income)	8.15	–	8.15
Total amount recognised in profit and loss	11.14	–	11.14
<i>Remeasurements</i>			
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	0.24	–	0.24
Experience (gains)/losses	9.79	–	9.79
Total amount recognised in other comprehensive income	10.03	–	10.03
Employer contributions	–	(8.10)	(8.10)
Benefit payments	(8.10)	8.10	–
31-Mar-16	117.83	–	117.83

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Leave Obligation	Present value of obligation	Fair value of plan assets	Total amount
1-Apr-16	117.83	–	117.83
Current service cost	8.80	–	8.80
Interest expense/(income)	9.13	–	9.13
Total amount recognised in profit and loss	17.93	–	17.93
<i>Remeasurements</i>			
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	6.48	–	6.48
Experience (gains)/losses	7.01	–	7.01
Total amount recognised in other comprehensive income	13.49	–	13.49
Employer contributions	–	(7.84)	(7.84)
Benefit payments	(7.84)	7.84	–
31-Mar-17	141.41	–	141.41

The net liability disclosed above relates to unfunded plan is as follows :

Leave obligation	31-Mar-17	31-Mar-16	1-April-15
Present value of unfunded obligation (DBO)	141.41	117.83	104.76
Fair value of plan assets	–	–	–
Deficit of unfunded plan	141.41	117.83	104.76
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	141.41	117.83	104.76

Post retirement medical benefit	Present value of obligation	Fair value of plan assets	Total amount
1-Apr-15	42.24	–	42.24
Current service cost	1.46	–	1.46
Interest expense/(income)	3.29	–	3.29
Past Service Cost	–	–	–
Total amount recognised in profit and loss	4.75	–	4.75
<i>Remeasurements</i>			
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	7.74	–	7.74
Experience (gains)/losses	(2.64)	–	(2.64)
Total amount recognised in other comprehensive income	5.10	–	5.10
Employer contributions	–	(0.34)	(0.34)
Benefit payments	(1.60)	0.34	(1.26)
31-Mar-16	50.49	–	50.49

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Post retirement medical benefit	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	50.49	–	50.49
Current service cost	2.89	–	2.89
Interest expense/(income)	3.91	–	3.91
Past Service Cost	6.04	–	6.04
Total amount recognised in profit and loss	12.84	–	12.84
<i>Remeasurements</i>			
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	4.75	–	4.75
Experience (gains)/losses	(1.26)	–	(1.26)
Total amount recognised in other comprehensive income	3.49	–	3.49
Employer contributions	–	(2.15)	(2.15)
Benefit payments	(2.15)	2.15	–
31-Mar-17	64.67	–	64.67

The net liability disclosed above relates to unfunded plan is as follows :

Post-employment medical benefits	31-Mar-17	31-Mar-16	01-April-15
Present value of unfunded obligation (DBO)	64.67	50.49	42.24
Fair value of plan assets	–	–	–
Deficit of unfunded plan	64.67	50.49	42.24
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	64.67	50.49	42.24

Pension	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	24.68	–	24.68
Current service cost	–	–	–
Interest expense/(income)	1.92	–	1.92
Past Service Cost	5.70	–	5.70
Total amount recognised in profit and loss	7.62	–	7.62
<i>Remeasurements</i>			
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	4.10	–	4.10
Experience (gains)/losses	(0.68)	–	(0.68)
Total amount recognised in other comprehensive income	3.42	–	3.42
Employer contributions	–	(4.45)	(4.45)
Benefit payments	(4.45)	4.45	–
31-Mar-16	31.27	–	31.27

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Pension	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	31.27	–	31.27
Current service cost	0.25	–	0.25
Interest expense/(income)	2.42	–	2.42
Past Service Cost	10.13	–	10.13
Total amount recognised in profit and loss	12.80	–	12.80
<i>Remeasurements</i>			
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	1.97	–	1.97
Experience (gains)/losses	3.13	–	3.13
Total amount recognised in other comprehensive income	5.10	–	5.10
Employer contributions	–	(5.15)	(5.15)
Benefit payments	(5.15)	5.15	–
31-Mar-17	44.02	0.00	44.02

The net liability disclosed above relates to unfunded plan is as follows :

Pension	31-Mar-17	31-Mar-16	01-April-15
Present value of unfunded obligation (DBO)	44.02	31.27	24.68
Fair value of plan assets	–	–	–
Deficit of unfunded plan	44.02	31.27	24.68
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	44.02	31.27	24.68

Interest rate guarantee on provident fund	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	–	–	–
Current service cost	–	–	–
Interest expense/(income)	–	–	–
Past Service Cost	–	–	–
Total amount recognised in profit and loss	–	–	–
<i>Remeasurements</i>			
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	–	–	–
Experience (gains)/losses	–	–	–
Total amount recognised in other comprehensive income	–	–	–
Employer contributions	–	–	–
Benefit payments	–	–	–
31-Mar-16	–	–	–

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Interest rate guarantee on provident fund	Present value of obligation	Fair value of plan assets	Total amount
1-Apr-16	–	–	–
Current service cost	–	–	–
Interest expense/(income)	–	–	–
Past Service Cost	–	–	–
Total amount recognised in profit and loss	–	–	–
<i>Remeasurements</i>			
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	–	–	–
Experience (gains)/losses	–	–	–
Total amount recognised in other comprehensive income	–	–	–
Employer contributions	–	–	–
Benefit payments	–	–	–
31-Mar-17	–	–	–

The net liability disclosed above relates to unfunded plan is as follows :

Interest rate guarantee on provident fund	31-Mar-17	31-Mar-16	01-April-15
Present value of unfunded obligation (DBO)	–	–	–
Fair value of plan assets	–	–	–
Deficit of unfunded plan	–	–	–
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	–	–	–

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows :

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
31-Mar-17					
Defined benefit obligation (gratuity)	46.78	171.10	170.54	223.44	611.85
Leave obligation	14.50	55.83	65.24	136.01	271.57
Post-employment medical benefits	2.24	13.54	25.57	190.91	232.26
Pension	6.07	28.64	32.11	60.50	127.32
Interest rate guarantee on provident fund	–	–	–	–	–
Total	69.59	269.11	293.46	610.86	1,243.00
31-Mar-16					
Defined benefit obligation (gratuity)	29.17	162.86	162.57	246.01	600.61
Leave obligation	9.12	51.05	58.64	130.67	249.49
Post-employment medical benefits	2.50	10.07	19.46	161.40	193.43
Pension	5.77	23.99	24.25	50.11	104.13
Interest rate guarantee on provident fund	–	–	–	–	–
Total	46.56	247.97	264.92	588.19	1,147.66
1-Apr-15					
Defined benefit obligation (gratuity)	26.56	144.37	159.21	246.17	576.30
Leave obligation	8.29	42.75	56.22	126.33	233.59
Post-employment medical benefits	2.17	8.15	16.47	142.70	169.50
Pension	0.72	4.01	7.20	39.55	51.48
Interest rate guarantee on provident fund	–	–	–	–	–
Total	37.74	199.28	239.10	554.75	1,030.87

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

(iv) **Sensitivity Analysis :**

Gratuity	31-Mar-17	31-Mar-16	01-Apr-15
DBO at 31.03 with discount rate +1%	349.90	302.43	268.65
Corresponding service cost	15.62	15.70	10.15
DBO at 31.03 with discount rate -1%	394.33	343.42	307.05
Corresponding service cost	18.23	18.43	12.00
DBO at 31.03 with +1% salary escalation	388.58	342.33	307.47
Corresponding service cost	17.95	18.44	12.06
DBO at 31.03 with -1% salary escalation	351.82	301.74	267.31
Corresponding service cost	15.69	15.61	10.07
DBO at 31.03 with +50% withdrawal rate	371.42	322.20	287.17
Corresponding service cost	16.87	17.01	11.04
DBO at 31.03 with -50% withdrawal rate	370.32	321.31	286.32
Corresponding service cost	16.79	16.78	10.98
DBO at 31.03 with +10% mortality rate	371.20	322.02	286.99
Corresponding service cost	16.85	16.99	11.02
DBO at 31.03 with -10% mortality rate	370.54	321.50	286.50
Corresponding service cost	16.81	16.80	11.00

Post-employment medical benefits	31-Mar-17	31-Mar-16	01-April-15
DBO at 31.03 with discount rate +1%	57.61	46.79	37.67
Corresponding service cost	2.12	1.35	–
DBO at 31.03 with discount rate -1%	73.45	54.52	47.05
Corresponding service cost	3.33	1.58	–
DBO at 31.03 with +0.5% benefit escalation	68.88	52.69	45.13
Corresponding service cost	3.05	1.53	–
DBO at 31.03 with -0.5% benefit escalation	60.88	48.41	39.63
Corresponding service cost	2.35	1.34	–
DBO at 31.03 with +50% withdrawal rate	64.27	50.14	41.89
Corresponding service cost	2.58	1.31	–
DBO at 31.03 with -50% withdrawal rate	65.10	50.81	42.49
Corresponding service cost	2.94	1.48	–
DBO at 31.03 with +10% mortality rate	63.55	49.53	41.34
Corresponding service cost	2.58	1.32	–
DBO at 31.03 with -10% mortality rate	65.90	51.55	43.19
Corresponding service cost	2.95	1.49	–

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Leave Obligation	31-Mar-17	31-Mar-16	01-Apr-15
DBO at 31.03 with discount rate +1%	131.65	109.56	97.16
Corresponding service cost	7.25	2.26	1.99
DBO at 31.03 with discount rate -1%	152.54	127.24	113.44
Corresponding service cost	8.87	2.76	2.43
DBO at 31.03 with +1% salary escalation	155.84	128.23	114.40
Corresponding service cost	9.08	2.79	2.46
DBO at 31.03 with -1% salary escalation	128.80	108.67	96.30
Corresponding service cost	7.08	2.23	1.96
DBO at 31.03 with +50% withdrawal rate	141.61	118.05	104.98
Corresponding service cost	8.02	2.72	2.20
DBO at 31.03 with -50% withdrawal rate	141.20	117.60	104.56
Corresponding service cost	7.97	2.59	2.18
DBO at 31.03 with +10% mortality rate	141.51	117.94	104.87
Corresponding service cost	8.00	2.67	2.19
DBO at 31.03 with -10% mortality rate	141.31	117.72	104.66
Corresponding service cost	7.99	2.59	2.19

Pension	31-Mar-17	31-Mar-16	01-Apr-15
DBO at 31.03 with discount rate +1%	41.05	29.11	21.79
Corresponding service cost	0.22	—	—
DBO at 31.03 with discount rate -1%	47.38	33.63	29.62
Corresponding service cost	0.28	—	—
DBO at 31.03 with +10% mortality rate	42.69	30.33	23.94
Corresponding service cost	0.24	—	—
DBO at 31.03 with -10% mortality rate	45.46	32.30	25.50
Corresponding service cost	0.25	—	—

Interest rate guarantee on Provident Fund	31-Mar-17	31-Mar-16	01-Apr-15
Int guarantee Liability 31.03 with discount rate +1%	—	—	—
Int guarantee Liability 31.03 with discount rate -1%	42.72	42.15	41.54
Int guarantee Liability 31.03 with EPFO rate +0.5%	19.47	20.27	23.34
Int guarantee Liability 31.03 with EPFO rate -0.5%	—	—	—
Int guarantee Liability 31.03 with portfolio rate +0.5%	—	—	—
Int guarantee Liability 31.03 with portfolio rate -0.5%	19.47	20.27	23.34

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the Balance Sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

(v) **Major categories of total plan assets**

Gratuity	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	323.04	280.48	246.19
thereof non-quoted market price	323.04	280.48	246.19
Equity instruments	–	–	–
thereof non-quoted market price	–	–	–
Debt instruments	–	–	–
thereof non-quoted market price	–	–	–
Real estate investments	–	–	–
thereof non-quoted market price	–	–	–
All other instruments	–	–	–
thereof non-quoted market price	–	–	–
Total	323.04	280.48	246.19

Post-employment medical benefits	31-Mar-17	31-Mar-16	01-Apr-15
Post-employment medical benefits	–	–	–
Cash & cash equivalents	–	–	–
thereof non-quoted market price	–	–	–
Equity instruments	–	–	–
thereof non-quoted market price	–	–	–
Debt instruments	–	–	–
thereof non-quoted market price	–	–	–
Real estate investments	–	–	–
thereof non-quoted market price	–	–	–
All other instruments	–	–	–
thereof non-quoted market price	–	–	–
Total	–	–	–

Leave Obligation	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	–	–	–
thereof non-quoted market price	–	–	–
Equity instruments	–	–	–
thereof non-quoted market price	–	–	–
Debt instruments	–	–	–
thereof non-quoted market price	–	–	–
Real estate investments	–	–	–
thereof non-quoted market price	–	–	–
All other instruments	–	–	–
thereof non-quoted market price	–	–	–
Total	–	–	–

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

Pension	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	—	—	—
thereof non-quoted market price	—	—	—
Equity instruments	—	—	—
thereof non-quoted market price	—	—	—
Debt instruments	—	—	—
thereof non-quoted market price	—	—	—
Real estate investments	—	—	—
thereof non-quoted market price	—	—	—
All other instruments	—	—	—
thereof non-quoted market price	—	—	—
Total	—	—	—

(vi) **Actuarial assumptions**

31-Mar-17					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.10%	7.10%	7.10%	7.10%	7.10%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

31-Mar-16					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.75%	7.75%	7.75%	7.75%	7.75%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

01-April-15					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.78%	7.78%	7.78%	7.78%	7.78%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

₹ in Crore

Duration	2016-17	2015-16	2014-15
Employees Gratuity Fund	7.55	9.40	7.45
Executive Gratuity Fund	6.77	7.54	7.00
Leave Encashment	7.63	9.40	9.11
PRMB - Non Cov	10.33	9.40	13.16
PRMB - Cov	13.78	7.54	13.16
Pension	12.76	7.54	8.30

₹ in Crore

31-Mar-17				
	Gratuity	Leave obligation	Medical	Pension
Expected contributions to be paid for next year	69.85	—	—	—

31-Mar-16				
	Gratuity	Leave obligation	Medical	Pension
Expected contributions to be paid for next year	55.25	—	—	—

01-April-15				
	Gratuity	Leave obligation	Medical	Pension
Expected contributions to be paid for next year	53.76	—	—	—

(vii) **Plan assets consist of funds maintained with LIC, ICICI Prudential, Birla Sun Life and HDFC Standard Life.**

Gratuity	2016-17	2015-16	2014-15
Actual return on plan assets (₹ cr.)	27.11	18.92	23.68

(viii) **Risk exposure**

Credit Risk: If the scheme is insured and fully funded on PUC basis there is a credit risk to the extent the insurer(s) is/ are unable to discharge their obligations including failure to discharge in timely manner. Also in case of interest guarantee Exempt Provident Funds have to follow laid down investment norms and to that extent credit risk will be limited. However, as such funds can also invest in corporate bonds and other stock market securities credit and counter party risk will be present to that extent. Such instruments should be regularly reviewed so as to keep credit risk under control.

Notes forming Part of Financial Statements (Contd.)

Pay-as-you-go Risk: For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.

Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Liquidity Risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outgo inflow mismatch. (Or it could be due to insufficient assets/cash.)

Future Salary Increase Risk: In case of gratuity & leave the scheme cost is 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). In case there is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 10,00,000, raising accrual rate from 15/26 etc.). 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. There is a risk of change in the regulations requiring higher guarantee cost to be provided. Also EPFO Rate in each year is determined by the Authority based on the investment performance of EPFO managed PF among other things.

NOTE -37 FINANCE COSTS

		₹ in Crore	
		2016-17	2015-16
a)	Interest expense	457.46	466.34
b)	Other Borrowing Costs	5.80	9.32
		463.26	475.66
	Less : Allocated to capital account	15.46	19.46
		447.80	456.20

Weighted average capitalisation rate used is 7.77 % (previous year 6.26%)

Under Ind AS, transaction costs incurred towards origination of borrowings are amortised over the tenure of the loan as part of interest expense using the effective interest rate method.

NOTE -38 DEPRECIATION AND AMORTISATION EXPENSES

Depreciation/ amortisation on tangible assets	706.12	661.35
Amortisation on intangible assets	21.12	17.78
	727.24	679.13
Less : Recoupment from Retained Earnings (refer note 52)	318.41	309.62
	408.83	369.51

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

		2016-17	2015-16
NOTE - 39	OTHER EXPENSES		
a	Consumption of stores and spares	234.21	280.82
b	Repairs		
	Building	19.06	12.12
	Plant and Machinery	75.88	93.17
	Distribution System	125.80	96.69
	Others	5.00	6.31
		225.74	208.29
c	Insurance	7.98	7.70
d	Rent (including lease rent ₹ 11.58 crore; previous year - ₹ 10.72 crore)	22.58	22.40
e	Rates and taxes	8.17	8.55
f	Bad debts / Advances made	44.71	40.70
g	Loss on sale / disposal of assets (net)	3.27	—
h	Interest on Consumers' Security Deposits	109.89	98.61
i	Foreign Exchange Restatement loss / (gain)	(68.15)	(12.20)
j	Mark to Market loss / (gain) on derivatives	79.76	6.04
k	Corporate social responsibility activities	17.47	16.59
l	Miscellaneous expenses	311.15	273.35
		996.78	950.85
	Less : Allocated / transfer to capital etc.	150.69	180.93
		846.09	769.92
		(190.23)	188.16

NOTE - 40 REGULATORY (INCOME) / EXPENSES

Regulatory (Income) / Expenses arise to the Company pursuant to the regulatory provisions applicable to the Company under the provisions of the Electricity Act, 2003 and regulations framed thereunder and disposals made by WBERC on the Company's various petitions / applications, in terms of the said regulations, at different timeframe. The effect of adjustments - (income)/expenses, relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs and those having bearing on revenue account, as appropriate, based on the Company's understanding of the applicable available regulatory provisions and available orders of the competent authorities, (c) effect of exchange fluctuation including MTM gain, amounting to ₹ 73.38 crore (Previous year ₹ 150.11 crore), ₹ (252.00 crore) (Previous year ₹ 31.89 crore), and ₹ (11.61 crore) (Previous year ₹ 6.16 crore) respectively have been shown as Regulatory (Income)/Expenses with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balance (see Note 19). The Company has accounted for advance against depreciation considered in Tariff Orders, based on actual repayment of the applicable loans effected against depreciation charged off for the corresponding periods, which hitherto had been accounted for based on the individual annual tariff orders, resulting in credit of ₹ 100.72 crore.

Regulatory deferral account debit balance comprise the effect of (a) tax, (b) exchange fluctuation amounting to ₹ 3,554.76 crore (31.3.2016 : ₹ 3,506.01 crore and 01.04.2015 : ₹ 3,433.98 crore) and ₹ 65.21 crore (31.3.2016 : ₹ 133.36 crore and 01.04.2015 : ₹ 145.56 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) cost of fuel and purchase of power and other adjustments having bearing on revenue account and (c) MTM Gain amount to ₹ 1083.07 crore (31.3.2016 : ₹ 1,009.69 crore and 01.04.2015 : ₹ 859.58 crore), ₹ 1,064.96 crore (31.3.2016 : ₹ 1,316.96 crore and 01.04.2015 : ₹ 1,285.06 crore) and ₹ 44.52 crore (31.3.2016 : ₹ 124.27 crore and 01.04.2015 : ₹ 130.32 crore) respectively.

The accurate quantification and disposal of the matters with regard to Regulatory deferral account balances, are being given effect to, from time to time, after conclusion of the concerned event/year, as appropriate, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Company effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

Notes forming Part of Financial Statements (Contd.)

NOTE - 41 Fair value measurements

a) The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows :

₹ in crore

	31-Mar-17			31-Mar-16			01-Apr-15		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets									
Investments									
– Mutual funds	–		506.24			401.57			491.27
– Commercial Paper	–			100.00			–		
Trade Receivables	968.53			966.41			1,390.08		
Loans	2.49			2.19			2.04		
Cash and cash equivalents	682.81			592.72			476.72		
Other Bank balances	241.57			243.91			261.02		
Security Deposit	51.34			19.48			18.25		
Lease Receivables	57.25			57.09			56.93		
Advance to bodies corporate	15.09			13.25			18.18		
Interest accrued on Bank Deposit	10.99			10.73			4.60		
Derivative Asset			44.52			124.27			130.32
Receivable towards claims and services rendered	75.57			69.80			42.14		
Others (refer Note 51)	116.43			116.43			116.43		
Total financial assets	2,222.07	–	550.76	2,192.01	–	525.84	2,386.39	–	621.59
Financial liabilities									
Borrowings	5,223.33			4,425.14			4,324.01		
Trade Payables	407.21			396.82			546.83		
Restoration liability	7.55			6.86			–		
Interest accrued	12.02			24.99			30.02		
Unclaimed dividend	3.85			4.21			1.93		
Others	1,290.73			1,461.83			1,541.44		
Total financial liabilities	6,944.69	–	–	6,319.85	–	–	6,444.23	–	–

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
As at 31 March 2017					
Financial assets					
Investment in liquid mutual fund units	506.24			506.24	506.24
Derivative financial instrument - cross currency swap		44.52		44.52	44.52
Total financial assets	506.24	44.52	–	550.76	550.76
As at 31 March 2016					
Financial assets					
Investment in liquid mutual fund units	401.57			401.57	401.57
Derivative financial instrument - cross currency swap		124.27		124.27	124.27
Total financial assets	401.57	124.27	–	525.84	525.84
As at 1 April 2015					
Financial assets					
Investment in liquid mutual fund units	491.27			491.27	491.27
Derivative financial instrument - cross currency swap		130.32		130.32	130.32
Total financial assets	491.27	130.32	–	621.59	621.59

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.

Notes forming Part of Financial Statements (Contd.)

- c) **The following methods and assumptions were used to estimate the fair values**
- The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.
 - The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
 - 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.
 - Loans, non-current borrowings, lease receivable, security deposits and restoration liability are based on discounted cash flows using a current borrowing rate.
 - Considering the nature, risk profile and other qualitative factors of the financial instruments of the Company, the carrying amounts will be the reasonable approximation of the fair value.
- d) Under Previous GAAP, financial assets and liabilities are recorded at their transaction value. Ind AS requires all financial assets and liabilities are to be carried at fair value. Accordingly, the difference between the fair value and the transaction value have been recognised as per the applicable Ind AS's.

NOTE - 42 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 by the authority.

The Company being the sole 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, credit rating and appraisal by external agencies and lending bodies. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

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.

Dividend

An interim dividend of ₹ 159.55 crore (previous year : ₹ 159.55 crore) inclusive of dividend tax has been paid during the year ended 31 March 2017.

NOTE - 43 Related Party and their relationship

(a)	Name	Relationship	Place of Incorporation	Ownership Interest (%)		
				31-Mar-17	31-Mar-16	01-Apr-15
	Rainbow Investments Limited	Parent having control in terms of Ind AS -110	India	44	44	44

Notes forming Part of Financial Statements (Contd.)

(b)

Name	Relationship	Place of Incorporation	Ownership Interest (%)		
			31-Mar-17	31-Mar-16	01-Apr-15
Spencer's Retail Limited (SRL)	Subsidiary	India	100	100	100
Quest Properties India Limited	Subsidiary	India	100	100	100
CESC Infrastructure Limited	Subsidiary	India	100	100	100
Surya Vidyut Limited	Subsidiary	India	100	100	100
Nalanda Power Company Limited	Subsidiary	India	100	100	100
CESC Projects Limited	Subsidiary	India	100	100	100
Bantal Singapore Pte. Limited	Subsidiary	Singapore	100	100	100
Ranchi Power Distribution Company Limited	Subsidiary	India	100	100	100
Pachi Hydropower Projects Limited	Subsidiary	India	100	100	100
Papu Hydropower Projects Limited	Subsidiary	India	100	100	100
Spent Liq Private Limited	Subsidiary	India	100	100	100
Au Bon Pain Café India Limited	Subsidiary	India	93.1	91.53	90
Music World Retail Limited	Subsidiary	India	100	100	100
Metromark Green Commodities Pvt. Ltd	Subsidiary	India	100	100	100
Haldia Energy Limited (HEL)	Subsidiary	India	100	100	100
Dhariwal Infrastructure Limited (DIL)	Subsidiary	India	100	100	100
Firstsource Solutions Limited (FSL)	Subsidiary	India	54.89	55.54	56.13
Firstsource Group USA, Inc.	Subsidiary	USA	54.89	55.54	56.13
MedAssist Holding, LLC	Subsidiary	USA	54.89	55.54	56.13
Firstsource Solutions USA, LLC	Subsidiary	USA	54.89	55.54	56.13
Firstsource Transaction Services, LLC	Subsidiary	USA	54.89	55.54	56.13
Firstsource Business Process Services, LLC	Subsidiary	USA	54.89	55.54	56.13
Firstsource Advantage, LLC	Subsidiary	USA	54.89	55.54	56.13
Firstsource BPO Ireland Ltd.	Subsidiary	Ireland	54.89	55.54	56.13
Firstsource Solutions UK Ltd.	Subsidiary	UK	54.89	55.54	56.13
Firstsource Solutions S.A.	Subsidiary	Argentina	54.89	55.53	56.11
Firstsource-Dialog Solutions Pvt. Ltd.	Subsidiary	Sri Lanka	40.61	41.1	41.54
One Advantage LLC	Subsidiary	USA	54.89	55.54	56.13
Firstsource Process Management Services Limited	Subsidiary	India	54.89	55.54	56.13
ISGN Solutions Inc.	Subsidiary	USA	54.89	–	–
ISGN Fulfillment Services, Inc.	Subsidiary	USA	54.89	–	–
ISGN Fulfillment Agency, LLC	Subsidiary	USA	54.89	–	–
Kota Electricity Distribution Limited (KEDL)	Subsidiary	India	100	100	100
Bikaner Electricity Supply Limited (BKESL)	Subsidiary	India	100	100	100
Bharatpur Electricity Services Limited (BESL)	Subsidiary	India	100	100	100
Crescent Power Limited	Subsidiary	India	67.83	67.83	51.17
Omnipresent Retail India Private Limited	Subsidiary	India	100	100	–
New Rising Promoters Private Limited	Subsidiary	India	67.83	67.83	–
Guilfree Industries Limited	Subsidiary	India	100	–	–
Noida Power Company Limited (NPCL)	Associate	India	49.55	–	–
Mahuagarhi Coal Company Private Limited	Joint Venture	India	50	50	50

Notes forming Part of Financial Statements (Contd.)

c) Details of transaction between the Company and related parties and status of outstanding balance													₹ in crore	
	Parent- having control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate			Other Related Parties			Key Management Personnel			Entities under common control			Total	
	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015		
Acquisition of Investment – Spencers Retail Limited –CESC Infrastructure Limited –Quest Properties India Limited – Surya Vidyut Limited – CESC Projects Limited – Spen Liq Private Limited – Ranchi Power Distribution Co Private Limited – Bikaner Electricity Services Ltd (Water Hyacinth) – Kota Electricity Distribution Ltd (Sheesham Commercial) – Bharatpur Electricity Services Ltd (Wigeon Commotrade) – Crescent Power Limited – Noida Power Company Limited from CESC Infrastructure Limited	(0.83) 2.84 – – – – – – 0.62 1.39 0.52 – 29.70	87.03 246.72 9.80 5.00 6.60 – 4.50 – – – 31.00 –								(0.83) 2.84 – – – – – – 0.62 1.39 0.52 – 29.70	87.03 246.72 9.80 5.00 6.60 – 4.50 – – – 31.00 –			
Advance for Share Subscription –Spencer's Retail Limited [net of refund Rs. 2.10 crore (2015-16 : Rs 400 Cr)] –Quest Properties India Limited –CESC Infrastructure Limited –Surya Vidyut Limited –CESC Projects Limited –Ranchi Power Distribution Co Private Limited –Bikaner Electricity Services Ltd (Water Hyacinth) –Kota Electricity Distribution Ltd (Sheesham Commercial) [net of refund Rs. 125 crore (2015-16 : Rs. Nil)] –Bharatpur Electricity Services Ltd (Wigeon Commotrade) [net of refund Rs. 26 crore (2015-16 : Rs. Nil)]	690.00 – 3.21 210.00 41.27 8.00 3.10 2.00 40.00 20.00 –	26.68 – – – – – – – – – –								690.00 – 3.21 210.00 41.27 8.00 3.10 2.00 40.00 20.00 –	26.68 – – – – – – – – – –			
Expense Recoverable/ (Payable) – Dhariwal Infrastructure Limited [net of recovery of Rs. 5.61 crore (2015-16: Rs 0.10 cr)] – Haldia energy Limited	0.21 1.52	0.48 3.13								0.21 1.52	0.48 3.13			

Notes forming Part of Financial Statements (Contd.)

₹ in crore												
	Parent- having control in terms of Ind AS - 110, Subsidiaries, Joint Venture & Associate			Other Related Parties			Key Management Personnel			Entities under common control		
	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015
[Net of recovery of Rs. 3.56 Cr (2015-16: Rs. 7.11 Cr)]	2.99	2.37								2.99	2.37	-
– Quest Properties India Limited												
[Net of recovery of Rs NIL, (2015-16: Rs. 4.27 crore)]	(1.60)	(0.68)								(1.60)	(0.68)	
– CESC Projects Limited	0.38	0.79								0.38	0.79	
– Surya Vidyut Limited	(0.05)	0.63								(0.05)	0.63	
– Ranchi Power Distribution Co Private Limited	(13.96)	(0.16)								(13.96)	(0.16)	
– CESC Infrastructure Limited												
[Net of refund of Rs. 0.15 Cr, (2015-16: Rs. 0.31 Cr)]	-	-								-	-	
– Papu Hydro Power Projects Limited												
[Net of recovery of Rs. Nil, (2015-16: Rs. 0.57 Cr)]												
– Pachi Hydro Power Projects Limited		0.03									0.03	
– Mahuagarhi Coal Company Private Limited	-	0.01								-	0.01	
– Kota Electricity Distribution Ltd (Sheesham Commercial)	3.02	-								3.02	-	
[Net of recovery of Rs. 0.02 Cr, (2015-16: NIL)]	0.40	-								0.40	-	
– Bharatpur Electricity Services Ltd (Wigeon Commotrade)	0.50	-								0.50	-	
– Crescent Power Limited	0.42	-								0.42	-	
– Spencers Retail Limited	0.18	-								0.18	-	
– Firstsource Solutions												
[Net of recovery of Rs. 0.04 Cr]	0.02	-								0.02	-	
– Noida Power Company Limited												
[Net of recovery of Rs. 0.02 Cr]												
RPG Power Trading Company Limited							0.13	0.05			0.13	0.05
[Net of Recovery of Rs. 0.16 Cr, (2015-16: NIL)]							(1.42)	(1.43)		(1.42)	(1.43)	
Integrated Coal Mining Limited							0.00	0.03		0.00	0.03	
Open Media Network Limited							-	-		-	-	
Harrison Malayalam Limited												
Income from sale/services	11.21	10.26								11.21	10.26	
– Spencer's Retail Limited	0.38	0.37								0.38	0.37	
– Au Bon Pain Café India Limited	25.49	25.78								25.49	25.78	
– Quest Properties India Limited	0.11	(0.85)								0.11	(0.85)	
– Haldia energy Limited	27.47	32.76								27.47	32.76	
– Crescent Power Limited							0.08	3.15		0.08	3.15	
RPG Power Trading Company Limited												

Notes forming Part of Financial Statements (Contd.)

₹ in crore															
	Parent- having control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate			Other Related Parties			Key Management Personnel			Entities under common control			Total		
	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015
Expenses incurred															
– Spencer’s Retail Limited	0.64	0.63											0.64	0.63	
– First Source Solutions Limited	2.10	1.63											2.10	1.63	
– Haldia Energy Limited	2,032.47	1,704.01											2,032.47	1,704.01	
– Dhariwal Infrastructure Limited	5.73	0.32											5.73	0.32	
– Crescent Power Limited	14.81	12.21											14.81	12.21	
RPG Power Trading Co Ltd	–	–						164.55					179.02	164.55	
Open Media Network Ltd	–	–						4.10					3.00	4.10	
Saregama India Ltd	–	–						–					0.29	–	
Woodlands Multispeciality Hospital Limited	–	–						0.95					1.00	0.95	
Integrated Coal Mining Limited	–	–						254.88					251.45	254.88	
Sarala Real Estate Limited	–	–						0.43					0.43	0.43	
Harrison Malayalam Limited	–	–						0.06					0.03	0.06	
Provident Fund & Retiral funds															
CESC Limited Provident Fund				174.41	160.17								174.41	160.17	
Calcutta Electric Supply Coporation (I) Ltd. Senior Staff Pension Fund				8.63	8.29								8.63	8.29	
Balances written off															
-CESC Projects	8.00	6.60											8.00	6.60	
-Ranchi Power Distribution Co. Limited	3.10	4.50											3.10	4.50	
Sale of Shares of Integrated Coal Mining Limited															
-CESC Infrastructure Limited	0.01												0.01	–	
Dividend paid															
Rainbow Investments Limited	58.80	58.80											58.80	58.80	
Security Deposit Received / (Refunded)															
-Quest Properties India Limited	0.01	0.01											0.01	0.01	
-Spencer’s Retail Limited	0.01	0.01											0.01	0.01	

Notes forming Part of Financial Statements (Contd.)

₹ in crore															
	Parent- having control in terms of Ind AS -110, Subsidiaries, Joint Venture & Associate			Other Related Parties			Key Management Personnel			Entities under common control			Total		
	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015
Remuneration of Mr. Aniruddha Basu , Managing Director															
							2.97	2.12					2.97	2.12	
							0.47	0.66					0.47	0.66	
Remuneration of Mr. Subhasis Mitra , Company Secretary															
							1.55	1.27					1.55	1.27	
							0.50	0.48					0.50	0.48	
Remuneration of Mr. Rajarshi Banerjee ,Executive Director & CFO															
							1.50	1.19					1.50	1.19	
							0.46	0.32					0.46	0.32	
Remuneration of Directors															
							0.18	0.13					0.18	0.13	
							0.20	0.20					0.20	0.20	
							23.47	23.36					23.47	23.36	
							0.15	0.12					0.15	0.12	
							0.20	0.18					0.20	0.18	
							0.18	0.17					0.18	0.17	
Outstanding Balance							0.17	0.13					0.17	0.13	
- Debit	1,782.66	1,133.09	1,190.95							14.29	35.01	(6.26)	1,796.96	1,168.10	1184.69
- Credit	-	-	-	-	-	-	0.71	0.48					0.71	0.48	0.48

Refer Note 32(b) above relating to commitments (letter of comfort) provided to banks towards borrowing obligations as on 31.03.2017 in respect of DIL, HEL, SRL, FSL, BESL, BKESL, KEDL & NPCL amounting to ₹ 761.03 crore (31.03.16: ₹ 958.58 crore, 01.04.2015 ₹ 638.86 crore), ₹ 400 crore, (31.03.2016: ₹ 151.00 crore , 01.04.2015 ₹ 555.50 crore), ₹ Nil (31.03.2016 : ₹ 351.85 crore, 01.04.2015 : ₹ 280 crore), ₹ Nil, (31.03.2016 : ₹ 123.90 crore, 01.04.2015 : ₹ 123.12 crore), ₹ 64.72 crore (31.03.2016 : ₹ Nil, 01.04.2015 : ₹ Nil), ₹ 95 crore (31.03.2016 : ₹ Nil, 01.04.2015 : ₹ Nil), ₹ 229.30 crore (31.03.2016 : ₹ Nil, 01.04.2015 : ₹ Nil) and ₹ Nil (31.03.2016 : ₹ 77 crore, 01.04.2015 : ₹ 104.50 crore) respectively.

Notes forming Part of Financial Statements (Contd.)

₹ in Crore

NOTE - 44 Miscellaneous expenses shown in Note no. 39 (I) , include Auditors' Remuneration and expenses :

	2016-17	2015-16
1. Audit fees	0.80	0.65
2. Tax Audit	0.10	0.08
3. Other Services	1.24	1.74
4. Reimbursement of expenses including service tax	0.33	0.37

NOTE - 45 The major components of Deferred Tax Assets / (Liabilities) based on the temporary difference as at 31st March, 2017 are as under :

₹ in Crore

	2016-17	2015-16
Liabilities		
Excess of tax depreciation over book depreciation	(3,568.88)	(3,523.43)
Others	(30.62)	(28.91)
Assets		
Items covered under section 43 B	3.91	3.82
Others including items covered under section 35DDA	40.83	42.51
	(3,554.76)	(3,506.01)
Deferred Tax Liabilities (Net)	(3,554.76)	(3,506.01)

The Company has made provision for Current Tax at presumptive tax rate instead of normal tax rate in view of various allowances and deduction available under the Income Tax Act, 1961

NOTE - 46 Liability in respect of the security deposit collected by the company, in terms of applicable regulations of the WBSERC, 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 - 47 Outstanding foreign currency loans as on 31st March, 2017 as disclosed in Note 22, stands fully hedged in Indian Rupee.

NOTE - 48 Future rentals payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 36-60 months work out to ₹ 2.39 crore (as on 31.03.16 : ₹ 3.45 crore, as on 01.04.15: ₹ 3.50 crore) and ₹ 3.01 crore (as on 31.03.16 : ₹ 5.78 crore, as on 01.04.15: ₹ 10.21 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

NOTE - 49 Earnings per share :

(i) **Computation of Earnings per share**

Particulars		2016-17	2015-16
Profit After Tax (₹ in Crore)	(A)	862.86	845.13
Weighted Average no. of shares for Earnings per share	(B)	132,557,043	132,557,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		65.09	63.75

Particulars		2016-17	2015-16
Total Comprehensive Income (₹ in Crore)	(A)	823.75	812.26
Weighted Average no. of shares for Earnings per share	(B)	132,557,043	132,557,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		62.14	61.27

Notes forming Part of Financial Statements (Contd.)

(ii) **Computation of Earnings per share - excluding regulatory Income / (expense) (net of tax)**

Particulars		2016-17	2015-16
Profit After Tax (₹ in Crore)	(A)	713.24	993.06
Weighted Average no. of shares for Earnings per share	(B)	132,557,043	132,557,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		53.81	74.92

Particulars		2016-17	2015-16
Total Comprehensive Income (₹ in Crore)	(A)	674.13	960.20
Weighted Average no. of shares for Earnings per share	(B)	132,557,043	132,557,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)		50.89	72.41

NOTE - 50 The Company is engaged in generation and distribution of electricity and does not operate in any other reportable segments. The reportable business segments are in line with the segment wise information which is being presented to the CODM. There are no reportable geographical segments, since all business is written in India.

NOTE - 51 Additional levy amounting to ₹ 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarisatolli Coal block for meeting part of the Company's coal requirement since inception to 31st March, 2015, has been considered as recoverable (accounted for in the year ended 31st March 2015 partly as receivable of ₹ 897 crore and balance as fuel cost) by way of tariff in terms of the applicable laws / regulations, for which appropriate reference was made to West Bengal Electricity Regulatory Commission, and being pursued by the management. Based on such reference/persuasion, the management expects a favourable outcome in the matter.

Consequent to accounting under Ind-AS framework effective 01.04.2015, the aforesaid receivable, discounted to its present value of ₹ 116 crore, based on an expected period of recovery as at the date of transition, has been adjusted with retained earnings, in accordance with the transitional provisions of the said framework.

NOTE - 52 As on the date of transition the Company has adopted fair valuation of its Property, Plant and Equipment in order to bring its valuation to the current replacement cost. The total fair valuation carried out by an independent approved valuer amounting to ₹ 5,407 crore has been accounted at the transition date, 1.4.2015 and the incremental value generated therefrom has been included in Retained Earnings contained in Note 21.

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 ₹ 318.41 crore (previous year- ₹ 309.62 crore) and corresponding withdrawal of ₹ 23.09 crore (previous year : ₹ 4.91 crore) consequent to sale / disposal of such assets.

NOTE - 53 In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending works out to ₹ 17.41 crore (previous year : ₹ 16.53 crore), which has been met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 15.00 crore (previous year : ₹ 14.57 crore) and ₹ 2.41 crore (previous year : ₹ 2.02 crore) respectively.

NOTE - 54 The Board has adopted a Composite Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst the Company and some of its subsidiaries viz CESC Infrastructure Limited, Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, Haldia Energy Limited, RP-SG Retail Limited, RP-SG Business Process Services Limited and Crescent Power Limited and their respective shareholders ("the Scheme"). The Scheme which is subject to requisite approvals including those of the shareholders, National Company Law Tribunal and other statutory/regulatory authorities and, inter alia, provides for the following :

Notes forming Part of Financial Statements (Contd.)

- (a) amalgamation of CESC Infrastructure Limited, Spencer's Retail Limited and Music World Retail Limited with the Company;
- (b) Demergers of (i) Generation Undertaking (as defined in the Scheme) of the Company to Haldia Energy Limited, (ii) Retail Undertaking 1 (as defined in the Scheme) of the Company and Retail Undertaking 2 (as defined in the Scheme) of Spencer's Retail Limited ("SRL") to RP-SG Retail Limited ("Retail Co") and (iii) IT Undertaking of the Company to RP-SG Business Process Services Limited ("IT Co").
- (c) amalgamation of Spen Liq Private Limited with IT Co;
- (d) amalgamation of New Rising Promoters Private Limited with Crescent Power Limited
- (e) reduction and cancellation of the existing shareholding of the Company in HEL, Retail Co and IT Co; and
- (f) reduction of the face value of the equity share of the Company from ₹ 10 per share to ₹ 5 per share and subsequent consolidation of two equity shares of the Company of ₹ 5 each into one equity share of ₹ 10 each.

As consideration, holders of equity shares of the Company will be entitled to fully paid equity shares as follows :

- a) 1 equity share of ₹ 10/- (Indian Rupees Ten) of Haldia Energy Limited (each credited as fully paid up) for every 2 equity shares of ₹ 10/- (Indian Rupees Ten) of the Company.
- b) 3 equity shares of ₹ 10/- (Indian Rupees Ten) of RP-SG Retail Limited (each credited as fully paid up) for every 5 equity shares of ₹ 10/- (Indian Rupees Ten) of the Company.
- c) 1 equity share of ₹ 10/- (Indian Rupees Ten) of RP-SG Business Process Service Limited (each credited as fully paid up) for every 5 equity shares of ₹ 10/- (Indian Rupees Ten) of the Company.

NOTE - 55 Quantitative information :

(Million kWh)

	Particulars	2016-17	2015-16
(a)	Total number of units generated during the year	6053	6988
(b)	Total number of units consumed in Generating Stations	498	580
(c)	Total number of units sent out	5556	6408
(d)	Total number of units purchased during the year	5146	4231
(e)	Total number of units through Unscheduled Interchange (Net)	52	46
(f)	Total number of units delivered	10753	10685
(g)	Total number of units sold as per meter readings	9370	9201
(h)	Total number of units sold to persons other than own consumers and WBSEDCL	139	205
(i)	Total number of units consumed in Company's premises	24	24
(j)	Total number of Units sold to WBSEDCL	40	40

NOTE - 56 The derated installed capacity of the Generating Stations of the Company (as per certification of technical expert) as on 31st March, 2017 was 1125000 kW (31st March, 2016 : 1125000 kW).

NOTE - 57 The Company has reclassified previous year's figures to conform to this year's classification alongwith other regrouping / rearrangement wherever necessary.

For Lovelock & Lewes
 Firm Registration Number-301056E
 Chartered Accountants

Sougata Mukherjee
 Partner
 Membership No. : 057084
 Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Independent Auditors' Report

To the Members of CESC Limited



Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of CESC Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group up, its joint venture and associate company (refer Note 1 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associate and joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its associate and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and joint venture respectively and for preventing and detecting frauds and other irregularities; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate and joint venture as at March 31, 2017, and their consolidated profit (including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Independent Auditors' Report

To the Members of CESC Limited

Emphasis of Matter

8. We draw attention to Note No 55 of the Consolidated Ind AS Financial Statements relating to additional levy of ₹ 998 crores paid pursuant to Coal Mine Special Provision Act, 2015 read with Rules/Ordinance etc. and recognized as recoverable through tariff in earlier years (₹ 897 crore accounted for as receivable and the balance amount as fuel cost) and discounting such receivable to its present value of ₹ 116 crore with corresponding adjustment made for the difference to the retained earnings as at April 1, 2015, based on an expected period of recovery, pursuant to the accounting requirements under Ind-AS 109 Financial Instruments. Our opinion is not qualified in respect of these matters.

Other Matter

9. We did not audit the financial statements of 36 subsidiaries, and 1 joint venture whose financial statements reflect total assets of ₹ 16,080.19 Crs and net assets of ₹ 7,112.11 Crs as at March 31, 2017, total revenue of ₹ 8,603.20 Crs, net loss of ₹ 144.47 Crs and net cash flows amounting to ₹ (82.50) Crs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associate company and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint venture and associate, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

10. The comparative financial information of the Parent and three subsidiaries for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015, included in these consolidated Ind AS financial statements, reflecting total assets of ₹ 30,325.18 Crs and ₹ 31,204.06 Crs, net assets of ₹ 16,096 Crs and ₹ 15,599 Crs total revenue of ₹ 7,175 Crs, net profit of ₹ 859.01 Crs and net cash flows amounting to ₹ 58.03 Crs for the year ended March 31, 2016 and transition opening balance sheet as at April 1, 2015, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed a unmodified opinion dated May 19, 2016 and May 21, 2015 respectively. The adjustments to those financial statements for the differences in accounting

principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of these matters.

11. Comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 of the 36 subsidiaries and 1 joint venture (refer note 10 above) reflecting total assets of ₹ 14,107.10 Crs and ₹ 13,175.67 Crs, net assets of ₹ 3,677.39 Crs and ₹ 3,256.30 Crs, total revenue of ₹ 6,972.94 Crs, net loss of ₹ 183.42 Crs and net cash flows amounting to ₹ 21.88 Crs for the year ended March 31, 2016 and transition opening balance sheet as at April 1, 2015, included in the comparative figures of the group in the consolidated financial statements have been audited by other auditors.

Report on Other Legal and Regulatory Requirements.

12. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
 - (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate company and joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate company and joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate company and joint venture incorporated in

Independent Auditors' Report

To the Members of CESC Limited



India, none of the directors of the Group companies, its associate company and joint venture incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2017 on the consolidated financial position of the Group, its associate and joint venture-Refer Note 33 (a) (i), 33 (a) (ii) and 33 (c) to the consolidated Ind AS financial statements.
- ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

as at March 31, 2017- Refer Note 57 to the consolidated Ind AS financial statements in respect of such items as it relates to the Group, its associate and joint venture.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate company and joint venture incorporated in India during the year ended March 31, 2017.
- iv. The Group has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company, and its subsidiary companies, associate company and joint venture incorporated in India and as produced to us by the Management - Refer Note 58.

For Lovelock & Lewes
Firm Registration Number : 301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084

Kolkata
May 18, 2017

Annexure 'A' to Independent Auditors' Report

Referred to in paragraph 12[f] of the Independent Auditors' Report of even date to the members of CESC Limited on the Consolidated Financial Statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017 we have audited the internal financial controls over financial reporting of CESC Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Independent Auditors' Report

To the Members of CESC Limited



Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate company and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal

financial controls over financial reporting insofar as it relates to subsidiary companies, an associate company and a joint venture, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Lovelock & Lewes
Firm Registration Number : 301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084

Kolkata
May 18, 2017

Consolidated Balance Sheet as at 31st March, 2017

₹ in crore				
Particulars	Note No.	As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
ASSETS				
Non-current Assets				
Property, Plant and Equipment	5	24,315.90	24,039.33	23,993.83
Capital work-in-progress		390.54	497.63	404.57
Investment Property	6	56.03	56.03	56.03
Goodwill	7A	2,010.56	2,249.97	2,145.94
Other Intangible Assets	7B	243.70	211.14	67.69
Intangible Assets under development		1.35	7.27	—
Investment accounted under equity method	61B	404.95	342.82	284.19
Financial Assets				
Investments	8	17.47	10.90	10.46
Trade Receivables	9	—	—	8.34
Loans	10	33.14	29.91	28.66
Others	11	267.88	231.76	245.70
Deferred Tax Assets (Net)	46	407.60	370.77	319.79
Other Non current Assets	12	431.17	422.87	356.82
(A)		28,580.29	28,470.40	27,922.02
Current Assets				
Inventories	13	845.36	696.73	662.60
Financial Assets				
Investments	14	687.08	592.40	566.68
Trade receivables	15	1,559.64	1,413.17	1,706.55
Cash and cash equivalents	16	1,254.74	852.67	772.76
Bank balances other than cash and cash equivalents	17	351.32	344.34	276.38
Loans	18	2.17	6.15	9.29
Others	19	503.10	446.47	352.54
Current Tax Assets (Net)		16.52	25.41	19.69
Other current Assets	20	451.45	268.23	257.97
(B)		5,671.38	4,645.57	4,624.46
Regulatory deferral account balances	(C)	3,653.42	3,677.23	3,606.47
(A+B+C)		37,905.09	36,793.20	36,152.95
TOTAL ASSETS				
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	21	133.22	133.22	133.22
Other Equity	22	10,489.47	10,470.49	10,512.86
Total equity attributable to equity holders of the Company		10,622.69	10,603.71	10,646.08
Non-controlling interest	61C	1,210.05	1,092.00	968.28
Total equity	(D)	11,832.74	11,695.71	11,614.36
Liabilities				
Non-current Liabilities :				
Financial Liabilities				
Borrowings	23	11,622.09	10,451.36	10,095.18
Trade Payables		29.88	32.48	220.75
Others	24	178.56	175.07	258.68
Provisions	25	272.82	222.57	199.58
Deferred tax liabilities (Net)	46	3,887.28	3,830.66	3,733.03
Consumers' Security Deposits	59	1,678.12	1,554.00	1,377.17
Other non current liabilities	26	116.23	84.71	84.53
(E)		17,784.98	16,350.85	15,968.92
Current Liabilities				
Financial Liabilities				
Borrowings	27	2,372.30	2,339.79	1,935.53
Trade Payables	28	789.04	595.14	597.73
Others	29	2,120.25	2,924.49	3,109.78
Other current liabilities	30	535.82	326.39	578.44
Provisions	31	95.46	80.65	73.22
Current Tax Liabilities (net)		14.67	2.18	0.01
(F)		5,927.54	6,268.64	6,294.71
TOTAL EQUITY & LIABILITIES		35,545.26	34,315.20	33,877.99
Regulatory deferral account balances	(G)	2,359.83	2,478.00	2,274.96
TOTAL EQUITY, LIABILITIES AND REGULATORY BALANCES	(D+E+F+G)	37,905.09	36,793.20	36,152.95
Notes forming part of Financial Statements	1-64			

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

For Lovelock & Lewes
 Firm Registration Number-301056E
 Chartered Accountants

Sougata Mukherjee
 Partner
 Membership No. : 057084
 Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Consolidated Statement of Profit and Loss for the year ended 31st March, 2017



			₹ in crore
Particulars	Note No.	2016-17	2015-16
Revenue from operations	34	13,903.50	12,124.19
Other income	35	298.74	263.67
Total Revenue		14,202.24	12,387.86
Expenses			
Cost of electrical energy purchased for Power Business		948.22	334.98
Cost of materials consumed for Retail Business	36	33.90	13.22
Purchases of stock-in-trade for Retail Business		1,636.94	1,443.25
Changes in inventories of finished goods, stock-in-trade and work-in-progress for Retail Business	37	(45.85)	(20.36)
Cost of fuel for Power Business	38	2,526.73	2,170.49
Employee benefit expenses	39	3,414.27	3,083.64
Finance costs	40	1,497.15	1,494.34
Depreciation and amortisation expenses	41	816.40	766.48
Other expenses	42	2,277.54	1,915.42
Total expenses		13,105.30	11,201.46
Profit before exceptional Items and share in profit/(loss) of associate		1,096.94	1,186.40
Share in net profit/(loss) of associate		48.39	64.02
Profit before exceptional items (income) / expense		1,145.33	1,250.42
Exceptional items (Net)		0.46	3.97
Profit before regulatory (income) / expense		1,144.87	1,246.45
Regulatory (Income) / expenses (net)	43	(45.61)	204.31
Profit before tax		1,190.48	1,042.14
Tax expense			
Current tax (net)		376.79	320.86
Deferred tax (net)		52.25	64.18
Less : Regulatory Income -deferred tax		48.75	72.03
Total Tax expenses		380.29	313.01
Profit after tax (PAT)		810.19	729.13
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Loss on Fair Valuation of Investment		2.38	(2.19)
Remeasurement of the net defined benefit liability/asset		(51.34)	(46.23)
Tax on above		10.78	9.02
<i>Items that will be reclassified to profit or loss</i>		(38.18)	(39.40)
Net changes in fair value of cash flow hedges		20.62	(19.59)
Exchange difference on translation of foreign operations		(68.59)	79.46
		(47.97)	59.87
Total Other Comprehensive Income		(86.15)	20.47
Total comprehensive income for the year (TCI)		724.04	749.60
Profit attributable to			
Owners of the equity		690.84	598.48
Non-controlling interest		119.35	130.65
		810.19	729.13
Other Comprehensive Income attributable to			
Owners of the equity		(64.84)	(0.85)
Non-controlling interest		(21.31)	21.32
		(86.15)	20.47
Total Comprehensive Income attributable to			
Owners of the equity		626.00	597.63
Non-controlling interest		98.04	151.97
		724.04	749.60
Earnings per equity share (refer note 47 for further details)			
Basic & Diluted (Face value of ₹ 10 per share) on PAT		52.12	45.15
Basic & Diluted (Face value of ₹ 10 per share) on TCI		47.22	45.08
Notes forming part of Financial Statements	1-64		

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

For Lovelock & Lewes
Firm Registration Number-301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084
Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
Managing Director Aniruddha Basu
Company Secretary Subhasis Mitra
Executive Director & CFO Rajarshi Banerjee

Consolidated Cash Flow Statement for the year ended 31st March, 2017

	₹ in crore	
Particulars	2016-17	2015-16
A. Cash flow from Operating Activities		
Profit before Taxation	1,190.48	1,042.14
Adjustments for :		
Depreciation and amortisation expenses	816.40	766.48
Loss / (Profit) on sale / disposal of assets (net)	8.02	2.02
Gain on sale of current investments (net)	(56.05)	(76.44)
Dividend Income	—	(3.35)
Provision for obsolete stock	0.12	(0.15)
Allowances for doubtful debts, Store / Lease Deposits / Advances made / Security deposit	0.77	7.69
Bad debts / Advances made	32.65	38.68
Finance Cost	1,497.15	1,494.34
Interest Income	(41.11)	(42.54)
Advance against depreciation	211.19	150.11
Loss/Gain on foreign currency transaction (net) Exchange	(54.41)	17.03
Liability / Provision Written Back	(26.20)	(4.99)
MTM Loss on derivative	16.25	—
Effect of Foreign Currency Transactions / Translation (net)	(0.02)	0.07
Rent expense on account of adoption of Ind AS 109	0.79	0.91
Operating Profit before Working Capital charges	3,596.03	3,392.00
Adjustments for :		
Trade and other receivables	(1,102.14)	(248.94)
Inventories	(148.63)	(34.13)
Trade and other payables	664.00	(297.47)
Cash Generated from Operations	3,009.26	2,811.46
Income Tax Paid	(361.80)	(331.05)
Net cash flow from Operating Activities	2,647.46	2,480.41
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment / Capital Work-in-Progress	(1,471.96)	(1,267.51)
Proceeds from Sale of Property, Plant and Equipment	21.95	42.59
Sale/(purchase) of Current/Non-current Investments (net)	(10.29)	49.68
Redemption of Long Term Investments	0.02	—
Dividend received	—	3.35
Interest received	37.51	32.88
Advance to bodies Corporate for share subscription	(31.20)	(5.00)
Advance to Subsidiaries, Joint Venture and others for share subscription (net)	—	(12.47)
Investment on acquisitions	—	(32.12)
Investment in Subsidiaries, Associates and Joint Ventures	(32.23)	(31.00)
Net cash used in Investing Activities	(1,486.20)	(1,219.60)

Consolidated Cash Flow Statement for the year ended 31st March, 2017



	₹ in crore	
Particulars	2016-17	2015-16
C. Cash flow from Financing Activities		
Issue of Share Capital	15.78	11.71
Proceeds from Long Term Borrowings	2,478.86	1,620.45
Repayment of Long Term Borrowings	(1,603.53)	(1,544.35)
Repayment of Share Warrants	—	(2.96)
Net increase/(decrease) in Cash Credit facilities and other Short Term Borrowings	(13.09)	565.90
Advance received from Consumers	26.33	(0.52)
Finance Costs paid	(1,503.63)	(1,530.29)
Dividends paid	(132.92)	(249.58)
Dividend tax paid	(26.99)	(51.27)
Net Cash flow from Financing Activities	(759.19)	(1,180.91)
Net Increase / (Decrease) in cash and cash equivalents	402.07	79.90
Cash and Cash equivalents - Opening Balance	852.67	772.76
Cash and cash equivalents on acquisition of subsidiaries	—	0.01
Cash and Cash equivalents - Closing Balance	1,254.74	852.67

CASH AND CASH EQUIVALENTS COMPRISES OF

	As at 31st March, 2017	As at 31st March, 2016
Balances with banks		
- In current accounts	919.25	288.95
- Bank Deposits with original maturity of upto 3 months	162.90	253.06
Cheques, drafts on hand	56.12	308.81
Cash on hand	7.71	6.04
Escrow	114.97	0.83
	1,260.95	857.69
Less : Current account balance held in trust for customers in respect of certain subsidiaries	6.21	5.02
	1,254.74	852.67

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

For Lovelock & Lewes
Firm Registration Number-301056E
Chartered Accountants

Sougata Mukherjee
Partner
Membership No. : 057084
Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
Managing Director Aniruddha Basu
Company Secretary Subhasis Mitra
Executive Director & CFO Rajarshi Banerjee

Notes forming Part of Consolidated Financial Statements

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2017

A Equity Share Capital

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
As at 1 April 2015	133.22	—	133.22
As at 31 Mar 2016	133.22	—	133.22
As at 31 Mar 2017	133.22	—	133.22

B Other Equity

Particulars	Reserves and Surplus				Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	Fair Value Reserve	Exchange differences on translating the financial statements of a foreign operation	Total
	Fund for unforeseen exigencies	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings (refer note 22)					
Balance as at 1 April, 2015	195.45	1,738.03	20.13	8,354.08	4.80	50.96	—	149.41	10,512.86
Profit for the year				598.48					598.48
Other Comprehensive Income / others for the year				(11.84)		(11.26)		9.48	(13.62)
Total Comprehensive Income for the year	195.45	1,738.03	20.13	8,940.72	4.80	39.70	—	158.89	11,097.72
Dividends paid (incl tax there on)				(303.13)					(303.13)
Transfer to/from retained earnings	16.63			(16.63)					—
Adjustments during the year		0.04		(11.03)	3.60		(2.19)		(9.58)
Withdrawal of additional depreciation during the year (Refer Note 56)				(309.61)					(309.61)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets				(4.91)					(4.91)
Balance as at 31 March, 2016	212.08	1,738.07	20.13	8,295.41	8.40	39.70	(2.19)	158.89	10,470.49

Particulars	Reserves and Surplus				Employee Stock Option Reserve	Effective portion of Cash Flow Hedges	Fair Value Reserve	Exchange differences on translating the financial statements of a foreign operation	Total
	Fund for unforeseen exigencies	Securities Premium Reserve	Capital Redemption Reserve	Retained Earnings (refer note 22)					
Balance as at 1 April, 2016	212.08	1,738.07	20.13	8,295.41	8.40	39.70	(2.19)	158.89	10,470.49
Profit for the year				690.84					690.84
Other Comprehensive Income / others for the year				(18.53)		20.62		(68.56)	(66.47)
Total Comprehensive Income for the year	212.08	1,738.07	20.13	8,967.72	8.40	60.32	(2.19)	90.33	11,094.86
Dividends paid (incl tax there on)				(159.55)					(159.55)
Transfer to/from retained earnings	16.16		—	(16.16)					—
Adjustments during the year		7.83		(118.26)	3.71		2.38		(104.34)
Withdrawal of additional depreciation during the year (Refer Note 56)				(318.41)					(318.41)
Withdrawal of residual amount added on fair valuation consequent to sale/ disposal of assets				(23.09)					(23.09)
Balance as at 31 March, 2017	228.24	1,745.90	20.13	8,332.25	12.11	60.32	0.19	90.33	10,489.47

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

For Lovelock & Lewes
 Firm Registration Number-301056E
 Chartered Accountants

Sougata Mukherjee
 Partner
 Membership No. : 057084
 Kolkata, 18th May, 2017

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

NOTE - 1 SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of CESC Limited (the 'Parent'), its subsidiaries, associates and joint venture.

(a) Basis of Preparation

(i) Compliance with Indian Accounting Standards (Ind AS)

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 and Companies (Indian Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Companies Act, 2013 and other provisions of the Companies Act, 2013, the regulations under the Electricity Act, 2003 and the guidelines issued by the Securities and Exchange Board of India (SEBI), as applicable to the Group. A summary of important accounting policies which have been applied consistently are set out below.

The financial statements up to year ended 31st March 2016 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act ["Previously Generally Accepted Accounting Principles (GAAP)"]

These financial statements are the first financial statements of the group under Ind AS and the adoption was carried out in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards. Refer note 2C for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- a) Certain tangible assets are carried at fair value and treated as deemed cost as at the transition date;
- b) Certain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value;
- c) Defined benefit plans – plan assets measured at fair value; and
- d) Share – based payments

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to 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 and expenses. 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, consolidated statement of changes in equity and balance sheet respectively.

(ii) Associates

Associate is an entity over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investment in the associate is accounted for using the equity method of accounting (see (iv) below), after initially being recognized at cost.

(iii) Joint arrangements

Under Ind AS 111 *Joint arrangements*, investment in joint arrangement is classified as either joint operation or joint venture. The classification depends on the contractual rights and obligation of each investor, rather than the legal structure of the joint arrangement.

The Group's has interests only in one joint venture.

Interest in joint venture is accounted for using equity method (see (iv) below), after initially being recognized at cost in the consolidated balance sheet.

Notes forming Part of Consolidated Financial Statements (Contd.)

(iv) Equity method

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associate and joint venture is recognized as a reduction in the carrying amount of investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other long term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in paragraph 1(j) below.

(v) Changes in ownership interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the parent has appointed a strategic steering committee which assesses the financial performance and the position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consist of the chief executive officer, chief financial officer and the manager for corporate planning.

(d) Foreign currency translation

(i) Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR) which is also the functional currency of the Company and its Indian subsidiaries whereas the functional currency of foreign subsidiaries and branch is the currency of their country of domicile.

(ii) Transaction and balances

Foreign currency denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the balance sheet date. The gains or losses resulting from such translations 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.

Transactional gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

In case of Power business, 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 is accounted for as an income or expense with a corresponding recognition of regulatory income or expenses of said amount as refundable or recoverable, which will be taken into consideration in determining

the Company's future tariff in respect of the amount settled duly considering as appropriate, the impact of the contracts entered into for managing risks thereunder.

(iii) Foreign Operations

The translation of financial statements of the foreign subsidiaries 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, the relevant amount 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.

(e) Revenue recognition

The Group recognizes revenue at fair value when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recognizing revenue from major business activities

Sale of Power

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 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 consumers to the Company's distribution network. The Company recognises revenue in respect for such contributions so received from consumers connected to the distribution network during the financial year.

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

Process Outsourcing

Revenue from contact center and transaction processing services comprises from both time / unit price and fixed fee based service contracts. Revenue from time / unit price based contracts is recognized as services are rendered and is billed in accordance with the contractual terms specified in the customer contracts. Revenue from fixed fee based service contracts is recognized on achievement of performance milestones specified in the customer contracts.

Revenue from debt collection services is recognized when debts are collected. Income from contingency based contracts, in which the client is invoiced for a percentage of the reimbursement, is recognized on completion of services. Unbilled receivables represent costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract.

Dividend income is recognized when the right to receive dividend is established.

For all instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Revenue from sale of goods and services (Retail Operations)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT) are collected on behalf of the government and accordingly, it is excluded from revenue.

The Group has concluded that it is the principal in all its revenue arrangements except in case of Sale of Concessionaire's products where the title of the goods passes to the Company at the time of sale to customer and inventory risk remains with the vendor. The Company considers concessionaire to be the primary obligor and hence recognises only its net margin in the statement of profit and loss.

Notes forming Part of Consolidated Financial Statements (Contd.)

Gift vouchers /cards sales are recognised when the vouchers are redeemed and goods are sold to the customers.

The Group operates a loyalty points programme, which allows customers to accumulate points when they purchase products in the Group's retail stores. The points can be redeemed for free products.

Consideration received by the Group on sale of goods is allocated between the products sold and the points issued based on their fair values. Fair value of the points is determined using value of goods which can be bought by redeeming such points and the same is deferred and recognised as revenue on redemption.

Income from recoveries and services mainly represents recoveries made on account of advertisement for use of space by the customers and other expenses charged from suppliers and are recognized and recorded based on the arrangements with concerned parties.

(f) Government grants

Government grants are recognized when reasonable assurance exists that the conditions precedent will be / are met and the grants will be recognized, on a systematic basis over the period necessary to match them with the related costs which they are intended to compensate.

(g) Income tax

(i) Current Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the company and its subsidiaries and associates operate and generate taxable income.

The current tax payable by Process Outsourcing Operations in India is income tax payable after taking credit for tax relief available for export operations in Special Economic Zones (SEZs).

(ii) Deferred tax

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.

In case of Power business, since tax on profits forms part of chargeable expenditure under the applicable regulations, deferred tax liability or asset is recoverable or payable through future tariff. Hence, recognition of deferred tax asset or liability is made with corresponding provision of liability or asset, as applicable.

For Process outsourcing operations carried out in SEZs, deferred tax assets or liabilities, if any, have been established for the tax consequences of those temporary differences between the carrying values of assets and liabilities and their respective tax bases that reverse after the tax holiday ends.

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.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognized in profit or loss.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be recognized. Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) Leases

Finance Lease

A lease is classified as a finance or an operating lease as applicable. Finance leases are capitalised along with the present value of the minimum lease payments at the lease's inception and disclosed as leased property. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. All initial direct costs incurred are included in the cost of the asset.

Operating Lease

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

Lease payments received under operating leases are recognised as an income on a straight line basis in the statement of profit and loss over the lease term except where the lease payments are structured to increase in line with expected general inflation. The respective leased assets are included in the balance sheet based on their nature.

(i) Business combinations

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.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Business combinations between entities under common control is accounted for at carrying value.

Transaction costs that the Company incurs in connection with a business combination such as legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

(j) Cash and cash equivalents

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

(k) Inventories

Raw Materials, traded goods, packing materials, 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.

Notes forming Part of Consolidated Financial Statements (Contd.)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(I) 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. financial assets at fair value through other comprehensive income.

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

At initial recognition, the financial assets are measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Financial assets measured at amortised cost

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

Financial instruments measured at fair value through profit and loss

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.

Investment in units of mutual funds are accounted for at fair value and the changes in fair value are recognised in Statement of Profit and Loss.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Investment in other equity instruments are measured at Fair Value through Other Comprehensive Income (FVTOCI). All fair value changes on such investments excluding dividends are recognised in the OCI. There is no recycling of the amounts from OCI to Statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the financial assets expire or it transfers the financial assets and such transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

Fair value of financial instrument

In determining the fair value of its financial instrument, the Group uses the methods and assumptions based on market conditions and risk existing at each reporting date. Methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For all other financial instruments, the carrying amounts approximate the fair value due to short maturity of those instruments.

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 62B).

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

Impairment loss allowance recognised /reversed during the year are charged/written back to Statement of Profit and Loss.

(m) Derivatives and Hedging Activities

The Company uses derivative financial instruments such as forward currency contracts, interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are recognised at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

In respect of Power business, Gains or losses arising from such fair valuation of derivatives is recognised as regulatory income or expense through profit or loss and would be considered in determining the Company's future tariff.

Cash Flow Hedges

The Group also designates certain foreign exchange forwards as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges.

The Group uses hedging instruments that are governed by the policies of the Group which provide written principles on the use of such financial derivatives consistent with the risk management strategy of the Group. The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges is recognized immediately in the statement of profit and loss.

The effective portion of change in the fair value of the designated hedging instrument is recognized in Other comprehensive income and accumulated under Cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or no longer qualifies for hedge accounting. Any gain or loss recognized in Other comprehensive income and accumulated in equity till that time remains and is recognized in statement of profit and loss when the forecasted transaction is no longer expected to occur; the cumulative gain or loss accumulated in statement of changes in equity is transferred to the statement of profit and loss.

(n) Financial Liabilities

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

For trade and other payables maturing within one year from the balance sheet date, the carrying amount approximates fair value to short-term maturity of these instruments.

A financial liability (or a part of financial liability) is de-recognised from Group's balance sheet when obligation specified in the contract is discharged or cancelled or expired.

(o) Property, plant and equipment

For Power operations, being rate regulated, the Group has elected to use fair value as deemed cost on the date of transition to Ind AS. For other businesses, the group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

In case of the Power Business, tangible assets have been adjusted for the effect of valuation made by an approved external valuer at the fair value after necessary adjustment for depreciation / amortisation and treated as deemed cost. Subsequent acquisition of these assets, are stated at cost of acquisition together with any incidental expenses related to acquisition and appropriate borrowing costs. An impairment loss is recognized where applicable, when the carrying value of tangible assets of cash generating unit exceed its market value or value in use, whichever is higher.

For Power business, in terms of applicable Regulations under the Electricity Act, 2003, depreciation on tangible assets other than freehold land is provided on straight line method on a prorata basis at the rates specified therein, the basis of which is considered by the West Bengal Electricity Regulatory Commission (Commission) in determining the tariff for the year of the Company. Leasehold land is amortized over the unexpired period of the lease. Additional charge of depreciation for the year on increase in value arising from fair valuation is recouped from Surplus contained in Retained Earnings.

In case of other business operations, 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 lives 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 in the Property Plant and Equipment Schedule (Refer Note No.5)

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.

(p) Investment properties

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognized as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

Notes forming Part of Consolidated Financial Statements (Contd.)

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially as its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

(q) Intangible assets

On transition to Ind AS, the group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Intangible assets comprising Computer Softwares, Knowhow & Licenses brands, Process knowhow and mining rights, expected to provide future enduring economic benefits are stated 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 market value or value in use, whichever is higher.

Software purchased together with the related hardware is capitalized and depreciated at the rates applicable to related assets.

Software product development costs are expensed as incurred during the research phase until technological feasibility is established. Software development costs incurred subsequent to the achievement of technological feasibility are capitalized and amortized over the estimated useful life of the products as determined by the management. This capitalization is done only if there is an intention and ability to complete the product, the product is likely to generate future economic benefits, adequate resources to complete the product are available and such expenses can be accurately measured. Such software development costs comprise expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to the development of the product.

Cost of intangible assets are amortised over its estimated useful life based on managements' external or internal assessment. Management believes that the useful lives so determined best represent the period over which the management expects to use these assets. The useful lives are as indicated in Intangible assets schedule (Refer Note 7)

The useful life is reviewed at the end of each reporting period for any changes in the estimates of useful life and, accordingly, the asset is amortised over the remaining useful life.

(r) Employee Benefits

Short- term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Contributions to Provident Fund and Contributory Pension Fund are accounted for on 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, extend 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, made by independent actuary.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in Other Comprehensive Income in the period in which they occur.

Remeasurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognizes the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

The current and non-current bifurcation has been done as per the Actuarial report.

Compensation in respect of voluntary retirement scheme is charged off to revenue.

In Process Outsourcing Operations, all employees of the Indian entities receive benefits from a Government administered provident fund scheme. This is a defined contribution retirement plan in which both, the company and the employee contribute at a determined rate. Monthly contributions payable to the provident fund are charged to the statement of profit and loss as incurred. The subsidiaries in the United States of America have a savings and investment plan under Section 401 (k) of the Internal Revenue Code of the United States of America. This is a defined contribution plan. Other retirement benefits are accrued based on the amounts payable as per local regulations. The Group has no further obligation to the plan beyond its monthly contribution.

(s) Employee Stock Compensation cost

The Group recognizes compensation expense relating to share-based payments in net profit using fair-value in accordance with Ind AS 102, Share-Based Payment. The estimated fair value of awards is charged to income on a straight-line basis over the requisite service period for each separately vesting portion of the award as if the award was in-substance multiple awards, with a corresponding increase to share options outstanding account.

(t) Regulatory deferral accounts balances

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

(u) Other Income

Income from investments and deposits etc. is accounted for on accrual basis inclusive of related tax deducted at source, where applicable. Delayed Payment Surcharge as a general practice is determined and recognised on a receipt of overdue payment from consumer. Interest income arising from financial assets is accounted for using amortised cost method.

(v) Onerous contracts

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract.

(w) Earnings per Share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing :

- a) The profit attributable to owners of the group.
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury share (Refer Note 47).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in their determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

For each earnings per share amount presented in accordance with Ind AS 33, the Group presents additional basic and diluted earnings per share amounts that are calculated in the same way, except that those amounts excludes the net movement in the regulatory deferral account balances.

(x) Provisions and contingencies

The Group creates a provision when there is present legal or constructive obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

The Group records a provision for decommissioning costs for asset situated at various rented premises. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Notes forming Part of Consolidated Financial Statements (Contd.)

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessment of the time value of money and risk specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are not recognized in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

(y) Finance Cost

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 revenue. Finance Costs in case of foreign currency borrowings is accounted for as appropriate, duly considering the impact of the contracts entered into for managing risks, therefore, interest expense arising from financial liabilities is accounted for in effective interest rate method.

(z) Commitment for Financial Obligations

Cost of commitment for Borrowings of associates are recognised as a financial 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.

(aa) 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 amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

NOTE 2A The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the 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 :-

- Fair valuation of Property , Plant and Equipment - Refer Note 56
- Estimation of Restroration liability - Refer Note 1(q)
- Impairment of Trade Receivables - Refer Note 1(l)
- Estimates used in actuarial valuation - Refer Note 39
- Estimates of useful life of tangible and intangible assets - Refer Note 5 & 7
- Recognition of DTA for carryforward of tax losses - Refer Note 46
- Business combination and intangible assets under Ind AS 103 - Refer Note 1(i)
- Estimated fair valuation of additional levy recoverable - Refer Note 55

NOTE 2B The standard issued but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The company intends to adopt this standard when it becomes effective.

- Ind AS 102 - Share-based Payment
- Ind AS 7 - Statement of Cash Flows

The MCA has notified Companies (Indian Accounting Standards) (Amendment) Rules, 2017 to amend the above Ind AS's. The amendment will come into force from accounting period commencing on or after April 1, 2017. The Group is in the process of assessing the possible impact of Ind AS 7: Statement of Cash Flows and Ind AS 102: Share based Payment and will adopt the amendments on the required effective date.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 3 THE SUBSIDIARIES AND ASSOCIATES CONSIDERED IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS ARE:

A	Sl. No.	Name of Subsidiaries and Associates	Country of Incorporation	Percentage of ownership interest as at 31st March, 2017	Percentage of ownership interest as at 31st March, 2016	Percentage of ownership interest as at 1st April, 2015
	1	Spencer's Retail Limited (SRL)	India	100.00	100.00	100.00
	2	Music World Retail Limited (100% subsidiary of SRL)	India	100.00	100.00	100.00
	3	Au Bon Pain Café India Limited (93.10 % subsidiary of SRL)	India	93.10	91.53	90.00
	4	Omnipresent Retail India Private Limited (100% subsidiary of SRL)	India	100.00	100.00	—
	5	Guilfree Industries Limited (100% Subsidiary of SRL)	India	100.00	—	—
	6	Quest Properties India Limited (QPIL)	India	100.00	100.00	100.00
	7	Metromark Green Commodities Private Limited(100% subsidiary of QPIL)	India	100.00	100.00	100.00
	8	CESC Infrastructure Limited (CIL) *	India	100.00	100.00	100.00
	9	Haldia Energy Limited(HEL) (100 % subsidiary of CIL)	India	100.00	100.00	100.00
	10	Dhariwal Infrastructure Limited (DIL) (100 % subsidiary of CIL)	India	100.00	100.00	100.00
	11	Surya Vidyut Limited(SVL)	India	100.00	100.00	100.00
	12	Nalanda Power Company Limited *	India	100.00	100.00	100.00
	13	CESC Projects Limited *	India	100.00	100.00	100.00
	14	Bantal Singapore Pte Limited *	Singapore	100.00	100.00	100.00
	15	Pachi Hydropower Projects Limited *	India	100.00	100.00	100.00
	16	Papu Hydropower Projects Limited *	India	100.00	100.00	100.00
	17	Ranchi Power Distribution Company Limited *	India	100.00	100.00	100.00
	18	Spen Liq Private Limited (SLPL) *	India	100.00	100.00	100.00
	19	Firstsource Solutions Limited (FSL)	India	54.89	55.54	56.13
	20	Firstsource Group USA, Inc.(FG USA) (100% subsidiary of FSL)	USA	54.89	55.54	56.13
	21	Firstsource BPO Ireland Limited (100% subsidiary of FSL)	Ireland	54.89	55.54	56.13
	22	Firstsource Solutions UK Limited (100% subsidiary of FSL)	UK	54.89	55.54	56.13
	23	Firstsource Process Management Services Limited (100% subsidiary of FSL)	India	54.89	55.54	56.13
	24	Firstsource-Dialog Solutions Pvt. Limited (74% subsidiary of FSL)	Sri Lanka	40.62	41.1	41.54
	25	Firstsource Business Process Services, LLC (FBPS) (100% subsidiary of FG USA)	USA	54.89	55.54	56.13
	26	Firstsource Solutions USA LLC (100% subsidiary of MH Inc.)	USA	54.89	55.54	56.13
	27	Firstsource Advantage LLC (100% subsidiary of FBPS)	USA	54.89	55.54	56.13
	28	Firstsource Transaction Services LLC (100% subsidiary of FS SA)	USA	54.89	55.54	56.13
	29	Firstsource Solutions S.A.(FS SA) (100% subsidiary of FS UK)	Argentina	54.89	55.54	56.12
	30	Medassit Holding LLC (100% subsidiary of FG US)	USA	54.89	55.54	56.13
	31	One Advantage LLC, (100% subsidiary of FBPS)	USA	54.89	55.54	56.13
	32	ISGN Solutions Inc. (100% subsidiary of FG US)	USA	54.89	—	—
	33	ISGN Fulfillment Services, Inc. (100% subsidiary of ISGN Solutions Inc.)	USA	54.89	—	—
	34	ISGN Fulfillment Agency, LLC (100% subsidiary of ISGN Fulfillment Services, Inc)	USA	54.89	—	—
	35	Crescent Power Limited (CPL)	India	67.83	67.83	51.17
	36	New Rising Promoters Private Limited (100% subsidiary of CPL)	India	67.83	67.83	—
	37	Kota Electricity Distribution Limited (formerly known as Sheesham Commercial Private Limited)	India	100.00	100.00	100.00
	38	Bikaner Electricity Supply Limited (formerly known as Wigeon Commotrade Private Limited)	India	100.00	100.00	100.00
	39	Bharatpur Electricity Services Limited (formerly known as Water Hyacinth Commosale Private Limited)	India	100.00	100.00	100.00
	40	Noida Power Company Limited (49.55% Associate)	India	49.55	49.55	49.55

* Subsidiary companies are yet to commence their commercial operations

Notes forming Part of Consolidated Financial Statements (Contd.)

Interests in joint venture :

- B 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, 2017 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, has not been considered for consolidation purpose.
- C Nanobi Data and Analytics Private Limited is an associate of the process outsourcing business which is not material to the group.

NOTE-4 FIRST-TIME ADOPTION OF IND AS

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31st March 2017, the comparative information presented in these financial statements for the year ended 31st March 2016 and in the preparation of an opening Ind AS balance sheet at 1st April 2015. The adoption of Ind AS has been carried out in accordance with Ind AS 101, with April 1, 2015 as the transition date. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's balance sheet, statement of profit and loss and cash flows is set out below.

A Exemptions

Set out below are the applicable Ind AS 101 mandatory exemptions and optional exemptions applied in the transition from previous GAAP to Ind AS.

Property plant and equipment and intangible assets

The Parent, having regulated assets has elected to measure all items of property, plant and equipment at fair value and use that fair value as its deemed cost at the transition date after necessary adjustments for restoration liabilities.

However all other subsidiaries, have elected to measure all items of property plant and equipments at carrying cost as at the date of transition as the deemed cost in accordance with Ind AS 101.

Lease

Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease, the Company has used the exemption under Ind AS 101 and assessed all arrangements based on conditions in place at the date of transition.

Foreign Exchange Differences

The Group has elected to continue with the previous GAAP policy of capitalizing exchange differences arising from translation of long-term foreign currency monetary items till 31st March, 2016.

Business combinations

The Group has opted not to apply Ind-AS 103- Business Combinations, to acquisitions that have taken place before 1st April, 2015.

Share-based payment

The Group is allowed to apply Ind AS 102 Share-based payment to equity instruments that remain unvested as of transition date. The Company has elected to avail this exemption and apply the requirements of Ind AS 102 to all such grants under the plan. Accordingly, these options have been measured at fair value as against intrinsic value, previously under IGAAP.

The excess of stock compensation expense measured using fair value over the cost recognized under IGAAP using intrinsic value has been adjusted in 'Employee stock option reserve', with the corresponding impact taken to Retained earnings as on the transition date.

B Exceptions availed on first-time adoption of Ind AS 101

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with the previous GAAP. The Company has made estimates for the following items in accordance with Ind AS at the date of transition as these were not required under the previous GAAP.

- i) Impairment of financial assets based on expected credit loss model.
- ii) Investments in debt instruments carried at fair value through profit and loss (FVPL).
- iii) Investment in equity instruments carried at FVPL or fair value through other comprehensive income (FVOCI).

Notes forming Part of Consolidated Financial Statements (Contd.)

a Reconciliation of total equity as at 31st March 2016 and 1st April 2015

₹ in Crore

Particulars	Refer note	31-Mar-16	1-Apr-15
Total Equity (shareholder's fund) as per previous GAAP		6,267.71	6,029.03
Adjustments :-			
1 Fair value exercise on transition - Property ,plant, & equipment etc. (net of related adjustments) and adjustments for ECL relating to receivables / rental deposits	55,56	4,423.81	4,626.88
2 Proposed Dividend	22	—	143.59
3 Others*		(87.81)	(153.42)
Total Equity (shareholder's fund) as per Ind AS		10,603.71	10,646.08

* Others includes impact of associate accounting 31.03.2016 : ₹313.09 crore (01.04.2015 : ₹254.46 crore); write off of DTA 31.03.2016: (-) ₹310.53 crore [01.04.2015 : (-) ₹ 310.53 crore] in respect of one of the subsidiaries ; straightlining of lease rentals 31.03.2016 : ₹ 9.99 crore (01.04.2015 : ₹16.92 crore); In heathcare claims and collections business 31.03.2016 : (-) ₹88.70 crore [01.04.2015 : (-) ₹102.43 crore] etc.

b The reconciliation of total comprehensive income for the year ended 31st March 2016

₹ in Crore

Particulars	Refer Note	Year ended 31.03.2016
Profit after tax as reported under previous GAAP		496.52
Less: Minority interest as reported under previous GAAP		130.13
Profit after tax as reported under previous GAAP		366.39
Add: adjustments under Ind AS		
Contribution from customers for distribution network	34	121.05
Others (including net impact of fair value measurement of financial instruments and MTM gain)	62	47.02
Add : Share of profit in associate (since recognised)	61B	64.02
Profit after tax as per Ind AS - Owners share		598.48
Add :Non controlling interest as per Ind AS		130.65
Profit after tax as per Ind AS		729.13
Add : Other comprehensive income (net of tax)		20.47
Total Comprehensive Income for the year		749.60

c Impact of Ind AS adoption on the statement of cash flows for the year ended 31 March 2016

₹ in Crore

Particulars	IGAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from Operating Activities	2,427.97	52.44	2,480.41
Net cash used in Investing Activities	(1,219.60)	—	(1,219.60)
Net Cash flow from Financing Activities	(1,059.86)	(121.05)	(1,180.91)
Net Increase / (Decrease) in cash and cash equivalents	148.51	(68.61)	79.90
Cash and Cash equivalents - Opening Balance	1,049.16	(276.40)	772.76
Cash and Cash equivalents on acquisition of subsidiaries	0.01	—	0.01
Cash and Cash equivalents - Closing Balance (Ind AS -excluding Bank deposits etc., contained in note 17)	1,197.68	(345.01)	852.67

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 5 PROPERTY PLANT AND EQUIPMENT

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2016	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 31st March, 2016	Additions/ Adjustments on Acquisition	Additions/ Adjustments	As at 31st March, 2017	As at 31st March, 2016
Land										
Freehold	2,501.55		8.51	2.93	2,507.13				2,507.13	2,501.55
Leasehold	712.91		4.28	10.29	706.90	20.62		20.62	666.47	692.29
Buildings and Structures	1,947.23		109.23	22.88	2,033.58	92.44		96.12	1,853.32	1,854.79
Plant and Equipment	12,535.72		825.54	41.95	13,319.31	557.96		580.98	12,188.66	11,977.76
Distribution System	6,570.17		378.21	33.67	6,914.71	249.09		298.06	6,396.79	6,321.08
Meters and Other										
Apparatus on										
Consumers' Premises	270.15		58.65	26.10	302.70	3.02		39.13	277.54	267.13
River Tunnel	2.78				2.78	0.55		0.55	1.68	2.23
Furniture and Fixtures	96.28		22.13	2.30	116.11	17.19		16.69	82.86	79.09
Office Equipment	135.71	86.41	24.62	13.41	233.33	20.84	85.88	27.70	122.40	114.87
Vehicles	9.20		2.72	0.70	11.22	1.45		2.23	8.06	7.75
Railway Sidings	230.27				230.27	9.48		9.80	210.99	220.79
	25,011.97	86.41	1,433.89	154.23	26,378.04	972.64	85.88	1,091.88	24,315.90	24,039.33

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	Additions/ Adjustments on Acquisition	Additions/ Adjustments	As at 31st March, 2016	As at 31st March, 2016
Land										
Freehold	2,496.06		5.49		2,501.55				2,501.55	
Leasehold	699.41		13.50		712.91			20.62	692.29	
Buildings and Structures	1,852.61		104.52	9.90	1,947.23			98.77	1,854.79	
Plant and Equipment	12,105.87		468.63	38.78	12,535.72			560.46	11,977.76	
Distribution System	6,180.81		437.39	48.03	6,570.17			286.07	6,321.08	
Meters and Other										
Apparatus on										
Consumers' Premises	241.43		47.15	18.43	270.15			13.63	267.13	
River Tunnel	2.78				2.78			0.55	2.23	
Furniture and Fixtures	79.03		19.32	2.07	96.28			16.98	79.09	
Office Equipment	103.97		40.39	8.65	135.71			23.70	114.87	
Vehicles	6.18		3.71	0.69	9.20			1.87	7.75	
Railway Sidings	225.68		4.59		230.27			9.48	220.79	
	23,993.83		1,144.69	126.55	25,011.97			1,032.13	972.64	24,039.33

Note : * Includes adjustments relating to foreign exchange an amount of translation of foreign subsidiaries/operations
Refer note 56 for fair valuation of Property Plant & Equipment

Leases in respect of land acquired under finance lease is renewal at the option of the lessor. Future minimum lease obligation payable on leasehold land during next one year ₹ 0.83 crore (as on 31.03.16 : ₹ 0.83 crore) later than one year but not later than five years ₹ 2.64 crore (as on 31.03.16 : ₹ 2.64 crore) and later than five years ₹ 3.66 crore (as on 31.03.16 : ₹ 3.84 crore).

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 5 PROPERTY PLANT AND EQUIPMENT (contd..)

₹ in Crore

PARTICULARS	Gross Block	Depreciation	Net Block	Fair Valuation	Adjustments	Net Block
	As at 1st April 2015	As at 1st April 2015	As at 1st April 2015	As at 1st April 2015	As at 1st April 2015	As at 1st April 2015
Land						
Freehold	873.91	0.10	873.81	1,678.17	(55.92)	2,496.06
Leasehold	541.09	38.38	502.71	193.34	3.36	699.41
Buildings and Structures	2,315.37	602.85	1,712.52	155.19	(15.10)	1,852.61
Plant and Equipment	14,094.61	3,537.62	10,556.99	1,548.95	(0.07)	12,105.87
Transmission and Distribution System	6,405.16	2,001.88	4,403.28	1,777.53	—	6,180.81
Meters and Other Apparatus on Consumers' Premises	554.25	288.38	265.87	(24.44)	—	241.43
River Tunnel	4.88	3.29	1.59	1.19	—	2.78
Furniture and Fixtures	197.14	118.05	79.09	—	(0.06)	79.03
Office Equipments	459.58	354.99	104.59	—	(0.62)	103.97
Vehicles	20.92	14.74	6.18	—	—	6.18
Railway Sidings	175.74	27.31	148.43	77.25	—	225.68
	25,642.65	6,987.59	18,655.06	5,407.18	(68.41)	23,993.83

Rate of Depreciation/ Useful Life of Tangible Assets

PARTICULARS	Rate of Depreciation / Useful Life of Assets
Land	30-99 Years
Buildings and Structures	3-90 Years
Plant and Equipment	5-50 Years
Distribution System	17-40 Years
Meters	7-17 Years
River Tunnel	50 Years
Furniture and Fixtures	2-15 Years
Office Equipment	2-15 Years
Vehicles	2-8 Years
Railway Sidings	15-50 Years

NOTE - 6 INVESTMENT PROPERTY

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 31st March, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 31st March, 2016	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
Land - Freehold	56.03	—	—	56.03	—	—	—	—	56.03	56.03

PARTICULARS	GROSS BLOCK AT COST OR VALUATION				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	Additions/ Adjustments	Withdrawals/ Adjustments	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
Land - Freehold	56.03	—	—	56.03	—	—	—	—	56.03	56.03

Fair valuation of the above land as per rent capitalisation method amounts to ₹ 272 crore as per approved independent valuer. The main inputs used in determining the fair valuation of the Investment Property are utility, marketability, self liquidity, future rentals, etc.

NOTE - 7 INTANGIBLE ASSETS

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April, 2016	Additions/ Adjustments on Acquisition	Additions/ Adjustments**	Withdrawals/ Adjustments	As at 31st March, 2017	As at 1st April, 2016	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Withdrawals/ Adjustments**	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
A) Goodwill												
Goodwill on consolidation	2,249.97	—	70.66	310.07	2,010.56	—	—	—	—	—	2,010.56	2,249.97
B) Other Intangible Assets												
Trademarks	22.40	—	—	—	22.40	1.60	—	1.60	—	3.20	19.20	20.80
Licence	19.11	—	26.48	—	45.59	1.84	—	2.34	0.02	4.16	41.43	17.27
Customer Contracts	—	—	11.10	0.29	10.81	—	—	3.73	—	3.73	7.08	—
Computer Software	72.37	14.90	37.16	4.80	119.63	24.93	14.62	28.67	5.54	62.68	56.95	47.44
Mining Rights	131.69	—	—	—	131.69	6.06	—	6.59	—	12.65	119.04	125.63
	245.57	14.90	74.74	5.09	330.12	34.43	14.62	42.93	5.56	86.42	243.70	211.14
	2,495.54	14.90	145.40	315.16	2,340.68	34.43	14.62	42.93	5.56	86.42	2,254.26	2,461.11

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 7 INTANGIBLE ASSETS (Contd.)

₹ in Crore

PARTICULARS	GROSS BLOCK AT COST OR VALUATION					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1st April, 2015	Additions/ Adjustments on Acquisition	Additions/ Adjustments**	Withdrawals/ Adjustments	As at 31st March, 2016	As at 1st April, 2015	Additions/ Adjustments on Acquisition	Additions/ Adjustments	Withdrawals/ Adjustments**	As at 31st March, 2016	As at 31st March, 2016	As at 1st April, 2015
A) Goodwill												
Goodwill on consolidation	2,134.20	–	115.77	–	2,249.97	–	–	–	–	–	2,249.97	2,134.20
Goodwill (Acquired)	11.74	–	1.52	13.26	–	–	–	11.94	11.94	–	–	11.74
	2,145.94	–	117.29	13.26	2,249.97	–	–	11.94	11.94	–	2,249.97	2,145.94
B) Other Intangible Assets												
Trademarks	22.40	–	–	–	22.40	–	–	1.60	–	1.60	20.80	22.40
Licence	14.03	–	5.16	0.08	19.11	–	–	1.87	0.03	1.84	17.27	14.03
Computer Software*	31.26	–	42.20	1.09	72.37	–	–	22.50	(2.43)	24.93	47.44	31.26
Mining Rights	–	–	131.69	–	131.69	–	–	6.06	–	6.06	125.63	–
	67.69	–	179.05	1.17	245.57	–	–	32.03	(2.40)	34.43	211.14	67.69
	2,213.63	–	296.34	14.43	2,495.54	–	–	43.97	9.54	34.43	2,461.11	2,213.63

Note : * Includes software of net block value of ₹ 1.94 crore as on 31.03.2015 & which got fully depreciated during 31.03.2016.

** Includes adjustments relating to foreign exchange an amount of translation of foreign subsidiaries / operations.

PARTICULARS	Gross Block	Depreciation	Net Block	Deemed Cost
	As at 1st April, 2015	As at 1st April, 2015	As at 1st April, 2015	As at 1st April, 2015
A) Goodwill				
Goodwill on consolidation	2136.22	2.02	2,134.20	2,134.20
Goodwill (Acquired)	105.48	93.74	11.74	11.74
	2,241.70	95.76	2,145.94	2,145.94
B) Other Intangible Assets				
Trademarks	32.00	9.60	22.40	22.40
Licence	20.50	6.47	14.03	14.03
Computer Software	200.38	169.12	31.26	31.26
Mining Rights	–	–	–	–
	252.88	185.19	67.69	67.69
	2,494.58	280.95	2,213.63	2,213.63

RATE OF DEPRECIATION/ USEFUL LIFE OF INTANGIBLE ASSETS

PARTICULARS	Rate of Depreciation / Useful Life of Assets
Goodwill on consolidation	Infinite
Goodwill (Acquired)	5 Years or estimated Useful Life whichever is shorter
Trademarks	20 Years
Licence	3-10 Years
Customer Contracts	3 Years
Computer Software	2-25 Years
Mining Rights	20 Years

Notes forming Part of Consolidated Financial Statements (Contd.)



NOTE - 8 NON CURRENT - INVESTMENTS

	As at 31st March, 2017	As at 31st March, 2016	₹ in Crore As at 1st April 2015
Investments carried at fair value through other comprehensive income			
a. Investments in Equity Instruments - Quoted			
1,21,95,122 (31.03.16 : 1,21,95,122; 01.04.15 : 1,21,95,122) fully paid Equity Shares of Resource Generation Limited	4.88	2.50	4.68
b. Investments in associate-Unquoted			
1,000 (31.03.2016 : 1,000; 01.04.2015 : 1,000) fully paid Equity Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	0.01	0.01	0.01
375,884 (31.03.2016 : 375,884; 01.04.2015 : 375,884) fully paid Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	2.99	2.99	2.99
c. Investments carried at fair value through profit and loss - Unquoted			
Investments in associate			
263,159 (31.03.2016 : 181,159; 01.04.2015 : NIL) fully paid Compulsorily Convertible Cumulative Preference Shares of ₹ 10 each of Nanobi Data and Analytics Private Limited	5.00	2.50	—
d. Investments carried at amortised cost -Unquoted			
Mutual and other funds			
Philippines treasury bills*	2.58	2.88	2.76
20,00,000 (31.03.2016 : NIL ; 01.04.2015 : NIL) units of HDFC CFCC - Debt Plan - Direct Option - 100% Dividend Donation of ₹ 10 each	2.00	—	—
e. Other Investments -Unquoted	—	—	—
3,250 (31.03.2016 : 13,000; 01.04.2015 : 13,000) fully paid Equity Shares of Integrated Coal Mining Limited of ₹ 10 each	—	0.01	0.01
10,000 (31.03.2016 : 10,000; 01.04.2015 : 10,000) fully paid Equity Shares of Retailer's Association of India Limited of ₹ 10 each	0.01	0.01	0.01
f. Joint Venture			
24,29,800 (31.03.2016 : 24,29,800, 01.04.2015 : 24,29,800) Equity Shares of Mahuagarhi Coal Company Private Limited of ₹ 10 each -fully provided	—	—	—
	—	—	—
	17.47	10.90	10.46

* These securities have been earmarked in favour of SEC, Philippines in compliance with corporation code of Philippines.

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
NOTE - 9	NON CURRENT - TRADE RECEIVABLES			
	Unsecured , considered good	–	–	8.34
		–	–	8.34
NOTE - 10	NON CURRENT - LOANS			
	Unsecured considered good			
	Security Deposit	29.56	26.83	26.22
	Loans to employees	3.81	3.61	3.23
	Doubtful Deposits	1.14	0.81	0.79
		34.51	31.25	30.24
		1.37	1.34	1.58
	Less: Provision for doubtful Deposits*	33.14	29.91	28.66
	* includes adjustment on account of expected credit loss of ₹0.23 crore (31.03.2016 ₹ 0.53 crore and 01.04.2015 ₹ 0.79 crore)			
NOTE - 11	OTHER NON CURRENT FINANCIAL ASSETS			
	Unsecured , considered good			
a.	Security Deposits	93.02	62.20	60.63
b.	Other	–	–	–
	Margin Money deposits	26.00	24.30	26.09
	Others	148.86	139.36	158.98
c.	Bank deposit with more than 12 months maturity	–	5.90	–
		267.88	231.76	245.70
NOTE - 12	OTHER NON CURRENT ASSETS			
a.	Capital Advance	112.72	192.68	244.88
b.	Advances other than capital advances			
	Security Deposits	0.54	–	–
	Prepaid Lease Rentals	1.29	1.37	2.19
	Lease Receivable	1.53	2.06	2.62
	Unamortized cost	37.86	20.98	24.70
	Unexpired Rebate	17.53	12.47	–
	Prepaid Expenses	31.37	24.51	23.77
	Others	0.01	24.10	0.02
c.	Others	228.32	144.70	58.64
	(Includes amount incurred by the company for setting up power projects to be transferred to the specific project on completion of the same,etc.)			
		431.17	422.87	356.82
NOTE - 13	INVENTORIES			
a	Raw Materials	1.84	1.08	1.40
b	Work-in-progress	12.12	2.13	–
c	Finished Goods	0.06	0.11	0.23
d	Traded Goods	240.47	194.57	174.09
e	Fuel (includes goods in transit ₹ 63.70 crore; 31.03.2016 : ₹ 37.12 crore, 01.04.2015 : ₹ 72.28 crore)	338.67	270.44	278.37
f	Stores and Spares (includes goods in transit NIL; 31.03.2016 : NIL; 01.04.2015: ₹ 1.35 crore)	255.08	231.46	211.71
g	Packing Materials	2.49	2.19	2.20
		850.73	701.98	668.00
Less :	Provision for obsolete stock of Traded Goods and Packing Materials	5.37	5.25	5.40
		845.36	696.73	662.60

Notes forming Part of Consolidated Financial Statements (Contd.)



NOTE -14 CURRENT INVESTMENTS

	₹ in Crore		
	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
Unquoted			
Investments in Mutual fund			
48,43,348.158 units of ₹ 312.57 each (31.03.2016 : 52,82,923.283 units ₹ 285.8266 each) of ICICI Prudential Flexible Income - Direct Plan - Growth	151.39	151.62	—
3,35,66,769.605 units of ₹ 28.3595 each (31.03.2016 : 2,88,40,385.769 of ₹ 26.1002 each) of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	95.19	75.27	—
12,34,243.646 units of ₹ 406.0303 each (31.03.2016 : 26,97,142.216 units of ₹ 372.7762 each) of Birla Sun Life Cash Manager - Growth - Direct Plan	50.11	100.54	—
24,98,272.445 (31.03.2016 : Nil) units of ₹ 200.6473 each of Birla Sun Life Floating Rate Fund - Long Term - Growth-Direct - Plan	50.13	—	—
1,44,56,716.591(31.03.2016 : Nil) units of ₹ 34.6897 each of Reliance Medium Term Fund - Direct Growth Plan - Growth Option	50.15	—	—
1,00,960.078 (31.03.2016 : Nil) units of ₹ 2481.5445 each of Tata - Ultra - Short - Term Fund - Direct Plan - Growth	25.05	—	—
74,53,786.524 (31.03.2016 : Nil) units of ₹ 26.9023 each of L&T Ultra Short Term Fund - Direct - Plan - Growth	20.06	—	—
73,773.191 (31.03.2016 : Nil) units of ₹ 2718.0909 each of UTI - Floating Rate Fund - STP - Direct - Growth Plan	20.06	—	—
77,93,624.815 (31.03.2016 : Nil) units of ₹ 25.7509 each of LIC MF Saving Plus Fund-Direct-Growth -Plan	20.07	—	—
43,31,516.984 (31.03.2016 : Nil) units of ₹ 23.1528 each of IDFC - Ultra - Short - Term Fund - Growth - Direct Plan	10.03	—	—
75,74,227.429 (31.03.2016 : Nil) units of ₹ 11.9077 each of DSP Black Rock - Ultra Short Term Fund - Direct -Growth	9.02	—	—
19,41,679.708 (31.03.2016 : Nil) units of ₹ 25.7509 each of LIC MF Saving Plus Fund - Direct - Growth - Plan	5.00	—	—
Nil (31.03.2016 : 1,03,02,820.500 units of ₹ 24.3568 each) of Kotak Treasury Advantage Fund - Direct Plan - Growth	—	25.09	—
Nil (31.03.2016 : 1,02,370.634 units of ₹ 2445.55 each) of Reliance Liquid Fund Cash Plan - Direct Plan - Growth	—	25.04	—
Nil (31.03.2016 : 57,47,082.398 units of ₹ 26.100) each of HDFC Floating Rate Income Fund - Short Term Plan - Direct Plan - Wholesale Option - Growth Option	—	15.00	—
Nil (31.03.2016 : 37,849.370 units of ₹ 2380.9577, 01.04.2015 : 1,36,498.571 units of ₹ 2198.9187) each of SBI Premier Liquid Fund - Direct Plan - Growth	—	9.01	30.01
Nil (01.04.2015 : 72,94,604.939 units of ₹ 207.099 each) of ICICI Prudential Liquid - Direct Plan - Growth	—	—	151.07
4,90,625.00 units of ₹ 224.234 each (31.03.2016 : 6,71,003 units of ₹ 223.5459 each, 01.04.2015 : 4,73,425 units of ₹ 207.002 each) of ICICI Prudential Liquid - Direct Plan - Growth	11.00	15.00	9.80
1,01,409.00 units of ₹ 2,662.6438 each (31.03.2016 : 60,517 units of ₹ 2,478.6424 each, 01.04.2015 : 21,838 units of ₹ 2289.587 each) of Kotak Liquid Scheme Direct Plan-Growth	27.00	15.00	5.00
10,77,260.00 units of ₹ 211.2169 each (31.03.2016 : 6,73,928 units of ₹ 196.6085 each, 01.04.2015 : 4,24,365 units ₹ 181.448 each) of DHFL Pramerica Insta Cash Plus Fund- Institutional Plan-Growth	22.76	13.25	7.70
Nil (01.04.2015 : 34,629.00 units of ₹ 2,887.7530 each) of SBI Magnum Insta Cash Fund – Direct Plan – Growth	—	—	10.00
Nil (31.03.2016 : 24,411 units of ₹ 3,689.73, 01.04.2015 : 28,674 units of ₹ 3,523.7497) each of Reliance Liquid Fund – Treasury Plan- Direct Growth Plan – Growth option	—	9.01	10.10
1,119,579.00 units of ₹ 2,237.2730 each (31.03.2016 : 50,435 units ₹ 2083.6721 each, 01.04.2015 : 52,016 units ₹ 1922.485 each) of Religare Invesco Liquid Fund – Direct Plan – Growth	26.75	10.51	10.00
Nil (01.04.2015 : 30,108 units of ₹ 1,660.6882 each) of HDFC Liquid Fund Direct Plan – Growth Option	—	—	5.00
Nil (01.04.2015 : 4,45,619 units of ₹ 224.5640 each) of Birla SL FRF-Short Term Plan-growth direct plan	—	—	10.01
1,20,043.00 units of ₹ 2,228.6286 each (31.03.2016 : 67,473.00 units ₹ 2,074.9040 each) of L&T Liquid Fund Direct Plan – Growth	26.75	14.00	—
Nil (31.03.2016 : 40 units of ₹ 2,000 each) of L&T Liquid Fund – Growth	—	0.01	—
1,26,186.00 (31.03.2016 : Nil) units of ₹ 1,822.9998 each of UTI Asset Management	23.00	—	—
83,478.00 (31.03.2016 : Nil) units of ₹ 1,796.8806 each of Axis Mutual Fund	15.00	—	—
2,90,884.793 (31.03.2016 : Nil) units of ₹ 240.7173 each of ICICI Prudential Liquid-Direct Plan- Growth	7.00	—	—
3,06,237.093 (31.03.2016 : Nil) units of ₹ 261.3091 each of Birla Sun Life Cash Plus- Growth - Direct Plan	8.00	—	—
17,649.291 (01.04.2015 : Nil) units of ₹ 3967.3577 each of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth	7.00	—	—
Nil (01.04.2015 : 44,55,361.069 units of ₹ 224.5966 each) of Birla Sun Life Cash Plus - Direct Plan - Growth	—	—	100.07
Nil (01.04.2015 : 3,62,32,146.610 units of ₹ 27.6128 each) of HDFC Liquid Fund - Direct Plan - Growth	—	—	100.05
Nil (01.04.2015 : 1,76,213.429 units of ₹ 2,839.767 each) of Kotak Liquid Scheme Plan A - Direct Plan - Growth	—	—	50.04
Nil (01.04.2015 : 2,25,778.936 units of ₹ 1,551.0657 each) of Axis Liquid Fund - Direct Plan - Growth	—	—	35.02
Nil (01.04.2015 : 73,325.620 units of ₹ 3,411.2624 each) of Reliance Liquid Fund Treasury Plan - Direct Plan - Growth	—	—	25.01
Current Investments- Financial Assets			
Investment in Equity Instruments (Fully Paid Up)			
2,97,28,500 (31.03.2016 : 2,97,28,500 ; 01.04.2015 : 78,00,000) Equity Shares of APA Services Private Limited of ₹ 10 each*	6.56	14.05	7.80
Investments in Commercial Paper			
Nil (31.03.2016 - 200.00 units of ₹ 5,00,000.00 each of Axis Finance Ltd.)	—	100.00	—
	687.08	592.40	566.68

* it has been classified as 'Current Investments' as the group has been persuing its plan to transfer the holdings.

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
NOTE - 15	TRADE RECEIVABLES			
a.	Secured, considered good	1,041.03	709.96	780.67
b.	Unsecured, considered good	518.71	704.62	925.88
c.	Unsecured, considered doubtful	30.83	17.81	7.86
		1,590.57	1,432.39	1,714.41
	Less : Allowances for bad and doubtful debts*	30.93	19.22	7.86
		1,559.64	1,413.17	1,706.55

* includes adjustment on account of Expected Credit Loss of ₹ 0.10 crore (31.03.2016 ₹ 1.41 crore and 01.04.2015 ₹ Nil).

NOTE - 16	CASH AND CASH EQUIVALENTS			
a.	Balances with banks			
	- In current accounts	919.25	288.95	378.10
	- Bank Deposits with original maturity of upto 3 months	162.90	253.06	280.44
b.	Cheques, drafts on hand	56.12	308.81	109.23
c.	Cash on hand	7.71	6.04	7.14
d.	Escrow	114.97	0.83	0.69
		1,260.95	857.69	775.60
	Less : Current account balance held in trust for customers in respect of certain subsidiaries	6.21	5.02	2.84
		1,254.74	852.67	772.76
e.	Disclosure on specified bank note (SBN) pursuant to notification no. G.S.R.308 (E) dated 30th March 2017 issued by The Ministry of Corporate Affairs :-			

		₹ in Crore	
Particulars		SBNs	
Closing cash in hand as on 08.11.2016		24.64	
Add : Permitted receipts		251.55	
Less : Permitted payments			
Less : Amount deposited in Banks		276.19	
Closing cash in hand (SBN) as on 30.12.2016		-	
Particulars		Other denomination notes	
Closing cash in hand as on 08.11.2016		0.82	
Add : Permitted receipts (net)		251.18	
Less : Permitted payments		2.12	
Less : Amount deposited in Banks		227.74	
Closing cash in hand (other denomination notes) as on 30.12.2016		22.14	
Particulars		Total	
Closing cash in hand as on 08.11.2016		25.46	
Add : Permitted receipts (net)		502.73	
Less : Permitted payments		2.12	
Less : Amount deposited in Banks		503.93	
Closing cash in hand as on 30.12.2016		22.14	

NOTE - 17	BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS			
	Unpaid Dividend	3.85	4.21	1.93
	Balances with banks to the extent held as margin money / security	347.47	340.13	274.45
		351.32	344.34	276.38

- a. Amount lying in deposit accounts with banks as at 31st March, 2017 includes ₹ 213.50 crore (31.03.2016 : ₹ 196.50 crore, 01.04.2015 : ₹ 185 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 ₹ 93.06 crore (31.03.2016 : ₹ 25.07 crore, 01.04.2015 : ₹ 32.11 crore) having maturity more than 12 months as on the reporting date.

Notes forming Part of Consolidated Financial Statements (Contd.)

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April 2015
NOTE-18	LOANS	1.52	3.35	2.33
	Security Deposits	0.65	1.80	3.96
	Loans to employees	–	1.00	3.00
	Advance to body corporates	2.17	6.15	9.29
NOTE - 19	OTHER FINANCIAL ASSETS			
	Security Deposits	23.88	0.69	–
	Interest accrued on Bank Deposits	13.08	13.42	6.52
	Derivative Asset	195.26	242.08	214.41
	Receivable towards claims and services rendered	44.47	29.44	6.41
	Interest receivable	8.44	–	0.69
	Advance against equity to body corporate	50.76	22.21	0.53
	Advance to projects	1.23	1.15	1.15
	Misc Advance to Body Corporate	2.04	0.23	–
	Unbilled Receivable	152.07	128.79	115.15
	Claims Receivable	0.71	2.64	0.34
	Other Financial Assets	11.16	5.82	7.34
		503.10	446.47	352.54
NOTE - 20	OTHER CURRENT ASSETS			
a.	Advances other than capital advances			
	Prepaid Lease Rentals	2.31	2.39	2.60
	Advance for goods and services	197.45	55.59	50.75
	Prepaid Insurance	10.28	7.79	6.23
	Unbilled Revenue	0.76	3.19	1.38
	Cenvat Credit	2.04	1.96	1.54
	Advances to employee	1.02	1.86	0.84
	Prepaid Expenses	18.00	17.02	21.70
b.	Others	219.59	178.43	172.93
		451.45	268.23	257.97
NOTE - 21	EQUITY			
a.	Authorised Share Capital			
	15,00,00,000 Equity Shares of ₹ 10 each	150.00	150.00	150.00
b.	Issued Capital			
	13,88,57,015 (31.03.2016 : 13,88,57,015 01.04.2015 : 13,88,57,015) Equity Shares of ₹ 10/- each	138.86	138.86	138.86
c.	Subscribed and paid up capital			
	13,25,57,043 (31.03.2016 :13,25,57,043, 01.04.2015 : 13,25,57,043) Equity Shares of ₹ 10/- each	132.56	132.56	132.56
d.	Forfeited Shares (amount originally paid up)	0.66	0.66	0.66
		133.22	133.22	133.22

Notes forming Part of Consolidated Financial Statements (Contd.)

- e. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2017		As at 31st March, 2016	
	No of Shares	Amount (₹) Crore	No of Shares	Amount (₹) Crore
Balance at the beginning of the year	13,25,57,043	132.56	13,25,57,043	132.56
Add : Share issued and allotted during the year	—	—	—	—
Closing Balance	13,25,57,043	132.56	13,25,57,043	132.56

For the period of five years immediately preceding 31 March, 2017, no share was : - (i) allotted as fully paid up pursuant to any contact 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 ₹ 10 per share fully paid up. Holders of equity shares are entitled to one vote per share. An Interim dividend of ₹ 10/- per equity share has been paid during the year ended 31st March 2017. 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, 2017		As at 31st March, 2016		As at 1st April, 2015#	
	No. of shares	% of holding	No. of shares	% of holding	No. of shares	% of holding
Rainbow Investments Limited [Refer Note 63(a)]	5,87,96,632	44	5,87,96,632	44	5,85,53,331	44
ICICI Asset Management Company Limited	97,11,354	7	1,55,56,679	12	—	—
HDFC Trustee Company Limited	1,19,30,021	9	1,19,09,021	9	1,12,05,021	8

As per closing balance as of 31 March, 2015

NOTE - 22 OTHER EQUITY

		As at 31st March, 2017	As at 31st March, 2016	₹ in Crore As at 1st April, 2015
A.	a. Capital Redemption Reserve	20.13	20.13	20.13
	b. Others			
	Securities Premium Account	1,745.90	1,738.07	1,738.03
	Fund for unforeseen exigencies	228.24	212.08	195.45
	Effective portion of cash flow hedges	60.32	39.70	50.96
	Foreign Currency Translation Reserve	90.33	158.89	149.41
	Employee stock option reserve	12.11	8.40	4.80
	Fair Value reserve	0.19	(2.19)	-
	Retained Earnings	8,332.25	8,295.41	8,354.08
		10,489.47	10,470.49	10,512.86
B.	a. Capital Redemption Reserve			
	Capital Redemption Reserve as at beginning of the year	20.13	20.13	
	Addition during the year	—	—	
		20.13	20.13	
	b. Others			
	i. Capital reserve on Consolidation	548.65	548.65	
	Less : Adjusted with Goodwill on consolidation	548.65	548.65	
		—	—	
	ii. Securities Premium Account as at beginning of the year	1,738.07	1,738.03	
	Addition during the year	7.83	0.04	
		1,745.90	1,738.07	
	iii. Fund for unforeseen exigencies at the beginning of the year	212.08	195.45	
	Add : Transfer during the year from Surplus	16.16	16.63	
	(Refer Note (h) below)	228.24	212.08	

Notes forming Part of Consolidated Financial Statements (Contd.)

	As at 31st March, 2017	As at 31st March, 2016
iv. Effective portion of cash flow hedges	39.70	50.96
Add / (Less) : Movement during the year	20.62	(11.26)
	60.32	39.70
v. Foreign Currency Translation Reserve as at the beginning of the year	158.89	149.41
Add : Movement during the year	(68.56)	9.48
	90.33	158.89
vi. Employee stock option reserve	8.40	4.80
Add / (less) : Movement during the year	3.71	3.60
	12.11	8.40
vii. Fair Value reserve	(2.19)	—
Add/ (less) : Remeasurements through OCI	2.38	(2.19)
	0.19	(2.19)
viii. Retained Earnings		
Surplus at the beginning of the year	8,295.41	8,354.08
Add : Profit for the year	690.84	598.48
Less: Transfer to fund for unforeseen exigencies	16.16	16.63
Less : Withdrawal on account of depreciation / amortisation on amount added on fair valuation (refer note 56)	318.41	309.61
Less : Withdrawal of the residual amount added on fair valuation consequent to sale/disposal of assets	23.09	4.91
Less: Consequent to change in group interest	118.08	10.94
Less: Dividend	132.56	251.86
Less: Dividend distribution tax on above	26.99	51.27
Less: Remeasurements of the net defined benefit plans - OCI	18.53	11.84
Less : Share option outstanding liability (reversed)	0.18	0.09
	8,332.25	8,295.41
	10,489.47	10,470.49

Retained Earnings as at 01.04.2015 has been credited with a sum of ₹ 6257.73 crore consequent to fair valuation of tangible assets as on that date with an impact of ₹ 5407.18 crore, with the remaining sum representing the balance of revaluation reserve standing in the books as on 31.03.2015.

Under the previous GAAP, proposed dividend were considered as adjusting events and recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings.

NOTE - 23 NON CURRENT - BORROWINGS

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A. Secured			
Term Loans			
(i) Rupee Term Loans - from banks	9,620.16	9,695.55	8,287.73
(ii) Rupee Term Loans - from financial institutions	346.50	929.59	802.56
(iii) Foreign Currency Loan - from banks	2,365.66	1,671.83	2,566.72
(iv) Finance Lease obligations	9.31	19.66	20.19
	12,341.63	12,316.63	11,677.20
B. Unsecured			
(i) Rupee Term loans - from banks	900.00	207.60	555.08
(ii) Rupee Term loans - from financial institutions	17.87	13.42	5.59
	917.87	221.02	560.67
Total	13,259.50	12,537.65	12,237.87
Less: Current maturities of long term borrowings (Including finance lease obligation 31.03.2017 : ₹ 5.19 crore, 31.03.2016 : ₹ 9.87 crore, 01.04.2015 : ₹ 11.45 crore) transferred to Other Current Liabilities (Refer Note 29)	1,637.41	2,086.29	2,142.69
	11,622.09	10,451.36	10,095.18

Notes forming Part of Consolidated Financial Statements (Contd.)

C Nature of Security :

- 1 (i) Out of the Term Loans in (A) above in respect of the Parent, ₹ 3825.60 crore are secured, ranking pari passu inter se, by equitable mortgage/hypothecation of the fixed assets of the Parent including its land, building and any other constructions thereon, plant and machinery etc., as a first charge and as a second charge by hypothecation of the Parent's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances. However, creation of the said mortgage security in respect of five Rupee loans aggregating ₹ 633.13 crore is in process. User rights in respect of a freehold land having a book value of ₹ 62.55 crore have been offered as security for financial assistance availed of by a subsidiary company to its lenders.
- (ii) ₹ 324.69 crore, in (A) above, in respect of the Parent, are secured, ranking pari passu inter se, by hypothecation of the movable fixed assets and current assets of the Parent by way of a charge subservient to the charge of the first and second charge holders on the said assets.
- 2 Out of the Term Loan in (A) above, ₹ 171.78 crore in respect of one of the subsidiaries, is secured by way of hypothecation with an exclusive charge on all movable fixed assets, current assets, and scheduled receivables of the subsidiary with respect to their Mall project, both present & future, and also with equitable assignments of all rights under the Development Agreement executed with the Parent.
- 3 Out of the Term Loan in (A) above, ₹ 3288.89 crore in respect of another subsidiary are secured, ranking pari passu inter se with first charge by way of equitable mortgage/ hypothecation of fixed assets of the subsidiary including its land, buildings, any other construction thereon where exists, plant and machinery etc. and hypothecation of subsidiary's current assets.
- 4 (i) Out of the Term Loan in (A) above, ₹ 2665.80 crore in respect of another subsidiary are secured, with first charge by way of mortgage / hypothecation of subsidiary's fixed assets including its land, buildings and the construction thereon where exists, plant and machinery etc. and hypothecation of the subsidiary's current assets.
- (ii) Out of the Term Loan in (A) above, loans amounting to ₹ 195.90 crore in respect of the above subsidiary are secured with second charge on all assets of the subsidiary.
- (iii) Out of the Term Loan in (A) above, loan of ₹ 455.00 crore in respect of the above subsidiary are secured with subservient charge on all current and movable fixed assets of the subsidiary.
- 5 In respect of one of the subsidiaries, the Term Loans of ₹ 604.36 crore in (A) above are secured / to be secured by an exclusive charge by way of mortgage/hypothecation in respect of the fixed assets of the subsidiary including its land, building, construction thereon where exist, plant & machinery etc. and by way of hypothecation of current assets of the subsidiary, with respect to the project for which the loan was availed. Creation of mortgage security as aforesaid on immovable fixed assets of the projects in Surendranagar (Gujarat), Nipaniya (Madhya Pradesh) and Rojmal/Amreli (Gujarat) are currently under process.
- 6 (i) In respect of certain subsidiaries, out of foreign currency loans, in (A) above, loans amounting to Rs. 107.93 crore is secured against pari passu charge on all current assets, non-current assets and fixed assets of the subsidiaries.
- (ii) Term Loan of ₹ 577.40 crore in (A) above, in respect of certain subsidiaries, is secured against pari passu charge on all current assets, non-current assets and fixed assets of certain subsidiaries and guarantee given by the subsidiaries.
- (iii) Finance lease obligation amounting to ₹ 9.31 Crore in (A) above, in respect of certain subsidiaries, is secured by way of hypothecation of underlying fixed assets taken on lease.
- 7 (i) Term loan of ₹ 40.26 crore in (A) above, in respect of certain subsidiaries, is secured by hypothecation of current assets of certain subsidiaries including its stock of stores, coal and other movable, book debts, monies receivables and bank balances and equitable mortgage / hypothecation of the subsidiary's fixed assets including its land, building and all constructions thereon and plant and machinery, both present and future with respect to the 40 MW AFBC Thermal Power project of the subsidiary near Asansol, West Bengal. The security mentioned above ranks pari passu inter se and with the security for overdrafts from banks and ranks prior to the security created / to be created for the facility co-borrowed jointly with certain subsidiary.
- (ii) Term loan of ₹ 82.94 crore in (A) above, in respect of one of the subsidiaries, is secured by an exclusive charge by way of mortgage/hypothecation in respect of fixed assets including its land, building, constructions thereon where exist, plant and machinery etc. and by way of hypothecation of current assets including book debts, receivables, projects related accounts, revenue of whatsoever nature and wherever arising (present and future) with respect to the 15MW Solar Power project at Ramanathpuram, Tamil Nadu.

Notes forming Part of Consolidated Financial Statements (Contd.)

Major terms of repayment of Non Current Borrowings disclosed in (A) & (B) above :

₹ in Crore

Maturity Profile of Non Current Borrowings outstanding as at 31st March 2017	Balance outstanding as on 31st March, 2017					Current Maturities
	Rupee Term Loan from Banks	Rupee Term Loan from Financial Institutions	Finance Lease Obligations	Foreign Currency Loans	Total	
Residual maturity of upto one year	9.70			218.75	228.45	228.45
Residual maturity between 1 and 3 years	1,615.84			1,451.67	3,067.51	768.48
Residual maturity between 3 and 5 years	631.24	17.87	9.31	146.93	805.35	145.02
Residual maturity between 5 and 10 years	2,049.15			548.31	2,597.46	304.97
Residual maturity beyond 10 years	6,214.23	346.50	—	—	6,560.73	190.49
Total	10,520.16	364.37	9.31	2,365.66	13,259.50	1,637.41
Interest on Rupee Term Loan from Banks and Financial Institutions are based on spread over Lender's Benchmark rate and that on Foreign Currency Loan based on spread over LIBOR. Long term borrowings included above are repayable in periodic instalments over the maturity period of the respective loans.						

Term loans of the parent from a Financial Institution as at 31.3.2015 has been disclosed under Term Loans from Banks during the year pursuant to the conversion of the Financial Institution into a bank during the year.

NOTE - 24 OTHER NON CURRENT- FINANCIAL LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016	₹ in Crore As at 1st April, 2015
Security Deposit against contracting service	30.98	7.72	(2.65)
Restoration liabilities	7.55	6.86	—
Others	140.03	160.49	261.33
(Includes unadjusted balance of sums received from consumer and long term lease obligations)			
	178.56	175.07	258.68

The Parent 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 NON CURRENT- PROVISIONS

			₹ in Crore
Provision for employee benefits	270.46	220.31	197.76
Other Provisions	2.36	2.26	1.82
	272.82	222.57	199.58

NOTE - 26 OTHER NON CURRENT LIABILITIES

₹ in Crore

a.	Advances			
	Receipt from consumers for capital jobs	108.38	82.77	81.09
	Financial Guarantee Obligation	—	0.09	0.17
	Others	6.68	—	—
b.	Others			
	Unearned Rent - Non current	0.31	0.84	2.09
	Advance from Tenant	0.14	0.14	0.15
	Deferred Revenue	0.72	0.87	1.03
		116.23	84.71	84.53

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE -27 CURRENT- BORROWINGS

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
A	Secured			
	Loans repayable on demand			
	Overdraft from banks	1,164.62	1,209.11	677.50
B	Unsecured			
	Loans repayable on demand			
	(i) Export Finance from banks	61.93	58.48	100.71
	(ii) Overdraft from banks	145.75	94.05	27.82
	(iii) Short term loan from banks	100.00	428.13	429.50
	(iv) Commercial Papers	900.00	550.00	700.00
	(v) Loans from bodies corporate	—	0.02	—
		2,372.30	2,339.79	1,935.53

c. Nature of Security

- The overdraft facilities from bank in respect of the Parent amounting to ₹ 735.13 crore in (A) (i) above are secured, ranking pari passu inter se, by hypothecation of the Parent's current assets comprising stock of stores, coal and other consumables, book debts, monies receivable and bank balances as a first charge and as a second charge by equitable mortgage/ hypothecation of the fixed assets of the Parent including its land, buildings and other constructions thereon where exists, plant and machinery etc. However, creation of the said mortgage security in respect of overdraft facilities from Banks aggregating ₹ 518 crore is in process.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 16.00 crore in (A) (i) above, is secured against margin money deposits.
- The overdraft facilities from banks in respect of one of the subsidiaries amounting to ₹ 92.83 crore in (A) (i) above, is secured with first charge by way of hypothecation of the subsidiary's current assets.
- The overdraft facilities in respect of certain subsidiaries amounting to ₹ 101.45 crore in (A) (i) above, is secured against all assets of certain subsidiary and by way of second charge on all assets of 40 MW thermal power project of the subsidiary.
- The overdraft facilities in respect of one of the subsidiary amounting to ₹ 0.03 crore in (A) (i) above, is secured ranking pari passu inter se, with first charge by way of equitable mortgage / hypothecation of fixed assets of the subsidiary including its land, building, any other construction thereon where exists, plant and machinery etc., and hypothecation of subsidiary's current assets.
- The overdraft facilities in respect of one of the subsidiary amounting to ₹ 26.11 crore in (A) (i) above, is secured by hypothecation of subsidiary's current and movable fixed assets.
- The overdraft facilities in respect of one of the subsidiary amounting to ₹ 95.30 crore in (A) (i) above, is secured by hypothecation of subsidiary's current and movable fixed assets (both present and future).
- The overdraft facilities in respect of one of the subsidiary amounting to ₹ 73.13 crore in (A) (i) above, is secured by second charge on gross margin (net of receivables and payables) to the extent allowed as per Distribution Franchisee Agreement of the subsidiary.
 - The overdraft facilities in respect of one of the subsidiary amounting to ₹ 24.64 crore in (A) (i) above, is secured by second charge on pari passu over subsidiary's current assets (both present and future).

NOTE - 28 TRADE PAYABLES

		₹ in Crore		
		As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a.	Total outstanding dues to micro enterprises and small enterprises	6.07	12.37	5.53
b.	Total outstanding dues of creditors other than micro enterprises and small enterprises	782.97	582.77	592.20
		789.04	595.14	597.73
c.	Nil (31.03.2016 : ₹ 0.02 crore, 01.04.2015 : ₹ Nil), ₹ 0.11 crore (31.03.2016 : ₹ 0.12 crore, 01.04.2015 : ₹ 0.08 crore) and ₹ 0.87 crore (31.03.2016 : ₹ 0.76 crore, 01.04.2015 : ₹ 0.64 crore) representing interest due on amount outstanding as at the year end, interest accrued and due for the period of delay in making payment during the year and interest accrued and remaining unpaid at the year end respectively pertaining to Micro and Small Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 on information available with the Company.			

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 29 OTHER FINANCIAL LIABILITIES

₹ in Crore

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a. Current maturities of long-term debt	1,632.22	2,076.42	2,131.24
b. Current maturities of finance lease obligations	5.19	9.87	11.45
c. Interest accrued but not due on borrowings	31.66	46.26	65.70
d. Interest accrued and due on borrowings	—	1.48	1.37
e. Liabilities on account of capital account	117.02	362.87	513.26
f. Unclaimed dividends	3.85	4.21	1.93
g. Book Overdraft in current account	48.95	51.66	54.71
h. Liabilities on put option	0.97	1.35	3.10
i. Others (refer note below)	280.39	370.37	327.02
	2,120.25	2,924.49	3,109.78

Note : Others include outstanding interest on consumer security deposit, employee related liability, creditors towards contractual obligations etc.

NOTE - 30 OTHER CURRENT LIABILITIES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a. Electricity duty payable	292.76	143.55	392.96
b. Liabilities for statutory dues	73.30	62.70	66.62
c. Employee benefits	87.52	88.03	71.49
d. Creditors for capital goods	3.37	22.50	19.76
e. Advance from Customers	10.59	1.02	1.16
f. Other Payables	68.28	8.59	26.45
	535.82	326.39	578.44

NOTE - 31 CURRENT PROVISIONS

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
a. Provision for employee benefits	81.41	67.28	60.26
b. Provision for Claims on Lease Property	11.37	11.14	11.13
c. Provision for Tax Disputes	2.68	2.23	1.83
	95.46	80.65	73.22

NOTE - 32 REGULATORY DEFERRAL ACCOUNT BALANCES

REGULATORY DEFERRAL ACCOUNT BALANCES -CREDIT BALANCES

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	2,359.83	2,478.00	2,274.96

REGULATORY DEFERRAL ACCOUNT BALANCES -DEBIT BALANCES (Refer Note no. 43 for details)

	As at 31st March, 2017	As at 31st March, 2016	As at 1st April, 2015
	3,653.42	3,677.23	3,606.47

NOTE -33 CONTINGENT LIABILITIES AND COMMITMENTS

- a. Claims against the group not acknowledged as debts :

- (i) The West Bengal Taxation Tribunal had held meter rentals received by the Parent company from consumers to be deemed sales under the provisions of the Bengal Finance (Sales Tax) Act, 1941 and that sales tax was payable on such rentals. Based on such findings the Commercial Taxes Directorate assessed ₹ 0.69 crore as sales tax on meter rentals received during the year ended 31st March, 1993 and raised a demand of ₹ 0.36 crore on account of interest. Against the above demand, the Parent company had deposited a sum of ₹ 0.75 crore with the sales tax authorities and obtained a stay against the balance demand from the Deputy Commissioner of Commercial Taxes. The sales tax authorities also indicated their intention to levy such sales tax on meter rentals for the subsequent years as well, against which, the Parent company filed a writ petition in the Calcutta High Court and prayed for an interim order, inter alia, restraining the sales tax authorities from proceeding with the assessment for the subsequent years till disposal of the appeal. An interim order has been issued by the High Court permitting the sales tax authorities to carry out assessments but restraining them from serving any assessment order on the Parent company. The disposal of the case is still pending.
- (ii) Retailers Association of India (RAI) of which the Group is a member, has filed Special Leave Petition before the Hon'ble Supreme Court of India, about the applicability of service tax on commercial rent on immovable property. Pending disposal of the case, the Supreme Court has passed an interim ruling in Oct. 11 directing the members of RAI to pay 50% of total service tax liability up to September 2011 to the department and to furnish a surety for balance 50%. The Supreme Court has also clarified that the successful party in the appeal shall be entitled to interest on the amount stayed by the Court, at such rate as may be directed at the time of the final disposal of appeal. Accordingly the Group has already deposited ₹ 4.60 Crores and furnished a surety for ₹ 4.60 Crores towards the balance service tax liability, while interest, whose quantum and applicability is presently not ascertainable, will be provided on the disposal of the petition, if required. Further, the Group has also been making provision for service tax on rent from October 2011 onwards, the balance whereof as on 31st March 2017 is ₹11.37 Crores (31st March 2016 : ₹ 11.13 Crores, 1st April 2015 : ₹11.13 Crores).

Notes forming Part of Consolidated Financial Statements (Contd.)

- b. An Appeal under the Electricity Act, 2003 has been filed before the Hon'ble Appellate Tribunal for Electricity (APTEL) by two Appellants against the Hon'ble Uttar Pradesh Electricity Regulatory Commission's Order dated April 20, 2016, wherein the Hon'ble UPERC has approved the Power Purchase Agreement between one subsidiary in power business and Noida Power Company Limited for supply of 170 MW power for a period of 25 years. The applications for 'Leave to file Appeal' and 'Condonation of Delay' in this matter are pending for disposal and accordingly financial impact, if any, cannot be ascertained at this stage.

- c. Other money for which the Group is contingently liable :

		₹ in Crore
Particulars	31st March, 2017	31st March, 2016
- Income Tax (refer Note below)	248.51	273.58
- Sales tax demands under appeal	9.33	9.32
- Service tax demands under appeal	22.75	22.75
- Gurantees given	—	0.62
- Claim against the Group not acknowledged as debt	12.24	—
- Entry Tax	22.96	17.67
- Bank Guarantee	91.60	—
- Letter of credit	172.76	—
- Guarantees given to the Government of India, Customs and Central excise department in relation to duty securities.	1.80	—
- Guarantee to ABP Corporation to discharge obligation, if any, in event of default	Not Quantified	Not Quantified

Note :

Income Tax demands under appeal, pending in different forums, in respect of which the subsidiaries/associates do not expect any unfavourable outcome.

Tax paid under protest for various assessment years amounting to ₹22.86 Crore (31.03.2016 : ₹ 23.54 Crore)

- d. Commitments of the Company on account of estimated amount of contracts remaining to be executed on capital account and the same (letter of comfort) towards borrowing / financing obligations of subsidiaries and a body corporate from banks, not provided for amounting to ₹ 609.43 crore (31.03.2016 : ₹ 204.53 Crore, 01.04.2015 : ₹ 251.35 crore), ₹ 1550.05 Crore (31.03.2016 : ₹ 1585.33 Crore, 01.04.2015 : ₹ 1597.48 Crore) and ₹ Nil (31.03.2016 : 77.07 Crore , 01.04.2015 : ₹ 104.59 Crore) respectively.
- e. For commitment relating to leasing arrangement, refer Note 45
- f. Outstanding Bank Gurantee (favouring Govt. of U.P. in respect of Licence under section 14 of Electricity Act, 2003 given to an Associate Company) ₹ 0.05 crore (31 March 2016 : ₹ 0.05 Crore and 01 April 2015 : ₹ 0.05 Crore).

₹ in Crore

NOTE -34 REVENUE FROM OPERATIONS

		2016-17	2015-16
a.	Earnings from Sale of Electricity	7,999.29	6,892.56
b.	Earnings from Sale of Retail products (net of Excise Duty)	1,934.57	1,730.52
c.	Earnings from Sale of Services	3,471.34	3,164.06
d.	Earnings from Mall Operations	85.22	79.78
e.	Earnings from Contracting Service	8.82	10.70
f.	Other Operating Revenue		
	Revenue from sponsorship, brand etc.	51.13	—
	Meter Rent	53.66	47.31
	Contribution from Consumer	130.21	121.05
	Others	169.26	78.21
		13,903.50	12,124.19

- g. Earnings from sale of electricity in respect of the parent 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 ₹ 82.86 crore (previous year : ₹ 76.95 crore). In accordance with Appendix C of Ind AS 18, contribution received from consumers for the acquisition or construction of property, plant and equipment has been recognised by the Parent as revenue when the service is performed. Consequent to this change, contribution from consumers as on 1 April 2015 has been reclassified as Retained Earnings and income has been recognised under Other Operating Revenue in the Statement of Profit and Loss for the year ended 31 March 2016.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 35 OTHER INCOME

		₹ in Crore
	2016-17	2015-16
a. Interest Income	41.11	42.54
b. Dividend Income	—	3.35
c. Income from Recoveries and Services	77.07	66.72
d. Gain on sale of current investments (net)	56.05	76.44
e. Profit on sale of assets (net)	1.04	0.95
f. Other Non -operating Income	123.47	73.67
	298.74	263.67

NOTE - 36 COST OF MATERIALS CONSUMED IN RETAIL BUSINESS

	2016-17	2015-16
Opening Stock of Raw Material	1.08	1.40
Add : Purchases	34.66	12.90
Less : Closing stock of Raw Material	1.84	1.08
	33.90	13.22

NOTE - 37 CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK- IN -PROGRESS

	2016-17	2015-16
(Increase)/decrease in stocks		
Stock at the beginning of the year :		
Finished Goods	0.11	0.23
Stock -in-trade	194.57	174.09
Total (A)	194.68	174.32
Less : Stock at the end of the year :		
Finished Goods	0.06	0.11
Stock-in-trade	240.47	194.57
Total (B)	240.53	194.68
(Increase)/Decrease in stocks (A-B)	(45.85)	(20.36)

NOTE - 38 COST OF FUEL FOR POWER BUSINESS

- The consumption of coal for the year 2016-17 works out to 78,34,182 tonnes (Previous Year 67,21,934 tonnes) having a value of ₹ 2,509.97 crore (Previous Year ₹ 2,141.23 Crore).
- Cost of fuel shown in the Profit and Loss account includes freight of ₹ 374.95 crore (Previous Year ₹ 310.85 crore) and gain of ₹ 2.22 crore (Previous year gain ₹ 1.26 Crore) towards exchange fluctuation and is net off write back of Nil (Previous Year ₹ 170.46 Crore) pursuant to settlement on this count.
- The consumption of oil for the year 2016-17 works out to 3636.70 Kilolitres (Previous year 6068.80 Kilolitres) having a value of ₹ 16.76 Crore (Previous Year ₹ 29.26 Crore)

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE -39 EMPLOYEE BENEFIT EXPENSES

₹ in Crore

	2016-17	2015-16
A.		
a. Salaries, wages and bonus	3,287.04	2,933.10
b. Contribution to provident and other funds	181.68	190.03
c. Employees' welfare expenses	159.02	141.07
	3,627.74	3,264.20
Less : Allocated / transfer to capital account etc.	162.13	134.33
	3,465.61	3,129.87
Less : Transfer to Other Comprehensive Income	51.34	46.23
	3,414.27	3,083.64
(i) Provident fund	84.71	80.70

(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	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	300.24	(250.56)	49.68
Current service cost	20.09	—	20.09
Interest expense/(income)	23.15	(19.40)	3.75
Total amount recognised in profit or loss	43.24	(19.40)	23.84
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	—	0.23	0.23
(Gain)/loss from change in demographic assumptions	0.03	—	0.03
(Gain)/loss from change in financial assumptions	3.61	—	3.61
Experience (gains)/losses	23.01	0.01	23.02
Total amount recognised in other comprehensive income	26.65	0.24	26.89
Employer contributions	—	(45.70)	(45.70)
Benefit payments	(31.23)	31.23	—
31-Mar-16	338.90	(284.19)	54.71

Gratuity	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	338.90	(284.19)	54.71
Current service cost	21.79	—	21.79
Interest expense/(income)	24.84	(20.95)	3.89
Past service cost	0.16	—	0.16
Total amount recognised in profit or loss	46.79	(20.95)	25.84
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	—	(6.36)	(6.36)
(Gain)/loss from change in demographic assumptions	0.01	—	0.01
(Gain)/loss from change in financial assumptions	19.96	—	19.96
Experience (gains)/losses	15.45	0.02	15.47
Total amount recognised in other comprehensive income	35.42	(6.34)	29.08
Employer contributions	—	(45.77)	(45.77)
Benefit payments	(30.69)	30.69	—
31-Mar-17	390.42	(326.56)	63.86

Notes forming Part of Consolidated Financial Statements (Contd.)

The net liability disclosed above relates to funded plan is as follows:			
Gratuity	31-Mar-17	31-Mar-16	01-April-15
Present value of funded obligation (DBO)	390.42	338.90	300.24
Fair value of plan assets	326.56	284.19	250.56
Deficit of funded plan	63.86	54.71	49.68
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	63.86	54.71	49.68

Leave Obligation	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	107.50	–	107.50
Current service cost	3.16	–	3.16
Interest expense/(income)	8.36	–	8.36
Total amount recognised in profit or loss	11.52	–	11.52
<i>Remeasurements</i>			
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	0.34	–	0.34
Experience (gains)/losses	10.48	–	10.48
Total amount recognised in other comprehensive income	10.82	–	10.82
Employer contributions	–	(8.19)	(8.19)
Benefit payments	(8.20)	8.19	(0.01)
31-Mar-16	121.64	–	121.64

Leave Obligation	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	121.64	–	121.64
Current service cost	10.42	–	10.42
Interest expense/(income)	9.43	–	9.43
Past service cost	0.04	–	0.04
Total amount recognised in profit or loss	19.89	–	19.89
<i>Remeasurements</i>			
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	6.83	–	6.83
Experience (gains)/losses	6.85	–	6.85
Total amount recognised in other comprehensive income	13.68	–	13.68
Employer contributions	–	(7.90)	(7.90)
Benefit payments	(7.92)	7.90	(0.02)
31-Mar-17	147.29	–	147.29

The net liability disclosed above relates to unfunded plan is as follows:			
Leave obligation	31-Mar-17	31-Mar-16	1-April-15
Present value of unfunded obligation (DBO)	147.29	121.64	107.50
Fair value of plan assets	–	–	–
Deficit of unfunded plan	147.29	121.64	107.50
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	147.29	121.64	107.50

Notes forming Part of Consolidated Financial Statements (Contd.)

Post retirement medical benefit	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	42.23	–	42.23
Current service cost	1.46	–	1.46
Interest expense/(income)	3.29	–	3.29
Past Service Cost	–	–	–
Total amount recognised in profit or loss	4.75	–	4.75
<i>Remeasurements</i>			
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	7.74	–	7.74
Experience (gains)/losses	(2.64)	–	(2.64)
Total amount recognised in other comprehensive income	5.10	–	5.10
Employer contributions	–	(0.34)	(0.34)
Benefit payments	(1.59)	0.34	(1.25)
31-Mar-16	50.49	–	50.49

Post retirement medical benefit	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	50.49	–	50.49
Current service cost	2.89	–	2.89
Interest expense/(income)	3.91	–	3.91
Past Service Cost	6.04	–	6.04
Total amount recognised in profit or loss	12.84	–	12.84
<i>Remeasurements</i>			
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	4.75	–	4.75
Experience (gains)/losses	(1.26)	–	(1.26)
Total amount recognised in other comprehensive income	3.49	–	3.49
Employer contributions	–	(2.15)	(2.15)
Benefit payments	(2.15)	2.15	–
31-Mar-17	64.67	–	64.67

The net liability disclosed above relates to unfunded plan is as follows :			
Post-employment medical benefits	31-Mar-17	31-Mar-16	01-April-15
Present value of unfunded obligation (DBO)	64.67	50.49	42.23
Fair value of plan assets	–	–	–
Deficit of unfunded plan	64.67	50.49	42.23
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	64.67	50.49	42.23

Notes forming Part of Consolidated Financial Statements (Contd.)

Pension	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	24.68	–	24.68
Current service cost	–	–	–
Interest expense/(income)	1.92	–	1.92
Past Service Cost	5.70	–	5.70
Total amount recognised in profit or loss	7.62	–	7.62
<i>Remeasurements</i>			
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	4.10	–	4.10
Experience (gains)/losses	(0.68)	–	(0.68)
Total amount recognised in other comprehensive income	3.42	–	3.42
Employer contributions	–	(4.45)	(4.45)
Benefit payments	(4.45)	4.45	–
31-Mar-16	31.27	–	31.27

Pension	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	31.27	–	31.27
Current service cost	0.25	–	0.25
Interest expense/(income)	2.42	–	2.42
Past Service Cost	10.13	–	10.13
Total amount recognised in profit or loss	12.80	–	12.80
<i>Remeasurements</i>			
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	1.97	–	1.97
Experience (gains)/losses	3.12	–	3.12
Total amount recognised in other comprehensive income	5.09	–	5.09
Employer contributions	–	(5.15)	(5.15)
Benefit payments	(5.15)	5.15	–
31-Mar-17	44.01	–	44.01

The net liability disclosed above relates to unfunded plan is as follows:			
Pension	31-Mar-17	31-Mar-16	01-April-15
Present value of unfunded obligation (DBO)	44.01	31.27	24.68
Fair value of plan assets	–	–	–
Deficit of unfunded plan	44.01	31.27	24.68
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	44.01	31.27	24.68

Notes forming Part of Consolidated Financial Statements (Contd.)

Interest rate guarantee on provident fund	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-15	–	–	–
Current service cost	–	–	–
Interest expense/(income)	–	–	–
Past Service Cost	–	–	–
Total amount recognised in profit or loss	–	–	–
<i>Remeasurements</i>			
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	–	–	–
Experience (gains)/losses	–	–	–
Total amount recognised in other comprehensive income	–	–	–
Employer contributions	–	–	–
Benefit payments	–	–	–
31-Mar-16	–	–	–

Interest rate guarantee on provident fund	Present value of obligation	Fair value of plan assets	Total amount
01-Apr-16	–	–	–
Current service cost	–	–	–
Interest expense/(income)	–	–	–
Past Service Cost	–	–	–
Total amount recognised in profit or loss	–	–	–
<i>Remeasurements</i>			
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	–	–	–
Experience (gains)/losses	–	–	–
Total amount recognised in other comprehensive income	–	–	–
Employer contributions	–	–	–
Benefit payments	–	–	–
31-Mar-17	–	–	–

The net liability disclosed above relates to unfunded plan is as follows :			
Interest rate guarantee on provident fund	31-Mar-17	31-Mar-16	01-April-15
Present value of unfunded obligation (DBO)	–	–	–
Fair value of plan assets	–	–	–
Deficit of unfunded plan	–	–	–
Unrecognized assets	–	–	–
Reimbursement rights	–	–	–
Net liability / (asset) recognized in BS	–	–	–

Notes forming Part of Consolidated Financial Statements (Contd.)

(iii) The expected maturity analysis of undiscounted gratuity, leave, post-employment medical benefits & pension is as follows:

	1st year	Between 2-5 years	Between 6-10 years	More than 10 years	Total
31-Mar-17					
Gratuity	47.20	171.98	171.49	251.91	642.58
Leave obligation	15.42	57.28	66.83	162.15	301.68
Post-employment medical benefits	2.24	13.54	25.57	190.91	232.26
Pension	6.07	28.64	32.11	60.50	127.32
Interest rate guarantee on provident fund	—	—	—	—	—
Total	70.93	271.44	296.00	665.47	1,303.84
31-Mar-16					
Gratuity	29.32	163.33	163.10	251.76	607.51
Leave obligation	9.65	51.96	59.29	138.27	259.17
Post-employment medical benefits	2.50	10.07	19.46	161.40	193.43
Pension	5.77	23.99	24.25	50.11	104.12
Interest rate guarantee on provident fund	—	—	—	—	—
Total	47.24	249.35	266.10	601.54	1,164.23
01-Apr-15					
Gratuity	26.63	144.73	159.58	250.56	581.50
Leave obligation	8.54	43.50	56.82	132.41	241.27
Post-employment medical benefits	2.17	8.15	16.47	142.70	169.49
Pension	0.72	4.01	7.20	39.55	51.48
Interest rate guarantee on provident fund	—	—	—	—	—
Total	38.06	200.39	240.07	565.22	1,043.74

(iv) Sensitivity Analysis :

Gratuity	31-Mar-17	31-Mar-16	01-Apr-15
DBO at 31.3 with discount rate +1%	362.85	304.81	270.36
Corresponding service cost	18.34	15.93	10.32
DBO at 31.3 with discount rate -1%	411.79	346.47	309.24
Corresponding service cost	21.87	18.73	12.22
DBO at 31.3 with +1% salary escalation	405.52	345.18	309.64
Corresponding service cost	21.53	18.74	12.28
DBO at 31.3 with -1% salary escalation	364.85	304.11	269.01
Corresponding service cost	18.42	15.84	10.23
DBO at 31.3 with +50% withdrawal rate	386.48	324.90	289.10
Corresponding service cost	20.01	17.27	11.23
DBO at 31.3 with -50% withdrawal rate	385.19	323.99	288.24
Corresponding service cost	19.92	17.04	11.17
DBO at 31.3 with +10% mortality rate	386.19	324.71	288.92
Corresponding service cost	19.99	17.25	11.21
DBO at 31.3 with -10% mortality rate	385.49	324.18	288.42
Corresponding service cost	19.94	17.07	11.19

Notes forming Part of Consolidated Financial Statements (Contd.)

Leave Obligation	31-Mar-17	31-Mar-16	01-April-15
DBO at 31.3 with discount rate +1%	155.24	113.11	99.74
Corresponding service cost	26.66	2.33	2.04
DBO at 31.3 with discount rate -1%	182.12	131.63	116.66
Corresponding service cost	33.36	2.84	2.49
DBO at 31.3 with +1% salary escalation	185.46	132.64	117.63
Corresponding service cost	33.60	2.87	2.52
DBO at 31.3 with -1% salary escalation	152.31	112.21	98.87
Corresponding service cost	26.42	2.30	2.01
DBO at 31.3 with +50% withdrawal rate	168.02	122.00	107.86
Corresponding service cost	29.81	2.79	2.25
DBO at 31.3 with -50% withdrawal rate	167.38	121.52	107.42
Corresponding service cost	29.57	2.66	2.24
DBO at 31.3 with +10% mortality rate	167.82	121.87	107.75
Corresponding service cost	29.72	2.75	2.25
DBO at 31.3 with -10% mortality rate	167.58	121.65	107.53
Corresponding service cost	29.66	2.66	2.24

Post-employment medical benefits	31-Mar-17	31-Mar-16	01-April-15
DBO at 31.3 with discount rate +1%	57.61	46.79	37.67
Corresponding service cost	2.12	1.35	–
DBO at 31.3 with discount rate -1%	73.45	54.52	47.05
Corresponding service cost	3.33	1.58	–
DBO at 31.3 with +0.5% benefit escalation	68.88	52.69	45.13
Corresponding service cost	3.05	1.53	–
DBO at 31.3 with -0.5% benefit escalation	60.88	48.41	39.63
Corresponding service cost	2.35	1.34	–
DBO at 31.3 with +50% withdrawal rate	64.27	50.14	41.89
Corresponding service cost	2.58	1.31	–
DBO at 31.3 with -50% withdrawal rate	65.10	50.81	42.49
Corresponding service cost	2.94	1.48	–
DBO at 31.3 with +10% mortality rate	63.55	49.53	41.34
Corresponding service cost	2.58	1.32	–
DBO at 31.3 with -10% mortality rate	65.90	51.55	43.19
Corresponding service cost	2.95	1.49	–

Pension	31-Mar-17	31-Mar-16	01-Apr-15
DBO at 31.03 with discount rate +1%	41.05	29.11	21.79
Corresponding service cost	0.22	–	–
DBO at 31.03 with discount rate -1%	47.38	33.63	2,961.88
Corresponding service cost	0.28	–	–
DBO at 31.03 with +10% mortality rate	42.69	30.33	23.94
Corresponding service cost	0.24	–	–
DBO at 31.03 with -10% mortality rate	45.46	32.30	25.50
Corresponding service cost	0.25	–	–

Notes forming Part of Consolidated Financial Statements (Contd.)

Interest rate guarantee on Provident Fund	31-Mar-17	31-Mar-16	01-Apr-15
Int guarantee Liability 31.03 with discount rate +1%	—	—	—
Int guarantee Liability 31.03 with discount rate -1%	42.72	42.15	41.54
Int guarantee Liability 31.03 with EPFO rate +0.5%	19.47	20.27	23.34
Int guarantee Liability 31.03 with EPFO rate -0.5%	—	—	—
Int guarantee Liability 31.03 with portfolio rate +0.5%	—	—	—
Int guarantee Liability 31.03 with portfolio rate -0.5%	19.47	20.27	23.34

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 compare to the prior period.

(v) **Major categories of total plan assets**

Gratuity	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	323.03	280.47	246.19
thereof non-quoted market price	323.03	280.47	246.19
Equity instruments	—	—	—
thereof non-quoted market price	—	—	—
Debt instruments	—	—	—
thereof non-quoted market price	—	—	—
Real estate investments	—	—	—
thereof non-quoted market price	—	—	—
All other instruments	—	—	—
thereof non-quoted market price	—	—	—
Total	323.03	280.47	246.19

Post-employment medical benefits	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	—	—	—
thereof non-quoted market price	—	—	—
Equity instruments	—	—	—
thereof non-quoted market price	—	—	—
Debt instruments	—	—	—
thereof non-quoted market price	—	—	—
Real estate investments	—	—	—
thereof non-quoted market price	—	—	—
All other instruments	—	—	—
thereof non-quoted market price	—	—	—
Total	—	—	—

Notes forming Part of Consolidated Financial Statements (Contd.)

Leave Obligation	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	–	–	–
thereof non-quoted market price	–	–	–
Equity instruments	–	–	–
thereof non-quoted market price	–	–	–
Debt instruments	–	–	–
thereof non-quoted market price	–	–	–
Real estate investments	–	–	–
thereof non-quoted market price	–	–	–
All other instruments	–	–	–
thereof non-quoted market price	–	–	–
Total	–	–	–

Pension	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	–	–	–
thereof non-quoted market price	–	–	–
Equity instruments	–	–	–
thereof non-quoted market price	–	–	–
Debt instruments	–	–	–
thereof non-quoted market price	–	–	–
Real estate investments	–	–	–
thereof non-quoted market price	–	–	–
All other instruments	–	–	–
thereof non-quoted market price	–	–	–
Total	–	–	–

Interest rate guarantee on providend fund	31-Mar-17	31-Mar-16	01-Apr-15
Cash & cash equivalents	–	–	–
thereof non-quoted market price	–	–	–
Equity instruments	–	–	–
thereof non-quoted market price	–	–	–
Debt instruments	–	–	–
thereof non-quoted market price	–	–	–
Real estate investments	–	–	–
thereof non-quoted market price	–	–	–
All other instruments	–	–	–
thereof non-quoted market price	–	–	–
Total	–	–	–

Notes forming Part of Consolidated Financial Statements (Contd.)

(vi) **Actuarial assumptions**

31-Mar-17					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	6.68-7.50%	6.68-7.50%	7.10%	7.10%	7.10%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

31-Mar-16					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.75-8.00%	7.75%	7.75%	7.75%	7.75%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

01-April-15					
Particulars	Gratuity	Leave obligation	Medical	Pension	Interest guarantee
Discount rate current year (%)	7.78-7.90%	7.78-7.90%	7.78%	7.78%	7.78%
Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate	Indian Assured Lives Mortality (2006-08) ultimate	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Before Separation-Indian Assured Lives Mortality (2006-08) ultimate & After separation-from service : LIC (1996-98) Ultimate rated down by 5 years	Indian Assured Lives Mortality (2006-08) ultimate

Notes forming Part of Consolidated Financial Statements (Contd.)

Duration	2016-17	2015-16	2014-15
Employees Gratuity Fund	7.55	9.40	7.45
Executive Gratuity Fund	6.77	7.54	7.00
Leave Encashment	7.63	9.40	9.11
PRMB - Non Cov	10.33	9.40	13.16
PRMB - Cov	13.78	7.54	13.16
Pension	12.76	7.54	8.30

	31-Mar-17			
	Gratuity	Leave obligation	Medical	Pension
Expected contributions to be paid for next year	69.85	–	–	–

	31-Mar-16			
	Gratuity	Leave obligation	Medical	Pension
Expected contributions to be paid for next year	55.25	–	–	–

	01-April-15			
	Gratuity	Leave obligation	Medical	Pension
Expected contributions to be paid for next year	53.76	–	–	–

(vii) **Plan assets consist of funds maintained with LIC, ICICI prudential, Birla Sun Life and HDFC Standard Life.**

Gratuity	2016-17	2015-16	2014-15
Actual return on plan assets (₹ cr.)	27.11	18.92	23.68

(viii) **Risk exposure**

Credit Risk: If the scheme is insured and fully funded on PUC basis there is a credit risk to the extent the insurer(s) is/ are unable to discharge their obligations including failure to discharge in timely manner. Also in case of interest guarantee Exempt Provident Funds have to follow laid down investment norms and to that extent credit risk will be limited. However, as such funds can also invest in corporate bonds and other stock market securities credit and counter party risk will be present to that extent. Such instruments should be regularly reviewed so as to keep credit risk under control.

Pay-as-you-go Risk: For unfunded schemes financial planning could be difficult as the benefits payable will directly affect the revenue and this could be widely fluctuating from year to year. Moreover there may be an opportunity cost of better investment returns affecting adversely the cost of the scheme.

Discount Rate risk: The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase in the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Liquidity Risk: This risk arises from the short term asset and liability cash-flow mismatch thereby causing the company being unable to pay the benefits as they fall due in the short term. Such a situation could be the result of holding large illiquid assets disregarding the results of cash-flow projections and cash outflow mismatch. (Or it could be due to insufficient assets/cash.)

Future Salary Increase Risk: In case of gratuity & leave the scheme cost is 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). In case Gratuity there is a risk of change in the regulations requiring higher gratuity payments (e.g. raising the present ceiling of ₹ 10,00,000, raising accrual rate from 15/26 etc.) 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. There is a risk of change in the regulations requiring higher guarantee cost to be provided. Also EPFO Rate in each year is determined by the Authority based on the investment performance of EPFO managed PF among other things.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE -40 FINANCE COSTS

		₹ in Crore
	2016-17	2015-16
a Interest expense	1,451.71	1,470.58
b Other Borrowing Costs	62.48	45.05
c Applicable net loss on foreign currency transactions and translation	2.74	—
	1,516.93	1,515.63
Less : Allocated to capital account	19.78	21.29
	1,497.15	1,494.34

Weighted average capitalisation rate used is 8.66 % (previous year 6.73%)

Under Ind AS, transaction costs incurred towards origination of borrowings are amortised over the tenure of the loan as part of interest expense using the effective interest rate method.

NOTE -41 DEPRECIATION AND AMORTISATION EXPENSES

		₹ in Crore
	2016-17	2015-16
Depreciation/ amortisation on tangible assets	1,091.88	1,032.13
Amortisation on intangible assets	42.93	43.97
	1,134.81	1,076.10
Less : Recoupment from Retained Earnings (refer note 56)	318.41	309.62
	816.40	766.48

NOTE -42 OTHER EXPENSES

		₹ in Crore
	2016-17	2015-16
a Power and Fuel	52.67	85.98
b Packing Materials Consumed	6.35	5.46
c Consumption of stores and spares	271.87	298.88
d Repairs		
Building	30.77	19.25
Plant and Machinery	142.55	155.30
Distribution System	138.02	96.83
Others	37.37	34.71
	348.71	306.09
e Insurance	43.74	40.11
f Rent	288.13	248.95
g Rates and taxes	36.59	31.49
h Bad debts / Advances made	32.65	38.68
i Loss on sale / disposal of assets (net)	9.06	2.97
j Allowances for doubtful debts , Store/Lease Deposits/ advances made /Security Deposit	0.77	7.69
k Interest on Consumers' Security Deposits	109.89	98.60
l Foreign Exchange Restatement	11.60	22.49
m Corporate social responsibility activities	24.00	21.42
n Miscellaneous expenses*	1,202.45	900.57
	2,438.48	2,109.38
Less : Allocated / transfer to capital etc.	160.94	193.96
	2,277.54	1,915.42

* includes amount paid for political contribution to Satya Electoral Trust ₹ 9.5 crore (previous year : ₹ Nil)

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 43 REGULATORY (INCOME) / EXPENSES - NET

- a 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. The effect of adjustments - (income)/expenses, relating to (a) advance against depreciation, (b) cost of electrical energy purchased, fuel related costs and those having bearing on revenue account, as appropriate, based on the Company's understanding of the applicable available regulatory provisions and available orders of the competent authorities, (c) effect of exchange fluctuation including MTM gain, amounting to ₹ 211.19 crore (Previous year ₹ 150.11 crore), (₹ 252.00 crore) (Previous year ₹ 31.89 crore), and ₹ (4.80 crore) (Previous year ₹ 22.31 crore) respectively have been shown as Regulatory (Income)/Expenses with corresponding sums, reflected in Balance-sheet as Regulatory Deferral Account Balance (see Note 19). The Company has accounted for advance against depreciation considered in Tariff Orders, based on actual repayment of the applicable loans effected against depreciation charged off for the corresponding periods, which hitherto had been accounted for based on the individual annual tariff orders, resulting in credit of ₹ 100.72 crore.
- b Regulatory deferral account debit balance comprise the effect of (a) exchange fluctuation, (b) tax amounting to ₹ 3,554.76 crore (31.3.2016 : ₹ 3,506.01 crore and 01.04.2015 : ₹ 3,412.13 crore) and ₹ 98.66 crore (31.3.2016 : ₹ 171.22 crore and 01.04.2015 : ₹ 194.34 crore) respectively and that relating to credit balance comprise the effect of (a) advance against depreciation, (b) cost of fuel and purchase of power and other adjustments having bearing on revenue account and (c) MTM Gain amount to ₹ 73.99 crore (31.3.2016 : ₹ 151.35 crore and 01.04.2015 : ₹ 130.32 crore), ₹ 1,220.88 crore (31.3.2016 : ₹ 1009.69 crore and 01.04.2015 : ₹ 859.58 crore) and ₹ 1064.96 crore (31.3.2016 : ₹ 1316.96 crore and 01.04.2015 : ₹ 1285.06 crore) respectively.
- c The accurate quantification and disposal of the matters with regard to Regulatory deferral account balances, are being given effect to, from time to time, after conclusion of the concerned event/year, as appropriate, on receipt of necessary direction from the appropriate authorities relating to the applicable matters in a comprehensive way including those attributable to the mining of coal from Sarisatolli mine which commenced from 10 April, 2015 following the said mine having been allotted to the Company effective 1 April 2015 pursuant to the auction conducted by the Ministry of Coal, Government of India under the provisions of the applicable laws.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 44 BUSINESS SEGMENTS INFORMATION

₹ in Crore

	Power		Retail		Property		Process Outsourcing		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Segment Revenue	10,602.51	9,010.83	2,037.77	1,823.89	112.88	87.18	3,558.82	3,226.70	16,311.98	14,148.60
Intersegment Revenue	(2,090.11)	(1,752.33)	-	(0.15)	(17.53)	(6.16)	(2.10)	(2.10)	(2,109.74)	(1,760.74)
Total Segment Revenue	8,512.40	7,258.50	2,037.77	1,823.74	95.35	81.02	3,556.72	3,224.60	14,202.24	12,387.86
Segment Result Before Depreciation, Interest, Tax and exceptional items & OCI	3,002.15	2,843.23	(29.67)	(52.27)	44.54	54.54	439.07	397.41	3,456.09	3,242.91
Depreciation (including amortisation of Intangible assets)	709.49	654.65	37.43	40.75	10.51	10.20	58.96	60.88	816.39	766.48
Segment Result Before Interest, Tax and exceptional items	2,292.66	2,188.58	(67.10)	(93.02)	34.03	44.34	380.11	336.53	2,639.70	2,476.43
Less : Unallocated Finance cost									1,497.15	1,494.34
Add : Share in net Profit of associate									48.39	64.02
Less : Exceptional items									0.46	3.97
Profit before Taxation and Minority Interest									1,190.48	1,042.14
Provision for taxation									380.29	313.01
Profit after Taxation before Minority Interest									810.19	729.13
Other Comprehensive Income/(expense) [Net]									(86.15)	20.47
Segment Assets	33,224.70	32,245.95	557.01	505.91	491.15	488.45	1,190.94	906.74	35,470.41	34,147.05
Unallocated Assets									2,434.68	2,646.15
Total Assets									37,905.09	36,793.20
Segment Liabilities	5,859.58	5,777.42	336.41	286.35	273.27	37.04	282.60	286.40	6,538.61	6,387.21
Unallocated Liability									19,533.74	18,710.28
Total Liabilities									26,072.35	25,097.49

Note :

Unallocated Assets comprise of consolidated goodwill ₹ 2010.56 cr, Deferred Tax Asset (net) ₹ 407.60 cr and Current Tax Asset ₹ 16.52 cr (31.03.16 : ₹ 2249.97 cr, ₹ 370.77 cr and ₹ 25.41 cr respectively; 31.03.15 : ₹ 2134.20 cr, ₹ 319.79 cr and ₹ 19.69 cr respectively)

Unallocated Liabilities comprise of borrowings ₹ 15631.79 cr, Deferred Tax Liabilities (net) ₹ 3887.28 cr and Current Tax Liabilities ₹ 14.67 cr (31.03.16 : ₹ 14877.44 cr, ₹ 3830.66 cr and ₹ 2.18 cr respectively; 31.03.15 : ₹ 14173.40 cr, ₹ 3733.03 cr and ₹ 0.01 cr respectively)

Business Segments :

The internal business segmentations and the activities encompassed therein are as follows:

Power: Generation/Distribution of electricity

Retail : Organised Retailing

Property : Property Development

Process Outsourcing : Business Process Outsourcing

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 45 LEASES

(a) With respect to Parent :

Future rentals payable in respect of non-cancellable leases for assets comprising various equipment and vehicles acquired under operating leases for the period ranging between 36-60 months work out to ₹ 2.39 crore (as on 31.03.2016 : ₹ 3.45 crore, as on 01.04.2015 : ₹ 3.50 crore) and ₹ 3.01 crore (as on 31.03.2016 : ₹ 5.78 crore, as on 01.04.2015 : ₹ 10.21 crore) during next one year and thereafter till five years respectively. There are no restrictions in respect of such leases.

Future minimum lease obligation payable on leasehold land during next one year ₹ 0.83 crores (as on 31.03.2016 : ₹ 0.83 crore) later than one year but not later than five years ₹ 2.64 crore (as on 31.03.2016 : ₹ 2.64 crore) and later than five years ₹ 3.65 crore (as on 31.03.2016 : ₹ 3.84 crore).

(b) With respect to certain Subsidiaries:

- (i) Certain subsidiaries have taken retail stores, office facilities, residential facilities and office equipments on operating lease and the lease rent is payable as per the agreements entered into with the lessors. Agreements are both in the nature of cancellable and non-cancellable leases. The lease term is for varied years and renewable for further years as per the agreements at the option of the subsidiaries. There are no restrictions imposed by these lease agreements. The details of lease rentals payable are given below :

Operating Leases

₹ in Crore

	2016-17	2015-16
Lease payments for the year	224.35	201.73
Future minimum lease payments –		
Not later than one year	134.16	125.65
Later than one year but not later than five years	381.35	360.70
Later than five years	555.33	576.98

The Group is obligated under non-cancellable operating leases for office space and office equipment which are renewable on a periodic basis at the option of both the lessor and lessee. Expenses under non-cancellable operating leases for the year ended 31 March 2017 aggregated to ₹ 54.94 crore (31 March 2016 : ₹ 45.64 crore).

The Group also leases office facilities and residential facilities under cancellable operating leases that are renewable on a periodic basis at the option of both the lessor and lessee. Expenses under cancellable operating leases for the year ended 31 March 2017 is ₹ 57.66 crore (31 March 2016 : ₹ 54.77 crore).

The Group has sub-leased office facilities under an operating lease. Amount receivable within one year from the balance sheet date is ₹ 1.83 crore (31 March 2016 : ₹ 2.43 crore). Additionally, the Company leases office facilities under cancellable operating leases. The rental expense under cancellable operating lease for the year ended March 31, 2017 is ₹ 0.19 crore (Previous year ₹ 0.34 crore).

- (ii) Subsidiaries in process outsourcing business have acquired certain capital assets under finance lease. Future minimum lease payments under finance lease as at 31st March 2017 are as follows :

₹ in Crore

As at 31st March, 2017	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount payable within one year from the balance sheet date	5.48	0.44	5.04
Amount payable in the period between one year and five years	4.53	0.26	4.27
	10.01	0.70	9.31

- (iii) Subsidiaries in process outsourcing business have given vehicles on finance lease to its employees as per policy. As at 31st March 2017, the future minimum lease rentals receivables are as follows :

₹ in Crore

As at 31st March, 2017	Minimum lease payments	Finance charges	Present value of minimum lease payments
Amount receivable within one year from the balance sheet date	1.42	0.24	1.18
Amount receivable in the period between one year and five years	1.72	0.19	1.53
	3.14	0.43	2.71

Notes forming Part of Consolidated Financial Statements (Contd.)

- (c) With respect to subsidiaries in Process Outsourcing business, assets taken on finance lease included in the Fixed Assets Note No. 5 is as follows :

₹ in Crore

As at 31st March, 2017	Tangible Assets			
	Leasehold Buildings and Structures	Office Equipments	Plant and Equipment	Furniture and Fixtures
Gross Block (at cost)	19.75	6.37	25.97	3.24
Less : Accumulated Depreciation / Amortisation	10.83	6.37	16.00	1.99
Net Block	8.92	—	9.97	1.25

- (d) With respect to subsidiaries in Electricity Generation, assets taken on finance lease included in the Fixed Assets is as follows :

₹ in Crore

As at 31st March 2017	Building
Gross Block (at cost)	1.11
Accumulated Depreciation / Amortisation	0.02
Net Block	1.09

Lease hold Land

These lease agreements are non-cancellable in nature and cannot be terminated during the tenure of lease. These agreements are generally renewable by mutual consent on mutually agreeable terms. In all the cases, lease rent are paid at the time of inception of lease agreement and no amount is payable during the tenure of lease. The tenure of lease agreement varies from 90 years or 99 years. As generally, rent for the complete tenure of the lease is paid upfront, there are no periodic escalation in the lease rent.

NOTE-46 The major components of net Deferred Tax Assets / (Liabilities) based on the timing difference as at 31st March, 2017 are as under :

Deferred Tax Assets (net)

₹ in Crore

Assets	2016-17	2015-16	01.04.2015
Business loss and Unabsorbed depreciation	229.67	216.77	186.17
Property Plant & Equipment (land)	1.14	0.56	0.53
Other Timing Differences	176.79	153.44	133.09
Net Deferred Tax Assets	407.60	370.77	319.79

Deferred Tax Liabilities (net)

₹ in Crore

Liabilities	2016-17	2015-16	01.04.2015
Excess of tax depreciation over book depreciation	3,856.99	3,745.84	3645.68
Property Plant & Equipment	44.16	53.61	48.66
Other Timing difference	65.30	78.42	78.77
Assets			
Business loss and Unabsorbed depreciation	(33.78)	(0.64)	(0.18)
Other Timing Differences	(45.39)	(46.57)	(39.90)
Net Deferred Tax Liability	3,887.28	3,830.66	3,733.03

NOTE-47 EARNINGS PER SHARE:

- (i) Computation of Earnings per share

Particulars	2016-17	2015-16
A. Profit After Tax (₹ in Crore)	690.84	598.48
B. Weighted Average no. of shares for Earnings per share	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	52.12	45.15

Particulars	2016-17	2015-16
A. Total Comprehensive Income (₹ in Crore)	626.00	597.63
B. Weighted Average no. of shares for Earnings per share	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	47.22	45.08

Notes forming Part of Consolidated Financial Statements (Contd.)

(ii) Computation of Earnings per share - excluding regulatory (income)/ expense (net)

Particulars	2016-17	2015-16
Profit After Tax (₹ in Crore)	654.98	759.13
Weighted Average no. of shares for Earnings per share	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	49.41	57.27

Particulars	2016-17	2015-16
A. Total Comprehensive Income (₹ in Crore)	688.17	910.29
B. Weighted Average no. of shares for Earnings per share	13,25,57,043	13,25,57,043
Basic and Diluted Earnings per share of ₹ 10/- = [(A) / (B)] (₹)	51.89	68.68

NOTE - 48 Certain subsidiaries in the organised retail industry, have accumulated losses exceeding shareholder's funds as on the balance sheet date. The subsidiaries, however, having created robust infrastructure for organised retail business, is confident of generating positive cash flows and operational surplus in the near future. The parent has also committed to provide continued financial and governance support to the subsidiaries. Further, the losses for the subsidiaries are reducing and the subsidiaries are also operating at a positive EBITDA in aggregate at store level. Therefore, the subsidiaries are confident about the continuity of its operations and long term viability.

NOTE - 49 FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT :

The regulated operations of generation and distribution of electricity are governed by the provisions of the Electricity Act 2003 and Regulations framed thereunder by the West Bengal Electricity Regulatory Commission and accordingly the 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 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. Availability of capital and liquidity is also managed, in consonance with the applicable regulatory provisions.

The Group also undertakes various other businesses which are exposed to a variety of financial risks, market risks, and liquidity risks which are dependent on the nature of the respective businesses. The Senior Management oversees the management of these risks and reviews and agrees policies for managing each of these risks.

The market risks primarily comprises of interest rate risk and foreign exchange risk which affects loans and borrowings, deposits, foreign exchange forward and options contracts. The exposure to credit risks for other businesses at reporting date is primarily from trade receivables and unbilled revenue. Credit risk has always been managed by the Group by continuously monitoring the credit worthiness of the customers to which the Group grants credit terms in the normal course of business.

The Group's approach to manage liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due .

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.

Dividend

An interim dividend of ₹ 159.55 crore (previous year : ₹ 159.55 crore) inclusive of dividend tax has been paid during the year ended 31 March 2017.

NOTE - 50 Exceptional item in respect of one of the subsidiaries include capital work in progress representing indirect expenses incurred incidental to setting up of a 2000MW Thermal Power Plant at Pirpainti Anhal near Bhagalpur in the State of Bihar till 31.03.2016, the commercial production of which has not yet commenced. Due to uncertainties in the development of the project, the group considers it prudent to write off in the current year the amount which was brought forward as Capital work in progress from the previous financial year.

NOTE - 51 EMPLOYEE STOCK OPTION PLANS

Certain subsidiaries have following stock option plans:

Stock option Scheme 2002 ('Scheme 2002')

In September 2002, the Board of the Company had approved the Scheme 2002, which covers the employees and directors of the Company including its holding Company and subsidiaries. The Scheme was administered and supervised by the members of the Nomination and Remuneration Committee (then called the Compensation cum Board Governance Committee) (the 'Committee'). The Scheme 2002 was revoked during the financial year 2015-16 as all the options granted under it had been vested and exercised and remaining options had been cancelled. There was no activity under the Scheme 2002 during the year.

Employee stock option Scheme 2003 ('Scheme 2003')

In September 2003, the Board and the members of said subsidiary approved the ICICI OneSource Stock Option Scheme 2003 ('Scheme 2003') effective 11 October 2003. The Scheme would be administered and supervised by the members of the Compensation committee. The key terms and conditions which were included in Scheme 2003 in line with Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (Share Based Employee Benefits) Regulations 2014).

The subsidiary amended the Scheme 2003 in line with the SEBI (Share Based Employee Benefits) Regulations, 2014.

Key changes effected in Scheme 2003 during the year 2015-16 were as follows :

- Change in the definition of employee to exclude Independent Director, any employee who is a promoter or belonging to promoter group or a director who himself or through his relative or any body corporate, holds more than 10% of the equity capital of the Company.
- Change in definition of exercise period to specifically mention about exercise period of 10 years from the date of grant.

Definition of relevant date has been included which means- (i) in the case of grant, the date of the meeting of the compensation committee on which the grant is made; or (ii) in the case of exercise, the date on which the notice of exercise is given to the Company.

- Change in the name of Compensation Committee to Nomination and Remuneration Committee (herein after referred as 'Committee').

As per the Scheme, the Committee issued stock options to the employees at an exercise price equal to the fair value on the date of grant, as determined by an independent valuer. The Scheme provides that these options would vest in tranches over a period of four years as follows :

Period within which options will vest unto the participant	% of options that will vest
End of 12 months from the date of grant of options	25
End of 18 months from the date of grant of options	12.5
End of 24 months from the date of grant of options	12.5
End of 30 months from the date of grant of options	12.5
End of 36 months from the date of grant of options	12.5
End of 42 months from the date of grant of options	12.5
End of 48 months from the date of grant of options	12.5

Further, the participants shall exercise the options within a period of ten years from the date of the grant of the options.

- Exercise price to be determined based on a fair valuation carried out at the beginning of every six months for options granted during those respective periods.

After the subsidiary has been listed on any stock-exchange, the Exercise Price shall be determined by the Committee on the date the Option is granted in accordance with, and subject to, Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended by SEBI (Share Based Employee Benefits) Regulations 2014).

Notes forming Part of Consolidated Financial Statements (Contd.)

The Compensation Cum Board Governance Committee of the Company, at its meeting held on 27 April 2006, amended the vesting schedule for stock options granted on 1 May 2006 to General Managers and above grade employees and to non-executive directors. The vesting schedule for 15,980,000 stock options granted pursuant to the above is set forth below:

Period within which options will vest unto the participant	% of options that will vest
End of 24 months from the date of grant of options	50%
End of 36 months from the date of grant of options	50%

ESOP 2003

Employee stock option activity under Scheme 2003 is as follows:

Description	Exercise Range	Shares arising out of options	Weighted Average period in months	Weighted Average exercise price	Weighted Average period in months
Outstanding at the beginning of the year	00.00 - 30.00	1,80,49,075	77.34	2,86,28,602	85.71
	30.01 - 60.00	76,46,842	61.89	1,07,60,188	33.75
	60.01 - 90.00	8,00,000	14.91	29,19,262	31.57
		2,64,95,917		4,23,08,052	
Granted during the year	00.00 - 30.00	–			
	30.01 - 60.00	35,50,000		33,50,000	
	60.01 - 90.00	–			
		35,50,000		33,50,000	
Forfeited during the year	00.00 - 30.00	7,95,510		37,33,250	
	30.01 - 60.00	8,16,988		61,68,646	
	60.01 - 90.00	60,000		21,19,262	
		16,72,498		1,20,21,158	
Exercised during the year*	00.00 - 30.00	66,01,065		67,28,453	
	30.01 - 60.00	13,92,360		2,95,000	
	60.01 - 90.00	–			
		79,93,425		70,23,453	
Expired during the period	00.00 - 30.00	–		1,17,824	
	30.01 - 60.00	10,09,807		–	
	60.01 - 90.00	1,00,000		–	
		11,09,807		1,17,824	
Outstanding at the end of the year	00.00 - 30.00	1,06,52,500	66.81	1,80,49,075	77.34
	30.01 - 60.00	79,77,687	69.71	76,46,542	61.89
	60.01 - 90.00	6,40,000	5.43	8,00,000	14.91
		1,92,70,187		2,64,95,617	
Exercisable at the end of the year	00.00 - 30.00	86,52,500	63.00	1,23,28,100	70.96
	30.01 - 60.00	24,42,694	47.71	38,82,942	16.77
	60.01 - 90.00	6,40,000	6.73	8,00,000	17.78
		1,17,35,194		1,70,11,042	

* The weighted average share price of these options was ₹ 19.74 and ₹ 16.79 for the year ended 31 March 2017 and 31 March 2016 respectively

Notes forming Part of Consolidated Financial Statements (Contd.)

The key assumptions used to estimate the fair value of options are :

	March, 2017	March, 2016
Dividend yield	0%	0%
Expected Life	5.5-7 years	5.5-7 years
Risk free interest rate	6.50% to 9.06%	6.50% to 9.06%
Volatility	0% to 75%	0% to 75%
Model Used	Black & Scholes	Black & Scholes

The expense arises from equity settled share based payment transaction amounting to ₹ 39.41 and ₹ 35.49 for the year ended 31 March 2017 and 31 March 2016 respectively.

NOTE - 52 DERIVATIVES

As at 31st March, 2017, certain subsidiaries have derivative financial instruments to sell USD 6.54 crore (31st March, 2016 : USD 3.7 crore, 01 April 2015 : USD 4.2 crore) having fair value gain of ₹ Nil (31st March, 2016 : gain of ₹ 3.42, 01 April 2015 : gain of ₹ 5.07 crores), GBP 5.39 crore (31st March, 2016 : GBP 5.72 crore, 01 April 2015: GBP 6.3 crore) having fair value gain of ₹ Nil (31st March, 2016 : gain of ₹ 49.33 crore, 01 April 2015: gain of ₹ 67.72 crores) relating to highly probable forecasted transactions.

NOTE - 53 The unhedged foreign exchange exposure of the Group in respect of foreign currency loan, interest, trade payable etc. as on 31st March 2017 amounts to ₹ 1.76 crore (31.03.2016 : ₹ 0.93 crore).

NOTE - 54 In terms of the provisions of Companies Act, 2013, the required Corporate Social Responsibility (CSR) spending works out to ₹ 22.06 crore (previous year : ₹ 16.59 crore), which has been met by way of contribution to a trust set up for the said purpose and direct expenditure of ₹ 15.47 crore (previous year : ₹ 14.57 crore) and ₹ 6.59 crore (₹ 2.02 crore) respectively.

Certain subsidiaries have contributed to the Trust created by the Parent company for activities for promoting Healthcare, Art/ Culture, Sports and Education. These subsidiaries have spent ₹ 2.63 crore during the year on CSR activities.

NOTE - 55 Additional levy amounting to ₹ 998 crore paid to the account of the Central Government, in terms of the provisions of the Coal Mines (Special Provisions) Ordinance, 2014, read with the Coal Mines (Special Provisions) Rules, 2014 framed thereunder, Coal Mines (Special Provisions) Second Ordinance, 2014 and Coal Mines (Special Provisions) Act, 2015, relating to the output of Sarishatoli Coal block for meeting part of the Company's coal requirement since inception to 31st March, 2015, has been considered as recoverable (accounted for in the year ended 31st March 2015 partly as receivable of Rs. 897 crore and balance as fuel cost) by way of tariff in terms of the applicable laws/regulations, for which appropriate reference was made to West Bengal Electricity Regulatory Commission, and being pursued by the management. Based on such reference/persuasion, the management expects a favourable outcome in the matter.

Consequent to accounting under Ind-AS framework effective 01.04.2015, the aforesaid receivable, discounted to its present value of ₹ 116 crore, based on an expected period of recovery as at the date of transition, has been adjusted with retained earnings, in accordance with the transitional provisions of the said framework.

NOTE - 56 As on the date of transition the group has adopted fair valuation of its Property, Plant and Equipment of the Parent in order to bring its valuation to the current replacement cost. The total fair valuation carried out by an independent approved valuer amounting to ₹ 5,407 crore has been accounted at the transition date, 01.04.2015 and the incremental value generated therefrom has been included in Retained Earnings contained in Note 22.

Notes forming Part of Consolidated Financial Statements (Contd.)

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 relatable to the increase in value of assets arising from fair valuation, which for the current year amounts to ₹ 318.41 crore (previous year - ₹ 309.62 crore) and corresponding withdrawal of ₹ 23.09 crore (previous year : ₹ 4.91 crore) consequent to sale / disposal of such assets.

NOTE - 57 The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.

NOTE - 58 Disclosure on specified bank note (SBN) pursuant to notification no. G.S.R.308 (E) dated 30 March 2017 issued by The Ministry of Corporate Affairs is given in note no. 16(e).

NOTE - 59 Liability in respect of the security deposit collected by the parent 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 - 60 The Board has adopted a Composite Scheme of Arrangement under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 amongst the Company and some of its subsidiaries viz CESC Infrastructure Limited, Spencer's Retail Limited, Music World Retail Limited, Spen Liq Private Limited, New Rising Promoters Private Limited, Haldia Energy Limited, RP-SG Retail Limited, RP-SG Business Process Services Limited and Crescent Power Limited and their respective shareholders ("the Scheme"). The Scheme which is subject to requisite approvals including those of the shareholders, National Company Law Tribunal and other statutory/regulatory authorities and, inter alia, provides for the following :

- (a) amalgamation of CESC Infrastructure Limited, Spencer's Retail Limited and Music World Retail Limited with the Parent company;
- (b) Demergers of (i) Generation Undertaking (as defined in the Scheme) of the Company to Haldia Energy Limited, (ii) Retail Undertaking 1 (as defined in the Scheme) of the Company and Retail Undertaking 2 (as defined in the Scheme) of Spencer's Retail Limited ("SRL") to RP-SG Retail Limited ("Retail Co") and (iii) IT Undertaking of the Company to RP-SG Business Process Services Limited ("IT Co").
- (c) amalgamation of Spen Liq Private Limited with IT Co;
- (d) amalgamation of New Rising Promoters Private Limited with Crescent Power Limited
- (e) reduction and cancellation of the existing shareholding of the Company in HEL, Retail Co and IT Co; and
- (f) reduction of the face value of the equity share of the Company from ₹ 10 per share to ₹ 5 per share and subsequent consolidation of two equity shares of the Company of ₹ 5 each into one equity share of ₹ 10 each.

As consideration, holders of equity shares of the Parent will be entitled to fully paid equity shares as follows :

- a) 1 equity share of ₹ 10/- (Indian Rupees Ten) of Haldia Energy Limited (each credited as fully paid up) for every 2 equity shares of ₹ 10/- (Rupees Ten) of the Company.
- b) 3 equity shares of ₹ 10/-(Indian Rupees Ten) of RP-SG Retail Limited (each credited as fully paid up) for every 5 equity shares of ₹ 10/- (Rupees Ten) of the Company.
- c) 1 equity share of ₹ 10/- (Indian Rupees Ten) of RP-SG Business Process Service Limited (each credited as fully paid up) for every 5 equity shares of ₹ 10/- (Rupees Ten) of the Company.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE-61A Statement pursuant to requirement of Schedule III to the Companies Act 2013 relating to Company's interest in subsidiary companies / Associates / Joint venture for the year ended 31 March 2017

Sl No.	Name of the Entities	Country of Incorporation	31-Mar-17		2016-17		2016-17		2016-17	
			Net Assets	As % of Consolidated Net Assets	Profit	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive Income
	Parent									
	CESC Limited	India	13,323.75	125.43%	862.86	124.90%	(39.11)	60.31%	823.75	131.59%
	Subsidiaries - Indian									
1	Spencer's Retail Limited (SRL)	India	198.96	1.87%	(107.58)	(15.57%)	(21.81)	33.63%	(129.39)	(20.67%)
2	Music World Retail Limited (100% subsidiary of SRL)	India	(21.04)	(0.20%)	(0.01)	(0.00%)	–	0.00%	(0.01)	(0.00%)
3	Au Bon Pain Café India Limited (91.3% subsidiary of SRL)	India	19.83	0.19%	(19.28)	(2.79%)	(0.01)	0.02%	(19.29)	(3.08%)
4	Omnipresent Retail India Private Limited (100% subsidiary of SRL)	India	2.37	0.02%	(11.21)	(1.62%)	(0.06)	0.09%	(11.27)	(1.80%)
5	Guilftree Industries Limited (100% subsidiary of SRL)	India	(0.73)	(0.01%)	(1.32)	(0.19%)	–	0.00%	(1.32)	(0.21%)
6	Quest Properties India Limited (QPIL)	India	214.30	2.02%	8.11	1.17%	(0.09)	0.13%	8.02	1.28%
7	Metromark Green Commodities Private Limited (100% subsidiary of QPIL)	India	1.82	0.02%	(0.22)	(0.03%)	–	0.00%	(0.22)	(0.03%)
8	CESC Infrastructure Limited (CIL)	India	2,902.63	27.32%	6.71	0.97%	0.53	(0.82%)	7.25	1.16%
9	Haldia Energy Limited (100% of CIL)	India	1,642.52	15.46%	296.51	42.92%	(0.38)	0.59%	296.13	47.30%
10	Dhariwal Infrastructure Limited (100% of CIL)	India	715.25	6.73%	(483.90)	(70.05%)	(0.35)	0.54%	(484.25)	(77.36%)
11	Surya Vidyut Limited (70% CESC, 30% HEL)	India	265.46	2.50%	3.24	0.47%	(0.00)	0.00%	3.24	0.52%
12	Nalanda Power Company	India	0.03	0.00%	(0.46)	(0.07%)	–	0.00%	(0.46)	(0.07%)
13	CESC Projects Limited	India	4.10	0.04%	(5.75)	(0.83%)	(0.17)	0.26%	(5.92)	(0.95%)
14	Pachi Hydropower Projects Limited	India	1.60	0.02%	(0.00)	(0.00%)	–	0.00%	(0.00)	(0.00%)
15	Papu Hydropower Projects Limited	India	0.79	0.01%	(0.01)	(0.00%)	–	0.00%	(0.01)	(0.00%)
16	Ranchi Power Distribution Company Limited	India	(1.53)	(0.01%)	(4.82)	(0.70%)	0.09	(0.14%)	(4.73)	(0.76%)
17	Kota Electricity Distribution Limited (formerly known as Sheesham Commercial Private Limited) (50% DIL, 50% CESC)	India	4.36	0.04%	(35.43)	(5.13%)	–	0.00%	(35.43)	(5.66%)
18	Bharatpur Electricity Services Limited (formerly known as Wigeon Commotrade Private Limited) (33% DIL, 33% HEL, 34% CESC)	India	15.42	0.15%	(4.24)	(0.61%)	–	0.00%	(4.24)	(0.68%)
19	Bikaner Electricity Supply Limited (formerly known as Water Hyacinth Comosale Private Limited) (50% HEL, 50% CESC)	India	1.86	0.02%	(0.12)	(0.02%)	–	0.00%	(0.12)	(0.02%)
20	Crescent Power Limited (67.83% CESC)	India	256.97	2.42%	47.61	6.89%	(0.13)	0.20%	47.48	7.58%
21	New Rising Promotors Private Limited	India	(64.29)	(0.61%)	(61.34)	(8.88%)	–	0.00%	(61.34)	(9.80%)
22	Spen Liq Private Limited	India	472.10	4.44%	(0.02)	(0.00%)	–	0.00%	(0.02)	(0.00%)
23	Firstsource Solutions Limited (FSL)	India	1,999.40	18.82%	188.46	27.28%	18.05	(27.84%)	206.51	32.99%
24	Firstsource Process Management Services Ltd.	India	3.10	0.03%	0.09	0.01%	–	0.00%	0.09	0.01%
	Subsidiaries - Foreign									
25	Firstsource Group USA, Inc. (FG USA) (100% subsidiary of FSL)	USA	1,162.10	10.94%	(68.74)	(9.95%)	3.35	(5.17%)	(65.39)	(10.45%)
26	Firstsource BPO Ireland Ltd. (100% subsidiary of FSL)	Ireland	25.41	0.24%	0.09	0.01%	(2.24)	3.45%	(2.16)	(0.34%)
27	Firstsource Solutions UK Ltd. (FS UK) (100% subsidiary of FSL)	UK	295.61	2.78%	73.46	10.63%	(48.95)	75.49%	24.51	3.92%
28	Firstsource-Dialog Solutions Pvt. Ltd. (74% subsidiary of FSL)	Sri Lanka	4.52	0.04%	(2.92)	(0.42%)	(0.18)	0.28%	(3.10)	(0.49%)
29	ISGN Fulfillment Services LLC (ISGN)	USA	1.55	0.01%	(15.07)	(2.18%)	0.51	(0.79%)	(14.56)	(2.33%)
30	Firstsource Business Process Services, LLC (100% subsidiary of FG USA)	USA	143.72	1.35%	(0.01)	(0.00%)	–	0.00%	(0.01)	(0.00%)
31	Firstsource Advantage, LLC (100% subsidiary of FBPS)	USA	148.42	1.40%	8.63	1.25%	(7.64)	11.78%	0.99	0.16%
32	Firstsource Solutions S.A. (Argentina) (100% subsidiary of FS UK)	Argentina	–	0.00%	–	0.00%	–	0.00%	–	0.00%
33	Firstsource Transaction Services, LLC (100% subsidiary of FS SA)	USA	153.80	1.45%	18.35	2.66%	0.75	(1.16%)	19.10	3.05%
34	Firstsource Solution USA LLC	USA	–	0.00%	–	0.00%	–	0.00%	–	0.00%
35	One Advantage LLC (100% subsidiary of FBPS)	USA	35.22	0.33%	19.86	2.87%	0.34	(0.52%)	20.20	3.23%
36	Medassist Holding LLC (100% subsidiary of FG USA)	USA	1,937.58	18.24%	55.03	7.97%	(11.92)	18.38%	43.11	6.89%
37	ISGN Solutions LLC (100% subsidiary of FG USA)	USA	314.09	2.96%	1.27	0.18%	(0.06)	0.09%	1.21	0.19%
38	ISGN Fulfillment Agency LLC (100% subsidiary of ISGN)	USA	–	0.00%	–	0.00%	–	0.00%	–	0.00%
39	Bantal Singapore Pte Limited	Singapore	5.88	0.06%	(0.15)	(0.02%)	2.35	(3.63%)	2.20	0.35%
	Non Controlling interest		(1,210.05)	(11.39%)	(119.35)	(17.28%)	21.31	(32.86%)	(98.04)	(15.66%)
	Investment in Associates (Equity Method)									
40	Noida Power Company Limited	India	404.95	3.81%	48.39	7.00%	(0.12)	0.19%	48.27	7.71%
	Adjustment		(14,759.14)	(138.94%)	(5.88)	(0.84%)	21.10	(32.50%)	15.22	2.43%
			10,622.69	100%	690.84	100%	(64.84)	100%	626.00	100%

- Notes : i) Nanobi Data and Analytics Private Limited is an associate of the process outsourcing business which is not material to the group.
 ii) The Group's interests in jointly controlled entity (incorporated joint venture) remains in Mahuagarhi Coal Company Private Limited. However the entity, being not material, has not been considered for consolidation purpose.

Notes forming Part of Consolidated Financial Statements (Contd.)

Note -61B

(i) Investment in Associate and Joint Venture

The Group holds 49.55% stake in Noida Power Company Limited accounted for in Equity method amounting to ₹ 404.95 crore (31.03.16 : ₹ 342.82 crore, 01.04.2015 : ₹ 284.19 crore).

Investment in equity share of Noida Power Company Limited, which were earlier considered as temporary Investment held for sale has been accounted for as an Associate under Ind AS from the transition date i.e 01.04.2015.

The table below provides summarised financial information for Noida Power Company Limited which is material to the group. The information disclosed reflects the amount presented in the financial statements of Noida Power Company Limited and not group's share of those amount.

(₹ in Crore)

Summarised Balance Sheet	Noida Power Company Limited		
	31 March 2017	31 March 2016	1 April 2015
Assets			
Current assets	187.33	184.76	163.82
Current liabilities	228.40	322.06	354.97
Net Current Assets	(41.07)	(137.30)	(191.15)
Non Current assets	874.64	776.96	694.47
Non current liabilities	348.42	443.95	464.52
Net Non Current Assets	526.22	333.01	229.95
Regulatory Deferral Account Balances	284.19	494.27	532.86

For Commitment and Contingency - Refer note 33

₹ in Crore

Summarised Statement of Profit and Loss	Noida Power Company Limited	Noida Power Company Limited
	31 March 2017	31 March 2016
Revenue	1,114.59	985.79
Profit / (Loss) after tax	222.90	92.16
Net Movement in Regulatory deferral & related Deferred Tax	(125.24)	37.04
Profit / (Loss) after net movement in Regulatory deferral account balances	97.66	129.20
Total Other Comprehensive Income for the year, net of tax	(0.25)	(0.05)
Total Comprehensive Income for the year	97.41	129.15
Group share in profit / (loss) in Associate/Joint Venture for the year	48.39	64.02
Group share in OCI in Associate/Joint Venture for the year	(0.12)	(0.02)
Dividend Received	7.43	4.46

For immaterial Joint Venture and Associate, refer note 3 (B) & 3 (C)

- (ii) The associate of the Group in respect of various elements of its power purchase price including transmission charges for the period 1993-94 to 1999-2000 and 2006-07 to 2014-15 have pending claims from/to UPPCL and UPTCL, which are contested in the Hon'ble Supreme Court of India/UPERC as applicable. Pending final resolution of the matters in different forum, the impact of the said proceedings on the associates and the Group cannot be accurately quantified excepting payments made by the associate from time to time amounting to ₹ 30.77 crores which is considered as recoverable.

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 61C 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.

Summarised Balance Sheet	Firstsource Solutions Limited (Consolidated)**			Crescent Power Limited (Consolidated)			Au Bon Pain Café India Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Assets									
Current assets	782.52	647.49	605.40	193.46	141.53	89.87	4.11	2.79	2.58
Current liabilities	815.97	738.59	851.07	146.77	79.42	27.12	5.10	3.37	3.97
Net Current Assets	(33.45)	(91.10)	(245.67)	46.69	62.11	62.75	(0.99)	(0.58)	(1.39)
Non Current assets	2,736.78	2,528.86	2,346.06	290.59	305.83	208.30	17.28	16.81	22.91
Non Current liabilities	674.15	658.77	622.24	144.58	161.39	104.84	0.38	0.34	0.37
Net Non Current Assets	2,062.63	1,870.09	1,723.82	146.01	144.44	103.46	16.90	16.47	22.54
Net Assets	2,029.18	1,778.99	1,478.15	192.70	206.55	166.21	15.91	15.89	21.15
Accumulated Non Controlling Interest	1,151.79	1,027.50	874.93	62.18	66.64	93.35	(3.92)	(2.14)	

** Non Controlling Interest has increased from 44.46% (31 March 2016: 43.87%) to 45.11% (31 March 2016: 44.46%) on account of issue of additional equity shares pursuant to ESOP scheme.

Summarised Statement of Profit and Loss	Firstsource Solutions Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Revenue	3,558.82	3,226.70	221.44	160.25	16.15	16.26
Profit / (Loss) after tax	279.24	260.92	(13.73)	40.42	(21.07)	(21.42)
Profit / (Loss) after net movement in Regulatory deferral account balances	279.24	260.92	(13.73)	40.42	(21.07)	(21.42)
Total Other Comprehensive Income for the year, net of tax	(48.01)	56.62	(0.13)	(0.08)	(0.01)	0.04
Total Comprehensive Income for the year	231.23	317.54	(13.86)	40.34	(21.08)	(21.38)

Profit	125.55	119.79	(4.42)	13.00	(1.78)	(2.14)
Other Comprehensive Income	(21.27)	21.34	(0.04)	(0.02)	—	—
Total Comprehensive Income	104.28	141.13	(4.46)	12.98	(1.78)	(2.14)

Summarised Cash Flows	Firstsource Solutions Limited		Crescent Power Limited		Au Bon Pain Café India Limited	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Cash Flow from Operating Activities	198.13	297.14	(8.89)	67.21	(15.16)	(14.91)
Cash Flow from Investing Activities	(231.49)	(101.10)	(46.58)	(113.98)	(5.92)	(0.88)
Cash Flow from Financing Activities	3.51	(207.44)	59.31	56.64	21.10	16.10
Net Increase/Decrease in Cash and cash Equivalents	(29.85)	(11.40)	3.84	9.87	0.02	0.31

Notes forming Part of Consolidated Financial Statements (Contd.)

NOTE - 62 Fair value measurements

a) The carrying value and fair value of financial instruments by categories as at March 31, 2017, March 31, 2016 and April 1, 2015 is as follows :

₹ in crore

	31-Mar-17			31-Mar-16			01-Apr-15		
	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL	Amortized cost	FVTOCI	FVTPL
Financial assets									
Investments									
- Equity instruments	0.01	4.89		0.02	2.51		0.02	4.69	
- Preference instruments		2.99	5.00		2.99	2.50		2.99	
- Mutual funds			691.66			495.28			569.44
- Commercial Paper				100.00					
Trade Receivables	1,559.64			1,413.17			1,714.89		
Loans	33.55		1.76	33.27		2.79	33.16		4.79
Cash and cash equivalents	1,254.74			852.67			772.76		
Other Bank balances	351.32			344.34			276.38		
Security Deposit	95.23		21.67	57.27		5.62	55.12		5.51
Margin Money deposits	26.00			24.30			26.09		
Advance to bodies corporate	54.03			23.59			1.68		
Interest accrued on Bank Deposit	13.08			13.42			6.52		
Derivative Asset	92.08		133.77	105.94		154.10	65.99		174.36
Receivable towards claims and services rendered	44.47			29.44			6.41		
Unbilled Receivable	152.07			128.79			115.15		
Others financial assets	138.58			135.76			141.41		
Total financial assets	3,814.80	7.88	853.86	3,261.98	5.50	660.29	3,215.58	7.68	754.10
Financial liabilities									
Borrowings	15,631.80			14,877.44			14,173.40		
Trade Payables	818.92			627.62			818.48		
Security Deposit	1,709.10			1,561.72			1,374.52		
Restoration liability	7.55			6.86			—		
Interest accrued	31.81			46.43			65.87		
Others	569.90		21.16	920.80		31.46	1,131.47		31.08
Total financial assets	18,769.08	—	21.16	18,040.87	—	31.46	17,563.74	—	31.08

Notes forming Part of Consolidated Financial Statements (Contd.)

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
As at 31 March 2017					
Financial assets					
Investment in equity instruments	4.89			4.89	4.89
Investment in preference instruments			7.99	7.99	7.99
Investment in liquid mutual fund units	691.66			691.66	691.66
Derivative financial instrument - cross currency swap		133.77		133.77	133.77
Loans			1.76	1.76	1.76
Security Deposits			21.67	21.67	21.67
Total financial assets	696.55	133.77	31.42	861.74	861.74
As at 31 March 2016					
Financial assets					
Investment in equity instruments	2.51			2.51	2.51
Investment in preference instruments			5.49	5.49	5.49
Investment in liquid mutual fund units	495.28			495.28	495.28
Derivative financial instrument - cross currency swap		154.10		154.10	154.10
Loans			2.79	2.79	2.79
Security Deposits			5.62	5.62	5.62
Total financial assets	497.79	154.10	13.90	665.79	665.79
As at 1 April 2015					
Financial assets					
Investment in equity instruments	4.69			4.69	4.69
Investment in preference instruments			2.99	2.99	2.99
Investment in liquid mutual fund units	569.44			569.44	569.44
Derivative financial instrument - cross currency swap		174.36		174.36	174.36
Loans			4.79	4.79	4.79
Security Deposits			5.51	5.51	5.51
Total financial assets	574.13	174.36	13.29	761.78	761.78

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**

- The fair values of the mutual fund instruments are based on net asset value of units declared at the close of the reporting date.
- The fair values of the cross currency swap is determined using discounted cash flow analysis and swaps and options pricing models.
- 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.
- Loans, non-current borrowings, security deposits and restoration liability are based on discounted cash flows using a current borrowing rate.
- Miscellaneous receivables/payables where carrying amount is reasonable approximation of fair value as settlement period cannot be reliably measured.
- Considering the nature, risk profile and other qualitative factors of the financial instruments of the Group, the carrying amounts will be the reasonable approximation of the fair value.

d) Under previous GAAP, financial assets/liabilities recorded at transaction value. 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.

(a) Related Party and their relationship

Name	Relationship	Place of Incorporation	Ownership Interest (%)		
			31-Mar-17	31-Mar-16	01-Apr-15
Rainbow Investments Limited	Parent having control in terms of Ind AS -110	India	44	44	44

(b) Details of transaction between the Company and related parties and status of outstanding balance

	Parent having control in terms of Ind AS -110			Other Related Parties			Key Management Personnel			Entities under common control			Total		
	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015
Expense Recoverable/ (Payable)															
RPG Power Trading Company Limited															
[Net of Recovery of ₹ 0.16 Cr (2015-16 : NIL)]															
Integrated Coal Mining Limited							0.13	0.05		0.13	0.05		0.13	0.05	
Open Media Network Limited							(1.42)	(1.43)		(1.42)	(1.43)		(1.42)	(1.43)	
Harrison Malayalam Limited							0.00	0.03		0.00	0.03		0.00	0.03	
Income from sale/services							0.00	0.00		0.00	0.00		0.00	0.00	
RPG Power Trading Company Limited							0.08	3.15		0.08	3.15		0.08	3.15	
Expenses incurred															
RPG Power Trading Company Limited							179.02	164.55		179.02	164.55		179.02	164.55	
Open Media Network Limited							3.00	4.10		3.00	4.10		3.00	4.10	
Saregama India Limited							0.29	0.00		0.29	0.00		0.29	0.00	
Woodlands Multispeciality Hospital Limited							1.00	0.95		1.00	0.95		1.00	0.95	
Integrated Coal Mining Limited							251.45	254.88		251.45	254.88		251.45	254.88	
Sarala Real Estate Limited							0.43	0.43		0.43	0.43		0.43	0.43	
Harrison Malayalam Limited							0.03	0.06		0.03	0.06		0.03	0.06	
Provident Fund & Retiral funds															
CESC Limited Provident Fund				174.41	160.17								174.41	160.17	
Calcutta Electric Supply Corporation (I) Ltd. Senior Staff Pension Fund				8.63	8.29								8.63	8.29	
Dividend paid															
Rainbow Investments Limited	58.80	58.80													
Remuneration of Mr. Aniruddha Basu, Managing Director															
Short Term Employee Benefits							2.97	2.12					2.97	2.12	
Post Employment Benefits							0.47	0.66					0.47	0.66	

Notes forming Part of Consolidated Financial Statements (Contd.)

(b) Details of transaction between the Company and related parties and status of outstanding balance															₹ in crore	
	Parent having control in terms of Ind AS -110			Other Related Parties			Key Management Personnel			Entities under common control			Total			
	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31-Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015	31-Mar 2017	31Mar 2016	01-Apr 2015	
Remuneration of Mr. Subhasis Mitra , Company Secretary Short Term Employee Benefits Post Employment Benefits Remuneration of Mr. Rajarshi Banerjee , Executive Director & CFO Short Term Employee Benefits Post Employment Benefits Remuneration of Directors Mr. P. Chaudhuri Mr. C .K Dhanuka Mr. S. Goenka , Chairman Mr. K. Jairaj Mr. B .M Khaitan Mr. P. K. Khaitan Ms. R.Sethi													–	–		
							1.55	1.27					1.55	1.27		
							0.50	0.48					0.50	0.48		
													–	–		
							1.50	1.19					1.50	1.19		
							0.46	0.32					0.46	0.32		
							0.18	0.13					0.18	0.13		
							0.20	0.20					0.20	0.20		
							23.47	23.36					23.47	23.36		
							0.15	0.12					0.15	0.12		
						0.20	0.18					0.20	0.18			
						0.18	0.17					0.18	0.17			
						0.17	0.13					0.17	0.13			
Outstanding Balance																
- Debit																
- Credit							0.71	0.48		14.29	35.01	(6.26)	14.29	35.01	(6.26)	
													0.71	0.48	0.48	
													</			

NOTE - 64 The Group has reclassified previous year's figures to conform to this years classification alongwith other regrouping / rearrangement wherever necessary.

For Lovelock & Lewes Firm Registration Number-301056E Chartered Accountants	For and on behalf of the Board of Directors
Sougata Mukherjee Partner Membership No. : 057084 Kolkata, 18th May, 2017	Chairman Managing Director Company Secretary Executive Director & CFO
	Sanjiv Goenka Aniruddha Basu Subhasis Mitra Rajarshi Banerjee

Statement Containing Salient Features of the Financial Statement of Subsidiaries / Associate Companies / Joint Ventures
(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of the Companies (Accounts) Rules, 2014)

Part A : Subsidiaries

(₹ in crore)

Sr No	Name of the Subsidiary	Reporting Period	Share Capital	Other Equity / Reserve & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for taxation	Profit after Taxation	Proposed Dividend	% of shareholding
1	Spencer's Retail Limited	April- March	296.75	(97.79)	583.05	583.05	29.78	2,021.27	(129.39)	—	(129.39)	—	100
2	Au Bon Pain Café India Limited	April- March	116.00	(100.09)	21.39	21.39	—	16.16	(21.07)	—	(21.07)	—	93.10
3	Music World Retail Limited	April- March	5.00	(26.04)	—	—	—	—	—	—	—	—	100
4	Omni-present Retail Limited	April- March	9.91	(7.54)	4.25	4.25	—	0.67	(11.27)	—	(11.27)	—	100
5	Gulftree Industries Limited	April- March	0.05	(0.79)	0.30	0.30	—	0.09	(1.32)	—	(1.32)	—	100
6	Quest Properties India Limited	April- March	259.31	(45.01)	510.03	510.03	1.15	111.56	9.72	(1.62)	8.11	—	100
7	Metromark Green Commodities Pvt. Ltd*	April- March	0.02	1.80	2.06	2.06	—	—	(0.22)	—	(0.22)	—	100
8	CESC Infrastructure Limited	April- March	2688.05	214.58	3820.58	3820.58	2790.06	7.84	7.24	—	7.24	—	100
9	Haldia Energy Limited	April- March	1203.44	439.08	5964.24	5964.24	40.00	2032.47	376.96	80.45	296.51	—	100
10	Dhariaul Infrastructure Limited	April- March	1275.77	(560.52)	4163.97	4163.97	—	445.05	(483.90)	—	(483.90)	—	100
11	Surya Vidyut Limited	April- March	134.24	131.23	946.88	946.88	—	65.98	(5.02)	(8.26)	3.24	—	100
12	Nalanda Power Company Limited*	April- March	1.35	(1.32)	0.02	0.02	—	—	(0.46)	—	(0.46)	—	100
13	CESC Projects Limited*	April- March	18.85	(14.75)	5.47	5.47	—	—	(5.75)	—	(5.75)	—	100
14	Bantal Singapore Pre. Limited	April- March	56.68	(50.80)	5.96	5.96	—	—	(0.14)	—	(0.14)	—	100
15	Ranchi Power Distribution Company Limited*	April- March	23.5	(25.03)	4.52	4.52	—	—	(4.82)	—	(4.82)	—	100
16	Pachi Hydropower Projects Limited*	April- March	4.42	(2.82)	2.61	2.61	—	—	—	—	—	—	100
17	Papu Hydropower Projects Limited*	April- March	2.82	(2.03)	0.80	0.80	—	—	(0.01)	—	(0.01)	—	100
18	Spenn Liq Private Limited	April- March	471.03	1.08	472.16	472.16	471.69	—	(0.02)	—	(0.02)	—	100
19	Kota Electricity Distribution Limited	April- March	0.05	4.32	252.83	252.83	—	334.35	(35.43)	—	(35.43)	—	100
20	Bikaner Electricity Supply Limited	April- March	0.05	1.80	97.16	97.16	—	0.19	(0.12)	—	(0.12)	—	100
21	Bharatpur Electricity Services Limited	April- March	0.05	15.37	66.91	66.91	—	47.54	(4.24)	—	(4.24)	—	100
22	Crescent Power Limited	April- March	60.00	196.97	437.71	437.71	6.57	167.12	47.61	0.14	47.47	—	67.83
23	New Rising Promoters Private Limited	April- March	0.01	(64.30)	49.24	49.24	—	51.13	(61.34)	—	(61.34)	—	67.83
24	Firstsource Solutions Limited (FSL)	April- March	681.31	1,318.09	2,268.07	2,268.07	1,344.99	940.07	218.74	30.28	188.46	—	54.89
25	Firstsource Group USA, Inc. \$	April- March	1.42	1,160.61	2,551.35	2,551.35	1,389.33	105.19	(54.54)	(8.33)	(62.87)	—	54.89
26	Firstsource BPO Ireland Ltd. €	April- March	—	25.41	26.08	26.08	—	1.13	0.34	0.26	0.08	—	54.89
27	Firstsource Solutions UK Ltd. £	April- March	22.93	272.68	590.38	590.38	—	1,092.09	85.44	17.02	68.41	—	54.89
28	Firstsource Process Management Services Limited	April- March	1.05	2.05	3.27	3.27	2.75	0.20	0.11	0.02	0.09	—	54.89
29	Firstsource-Dialog Solutions Pvt. Ltd. LKR	April- March	4.54	(0.02)	5.47	5.47	—	17.61	(2.73)	—	(2.73)	—	40.61
30	Firstsource Business Process Services, LLC, \$	April- March	—	143.72	263.51	263.51	—	—	(0.01)	—	(0.01)	—	54.89
31	Firstsource Solutions USA, LLC, \$	April- March	—	1,877.21	2,006.19	2,006.19	—	522.11	55.90	—	55.90	—	54.89
32	Firstsource Advantage, LLC, \$	April- March	0.07	111.84	146.29	146.29	—	285.32	8.45	—	8.45	—	54.89
33	Firstsource Transaction Services, LLC, \$	April- March	—	153.82	178.89	178.89	—	588.24	17.86	—	17.86	—	54.89
34	Firstsource Solutions S.A. ARS	April- March	—	—	—	—	—	—	—	—	—	—	54.89
35	Medassit Holding LLC, \$	April- March	—	—	—	—	—	—	—	—	—	—	54.89
36	One Advantage LLC, \$	April- March	—	32.17	37.47	37.47	—	87.75	19.20	—	19.20	—	54.89
37	ISGN Solutions Inc. \$	April- March	0.01	314.08	315.83	315.83	—	32.70	1.24	0.01	1.23	—	54.89
38	ISGN Fulfillment Services, Inc. \$	April- March	—	1.57	27.34	27.34	—	256.23	(14.28)	(0.02)	(14.30)	—	54.89
39	ISGN Fulfillment Agency, LLC	April- March	—	—	—	—	—	—	—	—	—	—	54.89

\$ Converted to Indian Rupees at the Exchange Rate, 1 USD = INR 64.85

£ Converted to Indian Rupees at the Exchange Rate, 1 GBP = INR 80.90

€ Converted to Indian Rupees at the Exchange Rate, 1 EUR = INR 69.29

Converted to Indian Rupees at the Exchange Rate, 1 LKR = INR 0.4251

Subsidiaries yet to commence operation *

For and on behalf of the Board of Directors

Chairman Sanjiv Goenka
 Managing Director Aniruddha Basu
 Company Secretary Subhasis Mitra
 Executive Director & CFO Rajarshi Banerjee

Kolkata, 18th May, 2017

**Statement pursuant to section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures**

Part B : Associates and Joint Ventures

Name of Associates / Joint Ventures	Noida Power Company Limited	Mahuagarhi Coal Company Private Limited
Latest audited Balance Sheet Date	31/03/2017	31/03/2017
Shares of Associate/Joint Ventures held by the company on the year end	29728500	2429800
Amount of Investment in Associates/Joint Venture (₹ Crore)	30.63	2.43*
Extent of Holding %	49.55%	50%
Description of how there is significant influence	By way of Shareholding	By way of Shareholding
Reason why the associate/joint venture is not consolidated	NA	NA
Networth attributable to shareholding as per latest audited Balance Sheet (₹ Crore)	381.21	(0.92)
Profit / (Loss) for the year (₹ Crore)		
(i) Considered in Consolidation	48.39	–
(ii) Not Considered in Consolidation	Nil	Nil

*Fully provided for

For and on behalf of the Board of Directors

Chairman	Sanjiv Goenka
Managing Director	Aniruddha Basu
Company Secretary	Subhasis Mitra
Executive Director & CFO	Rajarshi Banerjee

Kolkata, 18th May, 2017

List of Establishments

GENERATING STATIONS

Budge Budge

Vill. & P.O. - Pujali, P.S. Budge Budge
 24 Parganas (S), Pin : 700 138
 Phone : 2482 1113, 2482 1709
 2482 2957, 2482 1708

Southern

28 Garden Reach Road
 Kolkata 700 024
 Phone : 2469 7558, 2469 6886
 2469 3608, 2469 7557

Titagarh

B. T. Road, P.O. Khardah, Titagarh
 24 Parganas (N), Pin : 700 119
 Phone : 2501 1042, 2501 1180, 2553 3392

Investor Service

Secretarial Department
 CESC House
 Chowringhee Square
 Kolkata 700 001

Phones :

For resident shareholders
 6634 0814
 For non-resident shareholders
 (91) (033) 6634 0754
 Fax : (033) 2236 3868
 E-mail : secretarial@rp-sg.in

REGIONAL OFFICES

Central

CESC House
 Chowringhee Square
 Kolkata 700 001
 Phone : 2225 6040 (10 lines)

Howrah

433/1 G. T. Road (N)
 Howrah 711 101
 Phone : 2676 5700

North

226 A & B APC Road
 Kolkata 700 004
 Phone : 2509 6100

North Suburban

32 B. T. Road
 (Opp. Sagar Dutta Hospital)
 Kolkata 700 058
 Phone : 6645 4300

South

6 Mandeville Gardens
 Kolkata 700 019
 Phone : 2485 6100

South-West

P-18 Taratolla Road
 Kolkata 700 088
 Phone : 2420 5000

In case of supply breakdown
 billing and payment assistance
 please contact

1912

44031912

1860 500 1912

CUSTOMER RELATIONS

CESC House
 Chowringhee Square
 Kolkata 700 001
 Phone : 2225 6040 – 49



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REGISTERED OFFICE

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